



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



South Africa



Republic of



Parliament of the

The Secretary to Parliament presents

The Annual Report

2010 - 2011



PARLIAMENT

OF THE REPUBLIC OF SOUTH AFRICA

ANNUAL
REPORT
2010-2011

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Our Vision:

To build an effective people's Parliament that is responsive to the needs of the people and that is driven by the ideal of realising a better quality of life for all the people of South Africa.

Our Mission:

As the freely elected representatives of the people of South Africa, our mission is to represent, and act as a voice of the people, in fulfilling our constitutional functions of passing laws and overseeing executive action.

Presiding Officers of Parliament of the Republic of South Africa



Mr MV Sisulu
Speaker
National Assembly



Mr MJ Mahlangu
Chairperson
National Council of Provinces



Ms NC Mfeketo
Deputy Speaker
National Assembly



Ms TC Memela
Deputy Chairperson
National Council of Provinces

Foreword by the Secretary to Parliament



I am pleased to present to the Speaker of the National Assembly and the Chairperson of the National Council of Provinces the Annual Report of Parliament for the year ending 31 March 2011.

The fourth democratic Parliament, inaugurated in 2009, lays emphasis on strengthening the oversight function, increasing public involvement and participation, strengthening cooperative government, widening the role of Parliament in international cooperation and participation and continuing to build an effective and efficient people's Parliament. These strategic objectives inform the initiatives and projects as reflected in the Strategic Plan of Parliament 2009-2014, which was tabled in August 2010.

This year saw the establishment of the Unit on Chapter 9 Institutions in the Office of the Speaker. This Unit will co-ordinate Parliament's interactions with these institutions.

The process to implement the Financial Management of Parliament Act (2009) was concluded during this financial year.

This was followed by the Improvement of the Financial Management Environment of Parliament project to support and enhance the financial management function and ensure that a financial management culture, consistent with the values of Parliament and the Act, is entrenched. This project commenced in November 2010 and places more emphasis on Planning and Budgeting, Supply Chain Management and Reporting and Auditing.

An ICT infrastructure upgrade was undertaken to ensure integration, maximum mobility and better utilisation of the server infrastructure, network stability, 100% availability and high-speed performance. Parliament now boasts a secure high availability and high performance network.

As the business of Parliament becomes more reliant on ICT systems, it became vital to have a system that replicates data off-site so that the parliament information is protected against disaster scenarios. In order to ensure business continuity a disaster recovery system was installed. The disaster recovery system will be expanded and improved in 2011.

A decision was undertaken to upgrade the National Council of Provinces Chamber to ensure that the Chamber is optimally supported and equipped to run effectively. A similar project will be undertaken for the National Assembly Chamber.

A project to develop the Public Participation Model to improve public involvement and participation is well under way.

The NCOP's Taking Parliament to the People took place in November 2010 in Qwaqwa, Free State, and was attended by 57 000 people.

Preparations to implement the Money Bills Amendment and Related Procedures Act are in progress. The Act provides for, among others, the establishment of the Budget Office. As part of this, Parliament undertook study tours in Kenya, Germany and Sweden in Dec 2010 and Japan and Korea in January 2011 to learn about the establishment and functioning of a parliamentary budget office.

As part of putting in place mechanisms to strengthen international relations capacity, the International Relations Section was elevated to the level of Division.

The year ahead will see us integrating the key functions of planning, budgeting, performance reporting and improvement into one strategic function to derive benefits and value not available from managing them separately. The project aimed at improving efficiency in the services provided to Members and Committees by splitting the current Legislation and Oversight Division into two separate Divisions is expected to be completed by the end of 2011. These

two interventions form part of an overall restructuring of the administration during this term of Parliament.

This Annual Report reflects on the achievements made in the 2nd year of implementation of the Strategic Plan for the 4th Parliament. It is aligned with the Medium-Term Expenditure Framework for reporting period, and the direction set in the Policy Imperatives as tabled in Parliament.



ZA Dingani
Secretary to Parliament

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1. VOTE PERFORMANCE



1. VOTE PERFORMANCE

1.1 Aim of the Vote

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

- Improvement of support provided to Parliamentary Committees
- Enhance the role of Parliament in International Relations
- Develop a Public Participation model for Parliament

1.2. Programme and strategic objectives

This annual report indicates achievements of 5 strategic objectives of Parliament as provided through the programmes reflected in the Estimates of National Expenditure (ENE) - Vote 2. It is presented to reflect the strategic priorities of Parliament for this financial year, which are the following:-

- Effective and efficient parliamentary services
- Effective compliance and monitoring of implementation of policies and the Financial Management of Parliament Act
- Establishment of the Office of Institutions Supporting Democracy
- Improvement of Financial Management Environment
- Establishment of Oversight Mechanism Structures

PROGRAMME 1: ADMINISTRATION



PROGRAMME 1: ADMINISTRATION

Purpose:

To provide policy and strategic leadership to Parliament, overall management, administration and support services to the Executive Authority, Members of Parliament, management and employees of Parliament.

Administration consists of the Office of the Speaker of the National Assembly, Office of the Chairperson of the National Council of Provinces, Office of the Secretary to Parliament, Corporate Services, and Institutional Support Services subprogrammes.

Its activities include policy direction by the Executive Authority, which is the Speaker of the National Assembly and the Chairperson of the National Council of Provinces acting jointly. The Office of the Secretary to Parliament provides centralized support services to Parliament.

Outcome:

Enhanced image and positioning of Parliament as a respected premier institution of the country

Strategic Objectives

To build an effective and efficient institution by restructuring the administration to be in line with

the programmes and operations of Parliament, establishing policy-based committees by 2011-12 and capacitating Members of Parliament by 2014.

Programme Outputs

In ensuring effective and efficient functioning of Parliamentary Services during this financial year the following structures and services were provided:-

Reviewed the business process of internal printing unit that resulted in the reduction of cost.

Established the Supply Chain

Management Office with the intention of mainstreaming procurement shared service.

The approved organisational structure of the Office of Institutions Supporting Democracy has been populated and started with the processes of employee placement. Conducted an assessment of the needs and challenges faced by the Pan-African Parliament.

Compliance and transparency

Disclosure of Members' Interests completed and adopted by the Joint Committee on Ethics and Members' Interests.

Conducted workshops on the Code for Members of the Eastern Cape Legislature.

Followed up on the findings of the Auditor-General in respect of non-disclosure of directorships by Employees, and report was finalised and workshops conducted for employees who did not fully comply.

Employees' Wellness Programme
Trained 220 LOD employees and SHE Compliance Officers in level one first aid. Oriented and inducted new employees on Wellness Programme at Parliament. Employees participated in Big Walk Wellness Programme initiative in which 2 700 employees and their family members enrolled. On Aids Day, 220 people went for HIV Counselling and Testing (HCT). Provided the telephone counselling service (60%) and it was the most utilised service. The most prevalent problem involved relationships.

Risk assessment – Audit and Human Resource

Follow-up reviews of information technology were conducted on Vulnerability Assessment; Change Control; General Computer Controls; Application Controls; and assessment of Maturity of IT Processes. Institutional risk assessment was conducted to identify 10 priority risks. Conducted the baseline risk assessment to the management of the stores. Safety signage installed within Marks Building and 90 Plein building. Conducted risk assessment on delivery ramp-related requirements and relevant systems

were put in place. Conducted office ergonomic risk assessment.

Employee development

Capacity building was conducted on managing misconduct, poor performance and incapacity of managers and supervisors. Parliamentary Management Development Programme (PMDP) from Stellenbosch University was introduced and 28 emerging managers have been enrolled.

Legislative Sector support

The Parliamentary Service is in the process of developing the monitoring and evaluation framework for the legislative sector. Eight sector meetings were facilitated to institutionalise the Legislative Support approach by the end of the 4th term.

Other support

A special Committee of Chairpersons (CoC) meeting was held to deal with the Reviewing the Legislative Processes in Parliament. A guiding document on focus areas for the 4th term was developed.

Petitions and unsolicited submissions from the public were processed, tracked and monitored, and have been reported accordingly.

Forty-one protocol and ceremonial services were facilitated.

Effective compliance with policies and the Financial Management of Parliament Act

Committees were supported by providing 35 legal opinions. These

also included requests for access to information in terms of the Promotion of Access to Information Act. Reviewed 37 policies to ensure the achievement of Parliament's objectives in compliance with established laws and regulations.

Conducted training for all employees on establishment of an anti-fraud culture.

The following support and services were also provided:-

Capacitated Financial Management Office to strengthen the improvement of financial management environment by establishing Improvement of Financial Management Environment Project (IFMEP).

Capacitated the Internal Audit function to ensure implementation of Auditor-General South Africa recommendations and enhance risk management processes. Developed an integrated risk profile for Parliament through a comprehensive risk analysis process. Two study tours were conducted to do comparative studies of the Money Bills Amendment Procedure and Related Matters Act. In addition, three workshops for MPs on the implementation of the Parliamentary Budget Office were conducted. The appropriate governance structure of the Oversight Mechanism (OM) was finalised as required by the Financial Management of Parliament Act. Drafted financial statements in accordance with GRAP standards for the first time in this financial year. Submitted monthly financial statements compliant with section 51 of the FMPA to the Executive Authority and National Treasury.

National treasury accepted the request for the new budget structure, this was done to ensure the alignment of strategic plan and Estimate of National Expenditure. Financial statements were drafted on new reporting framework - Generally Recognised Accounting Practice (GRAP). This new GRAP framework came up with new financial discipline or practice in the parliamentary service hence there was change management advocacy to introduce the Improvement of the Financial Management Environment of Parliament (IFMEP).

During this period the Pan African Parliament was provided with numerous technical and content support. A team of specialists and managers was requested to facilitate strategic planning for the PAP for the period 2011 to 2013. Parliament coordinated the PAP workshop of the Bureau and statutory committee meeting of the permanent members. Members were also provided with support to participate in joint workshop of the Bureau of PAP, Permanent Committees, Regional and Women Caucuses, and the Committee on Administrative and Financial evaluation.

Institutionalise the Legislative Support approach by the end of the 4th term.

The Policy on Revenue Sharing Framework was approved by the Speakers Forum of the Legislative Sector and the transfers to institutions will commence in 2011-12 financial year. The EU Delegation was engaged regarding the second donor submission. A meeting with Treasury and Independent Development Corporation's

(IDC) representative was coordinated to ascertain the possibilities of donor funding in South Africa.

Strengthening and implementation of Enterprise-wide Risk Management (ERM) strategy, Internal Control and Governance systems.

Monitored ICT trends and development of relevant business systems to support effective operations of the institution. Parliamentary ICT Steering Committee endorsed the improvement of ICT systems, identified and mitigated those risks.

Provided ICT Training to 423 employees and 136 Members of Parliament.

Provided training on Parliamentary Content Management System (PCMS) to 177 new and 254 refresher users and rolled out PCMS to 132 employees.

Reviewed and revised ICT Strategy (MSP) 2009-2014 to align it with Parliament Strategy.

Projects initiated:

Technology Enhancement of the NCOP Chambers. Video-Broadcast Upgrade Project. ICT Infrastructure Upgrade.

Marang (ERP) systems:
99% availability and maintenance of ERP systems (no unscheduled downtime).

Maintenance and Support - ICT Business Support systems:
99% availability and maintenance of business systems and no unscheduled downtime.

Audio Visual systems:

99% availability and maintenance of audio visual systems within Committee rooms and Chambers.

Business systems and applications:

ICT presented training on the usage of ICT products, new software and hardware to Members of Parliament and employees. ICT completed a business case to develop a Budget Tool (oversight). The Biometrics (time and attendance) business case was also developed and it was endorsed by the ICT Steering Committee. User Requirements Analysis of Digital Recording System and NCOP Chamber upgrade was completed. All audio visual systems have been operational and maintained at between 96% and 100%, particularly during the business of Parliament. Mid-Term Review of ICT strategy MSP 2009-2014 was also finalised.

Facilitated engagement through the ICT Focus Group with Members of Parliament to encourage the exploration of public participation platforms to increase civic activism and citizen involvement in Parliament; two (2) meetings held.

Provided Business Analysis services in support of institutional improvement. Developed eight (8) business cases and six (6) was endorsed by the ICT Steering Committee.

Developed 3 user requirements which were endorsed by the business owners. Developed 4 functional design specifications for PCMS. Upskilled ICT employees through functional ICT, ARIS, Oracle, Sound and Vision training.

Participate in regional and international ICT events

Hosted and participated in the annual World e-Parliament and African Parliaments Knowledge Network (APKN) conferences. Facilitated adoption by SALSAs of ICT Strategic Planning Framework to the Information System Forum (collaborative ICT forum between the legislatures and Parliament). One ICT Steering Committee meeting was held to discuss and/or endorse the infrastructure upgrade and renewal / Disaster Recovery, and the NCOP upgrade project. In NCOP upgrade, the design for gallery and chamber was completed within the required timeframes. To enhance the regional collaboration Parliament hosted Akoma Ntoso workshop – Localising Akoma Ntoso, Extensible Markup Language (XML). XML is a simple, very flexible text format that originally was designed to meet the challenges of large-scale electronic publishing. It is also playing an increasingly important role in the exchange of a wide variety of data on the Web and elsewhere.

Technical Mission to Zambia

The collaboration of Parliament of South Africa with Global Centre for ICT in Parliament and SADC-PF was to assist the National Assembly of Zambia in strengthening the ICT Institutional Framework through the development of the Parliamentary Information System Operation Policy (PISOP), in accordance with recommendations of its ICT Master Plan.

Parliament SA successfully implemented the TRADOS (translation services software) project in collaboration with Pan African Parliament. The project was

funded by the United Nations (UN) and Parliament SA is currently hosting the TRADOS server.

Effective office space utilisation

A number of heritage items were restored by service providers: antique furniture, wall clocks, picture frames and old parliamentary dinnerware.

87 artworks on paper were conserved. 35 images were supplied and 4 artworks lent out.

PROGRAMME 2: LEGISLATION AND OVERSIGHT



PROGRAMME 2: LEGISLATION AND OVERSIGHT

Purpose:

To fulfil Parliament's legislation and oversight mandate and to provide auxiliary services to enable the effective functioning of both Houses and committees.

Objectives:

To Strengthen and support Parliament's oversight and legislative functions to ensure achievement of constitutional mandate. To continuously cultivate and preserve institutional knowledge by ensuring recording of all proceedings. To Ensure compliance with the Constitution and House Rules by both Houses and their Committees by giving procedural advice, support and guidance.

Outcome:

Oversight processes and laws that are responsive to the needs, of the people and protect the rights, of the people of South Africa.

Programme Outputs

Develop joint planning, monitoring, co-operation and evaluation mechanism with relevant stakeholders

Consolidated and distributed provincial programmes to assist the Programming Whip to attend to special delegates at Joint Sitting debate. Co-ordinated the

presentation of Municipal and Provincial Audit report by the Auditor-General.

There was joint planning during the:-
Facilitation of a provincial briefing on the Division of Revenue Amendment Bill via video conferencing. Consolidation and distribution of provincial programmes to assist the Programming Whip Facilitation of a meeting to revitalize NCOP content on parliamentary website. Documentation of ATCs, Order Paper and speakers' list that were published on the Chamber Information Management System

Liaised with Provinces regarding the following 5 Bills:-

- Black Authorities Act Repeal Bill [B9 – 2010]
- Independent Police Investigative Directorate Bill [B15B – 2010]
- Civilian Secretariat for Police Service Bill [B16B – 20Higher Education and Training Laws Amendment Bill [B26B - 2010]
- Division of Revenue Amendment Bill [B35 – 2010]

Coordinated attendance of special delegates at Joint Sitting.
3 Minutes prepared for Programme Committee meetings, 2 for Subcommittee on Review of Rules and 1 for Joint Rules Committee.

The following 3 Bills were tagged:

- Local Government: Municipal Electoral Amendment Bill, [B27 – 2010]
- Immigration Amendment Bill, 2010
- Refugees Amendment Bill, 2010

Communicated with provincial legislatures to finalise mandates of the following pieces of legislation:

- Social Assistance Amendment Bill [B2B -2010]
- Independent Police Investigative Directorate Bill [B15B -2010]
- Civilian Secretariat for Police Service Bill [B16B – 2010]

21 reports for publishing in the ATC were prepared.

4 statements in terms of section 106(3) of the Local Government: Municipal Systems Act, 2000:

- Mandeni Municipality
- Indaka Municipality
- Ehlanzeni District Municipality
- Midvaal Local Municipality

5 termination interventions were conducted for five municipalities in terms of section 139 of the Constitution.

Review and amend the existing rules on oversight

4 meetings of Subcommittee on Review of NA Rules Committee were held. Procedural advice was provided in relation to Joint Rule 159.

Implementation of the Oversight and Accountability Model

The gaps identified during the implementation of the model are being addressed by reorganisation of the Legislation and Oversight Division. The IT systems are being investigated to consider user requirements.

Oversight and Accountability

Facilitated the participation of Ministers, Deputy President and President in questions sessions and other programmes of Parliament.

Advised departments of the deadline for tabling legislation to ensure that Parliament receives legislation on time, which allowed committees to process bills satisfactory.

Research and content (briefs and fact sheets) support was provided during the International Consultative Seminar on the Millennium Development Goals held at Parliament.

Completed analysis of annual reports of government departments. Produced papers for the 55th United Nations Session of the Commission on the Status of Women in New York.

In consolidating the implementation process of the establishment of the Parliament Budget Office (PBO), the study Tour of relevant countries (Korea, Japan, Kenya, Germany and Sweden) was undertaken. This was to explore

the role and capacity of legislatures in budget processes, and specifically the functions of agencies established to assist and advise members.

The objectives of these study tours included examining the:

- extent of budget amendment powers in identified Parliaments and the relationship between these Parliaments and other branches and agencies of their respective state;
- functions, extent of independence and capacity of budget offices or similar mechanisms;
- role of parliamentary committees and how these interact with each other in budget processes; and
- the level of public participation and engagement with civil society during budget proceedings.

Furthermore, the representative Development Bank of Southern Africa (DBSA) participated in the workshop that was conducted. The emphasis of the workshop was on institutional arrangements with regard to the:-

- Core functions in the Money Bills Amendment Procedure and Related Matters Act No
- Comments on mandatory and discretionary functions of PBO
- Capacity and structural issues of PBO

Various reports were analyzed to facilitate the oversight work by committees:

- An analysis of the Mine Health and Safety Council's Annual Report 2009-10
- An analysis of the Petroleum Agency South Africa (PASA) Annual

Report 2009-10

- Analysis of the Mining Qualifications Authority Annual Report for 2009-10
- Summary and analysis of DBSA 2009-10 Annual Report
- South African Social Security Agency – 2009-10 annual report analysis
- Annual Report of the Portfolio Committee on Higher Education and Training
- Productivity SA Annual Report
- An analysis of the Unemployment Insurance Fund Report - 2009-10
- The Department of Labour's Annual Report - 2009-10
- An Analysis of the Compensation Fund's Annual Report 2009-10
- The CCMA Forensic Report 2010.

Pass outstanding and new legislation

Procedural advice and guidance was provided to 43 sittings of the National Assembly at which advice was provided on 39 Bills that were passed. Advice was also provided for the adoption of the Appropriation Bill.

Provided content and secretarial support in 4 NA PC, 5 CWF and managed proceedings of 5 meetings of National Assembly Programme Technical Committee, 1 JPC and 1 NA Resolution Committee.

2 Joint Sittings were held.

Processed 9 appointments and 9 resignations of Members of the NA.

Processed 83 House resolutions within the set timeframe.

Provided legal advice (relating to procedural issues) on the designation of members of the Magistrates' Commission.

Supported the legislative programme in the following:-

Ensured that Parliamentary Liaison Officers provide information to committees during the Budget Review and Recommendations Report (BRRR) process in terms of the money Act. RICA Bill - which extends the deadline for personal information to be submitted.

Ongoing consultation with Ministries and Committee Chairpersons on priority legislation.

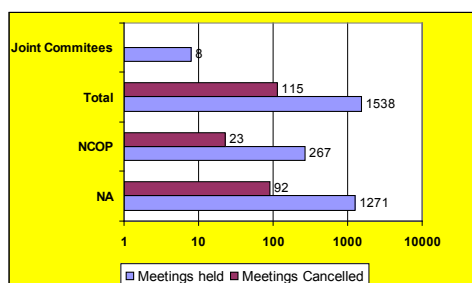
The 3 Higher Education Bills (S76) were passed.

Ongoing tracking of legislative priorities as set out by departments in their legislative programme for 2010.

Provide secretarial and administrative services to chairpersons and members of committees

Secretarial and administrative services rendered to chairpersons and members of committees.

Committee Meetings for the year end – 01 January 2010 to 31 December 2010



There were a total of 1679 meetings - 1271 in the National Assembly and 267 in the National Council of Provinces, respectively. The cancelled meetings totalled 115 - 92 for the National

Assembly and 23 for the National Council of Provinces. Joint Committees had 8 meetings.

Oversight trips (for the year end – 01 January 2010 to 31 December 2010) undertaken by Committees: 103

Committees of the National Assembly: 74
Committees of the National Council of Provinces: 29

22 International Study Tours undertaken by committees amongst others are the following:-

National Assembly Committees:

- Portfolio Committee on Mineral Resources – Bolivia
- Portfolio Committee on Labour – Geneva
- Portfolio Committee on Energy – Ghana
- Portfolio Committee on Social Development – Brazil
- Portfolio Committee on Public Service and Administration – Ghana

National Council of Provinces Committees:

- Select Committee on Public Services - Cuba
- Select Committee on Social Services - Netherlands
- Select Committee on Economic Development and Select Committee on Trade and International Relations - China
- Select Committee on Labour and Public Enterprises – Japan

Joint Committees: 2

- Constitutional Review Committee – France and Italy
- Members of different Portfolio and Select Committees - Mexico (Cancun)

Bills considered by committees.

Committees processed 45 Bills - amongst others are the following:

- Independent Police Investigative Directorate Bill [B15D-10(S76(1))]
- Civilian Secretariat for Police Service Bill [B16D-10(S76(1))] Police
- Local Government: Municipal Systems Amendment Bill [B 22-10 (s75)]
- Correctional Matters Amendment Bill [B 41-10 (prop s75)]
- Companies Amendment Bill [B 40-10 (s75)]
- Merchant Shipping (Safe Containers Convention) Bill [B 31-10 (s75)]
- Immigration Amendment Bill [B 32-10 (s75)]
- Basic Education Laws Amendment Bill [B 36-10 (s76(1))]
- Rural Development and Land Reform General Amendment Bill [B 33 – 201]
- Division of Revenue Bill [B4-2011] (Reprint)

The following were referred to the Mediation Committee, which adopted new versions of the Bills:

- Independent Police Investigative Directorate Bill [B15D-10(S76(1))]
- Civilian Secretariat for Police Service Bill [B16D-10(S76(1))]

The following Bills were still before committees of the National Assembly and National Council of Provinces**Committees of the National Assembly**

- Traditional Courts Bill [B 15-08 (s76(1))]
- Constitution 17th A/B [B 8-09 (s74)]
- Protection of Personal Information Bill [B 9-09 (s75)]
- Protection from Harassment Bill [B 1-10 (s75)]
- SA Post Office Bill [B 2-10 (s75)]

Committees of the National Council of Provinces

- Sectional Titles Schemes Management Bill [B 20B-10 (s76(1))]
- Community Schemes Ombud Service Bill [B 21B-10 (s76(1))]
- Merchant Shipping (Safe Containers Convention) Bill [B 31B-10 (s75)]
- Immigration A/B [B 32B-10 (s75)]
- Basic Education Laws A/B [B 36B-10 (s76(1))]

Ad Hoc Committees:**Four Ad Hoc Committees were established by the Houses:**

- Ad Hoc Committee on Commission on Gender Equality Forensic Investigation
- Ad Hoc Committee on Protection of Information Bill
- Joint Ad Hoc Committee on Judicial Conduct and the Regulations on Judges' Disclosure and Registrable Interests
- Joint Ad Hoc Committee on Second Implementation Report on South Africa's Peer Review Programme of Action

Legislative Proposals

The Legislative Proposals were referred to the Committee on Private Members' Legislative Proposals and Special Petitions of the National Assembly:

- Legislative proposal to amend the Choice on Termination of Pregnancy Act, No 92 of 1996
- Legislative proposal to prohibit contracting between an organ of state in the national sphere of government and companies whose directors are party-political office-bearers or public representatives, or whose shareholders are party-political office-bearers or public representatives or political parties
- Legislative proposal to regulate business interests of State employees

The Committee reported on the following 6 Proposals:

- Legislative proposal to amend the Choice on Termination of Pregnancy Act, No 92 of 1996
- Legislative proposal to amend the Land and Agricultural Development Bank Act, No 15 of 2002
- Legislative proposal to repeal the South African Boxing Act, No 11 of 2001
- Legislative proposal to regulate private funding of political parties
- Legislative proposal to correct certain anomalies in the Executive Members' Ethics Act, No 82 of 1998
- Legislative proposal to amend the Employment Equity Act, 1998 (Act No 55 of 1998) was withdrawn.

Legislative Proposal before the Committee on Petitions and Members' Legislative Proposals (NCOP):

Legislative proposal with regard to the amendment of the Municipal Systems Act, 2000

International agreements

17 International Agreements were processed by committees. Amongst others are the following:

- Amendments to the Convention on Prohibitions or Restrictions on the use of Certain Conventional Weapons Which May Be Deemed to Be Excessively Injurious or to Have Indiscriminate Effects (CCW)
- Agreement on Requirements for Wine Labelling of the World Wine Trade Group (WWTG)
- Agreement on Mutual Acceptance of Oenological Practices by the World Wine Trade Group (WWTG)
- Agreement between the Government of the Republic of South Africa and the Government of the Republic of Zimbabwe for the Promotion and Reciprocal Protection of Investments
- Agreement between the European Community and its Member States, of the one part, and the Government of the Republic of South Africa, of the other part, Amending the Agreement on Trade, Development and Cooperation (TDCA)
- Preferential Trade Agreement (PTA) between the Southern African Customs Union (SACU) and the Common Market of the South (MERCOSUR)
- Protocol amending the Convention

between the Government of the Republic of South Africa and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income and Capital Gains

- Protocol amending the Convention between the Republic of South Africa and the Kingdom of Sweden for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with respect to Taxes on Income
- Accession to the African Charter on Democracy, Elections and Governance
- Final Acts of the International Telecommunications Union (ITU) Plenipotentiary Conference, Antalya, 2006

Members' speeches interpreted during all plenaries.

An amount of R6 million has been set aside for the equipping of the interpreting booths in 90 Plein Street to increase the booth space for additional intake of staff for interpreting in additional plenaries and committees' venues.

The current interpreting evaluation tool is being revised so that it can be used as a proactive mechanism of identifying and rectifying poor performance in interpreting. This tool will also assist in identifying whether the problem occurs when staff are interpreting into, or from, their mother languages.

Interpreting services were provided during the meeting of the Youth Development Forum that was held in Caledon. The South African Sign

Language (SASL) interpreters had to work inordinately long hours due to the fact that their clients had to be interpreted for even after the meetings had ended, such as in the dining halls in the mornings and evenings.

Recording and Transcription:

100% of Members' speeches were recorded and transcribed. However, the agreed timeframes were not met in all instances due to systemic challenges when the digital recording system malfunctioned and lost the data which had to be retrieved through other systems.

Publishing:

100% of publications have not been achieved. There is still a bottleneck at the checking and collation levels. An action plan to clear the backlog that developed after the 2010 Extended Public Committees (EPCs) is currently underway. Three freelance editors have been employed.

Bound Volumes of Hansard produced

Delivered volumes 13, 14,, 69, 70, 71, 74, 118, 119 & 122 of Hansard. Technical challenges experienced in delivering volume 128 of 2009 are being addressed.

Translation

Non-Hansard documents translated and edited: Translations delivered as agreed with the clients. 1713 pages were translated and edited during this financial year.

Number of Questions & pages translated and edited: Translated Questions were delivered as agreed with client. 2997 Questions were translated and 160 edited during this financial year.

Number of Motions & pages translated

and edited: Translated Motions were delivered as agreed with client.

469 Motions were translated and edited during this financial year.

Bills translated: Translated a Bill with 108 pages.

Legislative Programme and Bills tracking

16 New Bills were introduced.

The Electoral Laws Bill was approved by Cabinet.

The Medium-Term Budget Policy Statement (MTBPS) and the Adjustments Appropriation Bill were introduced in October 2010.

The Adjustments Appropriation Bill was debated in the National Assembly and Ministers were present to answer questions on either overspending or under-spending on their respective budgets.

The Municipal Electoral Bill – requested prioritization to allow IEC to complete its work prior to the local government elections.

RICA Bill - which extends the deadline to June 2011 for personal information to be submitted.

Request - for the Companies Amendment of Bills to be prioritized in order to be passed urgently.

Letters sent to departments requesting their legislative programmes to be submitted by the end of January after the Cabinet lekgotla to develop government's legislative priorities for 2011 to inform the parliamentary programme.

Incorporated priorities identified by Cabinet lekgotla into the legislative programme.

Develop oversight monitoring and evaluation system

A summary of decisions by House Committees sent to relevant stakeholders within 48 hours with one Joint Rules Committee meeting and Subcommittee meetings on Review of NA Rules Committee.

Supported processes of oversight and accountability on the following:-

Workshop

A workshop was held for Parliamentary Liaison Officers and departmental employees, in preparation for the Medium-Term Budget Policy Statement (MTBPS) process and matters relating to the Money Act. The Office of the Leader of Government Business (LOGB) convened 3 previous workshops on matters relating to the Act.

The Money Bills Amendment Procedure and Related Matters Act requires National Assembly Committees to submit Budget Review and Recommendation Reports. In order

to enable staff supporting these committees to draft the reports, a workshop was conducted on how to assess the financial performance of a government department. The workshop was facilitated by officials from the Auditor-General's office and those from National Treasury.

Reports for LOGB on parliamentary business

A total of 17 reports were submitted to the Leader of Government Business for Cabinet on parliamentary issues such as outstanding replies to Questions. This gave Ministers insight into questions they have not yet replied to.

Facilitated participation of the Cabinet in Plenaries:

Facilitated the participation of President, Deputy President and Ministers in Questions sessions in both Houses.

A total of 2 reports were submitted to political parties on availability of Ministers, ensuring that Questions are prioritized based on availability in the House so as to maximize the effect of supplementary questions.

Advised departments of the deadline for tabling legislation to ensure that Parliament receives legislation timeously, which will allow Committees adequate time to process Bills.

Budget Vote Debates

Facilitated the consultation on scheduling of Budget Votes. This was done in consultation with the Parliamentary Liaison Officers and the

programming whips. The Budget Vote process was completed in June 2011.

Facilitated Communication on Compliance Matters

Ensured that departmental Parliamentary Liaison Officers are mindful of the department's compliance with Parliament's regulations and requirements in terms of:

- Joint Rule 159 – for new legislation to be introduced;
- National Assembly Rule 241- withdrawal of proposed legislation;
- Tabling of Strategic Plans [9 March] - to facilitate the processing of departmental Budget Votes by committees;
- Translations of Bills - a constitutional requirement.

Women's Parliament

Provided support to the Deputy Speaker in identifying the guest speaker for the Women's Parliament – to lead the debate on Millennium Development Goals and South Africa's progress in achieving the outputs.

Liaison on Matters relating to Vacancies in Chapter 9 Institutions

Identified the following vacancies to be filled:

- 2 Public Service Commissioners
- SABC Board - Resignations
- ICASA

Develop, implement strategy to ensure continuous cultivation and preservation of institutional knowledge and access

Digitization of documents was considered through a project to convert all committee documents into digital format to enable archiving in the institution's central depository. This will assist easy retrieval of documents in future.

Develop, support and build the capacity required to assist committees to perform their duties efficiently and effectively.

An institution of higher learning has been appointed to assist with the upskilling of committee support employees. Employees identified for training were Committee Secretaries, who will undergo training in writing. Other Training identified were events management, office management leadership and emotional Intelligence

A total of 30 Extended Public Committees were held to consider Budget Votes for government departments and other publicly funded entities.

Secretarial support and content were provided in 11 meetings of the NA Programme Committee, 56th CPA Conference and Society of Clerks at the Table and managed proceedings of 10 NA Programme Technical Committee meetings.

Reactive Research Services provided:

Reactive research requests form the bulk of the research work produced. Approximately 909 research requests were received and 935 completed. Not all the requests made were due for the period under review or were requested in the period under review; some were also completed proactively.

The post-visit report of Maluti-A-Phofung Local Municipality was prepared following the NCOP's Taking Parliament to the People in the Free State. The Research Unit provided reactive research services to assist budget review and recommendation review of the African Parliament Knowledge Network and World e-Parliament Conference on 18 to 27 October 2010.

Conducted both proactive and reactive research that assisted members and committees with research product on identified topical issues to facilitate their oversight activities.

During this period, the Research Unit completed a number of papers in respect of the State of the Nation Address. These include:

- Rural Development and Land Reform Perspectives on 2011 SONA
- SONA Cooperative Governance and Traditional Affairs
- Analysis of the State of the Nation Address from the Agriculture, Forestry and Fisheries perspective
- Analysis of the State of the Nation Address – PC on Higher Education and Training
- 2011 SONA Analysis: National Treasury

- Science and Technology Perspective on the 2011 State of the Nation Address
- Sport and Recreation Perspective on the 2011 State of the Nation Address
- 2011 State of the Nation analysis (Tourism perspective)

The following papers were produced for the SADC Parliamentary Forum (SADC PF) 27th Plenary Assembly:

Trafficking of Women and Children with reference to the 2010 World Cup Benchmarks for Democratic In support of the 15th EP/South Africa Inter-Parliamentary meeting on the impact of the Global Economic Crisis on Health Care in South Africa and the situation in Zimbabwe were completed.

In support of a delegation attending the 13th meeting of African Ministerial Conference on the Environment, the paper on Improvement in the lives of slum-dwellers: A brief overview of the status quo in Africa was completed.

The following papers were completed for the 123rd IPU Assembly, Geneva:

Transparency and Accountability in the Funding of Political Parties and Election Campaigns (for 123rd IPU Assembly)
The Role of Parliaments in Ensuring Sustainable Development through the Management of Natural Resources, Agricultural Production and Demographic Change
Legislative frameworks aimed at preventing electoral violence, improving election monitoring and ensuring the smooth transition of power.

The following papers were prepared for the Women's Summit:

- Peace and prosperity on the continent: Women and Xenophobia
- Women's Parliament: Review of Previous Resolutions
- Capacity Development for Women
- Women, Rural and Economic Development: Women's Parliament - 30 August - 2 September 2010

The following Reports were completed for the Ad-Hoc Committee on service delivery:

- Analytical report of the Ad-Hoc Committee on service delivery of public hearing held in the Western Cape province for Du Noon & Khayelitsha
- Analytical report of the Ad-Hoc Committee on service delivery of public hearings held in the N/West province
- Report emanating from the public hearing in North West Municipalities: The case of Greater Taung & Ramotshela Local Municipality
- Draft Report of the Ad Hoc Committee on Service Delivery

Papers were produced for the First Youth World Legislative Forum in Mexico City:

- Youth Employment
- A Focus on Youth Participation in the Democratic Process
- World Youth Conference Mexico. Youth and Poverty. Economic Participation in the Context of the 2010 Soccer World Cup.

During the period under review, the following papers were prepared for the Chairperson of the NCOP for the G20 Speakers' Consultation in Ottawa, Canada:

New paradigms for peace and security
Collaborative Global Strategies for Food Production and Distribution

A number of briefs and fact sheets were completed for the International Consultative Seminar on the Millennium Development Goals held at Parliament:

- Fact Sheet on the progress that South Africa has made in achieving Millennium Development Goal 7: Ensure Environmental Sustainability
- The role of legislatures in achieving Millennium Development Goal 7: Ensure Environmental Sustainability
- Achieve Universal Primary Education – MDG 2
- MDG 1: Eradicate extreme poverty and hunger – rural development, food security and land reform
- Fact sheet on "Goal 3 of the MDGs to Promote Gender Equality and Empower Women" for the International Consultative Seminar on MDGs organised by the Speakers' Forum.

The following papers were prepared for the ACP-EU Joint Parliamentary Assembly in the DRC:

- The security problem in the Sahara-Sahel region: Terrorism and trafficking in drugs and arms
- Human trafficking in the Sahara-Sahel region in Africa
- Challenges and Threats to Regional Stability in the Central African region, arising from the illegal

exploitation of natural resources in the DRC

- Post-Copenhagen Technology Transfer: New technologies and technical capacity-building in the African, Caribbean and Pacific states
- The challenge of reconstruction of a post-conflict state

Produced a number of financial reports, including:

- Report of the Standing Committee on Appropriations of the Medium-Term Budget Policy Statement for 2010/11
- Report of the Standing Committee on Appropriations for the Adjustments Appropriations Bill 2010/11
- Summary and Analysis of the Medium-Term Budget Policy Statement 2010/11
- The state of municipalities in the Free State
- Analysis of 2010 Division of Revenue Amendment Bill

The following were prepared for the African Parliamentary Knowledge Network (APKN) and World e-Parliament Conference:

- Fact Sheet: Advancements and challenges in ICT in South Africa
- Fact Sheet: Strengthening trust between Parliaments and the people
- Fact Sheet: The Benefits of Parliamentary Networks: The case of the African Parliamentary Knowledge Network
- Presentation in APKN and World e-Parliament Conference on Strengthening Trust between Parliaments and the People

- Expanding Access to Information: Implications for Parliaments, Civil Society and the Public

A number of briefs were completed for the EU-SA Summit held at Parliament amongst others are the following:

- Economic Partnership Agreements and Agriculture (including Food Security)
- 10th Anniversary of the UN World Conference against Racism in 2011
- 17th SA-EU Inter-Parliamentary Meeting
- Economic stability of EU states: Current status
- Economic Partnership Agreements as they relate to regional integration, SADC-EPA-EU negotiations
- South-South Cooperation and Development Models
- Important issues in Asia as they affect the SA-EU and South-South Cooperation
- South Africa-EU Strategic Partnership

A number of papers were produced for the 55th United Nations Session of the Commission on the Status of Women in New York:

- The Elimination of All Forms of Violence Against the Girl Child
- Gender Equality and Sustainable Development
- Reworked report on 54th Session of the Commission on the Status of Women
- Elimination of preventable maternal mortality and morbidity through the empowerment of women

Legislative Proposals

The following papers in support of legislative proposals were produced:

- Legislative Proposal on Private Political Party Funding
- Legislative Proposal on the Repeal of the Boxing Act
- Legislative Proposal on amendment to the Executive Members Act (Act No 82 of 1998)
- Legislative Proposal on Business Interests of State Employees Contracting with the State

Bills referred and papers produced

A total of 16 Bills were analyzed or papers prepared in support of the legislative process:

- Summary of the draft Land Tenure Bill [B -2010]
- Military Veterans Bill [B1-2011] – Issues and perspectives
- State Liability Bill
- A Brief Overview of the Merchant Shipping (Safe Containers Convention) Bill [B31-2010]
- Overview of the Government Immovable Asset Management Act (No. 19 of 2007)
- Companies Amendment Bill
- South African Post Service Bill: Analysis and questions for the Department of Communications
- Summary and Analysis of Submissions on Rural Development and Land Reform General Amendment Bill for PC [B33 -2010]
- Summary and Analysis of the Correctional Services Amendment Bill of 2010
- Fact Sheet: State Land Disposal Act (No. 48 of 1961)

- Immigration Amendment Bill History and Context
- Summary of role of Select Committees into Money Bills Amendment Procedure Act
- Background information on the "Fingerprinting Bill", the Criminal Law (Forensic Procedures) Amendment Bill [B2-2009]
- Information brief on the implementation of the Sexual Offences Act
- Clause-by-clause compilation of the public submissions on the Protection of Information Bill, including comparative information
- Cooperative Governance Considerations on the Single Public Service Bill

Approximately 356 were completed in the period under review. These include:

- Comprehensive Rural Development Programme in Mueyexe
- Issues on the PSETA Forensic Report
- Infrastructure and Local Economic Development
- New Growth Path – The Social Package
- Implementation of infrastructure and equipment maintenance plans to improve service delivery
- Implementation of maintenance plans and its impact on service delivery
- Summary of the Annual Financial Statements of the Council for Geoscience
- Summary of the Annual Financial Statements of MINTEK
- Paper on "Expenditure Review of the National Youth Development Agency in the period April – December 2010"
- Comparative Study of Presidential

Term Limits in Southern Africa and East Africa

- Overview of progress on the Asset Register of the Mpumalanga Department of Public Works
- Conditional Grants expenditure analysis for Northern Cape Municipalities
- Review of Domestic Violence Act
- The way forward for football in South Africa
- Review of the Inter-Parliamentary Union: 2010
- Review of the SADC-PF: 2010

Library service and content support to Members of Parliament

Information Queries – Reference Service

The Library received a total of 2 244 (A queries: 973 and B queries: 1271) requests for information from Members of Parliament and employees; 75% of the information requested was for oversight purposes, while 25% was for legislative purposes.

To support the work of Parliament, books and other library sources were provided, legal repositories improved and information provided in paper and electronic format.

There is an increase in the number of queries received internally and a decrease in the number of queries received from external clients compared to the previous annual report period.

There is an indication of improvement on the services that were provided to Members of Parliament since the introduction of the content per subject area. The Library service has assigned eight librarians who provide information

and update content pages in the following areas of content:

- Foreign law and Labour
- Climate Change, Energy, Agriculture and Water
- Finance
- Arts and Culture, and Communications
- Social Development and Health
- Safety and Security, and Education
- Parliamentary Budget Office,
- Elections and Local Government

A librarian was assigned each to these subject areas. Each is responsible for the creation of a web page for each cluster and provision of content that is relevant and timely. Statistics showed that the proactive provision of information or provision of content information in the web pages was popular with Members of Parliament.

In providing material support to employees and Members of Parliament, the Library service has created web pages for services and products.

The homepage section of the Virtual Library, "What's New", was updated with links to important information on "Parliamentary Budget Offices" and "Judicial Conduct"

Information Queries – Special Services

The Special Services sub-unit handled 115 queries during the reporting period: 66 internal queries and 49 external queries. Artworks copyright approved: 16

The Library service is in the process of setting up an FTP service to receive audio-visual, digital content from the SABC and other service providers. This content will be used for webcasting (broadcasting of multimedia over the Internet or Parliament's Intranet) via the Virtual Library, and the service will

be used to respond timely to Member requests for current audio-visual content. The Unit received a network address and password access to the FTP service.

Processing of Library material

The statistics below reflect material received in the last financial year, which also includes retrospective processing of old material that is to be integrated into the Africana collection.

Reactive research requests form the bulk of the research work produced by the Unit:

- 438 research requests were received and 234 completed.
- A total of 37 previously completed papers were sent.
- The following papers were produced for the SADC-PF 27th Plenary Assembly:
- Trafficking of Women and Children with reference to the 2010 World Cup
- Benchmarks for Democratic Legislatures

The following papers were completed for the 123rd IPU Assembly, 4-6

October 2010, Geneva:

- The Role of Parliaments in Ensuring Sustainable Development through the Management of Natural Resources, Agricultural Production and Demographic Change
- Legislative frameworks aimed at: preventing electoral violence, improving election monitoring and ensuring the smooth transition of power

The following papers were prepared for the Women's Summit:

- Peace and prosperity on the continent: Women and xenophobia
- Women's Parliament: Review of Previous Resolutions

- Capacity Development for Women

The library completed the report on the 27th Plenary SADC-PF meeting in Zambia. Presented papers on strengthening trust between Parliament and People and Expanding Access to Information: Implications for Parliament, Civil Society and the Public. Participated in the ACP-EU Joint Parliamentary Assembly in the DRC.

Development of the public participation model

As approved by the Joint Rules Committee, the development of the model is being initiated through a project. The project governance structures have been approved. The Project Charter has been developed and is awaiting political input and authorisation.

3. PUBLIC AND INTERNATIONAL PARTICIPATION



3. PUBLIC AND INTERNATIONAL PARTICIPATION

Purpose:

To fulfil Parliament's public participation and international participation role and provide support to undertake such activities.

Objectives:

To improve public participation and involvement in Parliamentary processes
To improve public education programmes.

Outcome:

Parliament that is people-driven through the recognition of their voices in line with the provision in the Constitution.

Programme Outputs

Review and revise international relations policy.

International participation:
Hosted the Ambassador of the Kingdom of Saudi Arabia to deliberate on strengthening of Parliamentary Relations, sharing of information, the need to increase trade between the two countries and exchange of visits between the Parliaments.

Bilateral engagement and International Participation by Presiding Officers (POs)

and Members of Parliament established friendship groups, consolidated Memorandums of Understanding (MOUs), exchanged knowledge, strengthened relations, established future cooperation on initiatives regarding parliamentary issues, shared experience on the working of parliamentary committees and fostered closer relations.

Members of Parliament participated in PAP and SADC-PF activities by attending PAP Third Ordinary Session, the second African Speakers' Conference and the World e-Parliament Conference, PGA Parliamentarians for Global Action, PAP Women's Conference and SADC-PF Standing Committees' Women's Caucus RWPC Mission to the Congo (DRC), participation of UN Aids Health Portfolio Committee in relation to HIV/Aids, shared experiences and cemented relations with civil society organisations on HIV mitigation and Faith-Based Centre to intensify intervention for reduction of new HIV/Aids infections.

Strengthen relations at Multilateral and Bilateral levels and monitor resolutions.

Members participated, amongst others, in the following:

- PAP Third Ordinary Session
- Second African Speakers' Conference and the World e-Parliament Conference
- PGA Parliamentarians for Global Action
- PAP Women's Conference
- SADC-PF Standing Committee on Regional Women's Parliamentary Caucus (RWPC) Mission to the Congo (DRC)
- SADC Election Observer Mission, Tanzania
- SADC-PF Consultative Meeting on the Governance of Natural Resources in the SADC Region, Johannesburg
- African Parliamentary Union (APU) 33rd Conference of Speakers of National Parliaments, Equatorial Guinea.

Multilaterals Engagement and Africa:

- 41st CPA Regional Conference
- Meeting on Transformation of PAP
- PAP Standing Committees
- PAO Women's Conference
- PAP Rules Committee
- XV111 International Aids Conference
- SADC-PF Workshop on ICT Strategic Planning in SADC Parliaments
- SADC - Climate Change Summit in Uganda
- SADC-PF Consultative Forum
- 2010 First Youth World Legislative Forum
- SADC Meeting on Parliamentary

Online HIV/AIDS Evidence Resources

- SADC-PLC Advisory Board and Steering Committee
- SADC-PF Seminar on Gender and HIV/AIDS
- WTO Parliamentary Panel at Public Forum
- Forum for SADC-PF Meeting on Eradication of Poverty
- World Emerging Industries Summit
- 56th CPA Conference
- CBCF Brain Trust on Africa

The Members participated in the analysis of the work of each of the above bodies to guide Parliament's engagement with these bodies. The other reasons were to assess and evaluate reports of delegations to meetings of these bodies as well as identify matters which require further follow up by Parliament RSA.

Facilitate and coordinate the implementation of International Relations Policy.

The PGIR is in the process of Reviewing the Parliamentary International Relations Policy document "Policy Perspective on Parliament's Engagement and Involvement in International Relations" and development of Protocol Guidelines for delegations for their engagement in international forums.

PGIR has recently established fully functional Focus Groups, Friendship Groups, Strategic Partnerships and a Network Group. The Focus Groups have since been established. The draft rules/guidelines within which the groups are to operate were before the PGIR for

consideration and subsequent adoption by the Joint Rules Committee.

Increase public participation through a range of programmes using diverse platforms in order to maximise the reach.

Public mobilisation plans were developed for a range of activities with the specific objective to increase the number of members of the public participating in programmes of Parliament. These included targeting and inviting specific public organisations, encouraging attendance through radio and news promotions and facilitating access. To this effect, members of the public attending the State of the Nation Address were 2 093; Budget Votes 755; Freedom Day 375; Africa Day 400; Women's Parliament 350; Taking Parliament to the People 57 550; 16 Days of Activism launch handover funding to a HIV/Aids charity NGO 150; and Sittings of the National Assembly, National Council of Provinces and Committees totalled 12 787 for the year.

From February to November 2010, 10 editions of InSession were produced. With a print run of 30 000, the demand is steadily exceeding the supply, requiring adjustment going forward. New introductions to the publication include diverse views and opinions on legislation from individuals representing among others academic and research institutions, the My Story, where Members as public representatives speak about themselves, thereby allowing constituency readers to get to know them, the angle used to

cover Bills so as to create a greater understanding of the roles and responsibilities of the two Houses, and educational contributions such as the Crossword and Sudoku.

The new radio programme was launched simultaneously at Parliament as a satellite view of Taking Parliament to People. The intention was to set the tone for Members directly engaging and speaking with the public, but most of all making the public aware of this channel of information. With a daily reach of approximately 52,000,000 the 17 radio stations reach a significant portion of the population on a regular basis and participation through the interactive 19 Minutes, the 5-minute education and information-sharing slot as well as the promotions ensure that the topic Parliament is part of consistent engagement on the airwaves.

In strategically communicating the work of Committees, numerous platforms are engaged to keep the public abreast of developments. Press statements and alerts (137) regularly summarise Committee meeting discussions and explanations of Bills, while the arranged print, radio and television interviews (322), as well as press briefings (5) zoom in on key discussion points providing more detailed understanding. Further insight into Committee activities are also provided with the regular articles (28) posted on the Website.

Media, publicity and communications strategies and plans were developed and implemented to publicize a range of activities in Parliament resulting in media coverage by a variety of media

platforms. There were 49 replies to media enquiries, and 137 statements were drafted and continue to be an important tool in providing context to the information about Parliament that reaches the public, which presents an alternative view or additional information so that readers are able to develop informed opinions on issues.

Formal development and implementation of public participation strategy and model.

Capacitated PCS in line with the approved communication mandate.

Promoted positive media coverage and profiling of Parliament through regular updates on the Faranani front page. Survey results on media coverage and profiling were used to develop action plans to address the gaps.

Invited targeted media to interviews, issued statements and granted access to the premises during 6 events hosted.

Responded to Media enquiries relating to funding of Political Parties and Travel Policy of Parliament and statement issued in that regard.

Finalised layout and designs with the aim of profiling and promoting Parliament and its work and presenting an institutional identity.

Institutional calendar of Parliamentary activities is updated on a weekly basis.

Parliamentary Millennium Programme

Amazwi abesifazane (Voices of Women) campaign

Aim:

This campaign is aimed at involving marginalized women from across the country, in activities that allow them to share their challenges as well as dreams and aspirations. Given the fact that a large number of women especially in marginalized areas are still unable to read and write this project uses quilting as a medium through which they can express themselves. Using the theme "What democracy means to me", the PMP is able to tap into the knowledge and wisdom that exist in these communities. PMP researchers also capture the contributions of women in the form of submissions that are in turn submitted to relevant committees in the Provincial or National Legislative organs.

A total of 9 Research Reports were completed. Final copy of the DVD was received and negotiations are underway with the SABC to screen the DVD. Submissions completed will be forwarded to Portfolio Committees of the 4th Parliament.

2010 Film Festival in Parliament

Aim:

The realities of our inherited society demand of Parliament to be more than a body for legislation and oversight. To ensure that we create the participatory democracy envisioned by our Constitution, Parliament has an obligation to ensure that it remains people-centred and people-driven. Therefore, the collective objective for this event is to provide a platform in

which the viewing of South African films will begin to create constructive dialogue within the Parliamentary Community regarding issues that speak to South Africa's divided past, its realities and the present challenges facing us as a nation. In so doing, we aim to create awareness within this community of the role they as individuals, with their unique histories and experiences, play in weaving the tapestry of a democratic nation in which our diversity becomes the very threads needed to construct a common vision for the future.

Hosted a series of special screenings to 106 senior citizens from different organisations and institutions in Athlone, Mitchells Plain, Langa, Philippi, Gugulethu, Grassy Park and Hanover Park. They were also taken on a tour of the Mandela Exhibition at the Slave Lodge (Celebrating the Legacy of Mandela), followed by the screening of "Shirley Adams" and the Parliamentary Millennium Programme documentary on the "Voices of Women" campaign.

PMP Youth programme 2009 – 2011

Aim:

This programme is aimed at developing the youth socially and personally to strengthen their capacity to understand their role within the community and contribute towards strengthening democracy and nation-building. This will be done by creating a platform for open and honest dialogue about particular social issues impacting on youth.

Established partnerships with GCIS (Government Communication and

Information System), that assisted with the training of 10 ambassadors in radio broadcasting to do live radio broadcasts to 12 Community Radio Stations at the Youth Dialogue Forums in the various provinces.

Hosted 2 Youth Dialogue Forums in the Western Cape, with representatives from all provinces.

The youth discussed four themes emanated from the Social Survey conducted in 2009, namely Health, Unemployment, Education and Crime. The Bokamoso Ambassadors visited Old Age Homes and Orphanages responding to the call to give 67 minutes of your time to do a good deed for Mandela Day.

A total of 15 Bokamoso Ambassadors attended the State of the Nation Truth Conference hosted by Umtapo Centre and the Steve Biko International Peace Awards in KwaZulu Natal. In addition to celebrating Heritage Month, they visited Shakaland for a Zulu cultural learning experience. Two Bokamoso Ambassadors, are participating in a pilot social entrepreneurship project called Reinvent. They are being taught how to manufacture items from waste materials, and how to market these items in the mainstream consumer domain. The project is being managed by Khulisa Community Development. The Ur Turn magazine was produced and distributed at the Youth Dialogue Forums and various Youth organisations, schools and universities.

My story "Our story"

Aim:

This is a Community Mapping Project aimed at bringing communities closer

together by sharing their experiences with others through stories.

Be my friend

Aim:

A Cultural Exchange Programme aimed at bringing countries closer together by sharing their experiences with others through letter writing. Coordinated 20 South African children between 9 and 14 years old to write letters relating to themselves and their environment, communities and their countries and to exchange it with their peers in Poland and Togo. Letter writing ongoing.

Every View Counts (Publication)

Aim:

This publication documents the experiences of more than twenty long-serving Members of Parliament and Provincial Legislatures in utilizing Parliamentary structures, systems and processes to foster tolerance through dialogue. Through this project, the PMP contributes to the institutional memory of Parliament and provides a resource for capacitating future Members of Parliament.

Inter-Legislature Exchange

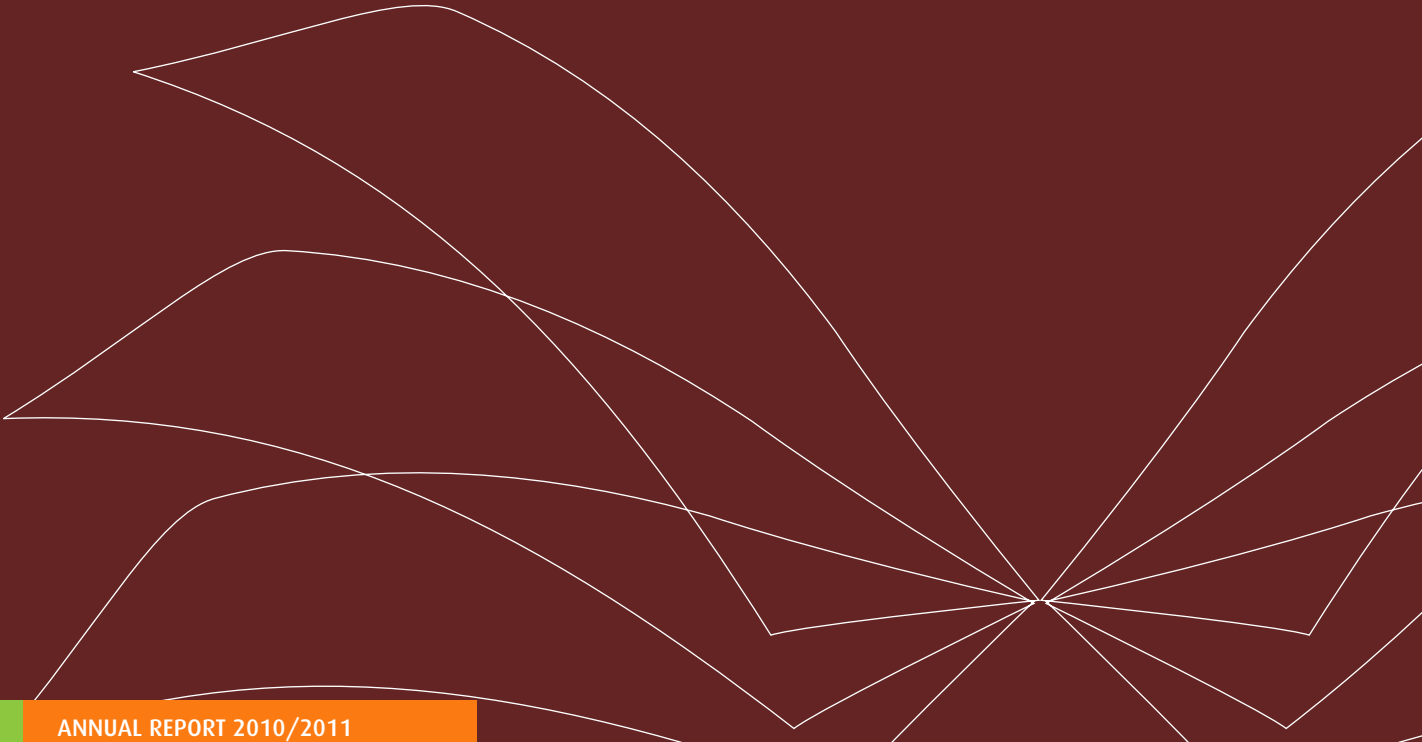
Aim:

The Inter-Legislature Exchange is a tool to facilitate collaboration between Parliament and Provincial Legislatures in the design and implementation of nation-building initiatives. Collaborative projects would specifically focus on province-specific projects and priorities.

Performance level

Designed and co-produced a documentary of Northern Cape provincial legislatures. Partial production completed, waiting on legislature for go-ahead with remaining work.

MEMBERS' FACILITIES



4. MEMBERS' FACILITIES

Purpose:

To provide telephone, travel and other facilities to Members of Parliament and fund medical aid contributions and travel facilities for certain former members. This programme consists of National Assembly and National Council of Provinces Members' Facilities.

Objective: To support the operational activities of Members by providing facilities.

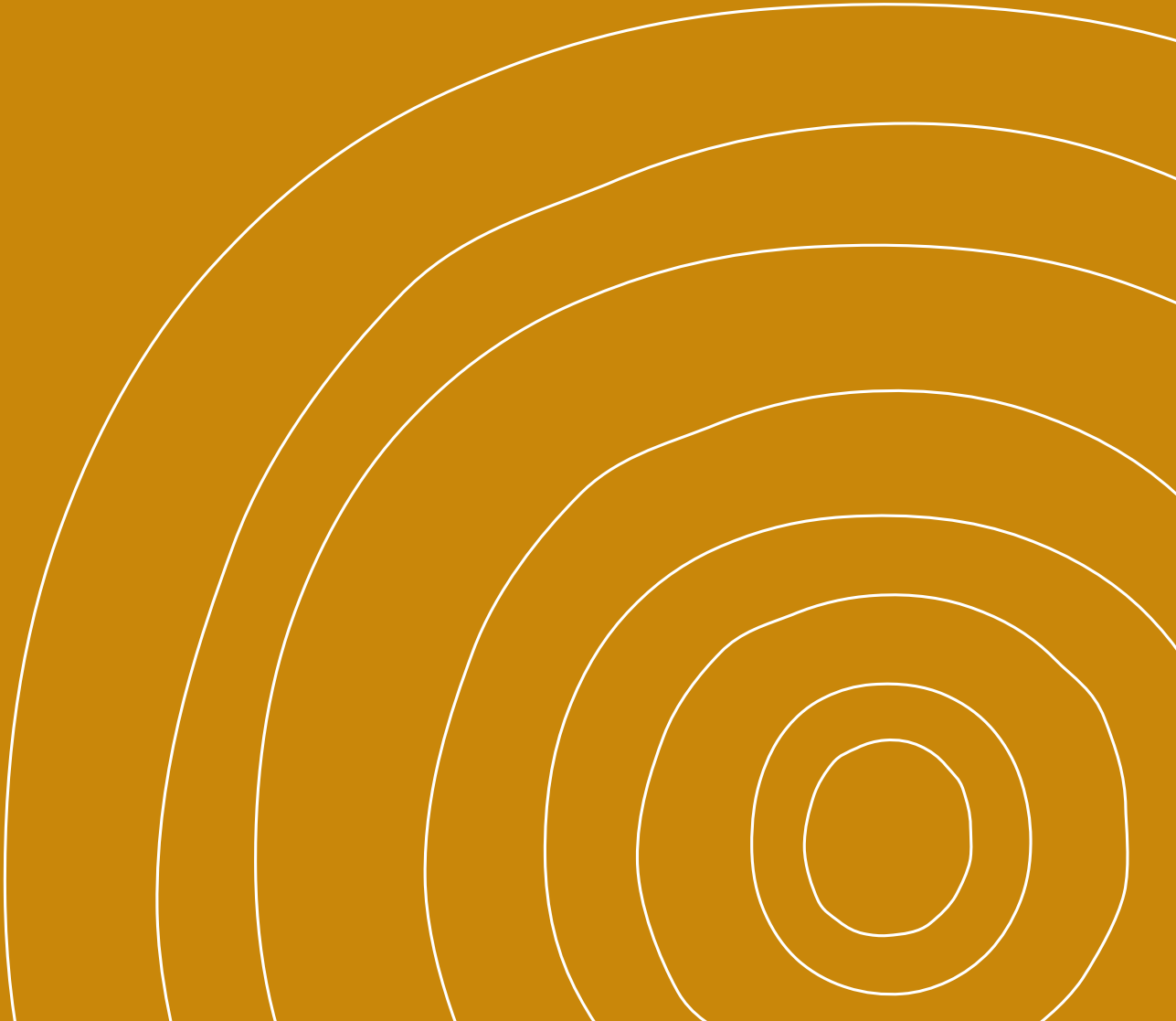
Outcome: Well equipped (resourced), effective and motivated Members of Parliament to ensure the achievement of their constitutional mandate.

Programme Outputs

Continuous provision of operational facilities to Members of Parliament

- Maintained a 3-day turnaround on claims processing.
- Administered training programme
- Provided assets and equipment
- Processed 17 638 claims for both Houses.
- Provided travel procurement

5. ASSOCIATED SERVICES



5. ASSOCIATED SERVICES

Purpose:

Purpose: To provide financial support to political parties represented in Parliament. This programme consists of Political Party Support, Constituency Support and Party Leadership Support.

Objectives

To support the operational activities of Political Parties, Constituencies and Party Leadership.

Outcome

Vibrant political culture that strengthens and promotes democratic ethos.

Programme Outputs

Continuous provision of associated services to Political Parties, Constituency Offices and Political Party Leadership.

All parties submitted audited financial statements with three having qualified audited opinions and those affected have submitted interventions to rectify the situation.

6. HUMAN RESOURCES REPORT



6. HUMAN RESOURCES REPORT

1. PERSONNEL COSTS

Table 1.1 Personnel Cost by Programme - 1 April 2010 to 31 March 2011

Programme	Total cost	Average cost	No. of employees
Programme 1: Administration	196,070,275.16	263,535.32	744
Programme 2: Legislation and oversight	146,641,797.34	272,062.70	539
Programme 4: Members Facilities	3,612,793.00	301,066.08	12
Total	346,324,865.50	267,432.33	1295

Please note: Figures in this three tables are not the same because of late contract extension. Programme 3 and Programme 5 are included in Programme 1.

Table 1.2 Vacancies by Division- 1 April 2010 to 31 March 2011

Division	Posts	Filled	Vacant	Vacancy rate
CSD	66	60	6	9.1
HR	50	48	2	4.0
ISD	287	273	11	3.8
LOD	510	441	69	13.5
NA	54	42	12	22.2
NCOP	51	34	17	33.3
OSTP	420	342	78	18.6
Total	1 438	1 240	195	13.6

Please note figures in this three tables are not the same because of late contract extension

Table 1.3 Vacancies by Section- 1 April 2010 to 31 March 2011

Section	Posts	Filled	Vacant	Vacancy rate
OFFICE OF THE SECRETARY TO PARLIAMENT SECTION	24	23	1	4.2
STRATEGIC & BUSINESS PLANNING SECTION	12	7	5	41.7
LEGAL SERVICES OFFICE UNIT	17	9	8	47.1
INTERNAL AUDITING SECTION	9	8	1	11.1
TREASURY ADVICE SECTION	2	2	0	0.0
FINANCIAL MANAGEMENT OFFICE - FMO	15	14	1	6.7
FMO SECTION	33	29	4	12.1
FMO: SUPPLY CHAIN MANAGEMENT SECTION - SCM	17	13	4	23.5
OFFICE OF SPEAKER: NATIONAL ASSEMBLY SECTION	40	31	9	22.5
OFFICE OF CHAIRPERSON: NCOP SECTION	26	24	2	7.7
PARLIAMENTARY COMMUNICATION SERVICES - PCS	75	56	19	25.3
OFFICE OF REGISTRAR OF MEMBERS' INTERESTS UNIT	4	4	0	0.0
PROTECTION SERVICES SECTION	102	86	16	15.7
INTERNATIONAL RELATIONS SECTION - IR	17	13	4	23.5
PROTOCOL SECTION	7	7	0	0.0
PARLIAMENTARY MILLENNIUM PROJECT SECTION - PMP	11	9	2	18.2
NA: NATIONAL ASSEMBLY	6	5	1	16.7
NA: HOUSE PLENARIES	17	15	2	11.8
NA: RESEARCH & PARLIAMENTARY PRACTICE	11	6	5	45.5
NA: TABLE ADMINISTRATION	20	16	4	20.0
NCOP: NATIONAL COUNCIL OF PROVINCES	14	9	5	35.7
NCOP: PROCEDURAL SERVICES	18	16	2	11.1
NCOP: PROVINCIAL & MUNISIPAL LIAISON	19	9	10	52.6
LOD: LEGISLATION & OVERSIGHT SECTION	4	4	0	0.0
LOD: COMMITTEES SECTION	213	167	46	21.6
LANGUAGE SERVICES SECTION	158	146	12	7.6
INFORMATION SERVICES SECTION	133	122	11	8.3
SUPPORT SERVICE: OFFICE OF LOGB	2	2	0	0.0
CORPORATE SERVICES SECTION	15	12	3	20.0
INFORMATION COMMUNICATION TECHNOLOGY	51	48	3	5.9
INSTITUTIONAL SUPPORT SECTION	6	6	0	0.0
DOCUMENTATION SECTION	39	36	3	7.7
HOUSEHOLD SERVICES SECTION	105	100	5	4.8
CATERING SECTION	120	118	2	1.7
PARLIAMENTARY DEMOCRACY OFFICES SECTION	17	16	1	5.9
HUMAN RESOURCES SECTION	3	3	0	0.0
ORGANISATIONAL RESOURCING SECTION	21	19	2	9.5
ORG LEARNING & DEVELOPMENT SECTION	11	11	0	0.0
ORG WELLNES SECTION	15	15	0	0.0
DONOR ACTIVITIES - SC	7	5	2	28.6
PROJECTS - SC	2	2	0	0.0
Total	1438	1243	195	13.6

Table 1.4 Annual turnover rates by salary band for the period 1 April 2010 to 31 March 2011

Salary band	Total	Transfers	Terminations	Turnover
A	180	0	12	6.67
B	298	0	9	5.37
C	652	0	32	6.13
D	145	0	9	11.72
E	17	0	1	11.76
F	2	0	0	0.00
Total	1294	0	63	6.72

Table 1.5 Annual turnover rates by occupational band for the period 1 April 2010 to 31 March 2011

Occupational category	Total employment	Appointments	Terminations	Turnover rate
Unskilled and Defined Decision Making	180	1	12	6.67
Semi-skilled and Discretionary Decision Making	298	25	9	5.37
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	652	75	32	6.13
Prof. Qualified and Experienced Specialist and Mid-Management	145	16	9	11.72
Senior Management	17	4	1	11.76
Top Management	2	0	0	0.00
Other	1	0	1	100
Total	1 295	121	63	6.80

Table 1.6 Reasons why employees are leaving Parliament by Programme - 2010/11

Division	Deceased	End of Contract	Dismissal - Misconduct	Resignation	Retirement	Retirement Early	Retirement: Due to Ill Health	Grand Total
CSD	1	0	0	1	0	0	0	02
HR	0	0	0	0	0	0	1	01
IR&P	0	0	0	1	0	0	0	01
ISD	3	1	2	0	6	1	0	13
LOD	0	3	1	14	3	1	1	23
NA	0	0	0	0	2	0	0	02
NCOP	0	0	0	1	0	0	0	01
OSTP	1	8	1	9	1	0	0	20
Grand Total	5	12	4	26	12	2	2	63

Table 1.7 Reasons why employees are leaving Parliament by Programme - 2010/11

Program	Death	Resignation	End of contract	Dismissal - operational	Dismissal - misconduct	Retirement: due to ill health	Retirement	Total
Programme 1: Administration	05	11	09	0	03	01	08	37
Programme 2: Legislation and oversight	0	15	03	0	1	01	06	26
Programme 4: Members Facilities	0	0		0	0	0	0	0
Total	05	26	12	0	04	02	14	63

Table 1.8 Promotions by salary band - 2010/11

Salary band	No employee	Band change	Notch change	Band percentage	Notch percentage
A	183	3	3	1.64	1.64
B	298	18	18	6.04	6.04
C	573	15	15	2.62	2.62
D	131	5	5	3.82	3.82
E	10	0	0	0.00	0.00
F	2	0	0	0.00	0.00
Total	1197	41	41	3.43	3.43

Table 1.9 Promotions by programme-2010/11

Programme	No employees	Band change	Notch change	Band percentage	Notch percentage
Programme 1: Administration	713	23	23	3.23	3.23
Programme 2: Legislation and oversight	473	18	18	3.81	3.81
Programme 4: Members Facilities	12	0	0	0.00	0.00
Total	1198	41	41	7.03	7.03

3. EMPLOYMENT EQUITY

Table 3.1 Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 March 2011

Occupational Level	Total	Male African	Male Coloured	Male Indian	Male White	Male	Female African	Female Coloured	Female Indian	Female White	Female
Top Management	2	1	1	0	0	2	0	0	0	0	0
Senior Management	16	7	4	0	0	11	3	1	1	0	5
Prof. Qualified and Experienced Specialist and Mid-Management	137	48	7	8	14	77	25	19	6	10	60
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	625	171	57	9	25	262	207	109	6	40	362
Semi-skilled and Discretionary Decision Making	291	47	71	6	18	142	92	50	3	4	149
Unskilled and Defined Decision Making	169	5	41	0	4	50	24	79	1	15	119
Total	1240	279	181	23	61	544	351	258	17	69	695
Employees with disabilities	9	2	4	1	0	7	0	1	0	1	2

4. PERFORMANCE

Table 4.1 Performance rewards by salary band 1 April 2011 to 31 March 2011.

Occupational Category	No. of Employees	Total employee	percentage	Total Cost	Avg Cost
A	166	180	92.22	487,140.04	2,934.58
B	256	301	85.05	960,425.51	3,751.66
C	472	658	71.73	2,968,187.07	6,288.53
D	103	149	69.13	1,336,447.91	12,975.22
E	11	16	68.75	308,854.25	28,077.66
F	2	2	100.00	112,415.00	56,207.50
Total	1,010	1,306	77.34	6,173,469.78	6,112.35

These figures include late payment and appeals

Table 4.2 Performance rewards of employees by programme (bonuses and notches) - 1 April 2010 to 31 March 2011

Programme	No. of Employees	Total employee	percentage	Total Cost	Avg Cost
Programme 1: Administration	608	751	80.96	3,709,118.82	6,100.52
Programme 2: Legislation and oversight	391	543	72.01	2,394,695.52	6,124.54
Programme 4: Members Facilities	11	12	91.67	69,655.44	6,332.31
Total	1,010	1,306	77.34	6,173,469.78	6,112.35

These figures include late payment and appeals

5. LEAVE

Table 5.1 Sick leave taken from 1 January 2010 to 31 December 2010

Salary band	Total days taken	% of total days taken	Medical Certificate	% of medical cert. submitted
A	1947	23.15	500	27.56
B	2437	28.98	548	30.21
C	3501	41.63	686	37.82
D	497	5.91	76	4.19
E	27	0.32	4	0.22
F	1	0.01	0	0.00
Total	8410	100	1814	100

Table 5.2 Capped leave, 1 January 2010 to 31 December 2010

Salary Band	Total Days	Average number of days taken per employee	Number of employees who took capped leave	Average Capped leave per employee as at 31 December 2010
A	67	0.21	15	0.26
B	44	0.14	7	0.12
C	168	0.52	29	0.50
D	44	0.14	7	0.12
E	0	0.00	0	0.00
F	0	0.00	0	0.00
Total	323	1	58	1

Table 5.3 Leave payout for the period 1 January 2010 to 31 December 2011

Reason	Total Amount (R'000)	Number of employee	Average payment per employee
Capped leave payouts on termination of service for 2010/2011	133 350.36	9	14 816.71
Current leave payouts on termination of service for 2010/2011	319 940.39	44	7 271.37
Total	453 290.75	53	22 088.08

6. TRAINING

Table 6.1 Training provided 1 April 2011 to 31 March 2011

Occupational Category	Gender	Total Employees	Academic Courses	Skills Prog. & Other short courses	Total
A	F	54	03	17	20
A	M	126	0	12	12
B	F	145	16	75	91
B	M	153	24	113	137
C	F	274	59	349	408
C	M	378	72	463	535
D	F	81	11	64	75
D	M	64	09	45	54
E	F	12	0	03	3
E	M	05	0	0	0
F	F	02	01	0	1
Total		1294	195	1141	1336

7. JOB EVALUATION

Table 7.1 Profile of job evaluated and re-evaluated - 1 April 2010 to 31 March 2011.

Occupational Band	Evaluation				Re-evaluation			
	No. of post evaluated	No. of post validated	No. of posts declined	No. of appeals 1	No. of post re-evaluated	No. of post validated	No. of posts declined	No. of appeals 1
Top Management	0	0	0	0	0	0	0	0
Senior Management	2	2	0	0	0	0	0	0
Prof. Qualified and Experience Specialist and Mid-Management	18	18	0	0	4	4	0	0
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents.	5	5	0	0	10	10	0	1
Semi-skilled and Discretionary Decision Making	1	1	0	0	0	0	0	0
Unskilled and Defined Decision Making	0	0	0	0	0	0	0	0
Total	26	26	0	0	14	14	0	1

Table 7.2 Profile of job evaluated and re-evaluated per division -1 April 2010 to 31 March 2011 .

Grade	Evaluation				Re-evaluation			
	No. of post evaluated	No. of post validated	No. of posts declined	No. of appeals	No. of post re-evaluated	No. of post validated	No. of posts declined	No. of appeals
A	0	0	0	0	0	0	0	0
B	1	1	0	0	10	10	0	0
C	5	5	0	0	4	4	0	1
D	18	18	0	0	0	0	0	0
E	2	2	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0
Total	26	26	0	0	14	14	0	1

Table 7.3 Profile of job evaluated per division - 1 April 2010 to 31 March 2011.

Divisions	Evaluation				Re-evaluation			
	No. of post evaluated	No. of post validated	No. of posts declined	No. of appeals	No. of post re-evaluated	No. of post validated	No. of posts declined	No. of appeals
OSTP	19	19	0	0	2	2	0	0
NCOP	1	1	0	0	1	1	0	0
NA	4	4	0	0	2	2	0	0
LOD	0	0	0	0	1	1	0	1
HR	0	0	0	0	2	2	0	0
ISD	1	1	0	0	1	1	0	0
CSD	0	0	0	0	5	5	0	0
IR	1	1	0	0	0	0	0	0
Total	26	26	0	0	14	14	0	1

8. LABOUR RELATIONS

The following collective agreements were entered into with trade unions within Parliament

Table 8.1 – Collective agreements, 1 April 2010 to 31 March 2011

Subject Matter	Date
Wage negotiations	27 October 2010

If there were no agreement, then use the following table

A summary of the outcome of disciplinary hearings conducted within Parliament

Table 8.2 – Misconduct and disciplinary hearings finalized, 1 April 2010 to 31 March 2011

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	0	0
Verbal warning	0	0
1 st Written warning	5	6
Final written warning	66	84
Suspended	0	0
Re-instatement (Compassionate grounds)	01	01
Demotion	0	0
Dismissal	07	08
Not guilty	0	0
Case withdrawn	0	0
Total	79	100

If there were no disciplinary hearing, then use the following table

Disciplinary hearings – 2010/11

Table 8.3 – Types of misconduct addressed at disciplinary hearings

Type of misconduct	Number	% of total
Theft, bribery, corruption, defeating the ends of justice and fraud	6	6.8
Insubordination	1	1.1
Unauthorised absence	4	4.5
Improper, disgraceful and unacceptable conduct at work	3	3.4
Failure to comply with an instruction	71	80.6
Inflammatory remarks regarding manager	1	1.1
Late coming	1	1.1
Failure to report for duty	1	1.1
Total	88	100

Table 8.4 – Grievance lodged for the period 1 April to 31 March 2011

	Number	% of total
Number of grievances resolved	8	11.2
Number of grievance not resolved	46 (include previous grievances from all quarters)	64.7
Total number of grievances lodged	17	23.9

Table 8.5 – Dispute lodged for the period 1 April to 31 March 2011

	Number	% of total
Number of disputes upheld	0	
Number of disputes dismissed	0	
Total number of disputes lodged	0	(Others are pending)

9. OCCUPATIONAL RISK

HEALTH PROMOTION AND HIV / AIDS PROGRAMME

Steps taken to reduce the risk of occupational exposure

Categories of employees identified to be at high risk of contracting HIV and related diseases (if any)	Key steps taken to reduce the risk
Sister in the Clinic	Apply Universal precautions e.g. use gloves, use of sharps containers, correct method of giving injections and finger pricks. If the unfortunate needle stick happens, the Post Exposure Prophylaxis treatment will be given to her.
First Aiders	First Aiders have been nominated by line groups and have been sent for training which includes how to apply universal precautions.

Details of Health Promotion and HIV and AIDS Programmes

Question	Yes	No	Details, if yes
1. Has Parliament designated a member of SM to implement Health Promotion and HIV and AIDS Programmes? If so, provide her/his name and position.	X		Dr. S. Paruk Division Manager: Human Resources
2. Does Parliament have a dedicated unit or has it designated specific staff members to promote the health and well being of your employee? If so, indicate the number of employees who are involved in this task and the annual budget that is available for this purpose.	X		Parliament has a dedicated Wellness Unit for promoting Health and Wellbeing of employees. It consists of 4 internal employees and an outsourced service provider. The Unit has the annual Budget is R2.5m
3. Has Parliament introduced an Employee Assistance or Health Promotion Programme for your employees? if so, indicate the key elements/services of this programme.	X		Parliament has a Wellness Programme which focuses mainly on: <ul style="list-style-type: none"> • HIV/AIDS response strategy • Policies and Procedures • Awareness and education • Prevention Programmes • Consultation and advice • Counseling • Case Management • Sporting codes
4. Has Parliament established (a) committee(s) If so, Please provide the names of the members of the committee and the stakeholder(s) that they represent		X	
5. Has Parliament reviewed its employment policies and practices to ensure that these do not unfairly discriminate against employees on the basis of their HIV status? If so, list the employment policies/practices so reviewed	X		HIV/AIDS Policy
6. Has Parliament introduced measures to protect HIV-positive employees or these perceived to be HIV-positive from discrimination? If so, list the key elements of these measures	X		HIV/AIDS policy, awareness campaigns. External Service Provider for Comprehensive Counseling has been contracted to provide support services (ICAS).
7. Does Parliament encourage its employees to undergo Voluntary Counseling and Testing (VCT)? If so, list the results that you have achieved.	X		Parliament's HIV/AIDS strategy promotes participation on VCT programme. The VCT programme is done on the premises and it is provided by external service provider. Employees are encouraged to use external facilities as well.
1. Has Parliament developed measures/indicators to monitor and evaluate the impact of its health promotion programmes? If so, list these measures/indicators	X		Monthly and quarterly reports. Attendance to workshops, VCT and psychosocial counseling sessions.

7. REPORT OF THE AUDIT COMMITTEE



7. REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2011.

Audit Committee Members and Attendance

The Audit Committee operates within formally approved terms of reference. It met five (5) times and consists of the members listed below:

Name of Member	Number of Meetings Attended	Comment
C. Choeu (Chairperson)	5	
D. Coovadia	5	
V. Nondabula	5	
N.Z. Qunta	4	
Late Hon. A. Rantsolase (MP – National Assembly)	2	
Hon. T. Chaane (MP – NCOP)	1	
Hon. J.D. Thibedi (MP – National Assembly)	1	Appointed in January 2011 to replace the late Honourable A. Rantsolase

Audit Committee Responsibility

We report that we have operated and performed our oversight responsibilities to the Parliament of the Republic of South Africa (Parliament) independently and objectively in compliance with Section 48 of the Financial Management of Parliament Act, 2009 (Act No. 10 of 2009) (FMPA). Furthermore, we have adopted appropriate formal terms of reference (charter), and discharged all our responsibilities as contained therein and regulated our affairs in compliance with the charter.

The effectiveness of Internal Control

In line with the Financial Management of Parliament Act (FMPA) and King III Report on Corporate Governance requirements, Internal Audit provided the Audit Committee and management with assurance that internal controls are adequate and effective.

Management took effective steps to establish a Risk Management Committee (RMC) and conducted a comprehensive and integrated risk analysis during the year to ensure that all risks are identified and managed across the institution.

Furthermore, on an ongoing basis, management reviewed the state of readiness of the institution for the statutory audit and implemented an Improvement of Financial Management Environment project. This was supplemented with an Anti-Fraud Awareness Campaign and training in the area of fraud/corruption for all employees. These initiatives resulted in timeous identification and closing of gaps as well as strengthening of the internal control system.

We have reviewed the Auditor-General South Africa (AGSA) Final Management Report and are satisfied that management has a plan to address the gaps reflected therein.

Accordingly, we can report that the system of internal control both on financial statements and performance information for the period under review was satisfactory.

Internal Audit

We are satisfied that the Internal Audit function is operating effectively and that it has addressed the risks pertinent to the institution in its audits.

During the year, we made recommendations to management to sufficiently capacitate Internal Audit. Although we acknowledge the intervention taken by the Accounting Officer to appoint temporary audit managers, we are however concerned with the pace at which capacitation is implemented.

The quality of in year management and monthly/quarterly reports submitted in terms of the PFMA and the Division of Revenue Act (DORA)

Management has taken bold steps to establish linkage between objectives, budget, risk and performance management and reporting through the development of an Annual Performance Plan (APP) in compliance with the FMPA. Furthermore, management has put in place an effective mechanism to collect, analyse and monitor predetermined objectives towards sustainability reporting.

We have reviewed and we are satisfied with the content and quality of the In Year Monitoring and Management (IYM) reports submitted to National Treasury by the Accounting Officer and monitoring and evaluation of performance by management during the year under review.

Evaluation of audited Annual Financial Statements

The framework for the preparation of financial statements changed from the modified accrual basis to preparation in accordance with Generally Recognised Accounting Practice (GRAP) in compliance with the FMPA.

The Committee has reviewed:

- The audited Annual Financial Statements and the Audit Report to be included in the Annual Report;
- The accounting policies and practices and changes thereof;
- Parliament's compliance with operational, legal and regulatory

- provisions; and
- Adjustments made during the audit based on the AGSA's findings and recommendations.

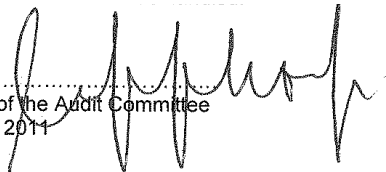
The outcome has been discussed and agreed with management and the AGSA.

Auditor-General South Africa

We have met with the AGSA to ensure that there are no unresolved issues at the end of the audit and once again, the AGSA has issued an unqualified audit opinion and we are satisfied with the audit opinion.

We would like to take this opportunity to congratulate the Executive Authority, Accounting Officer, management and Internal Audit for the good audit results and the AGSA for the professional manner in which the audit was handled.

.....
Chairperson of the Audit Committee
Date: 30 July 2011



8. REPORT OF THE AUDITOR-GENERAL



8. REPORT OF THE AUDITOR-GENERAL

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

REPORT ON THE FINANCIAL STATEMENTS -

Introduction

1. I have audited the accompanying financial statements of Parliament of the Republic of South Africa (Parliament), which comprise the statement of financial position as at 31 March 2011, the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 90 to 136.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament Act, 2009 (Act No. 10 of 2009) (FMPA), and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. As required by section 188 of the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996), section 4 of the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and section 58 of the FMPA, my responsibility is to express an opinion on these financial statements based on my audit.
4. I conducted my audit in accordance with International Standards on Auditing and General Notice 1111 of 2010 issued in Government Gazette 33872 of 15 December 2010. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

5. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of Parliament of the Republic of South Africa as at 31 March 2011, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the FMPPA.

Emphasis of matters

I draw attention to the matters below. My opinion is not modified in respect of these matters:

Restatement of corresponding figures

7. As disclosed in note 38 to the financial statements, the corresponding figures for 31 March 2010 have been restated as a result of a change in accounting framework, from a modified accrual basis to SA Standards of GRAP.

Material Impairments

8. As disclosed in Note 18 to the financial statements, an amount of R12 098 000 was written off as an irrecoverable trade debtor. This amount relates to the misuse of travel warrants by members which was fully disclosed in previous financial years.

Additional matter

Unaudited supplementary schedules

9. The supplementary information set out on pages 78 to 89 does not form part of the annual financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I include below my findings on the annual performance report as set out on pages 13 to 48 and material non-compliance with laws and regulations applicable to Parliament of the Republic of South Africa.

Predetermined objectives

11. There are no material findings on the annual performance report.

Compliance with laws and regulations

Procurement and contract management

12. Goods and services were not procured by means of a competitive bidding process as per the requirements of paragraph 11(d) of Parliament's Policy for Supply Chain Management primarily due to orders being split to avoid the tender process.
13. Goods and services were procured without the use of the 80/20 preference point system as per the requirements of paragraph 3(1) of the Preferential Procurement Policy Framework Act, 2000 (Act no. 5 of 2000)(PPPFA).
14. The above non compliance has resulted in irregular expenditure of R10 million being incurred as disclosed in note 31.3 of the annual financial statements.

INTERNAL CONTROL

15. In accordance with the PAA and in terms of General notice 1111 of 2010, issued in Government Gazette 33872 of 15 December 2010, I considered internal control relevant to my audit, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters reported below are limited to the significant deficiencies that resulted in the basis for the findings on compliance with laws and regulations identified.

Financial and performance management

16. The supply chain management unit did not consistently perform a proper review before final approval of awards, to confirm that officials complied with the PPPFA and the requirements of the SCM policies. Furthermore, the skills of the officials involved in the supply chain process should be further enhanced to identify risks and prevent non compliance to the SCM policies.

Other reports

Investigations in progress

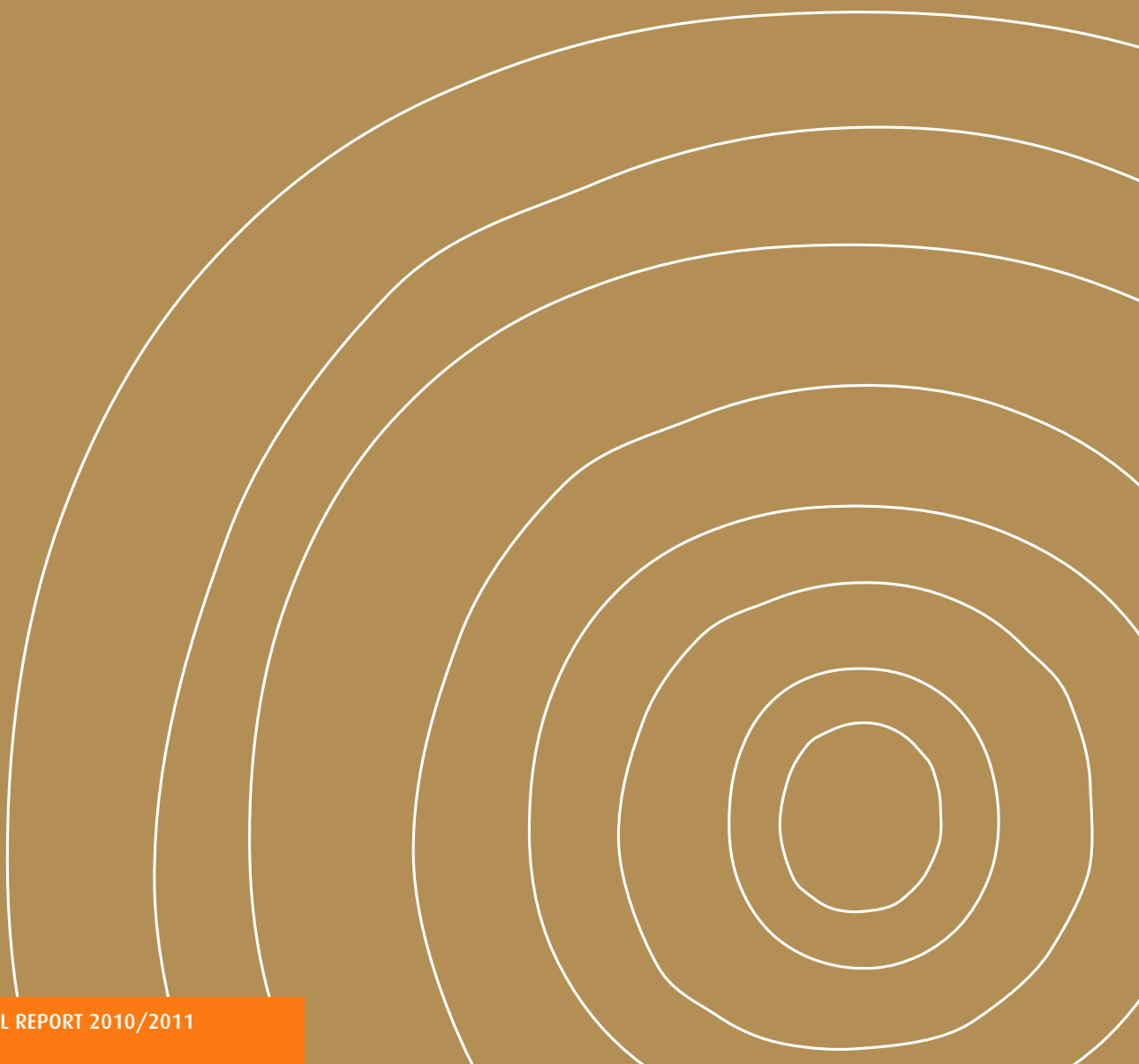
17. Investigations have been initiated by the accounting officer to determine whether the irregular expenditure disclosed in the financial statements should be recovered.

André Genard

Cape Town

30 July 2011.

9. REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY



9. REPORT BY THE ACCOUNTING OFFICER TO THE EXECUTIVE AUTHORITY

1. General review of the state of affairs

Budget

The aim of the vote is:

- To provide support services required by Parliament to fulfil its constitutional functions;
- To enable representative political parties to secure administrative support and service constituents;
- To provide Members of Parliament with the facilities needed to enable them to discharge their duties in an effective and efficient manner.

The original budget allocation for Parliament amounted to R1 571 000 000 for the financial year under review and there was additional funding of R22 400 000 provided by National Treasury through the Adjustment Budget.

Parliament currently has five (5) programmes to ensure alignment of the strategic objectives to the budget. The five (5) programmes that the Institution adopted are listed in the table below. The administration programme was essentially aligned to the core objectives of the institution which are:

- To pass laws (Legislation);
- To oversee and scrutinise executive action (Oversight);
- To facilitate public participation and involvement;
- To participate in, promote and oversee co-operative government;

- To engage in, participate in and oversee international relations;

These core objectives are mainly funded in programmes 2 and 3. As members of Parliament are the major stakeholders of the Institution it is important that the funding towards enabling members to discharge their duties is reflected, hence the programme 4.

In terms of S 57(2) (c) of the Constitution of the Republic of South Africa, Parliament has the duty to provide for financial and administrative assistance to each party represented in the Assembly, in proportion to its representation, to enable the party and its leader to perform their functions in the Assembly effectively. To this end, programme 5 reflects transfers made to political parties.

Basis of Accounting

Parliament has in accordance with the requirements of the Financial Management of Parliament Act, 2009 changed its basis of accounting from a modified accrual basis (approved by the Office of the Accountant General) to full accrual accounting based on standards of generally recognised accounting practices (GRAP).

The accounting policies and notes to the financial statements set out the processes and procedures used for the migration from modified accrual to full accrual accounting.

The adjusted appropriation was made up as follows and is compared with the final appropriation of prior years:

Table 1:

Programme	2010/11 R'000	% Increase/ (Decrease)	2009/10 R'000	2008/09 R'000	2007/08 R'000
1. Administration	346 279	18.5%	292 150	224 944	191 110
2. Legislation and Oversight	300 068	28.8%	232 991	178 268	164 950
3. Public and International Participation	79 429	(19.6)%	98 832	64 489	60 881
4. Members Facilities	193 931	(14.1)%	225 243	183 025	173 370
5. Associated Services	281 914	9.0%	258 686	263 073	245 403
Sub-Total	1 201 621	8.4%	1 108 002	913 799	835 714
Direct charge: National Revenue Fund - Members Remuneration	392 679	4.2%	376 678	253 979	242 380
Total	1 594 300	7.4%	1 484 680	1 167 778	1 078 094

From the table it is evident that the budget for Parliament for the 2010/11 has increased by 7.4% from the 2009/10 financial year.

In addition to the above Parliament utilised an amount of R45 656 000 of retained funds of previous years to fund the upgrading of various offices and meeting rooms by the Department of Public Works. The use of these funds was previously approved by the Treasury of Parliament.

The above additional funds and virements between programmes recorded after the determination of the adjusted appropriation had the following result:

Programme	Adjusted appropriation 2010/11 R'000	Virements R'000	Final Appropriation 2010/11 R'000
1. Administration	346 279	77 011	423 290
2. Legislation and Oversight	300 068	(23 995)	276 073
3. Public and International Participation	79 429	7 042	86 471
4. Members' Facilities	193 931	(14 402)	179 529
5. Associated Services	281 914		281 914
Transfer from Retained Earnings		(45 656)	(45 656)
Sub-Total	1 201 621		1 201 621
Direct Charge: National Revenue Fund	392 679		376 678
Total	1 594 300		1 594 300

The transfer from retained funds and the virements were deemed necessary to enable functionaries to achieve the targets as set out in the strategic plan of the Institution. Further detail can be obtained from the Appropriation Statement and the Notes to the Appropriation Statement as included in the Annual Financial Statements. It should further be noted that the transfers from Retained Earnings were utilised for payment of the upgrading of offices and meeting rooms used by the institution. Further clarity relating to the changes in Retained Earnings is provided under the explanation on under / (over) expenditure.

Over / Under Expenditure

By comparing the actual expenditure to the budget allocation the institution has recorded an underspending for the financial year under review. The underspending relates primarily to the spending on compensation for Members.

A comparison of the spending against voted funds for the past four financial years show that Parliament has in the three financial years from 2007/8 spend the full allocated budget with only a surplus on the direct charge against the National Revenue fund showing an under-spending in the current and 2007/08 and 2008/09.

	2010/11 R'000	2009/10 R'000	2008/09 R'000	2007/08 R'000
Spending on vote –surplus/(overspent)	16 525	0	6 883	1 672
Retained Earnings Approved for spending for 2010/11				
Retained Funds approved in prior years for multi-year projects	110 201			
Less: Spending per Appropriation Statement	(45 656)			
Available for use in future years	64 545			

From Table 1 above it is clear that the budget for program 1 was insufficient and funds were re-directed from the remaining programmes. The additional funds were required to strengthen the capacity in Internal Audit and the Finance Management Office as well as funding a project for improving the financial management environment of Parliament.

Additional funding for the enhanced participation in international fora was also required and underspending in other areas was used for this activity. The requests for use of retained funds were lodged with and approved by the Speaker of the National Assembly and Chairperson of the National Council of Provinces, as Executive Authority acting together as the Treasury of Parliament.

Spending Trends on voted funds

	2010/11 R	2009/10 R	2008/09 R	2007/08 R
Final Appropriation	1 594 300	1 484 680	1 224 840	1 078 094
Expenditure	1 577 775	1 478 732	1 217 957	1 075 678
% Spent	99.0%	99.6%	99,4%	99,8%

2. Services rendered by the institution

The vote of Parliament comprises of the five programmes, namely:

Programme 1: Administration

Provide strategic leadership, institutional policy, overall management, administration and corporate services to the executive, management and staff of Parliament.

Programme 2: Legislation and Oversight

Fulfil Parliament's legislative and oversight functions and provide auxiliary services to enable the institution to function smoothly.

Programme 3: Public and International Participation

Fulfil Parliament's public participation and international participation role and provide support to undertake such activities.

Programme 4: Members' Facilities

Provide telephone, travel and other facilities for MP's and fund medical aid contributions and travel facilities for certain former members.

Programme 5: Associated Services

Provide financial support to political parties represented in Parliament and pay membership fees to certain inter-parliamentary bodies.

Tariff policy

Tariff charged for catering is done as per agreement with the service provider to whom this service has been outsourced, and other internal services are rendered at a agreed upon rate as per the catering policy.

Free services

No free service per definition is provided by Parliament to the members or any other bodies.

3. Capacity constraints

Through constant monitoring the Institution managed to spend satisfactorily and thus discharged its duties in an effective and efficient manner. To this end no major capacity constraints can be highlighted for the 2010/11 financial year.

4. Utilisation of donor funds

Donor funds received in the prior year as part of a country agreement between the Republic of South Africa and the European Union was utilised by Parliament to set up the support infrastructure which will assist Parliament and the nine Provincial Legislatures who are the beneficiaries through a sub-agreement for the Legislative Sector.

Parliament has recognised the full initial transfer as income in the financial statements as there are no conditions attached to the agreement. As part of future transfers in terms of the agreement only the portion allocated for use by the institution will be recognised in the financial

statements. The balance of the funds will be transferred via Parliament for use within the various legislatures.

Funds available will be determined as per the agreement, provided the objectives are achieved as per the agreement.

5. Organisations to whom transfer payments have been made

Transfer payments have been made to political parties for the following reasons:

- Political party support: Financial support to political parties represented in Parliament;
- Constituency support: Financial support for constituency offices of political parties represented in Parliament;
- Party Leadership support: Financial support to leaders of political parties represented in Parliament.

6. Corporate governance arrangements

The Audit Committee has been functional for the year under review and based on a recommendation from this body, the co-sourcing agreement with Ernst & Young which was previously extended till 30 June 2010 was renewed in order to complete outstanding matters and ensure the transfer of knowledge and skills to the Institution. The Internal Audit Office has also been functioning and various audits and follow-up audits were conducted.

The Risk Management Committee for the Institution has been re-constituted and is fully functional. A Risk Management Framework has been developed, top ten

risks for the institution as well as the various divisions have been identified and parliament is currently in the process of putting the necessary processes and procedures in place to mitigate these risks. The Institution has been investigating and is in the process of procuring suitable software that would ensure that risks are managed in an efficient and effective manner.

7. Asset Management

Parliament manages its assets in accordance with its Fixed Asset policy as approved in July 2005 and the ERP Fixed Asset Module.

Parliament has changed the manner in which assets are disclosed in the financial statements by bringing the classification of assets in line with generally recognised accounting practice (GRAP) standard 17 which requires that it will be the expected economic life rather than the value which determines whether an item is an asset or not. This is in compliance with the Financial Management of Parliament Act, 2009 which requires that Parliament's annual financial statements be prepared on an accrual basis of accounting using GRAP standards.

8. Events after the reporting date

There were no events after reporting date.

9. Performance Information

Where feasible performance indicators are identified during the planning phases of the Institution. Performance achievements are reported on a monthly basis.

10. Exemptions and Deviations received from the National Treasury

Parliament's migration to a recognised basis of accounting means that no exemptions/ deviations were required from National Treasury this year.

11. Other

Liability for Ex-Members' Medical Aid

Parliament's change of basis of accounting to full accrual utilising standards of GRAP and in particular the principles of GRAP 25 requires that disclosure be made regarding the liability of the institution's portion of the contributions for Continuation Members (Ex-Members of Parliament).

An actuarial valuation has been obtained which includes information relating to both the current ex-Members as well as current serving Members who are members of the medical aid (PARMED).

The effect of disclosure of this liability in the financial statements is that Parliament currently has an accumulated deficit but due to this being a long-term valuation there is no impact on Parliament's ability to meet its obligations as they fall due.

Further information is available in note 26 of the annual financial statements.

Alleged Misuse of Members' Travel Warrants

Parliament in accordance with its debt collection policy and processes has reviewed and identified that the outstanding amount previously disclosed in the financial statements does not meet the definition of an asset anymore (as per International Accounting Standards (IAS) 32 and 39 and GRAP 1) as the chances of any future economic benefit flowing to the institution was virtually impossible. The institution also recognised the fact that all avenues of pursuing the outstanding amounts had been exhausted, this included liquidation of all the travel agents and litigation against other debtors.

An independent legal opinion confirming that it will not be economically feasible to continue to pursue settlement of the outstanding amounts through outside legal resources confirmed the above.

The Executive Authority of Parliament has approved that the outstanding amount be treated as a write-off in the accounts of Parliament due to the above.

The accounting effect of this is disclosed under note 18 in the annual financial statements.

Investigation into possible fruitless and wasteful and irregular expenditure

Instances of possible fruitless and wasteful expenditure under investigation, disclosed in note 31 of the annual financial statements:

a) Items still under investigation from the previous year:

- Parliament appointed a professional valuation concern to

complete the valuation of assets before the change in accounting policy noted in point 7 above were approved. The outcome of the revaluation was not used to prepare the financial statements as the values of the assets were not changed. The cost of the revaluation will form the basis of an investigation into possible fruitless and wasteful expenditure. The amount paid for the service was R645 895.60.

- Interest of R3 840.76 paid to Telkom for late payment of internet access accounts.
- Insurance excess of R112 194.33 paid to CABS Car Hire for replacement of a gearbox of a hired vehicle after the driver continued driving the vehicle after an oil leak was noticed.
- Payment of R143 400 to Cape Town Lodge for accommodation cancelled outside of the agreed time.

a) Additional items emanating from procurement in the current year:

1. Cancellation fees for the following:

- Early cancellation of an agreement to provide wireless internet and other access – R146 686
- Cancellation of hire of facility for a workshop – R11 400
- Cancellation of bookings for an international trip – R12 825

Instances of possible irregular expenditure under investigation:


- Goods and services to the value of R10 112 102.00 where the proper procurement processes were not followed. Preliminary investigations have so far indicated that in probably all instances Parliament had benefitted from either the goods or services which were procured but that the proper processes as included in the policies and procedures of the institution were not followed.
- Goods and services of the prior year to the value of R1 914 557.88 where the procurement processes were not followed.

SCOPA resolutions

There were no formal SCOPA resolutions issued to Parliament for the financial year under review.

Approval

The Annual Financial Statements as set out from page 13 to 50 have been approved by the Accounting Officer.



Mr. Z A Dingani

Secretary to Parliament

20 July 2011

Appropriation Statement for the year ended 31 March 2011

Appropriation Per Programme									
2010/11								2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1. Administration									
Current payment	339,737	1,830	69,491	411,058	411,058	-	100.0%	338,107	344,526
Transfers and subsidies									
Payment for capital assets	6,542	(1,830)	7,520	12,232	12,168	64	99.5%	16,042	15,442
Changes in retained revenue			(45,656)	(45,656)		(45,656)		(22,000)	
2. Legislation and Oversight									
Current payment	298,474	(1,471)	(23,995)	273,008	267,634	5,374	98.0%	227,315	208,313
Transfers and subsidies									
Payment for capital assets	1,594	1,471		3,065	3,065	-	100.0%	5,676	2,044
3. Public and International Participation									
Current payment	76,081	2,855	7,042	85,978	86,022	10,748	100.1%	94,580	71,118
Transfers and subsidies	2,908	(2,908)						2,756	2,722
Payment for capital assets	440	53		493	493		100.0%	1,596	391
4. Members' Facilities									
Current payment	191,698	-	(13,280)	178,418	177,395	1,023	99.4%	183,127	169,355
Transfers and subsidies									
Payment for capital assets	2,233	-	(1,122)	1,111	1,111	-	100.0%	2,116	18
5. Associated Services									
Current payment									
Transfers and subsidies	281,914	-	-	281,914	281,925	(11)	100.0%	258,686	258,743
Payment for capital assets									
Subtotal	1,201,621	-	-	1,201,621	1,240,871	(28,458)	103.3%	1,108,001	1,072,722
Statutory Appropriation									
Current payment	392,679	-	-	392,679	376,154	16,525	95.8%	398,134	395,675
Transfers and subsidies									
Payment for capital assets									
Payment for financial assets									
TOTAL	1,594,300			1,594,300	1,617,025	(11,933)	101.4%	1,506,135	1,468,397
Reconciliation with statement of financial performance									
ADD									
Departmental receipts				31,752				28,671	
Local and foreign aid assistance								55,190	
Actual amounts per statement of financial performance (total revenue)				1,626,052				1,589,996	
ADD									
Local and foreign aid assistance					10,539				6,866
Post-retirement medical aid contributions					110,860				34,346
Actual amounts per statement of financial performance (total expenditure)					1,738,424				1,509,609

Appropriation Statement for the year ended 31 March 2011

Appropriation Per Economic Classification									
2010/11								2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	475,440	(10,693)	(6,472)	458,275	456,391	1,884	99.6%	403,374	398,387
Goods and services	430,550	13,221	46,416	490,187	485,718	4,469	99.1%	439,753	394,925
Interest and rent on land	-	-	-	-	-	-	-	-	-
Transfers and subsidies									
Foreign governments and international organisations	2,908	(2,908)	-	-	-	-	-	2,756	2,772
Non-profit institutions	281,914	-	-	281,914	281,925	(11)	100.0%	258,686	258,743
Households									
Gifts and donations									
Payments for capital assets									
Buildings and other fixed structures									
Machinery and equipment	10,809	37	5,712	16,558	16,494	64	99.6%	25,432	17,552
Software & other intangible assets		343	-	343	343	-	100.0%	-	343
Changes in retained revenue									
	-	-	(45,656)	(45,656)	-	(45,656)		(22,000)	
Total	1,201,621	-	-	1,201,621	1,240,871	(39,250)	103.3%	1,108,001	1,072,722

Appropriation Statement for the year ended 31 March 2011

Statutory Appropriation									
2010/11								2009/10 (Restated)	
Direct changes against the National/ Provincial Revenue Fund	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
List all direct charges against the National/ Provincial Revenue Fund									
President and Deputy President salaries									
Member of executive committee / parliamentary officers									
Judges and magistrates salaries	392,679	-	-	392,679	376,154	16,525	95.8%	311,041	356,884
Sector education and training authorities (SETA)									
National Skills Fund									
Total	392,679	-	-	392,679	376,154	16,525	95.8%	311,041	356,884

Statutory Appropriation per economic classification									
2010/11								2009/10	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	392,679	-	-	392,679	376,154	-	-	311,041	356,884
Goods and services									
Total	392,679	-	-	392,679	376,154	-	-	311,041	356,884

Appropriation Statement for the year ended 31 March 2011

Detail per programme 1 - Administration									
Programme per subprogramme	2010/11							2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
1.1 Office of the Speaker									
Current payment	35,092	(3,657)	-	31,435	31,435	-	100.0%	22,080	26,615
Transfers and subsidies									
Payment for capital assets	372	45	-	417	417	-	100.0%	388	181
1.2 Office of the Chairperson									
Current payment	17,471	1,315	-	18,786	18,786	-	100.0%	14,037	16,920
Transfers and subsidies									
Payment for capital assets	60	(26)	-	34	34	-	100.0%	36	33
1.3 Office of the Secretary									
Current payment	177,048	-	62,803	239,851	239,851	-	100.0%	173,892	183,893
Transfers and subsidies									
Payment for capital assets	3,094	-	7,520	10,614	10,550	64	99.4%	14,056	12,617
1.4 Corporate Services									
Current payment	42,664	212	-	42,876	42,876	-	100.0%	41,563	41,231
Transfers and subsidies									
Payment for capital assets	3,016	(2,195)	-	821	821	-	100.0%	1,370	1,693
1.5 Institutional Support									
Current payment	67,462	3,960	6,688	78,110	78,110	-	100.0%	86,535	75,867
Transfers and subsidies									
Payment for capital assets	-	346	-	346	346	-	100.0%	192	918
Changes in retained revenue	-	-	(45,656)	(45,656)	-	(45,656)	-	(22,000)	-
Total	346,279	-	31,355	377,634	423,226	(45,592)	112.1%	332,149	359,968

Appropriation Statement for the year ended 31 March 2011

Economic classification	Appropriation per Economic classification 2010/11							2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	236,836	(19,838)	-	216,998	216,998	-	100.0%	213,990	199,082
Goods and services	102,901	20,982	70,177	194,060	194,060	-	100.0%	124,142	145,444
Interest and rent on land									
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	6,542	(1,487)	6,834	11,889	11,825	64	99.5%	16,017	15,099
Software and other intangible assets	-	343	-	343	343	-	100.0%	-	343
Changes in retained revenue									
Changes in retained revenue	-	-	(45,656)	(45,656)	-	(45,656)	-	(22,000)	-
Total	346,279	-	31,355	377,634	423,226	(45,592)	112.1%	332,149	359,968

Appropriation Statement for the year ended 31 March 2011

Detail per programme 2 – Legislation and Oversight									
Programme per subprogramme	2010/11							2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
2.1 National Assembly									
Current payment	22,637	(3,843)	-	18,794	18,794	-	100.0%	17,098	16,937
Transfers and subsidies									
Payment for capital assets	238	19	-	257	257	-	100.0%	21	26
2.2 National Council of Provinces									
Current payment	28,463	2,055	-	30,518	30,544	(26)	100.1%	22,785	22,783
Transfers and subsidies									
Payment for capital assets	265	(91)	-	174	174	-	100.0%	605	164
2.3 Legislation and Oversight									
Current payment	247,374	317	(23,995)	223,696	218,296	5,400	97.6%	187,432	168,593
Transfers and subsidies									
Payment for capital assets	1,091	1,543	-	2,634	2,634	-	100.0%	5,050	1,854
Total	300,068	-	(23,995)	276,073	270,699	5,374	98.1%	232,991	210,357

Appropriation Statement for the year ended 31 March 2011

Economic classification	2010/11							2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	187,032	(1,471)	(6,472)	179,089	177,189	1,900	98.9%	152,188	143,795
Goods and services	111,442	-	(17,523)	93,919	90,445	3,474	96.3%	75,100	64,518
Payment for capital assets									
Buildings and other fixed structures									
Machinery and equipment	1,594	1,471	-	3,065	3,065	-	100.0%	5,703	2,044
Software and other intangible assets	-	-	-	-	-	-	-	-	-
Total	300,068	-	(23,995)	276,073	270,699	5,374	98.1%	232,991	210,357

Appropriation Statement for the year ended 31 March 2011

Detail per programme 3 – Public and International Participation									
2010/11								2009/10 (Restated)	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
3.1 Public Affairs									
Current payment	41,275	4,684	7,042	53,001	53,043	(42)	100.1%	52,426	52,411
Transfers and subsidies									
Payment for capital assets	325	(107)	-	218	218	-	100.0%	1,528	303
3.2 International Relations									
Current payment	34,806	(1,829)	-	32,977	32,979	(2)	100.0%	42,154	18,707
Transfers and subsidies	2,908	(2,908)	-	-	-	-	-	2,756	2,772
Payment for capital assets	115	160	-	275	275	-	100.0%	68	88
Total	79,429	-	7,042	86,471	86,515	(44)	100.1%	98,932	74,281

Appropriation Statement for the year ended 31 March 2011

Economic classification	2010/11							2009/10 (Restated)	
	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	26,244	550	-	26,794	26,810	(16)	100.1%	13,492	22,397
Goods and services	49,837	2,305	7,042	59,184	59,212	(28)	100.0%	81,088	48,721
Transfers & subsidies									
International organisations	2,908	(2,908)	-	-	-	-	-	2,756	2,772
Payment for capital assets									
Machinery and equipment	440	53	-	493	493	-	100.0%	1,596	391
Total	79,429	-	7,042	86,471	86,515	(44)	100.1%	98,932	74,281

Appropriation Statement for the year ended 31 March 2011

Detail per programme 4 – Members' Facilities									
2010/11								2009/10 (Restated)	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
4.1. National Assembly Members' Facilities									
Current payment	167,604	268	-	167,872	167,872	-	100.0%	168,838	159,693
Transfers and subsidies									
Payment for capital assets	2,233	-	(1,122)	1,111	1,111	-	100.0%	2,116	18
4.2 National Council of Provinces Members' Facilities									
Current payment	24,094	(268)	(13,280)	10,546	9,523	1,023	90.3%	14,289	9,662
Payment for capital assets	-	-	-	-	-	-	-	-	-
Total	193,931	-	(14,402)	179,529	178,506	1,023	99.4%	185,243	169,373

2010/11								2009/10 (Restated)	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Current payments									
Compensation of employees	25,328	10,086	-	35,394	35,394	-	100.0%	23,704	33,113
Goods and services	166,370	(10,066)	(13,280)	143,024	142,001	1,023	99.3%	159,423	136,242
Payment for capital assets									
Machinery and equipment	2,233	-	(1,122)	1,111	1,111	-	100.0%	2,116	18
Total	193,931	-	(14,402)	179,529	178,506	1,023	99.4%	185,243	169,373

Appropriation Statement for the year ended 31 March 2011

Detail per programme 5 – Associated Services									
2010/11								2009/10 (Restated)	
Programme per subprogramme	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
5.1 Political Party Support									
Current payment Transfers and subsidies	66,589	-	-	66,589	66,600	(11)	100.0%	54,965	55,163
Payment for capital assets	-	-	-	-	-	-	-	-	-
5.2 Constituency Support									
Current payment Transfers and subsidies	209,325	-	-	209,325	209,325	-	100.0%	198,413	198,341
Payment for capital assets									
5.3 Party Leadership Support									
Current payment Transfers and subsidies	6,000	-	-	6,000	6,000	-	100.0%	5,308	5,239
Payment for capital assets									
Total	281,914	-	-	281,914	281,925	(11)	100.0%	258,686	258,743

2010/11								2009/10 (Restated)	
Economic classification	Adjusted Appropriation	Shifting of Funds	Virement	Final Appropriation	Actual Expenditure	Variance	Expenditure as % of final appropriation	Final Appropriation	Actual expenditure
	R'000	R'000	R'000	R'000	R'000	R'000	%	R'000	R'000
Transfers and Subsidies									
Non-profit institutions	281,914	-	-	281,914	281,925	(11)	100.0%	258,686	258,743
Total	281,914	-	-	281,914	281,925	(11)	100.0%	258,686	258,743

NOTES TO THE APPROPRIATION STATEMENT

1. Detail of transfers and subsidies as per Appropriation Act (after Virement):

Detail of these transactions can be viewed in the note on Transfers and subsidies, disclosure notes and Annexure 1 (A-H) to the Annual Financial Statements.

2. Detail of specifically and exclusively appropriated amounts voted (after Virement):

Detail of these transactions can be viewed in note 1 (Annual Appropriation) to the Annual Financial Statements.

3. Detail on payments for financial assets

Detail of these transactions per programme can be viewed in the note on Payments for financial assets to the Annual Financial Statements.

4. Explanations of material variances from Amounts Voted (after Virement):

4.1 Per Programme	Final Appropriation	Actual Expenditure	Variance R'000	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Administration	423,290	423,226	64	0.0%
Legislation and Oversight	276,073	270,699	5,374	2.0%
Public and International Participation	86,471	86,515	(44)	0.0%
Members' Facilities	179,529	178,506	1,023	1.0%
Associated Services	281,914	281,925	(11)	0.0%
Changes in retained revenue	45,656		45,656	100.0%
	During this period the Treasury of Parliament of the Republic of South Africa approved transfer of the above amount from retained funds of prior years to fund the upgrades of various committee rooms and audio and visual equipment.			

4.2 Per Economic classification	Final Appropriation	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	R'000
Current payments			6,353	
Transfers and subsidies				
Non-profit institutions			(11)	
Payments for capital assets				
Machinery and equipment			64	

STATEMENT OF FINANCIAL PERFORMANCE

For the year ended 31 March 2011

	Note	2010/11	2009/10
		R'000	Restated R'000
REVENUE			
Revenue from non-exchange transactions	<u>1</u>	1 594 300	1 506 135
Exchange revenue	<u>2</u>	6 808	6 414
Transfers, sponsorships and donations	<u>3</u>	-	58 125
Other income	<u>4</u>	24 944	19 322
TOTAL REVENUE		1 626 052	1 589 996
EXPENSES			
Cost of sales		5 221	4 243
Compensation of employees and Members	<u>5</u>	942 335	828 412
Bad debts		12 098	-
Depreciation and amortisation expense	<u>6</u>	22 871	24 634
Transfers to non-profit institutions	<u>7</u>	281 925	258 743
Donor project expenses	<u>8</u>	10 539	6 866
Interest paid	<u>9</u>	19	-
General expenses	<u>10</u>	463 416	386 711
TOTAL EXPENSES		1 738 424	1 509 609
(Loss)/gain on sale of assets	11	(609)	1 959
(Impairment loss) – increase in provision for doubtful debts	12	(567)	(321)
Inventories: (Write-down) to net realisable value	16	(5)	
SURPLUS/(DEFICIT) FOR THE PERIOD		(113 553)	82 025

STATEMENT OF FINANCIAL POSITION

As at 31 March 2011

	Note	2010/11	2009/10
		R'000	Restated R'000
ASSETS			
Current assets			
Cash and cash equivalents	<u>13</u>	411 928	340 825
Receivables from exchange transactions	<u>14</u>	1 926	3 181
Receivables from non-exchange transactions	<u>15</u>	2 133	23 890
Inventories	<u>16</u>	354	348
Prepayments and advances	<u>17</u>	4 545	3 123
VAT receivable	<u>23</u>	-	11
NON-CURRENT ASSETS			
Fruitless and wasteful expenditure	<u>18</u>	544	12 642
Property, plant and equipment	<u>19</u>	46 437	53 512
Intangible assets	<u>20</u>	310	62
Heritage assets	<u>21</u>	42 742	42 741
TOTAL ASSETS		510 919	480 335
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	<u>22</u>	88 582	86 033
Current provisions	<u>24</u>	83 802	53 386
VAT payable	<u>23</u>	70	-
Finance leases - current	<u>27</u>	187	7
NON-CURRENT LIABILITIES			
Employee benefits	<u>26</u>	678 966	568 106
Finance leases – non-current	<u>27</u>	67	5
TOTAL LIABILITIES		851 674	707 537
NET ASSETS		(340 755)	(227 202)
NET ASSETS			
Accumulated surplus/(deficit)		(340 755)	(227 202)
TOTAL NET ASSETS		(340 755)	(227 202)

STATEMENT OF CHANGES IN NETT ASSETS

For the year ended 31 March 2011

NET ASSETS		Recoverable revenue reserve	Total: Reserves	Accumulated Surplus/ (Deficit)	Total: Net Assets
	<i>Note</i>	R'000	R'000	R'000	R'000
Balance at 31 March 2009		12,112	12,112	200,748	212,860
Changes in accounting policy as a result of implementation of GRAP	38	(12,112)	(12,112)	(509,989)	(522,101)
Restated balance 31 March 2009		-	-	(309,241)	(309,241)
Reversals of transfers to/from accumulated surplus/(deficit)				14	14
Surplus / (deficit) for the period				82,025	82,025
Balance as at 31 March 2010		-	-	(227,202)	(227,202)
Surplus / (deficit) for the period				(113,553)	(113,553)
Balance as at 31 March 2011		-	-	(340,755)	(340,755)

CASHFLOW STATEMENT

For the year ended 31 March 2011

CASH FLOW	NOTE	2010/11	2009/10
			Restated
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1,648,496	1,567,623
Annual appropriated funds received	<u>1.1</u>	1,201,621	1,108,002
Statutory appropriated funds received	<u>2</u>	414,134	376,678
Departmental revenue received	<u>3</u>	8,021	6,593
Interest received	<u>4</u>	24,720	18,431
Transfer, sponsorship and donations	<u>6</u>		57,919
Payments		1,560,982	1,488,111
Compensation of employees and Members		801,059	790,155
Suppliers		477,979	439,213
Interest paid		19	-
Transfers and subsidies paid – Non-profit institutions		281,925	258,743
Net cash flow available from operating activities	<u>28</u>	87,514	79,512
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for fixed assets	<u>12</u>	(16,493)	(24,424)
Payments for intangible assets		(343)	(52)
Proceeds from sale of capital assets	<u>29</u>	183	1,974
Net cash flows from investing activities		(16,653)	(22,502)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from finance lease liability		242	6
Repayment of finance lease liability			
Net cash flows from financing activities		242	6
Net increase/(decrease) in cash and cash equivalents		71,103	57,016
Cash and cash equivalents at beginning of period		340,825	283,809
Cash and cash equivalents at end of period	<u>30</u>	411,928	340,825

STATEMENT OF ACCOUNTING POLICIES AND RELATED MATTERS FOR THE YEAR ENDED 31 MARCH 2011

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

rounded to the nearest R1,000
(thousand Rand).

1. BASIS OF ACCOUNTING

1.3 GOING CONCERN ASSUMPTION

1.1 BASIS OF PRESENTATION

The annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention unless specified otherwise.

These annual 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. The accumulated deficit arose due to the recognition of the post-retirement medical benefit for current and past Members. The recognition of this post-retirement benefit was in terms of the principles GRAP 25 - Employee Benefits. Parliament is therefore able to meet their obligations as they fall due.

These annual financial statements have been prepared in accordance with Generally Recognized Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Financial Management of Parliament Act (Act no. 10 of 2009). The principal accounting policies adopted in the preparation of these annual financial statements are set out below. Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

1.4 COMPARATIVE INFORMATION

Parliament has adopted GRAP in the current reporting period as required by Directive 5. Parliament has taken advantage of the transitional provisions of Directive 8. These provisions are available to Parliament until 31 March 2013. The application of these transitional provisions is detailed in each policy to which the directive applies. Relevant disclosures are made as and when required in the notes to the Annual Financial Statements.

When the presentation or classification of items in the annual financial statements is amended, prior period comparative amounts are restated. The nature and reason for the reclassification is disclosed. Where 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 comparatives are restated accordingly.

During the current reporting period GRAP was implemented as required by the Financial Management of Parliament Act (Act no. 10 of 2009). The effect of Standards of GRAP which require retrospective application have been disclosed in note 38.

1.2 PRESENTATION CURRENCY

These annual financial statements are presented in South African Rand, which is the functional currency of Parliament. Unless stated otherwise all figures are

1.5 HIERARCHY OF STANDARDS USED

The standards used in compiling the annual financial statements are those stipulated in Directive 5.

1.6 STANDARDS, AMENDMENTS TO STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

During the year under review Parliament adopted all effective standards of GRAP as per Annexure D of Directive 5 combined with the transitional provisions set out in Directive 8 issued by the Accounting Standards Board.

The following GRAP standards have been issued but are not yet effective:

GRAP 18 Segment reporting

Implementation will have no effect on Parliament.

GRAP 104 Financial instruments

Currently accounted for in terms of the principles IPSAS 16, IAS 32, IAS 39 and IFRS 7. Therefore implementation will have no significant effect on Parliament.

The transitional provisions for Parliament - Directive 8 have been applied to the following standards of GRAP:

GRAP 12 Inventories

GRAP 13 Leases

GRAP 17 Property, plant and equipment

GRAP 21 Impairment of non-cash generating assets

GRAP 102 Intangible assets

GRAP 103 Heritage assets

In terms of Directive 8 Parliament is not required to measure inventories, property, plant and equipment, intangible assets and heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of these standards of GRAP. Parliament has reported transitional amounts for property, plant and equipment, intangible assets and heritage assets for which the accounting is incomplete and will retrospectively adjust the provisional amounts recognised to reflect new information obtained about facts and circumstances that existed on the effective date of the Standards of GRAP during the measurement period. Details of the progress made during the current reporting period are reported in note 19.

2. REVENUE

2.1 REVENUE FROM EXCHANGE TRANSACTIONS

Revenue from exchange transactions refers to revenue that accrued to Parliament directly in return for services rendered / goods sold, the value of which approximates the fair value consideration received or receivable.

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;
- Parliament retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over 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 costs incurred or to be incurred in respect of the transaction can be measured reliably.

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 is recognised on a time proportion basis if it is probable that the economic benefits or service potential associated with the transaction will flow to Parliament and the amount can be measured reliably.

2.2 REVENUE FROM NON-EXCHANGE TRANSACTIONS

Revenue from non-exchange transactions refers to transactions where Parliament received revenue from another entity without directly giving approximately equal value in exchange.

Both annual appropriation and statutory appropriation from the National Revenue Fund is classified as non-exchange revenue.

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.

Revenue from the recovery of unauthorised, irregular, fruitless and wasteful expenditure is based on legislated procedures, including

those set out in the Financial Management of Parliament Act (Act No. 10 of 2009) and is recognised when the amount is recoverable and can be reliably measured.

2.3 TRANSFERS, SPONSORSHIPS AND DONATIONS

Transfers, 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, transfer or donation is conditional. The liability is transferred to revenue as and when the conditions attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

3. 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 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, is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The residual value, the useful life of an asset and the depreciation method is reviewed annually and any changes are recognised as a change in accounting estimate in the Statement of Financial Performance.

The useful life of a finance lease asset is only limited to the lease term where Parliament expects to not use the asset for longer.

Parliament tests for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of property, plant and equipment is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

4.4 DERECOGNITION

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 on 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.

4.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 17- Property, plant and equipment. Refer to note 1.6.

5. HERITAGE ASSETS

5.1 INITIAL RECOGNITION

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

A heritage asset is recognised as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to Parliament and if the cost or fair value of the asset can be measured reliably. A heritage asset that qualifies for recognition as an asset is measured at its cost which includes import duties and non-refundable purchase taxes, after deducting trade discounts and rebates and any costs directly attributable to bringing the heritage asset to the location and condition necessary for it to be capable of operating in the manner intended by Parliament.

Where a heritage asset is acquired through a non-exchange transaction, its deemed cost shall be measured at its fair value as at the date of acquisition.

5.2 SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, heritage assets are measured at cost less accumulated impairment losses.

5.3 DEPRECIATION AND IMPAIRMENT

Heritage assets are not depreciated but assessed at each reporting date whether there is an indication that it may be impaired. If any such indication exists, Parliament estimates the recoverable amount or the recoverable service amount of the heritage asset to which the carrying amount is written down.

5.4 DERECOGNITION

Heritage assets are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal of the asset. The gain or loss arising on the disposal or retirement of a heritage asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

5.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 103 - Heritage assets. Refer to note 1.6.

6. INTANGIBLE ASSETS

6.1 INITIAL RECOGNITION

An intangible asset is an identifiable non-monetary asset without physical substance. Parliament recognises an intangible asset in its Statement of Financial Position only when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to Parliament 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 by Parliament for no or nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of that asset on the date acquired.

Where an intangible asset is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired asset's fair value is not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

6.2 SUBSEQUENT MEASUREMENT - COST MODEL

Intangible assets are subsequently carried at cost less accumulated amortisation and impairments. The cost of an intangible asset is amortised over the useful life where that useful life is finite. Where the useful life is indefinite, the asset is not amortised but is subject to an annual impairment test.

6.3 AMORTISATION AND IMPAIRMENT

Amortisation commences when the asset is ready for its intended use. Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives using the straight line method. The annual amortisation rates are based on the following estimated average asset lives:

Category - Computer software
Estimated useful lives - 3 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 tests intangible assets with finite useful lives for impairment where there is an indication that an asset may be impaired. An assessment of whether there is an indication of possible impairment is done at each reporting date. Where the carrying amount of an item of an intangible asset is greater than the estimated recoverable amount (or recoverable service amount), it is written down immediately to its recoverable amount (or recoverable service amount) and an impairment loss is charged to the Statement of Financial Performance.

6.4 DERECOGNITION

Intangible assets 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 on the disposal or retirement of an intangible asset is determined as the difference between the sales proceeds and the carrying value and is recognised in the Statement of Financial Performance.

6.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 102 - Intangible Assets. Refer to note 1.6.

7. INVENTORIES

7.1 INITIAL RECOGNITION

Inventories comprise current assets held for sale, consumption or distribution during the ordinary course of business. Inventories are initially recognised at cost. Cost generally refers to the purchase price, plus non-refundable taxes, transport costs and any other costs in bringing the inventories to their current location and condition.

Where inventory is acquired by Parliament for no consideration or a nominal consideration (i.e. a non-exchange transaction), the cost is deemed to be equal to the fair value of the item on the date acquired.

7.2 SUBSEQUENT MEASUREMENT

Inventories are valued at the lower of cost and net realisable value unless they are to be distributed at no charge or a nominal charge, in which case they are measured at the lower of cost and current replacement cost. Cost of inventories is determined on the weighted average method. Redundant and slow-moving inventories are identified and written down in this way. Differences arising on the valuation of inventory are recognised in the Statement

of Financial Performance in the year in which they arise. The amount of any reversal of any write-down of inventories arising from an increase in net realisable value or current replacement cost is recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

The carrying amount of inventories is recognised as an expense in the period that the inventory was sold, distributed, written off or consumed, unless that cost qualifies for capitalisation to the cost of another asset.

7.3 TRANSITIONAL PROVISION

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 12 - Inventories. Refer to note 1.6.

8. FINANCIAL INSTRUMENTS

8.1 INITIAL RECOGNITION

Financial instruments are initially recognised at fair value, plus, in the case of a financial asset or a financial liability not subsequently measured at fair value, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

8.2 SUBSEQUENT MEASUREMENT

Financial assets and liabilities are categorised according to their nature as either financial assets and liabilities at fair value, financial assets and liabilities at amortised cost or financial assets and liabilities at cost. The subsequent measurement of financial assets and liabilities depends on this categorisation.

8.2.1 TRADE AND OTHER RECEIVABLES

Trade and other receivables are categorised as financial assets at amortised cost and are initially recognised at fair value and subsequently carried at amortised cost. Amortised cost refers to the initial carrying amount, plus interest, less repayments and impairments. Parliament first assesses

whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant.

Objective evidence of impairment includes significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency of payments are considered indicators that the trade receivable is impaired. If Parliament determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). An impairment of trade receivables is accounted for by reducing the carrying amount of trade receivables through the use of an allowance account, and the amount of the loss is recognised in the Statement of Financial Performance within operating expenses. When a trade receivable is uncollectible, it is written off. Subsequent recoveries of amounts previously written off are credited against operating expenses in the Statement of Financial Performance.

If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognised, the previously recognised impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is recognised in the income statement.

The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

8.2.2 TRADE PAYABLES

Trade and other payables are categorised as financial liabilities at amortised cost and are initially recognised at fair value and subsequently measured at amortised cost which is the initial carrying amount, less repayments, plus interest.

8.2.3 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, that are held with registered banking institutions with maturities of three months or less and are subject to an insignificant risk of change in value. For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts. Parliament categorises cash and cash equivalents as financial assets, loans and receivables which are accounted for at amortised cost.

8.3 DERECOGNITION

8.3.1 FINANCIAL ASSETS

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired or
- Parliament has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

a) Parliament has transferred substantially all the risks and rewards of the asset, or

b) Parliament has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When Parliament has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, a new asset is recognised to the extent of Parliament's continuing involvement in the asset.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that Parliament could be required to repay.

8.3.2 FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts are recognised in the Statement of Financial Performance.

8.4 OFFSETTING OF FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

9. FOREIGN CURRENCIES

Transactions in currencies other than South African Rand are recorded at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains

and losses arising on translation are included in surplus or deficit for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

10. UNAUTHORISED EXPENDITURE

The Financial Management of Parliament Act (Act no. 10 of 2009) defines unauthorised expenditure as:

- a) overspending of Parliament's approved budget or a main division within that budget;
- b) any expenditure from Parliament's approved budget or a main division within that budget for a purpose unrelated to the approved budget or main division, subject to section 22; and
- c) any expenditure of donor funds for a purpose not specified in the agreement with the donor;

Unauthorised expenditure is accounted for as an expense in the Statement of Financial Performance and where recovery is highly probable is recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

11. IRREGULAR EXPENDITURE

The Financial Management of Parliament Act (Act no. 10 of 2009) 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 and where recovery is highly probable is recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

12. FRUITLESS AND WASTEFUL EXPENDITURE

The Financial Management of Parliament Act (Act no. 10 of 2009) defines fruitless and wasteful expenditure as expenditure that was made in vain and would have been avoided had reasonable care been exercised.

Fruitless and wasteful expenditure is accounted for as expenditure in the Statement of Financial Performance and where recovery is highly probable is recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

13. PROVISIONS

Provisions are recognised when Parliament has a present or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the provision can be made. Provisions are reviewed at reporting date and adjusted to reflect the current best estimate. Where the effect is material, non-current provisions are discounted to their present value using a pre-tax discount rate that reflects the market's current assessment of the time value of money, adjusted for risks specific to the liability.

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

Parliament does not recognise a contingent liability or contingent asset. A contingent liability is disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognised in financial statements since this may result in the recognition of revenue that may never be realised. However, when the realisation of revenue is virtually certain, then the related asset is not a contingent asset and its recognition is appropriate.

Where the effect of time value of money is material, future events that may affect the amount required to settle an obligation are reflected in the amount of a provision where there is sufficient objective evidence that they will occur. Gains from the expected disposal of assets are not taken into account in measuring a provision. Provisions are not recognised for future operating losses. The present obligation under an onerous contract is recognised and measured as a provision.

14. LEASES

14.1 PARLIAMENT AS LESSEE

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. 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 above definition. Operating lease rentals are accrued on a straight-line basis over the term of the relevant lease. 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.

14.2 TRANSITIONAL

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 13 - Leases. Refer to note 1.6.

15. BUDGET INFORMATION

Budget information is disclosed in accordance with GRAP 24 Presentation of Budget Information in Financial Statements (GRAP 24).

16. RELATED PARTIES

Related party disclosures are prepared in accordance with IPSAS 20 Related Party Disclosures (IPSAS 20). Related parties are identified as being those parties that control or have significant influence over Parliament and those parties that are controlled or significantly influenced by Parliament. Disclosure is made of all relationships involving control, even when there are no transactions between such parties during the year; all other related party transactions and management compensation.

17. EMPLOYEE BENEFITS

17.1 SHORT-TERM EMPLOYEE BENEFITS

The cost of short-term employee benefits payable within 12 months after service was rendered are recognised in the period in which service is rendered and not discounted. The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement.

When an employee has rendered service to Parliament during a reporting period, Parliament recognises the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

* as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, Parliament recognises that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and

* as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non accumulating absences, when the absence occurs. Parliament measures the expected cost of accumulating compensated absences as the additional amount that Parliament expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

17.2 RETIREMENT BENEFITS

Parliament provides retirement benefits for its employees and Members. The contributions to fund obligations for the payment of retirement benefits are charged against surplus or deficit in the year they become payable.

Defined contribution

Defined benefit funds which are administered on a national basis and for which specific actuarial information

in respect of individual participating employers is unavailable due to centralised administration of these funds are accounted for as if it were defined contribution funds.

Other post employment obligations

Past service costs are determined by using the projected unit credit method. The amount recognised in the balance sheet represents the present value of defined plan obligations. Current service costs, past service costs, the effects of changes in actuarial assumptions and the effects of plan amendments, are recognised as an expense in the current year.

Defined benefit funds

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.

Multi-employer and state plans

These plans are classified as either a defined benefit plan or a defined contribution plan. If the plan is a defined benefit plan, an actuarial valuation should be obtained. Normal defined benefit accounting would be applied to the proportionate share of the obligation and assets relating to Parliament. If actuaries are unable to provide Parliament with an actuarial valuation, Parliament accounts for the plan as if it were a defined contribution plan.

18. IMPAIRMENT OF

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 the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the cash-generating unit to which the asset belongs is determined.

The recoverable service amount of an asset or a cash-generating unit 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.

An impairment loss is recognised for cash-generating units if the recoverable service amount of the unit is less than the carrying amount of the unit. The impairment loss is allocated to reduce the carrying amount of the assets of the unit as follows:

- to the assets of the unit, pro rata on the basis of the carrying amount of each asset in the unit.

Parliament assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for assets may no longer exist or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation or amortisation is recognised immediately in surplus or deficit.

The transitional provisions for Parliament - Directive 8 have been applied to GRAP 21 - Impairment of non-cash generating assets. Refer to note 1.6.

19. KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGEMENTS

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures.

Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

19.1 APPLICATION OF DIRECTIVE 8 TRANSITIONAL PROVISIONS FOR PARLIAMENT

Property, plant and equipment, intangible assets and heritage assets - measurement

During the current reporting period Parliament embarked on a full asset verification exercise. All assets identified that were not on the asset register were recognised at provisional amounts pending a full valuation exercise during the next two reporting periods within the transitional period. These assets were initially expensed as Parliament's modified accrual accounting policy did not necessitate capitalisation of assets below a capitalisation threshold of R5 000.

Property, plant and equipment, intangible assets and heritage assets - useful lives and residual values

For the reporting date ended 31 March 2011 the useful lives and residual values of property, plant and equipment had not been reviewed as the valuation of assets is still to be completed within the transitional period. Parliament will review the useful lives and residual values of all items of property, plant and equipment and intangible assets still in use at 31 March 2012 based on the best evidence available at that date.

Property, plant and equipment, intangible assets and heritage assets - impairment

During the course of the verification exercise Parliament identified all items of property, plant and equipment and intangible assets for which impairment indicators exist. Where possible provisional amounts were impaired to the recoverable service amount.

Inventories

Certain categories of inventories are stated at provisional values pending final measurement during the transitional period.

19.2 DEFINED BENEFIT PLANS

The liability to be recognised is based on an actuarial valuation using the projected credit unit method.

19.3 PROVISION FOR DOUBTFUL DEBTS

At each reporting date Parliament assesses whether there is any objective evidence that debtors are impaired. If evidence of impairment exists, the allowance is calculated as the fair value of the debtor less the present value of the estimated recoverable amount or the recoverable service amount.

19.4 FAIR VALUE

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to Parliament for similar financial instruments.

19.5 PROVISIONS

Provisions were raised and management determined an estimate based on the information available. Additional disclosure of these estimates of provisions are included in note 24.

19.6 EFFECTIVE INTEREST RATE

Parliament used the incremental borrowing rate to discount future cash flows.

19.7 CAPITAL WORKS

Parliament believes improvements affected to the premises occupied by Parliament and owned by Department of Public Works (DPW) do not have any enduring benefit. These improvements are therefore expensed as incurred.

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
1 REVENUE FROM NON-EXCHANGE TRANSACTIONS		1,594,300	1,506,135
1.1 Annual appropriation received		1,201,621	1,108,002
Programmes			
Administration		346,279	292,150
Legislation and Oversight		300,068	232,991
Public and International Participation		79,429	98,932
Member's Facilities		193,931	225,243
Associated Services		281,914	258,686
Voted funds are the amounts appropriated to Parliament in accordance with the final budget known as the Adjusted Estimate.			
Unexpended voted funds (except for the underspend in the Statutory Appropriation which is for the Members' remuneration) are not surrendered to the National Revenue Fund and is available to Parliament for future utilisation.			
1.2 Statutory appropriation received		392,679	398,133
Amount forming a direct charge on the National Revenue Fund in respect of salaries, allowances and other benefits of office-bearers and other members of the National Assembly and the National Council of Provinces - in terms of the Payment of Members of Parliament Act (Act No.6 of 1994).			
2 EXCHANGE REVENUE		6,808	6,414
Sale of goods and services		6,110	4,994
Sundry income		698	1,420
3 TRANSFERS, SPONSORSHIPS AND DONATIONS		-	58,125
3.1 Local and foreign aid assistance		-	55,381
African Capacity Building Foundation (ACBF) - Capacity building	25.2	-	206
European Union (EU) - Legislature support programme	25.1	-	55,175
3.2 Gifts, donations and sponsorships		-	2,744
Old mutual		-	856
Standard bank		-	1,888
4 OTHER INCOME		24,944	18,784
Investment income		24,624	18,605
Insurance commissions		217	179
Bad debt recoveries		103	-

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
5 COMPENSATION OF EMPLOYEES AND MEMBERS		942,335	828,412
5.1 Compensation of employees		419,927	365,277
Basic remuneration		380,571	330,425
Performance awards		7,061	5,860
Compensative/ circumstantial		4,893	3,930
Periodic payments		2,975	2,641
Pension		18,196	16,450
UIF		1,813	1,725
Insurance		4,418	4,246
5.2 Compensation of Members		376,154	395,675
Basic remuneration		182,902	173,214
Pension		51,653	48,749
UIF		-	1,198
Gratuities		33,395	64,944
Other non-pensionable allowances		108,204	107,570
5.3 Benefits paid		146,254	67,460
Post-retirement medical aid contributions		35,394	33,114
Movement in long-term employee benefits		110,860	34,346
Average number of employees		1219	1185
Average number of Members		392	399
6 DEPRECIATION AND AMORTISATION EXPENSE		22,871	24,634
6.1 Depreciation	19	22,781	23,854
Equipment		4,127	5,793
Furniture and fittings		6,664	6,765
Computer equipment		11,817	10,700
Transport assets		173	596
6.2 Amortisation	20	90	780
Software			
Both depreciation and amortisation are subject to the transitional provisions of Directive 8.			
7 TRANSFERS TO NON-PROFIT INSTITUTIONS		281,925	258,743
Party leadership allowance		6,000	5,239
Party support allowance		66,600	55,163
Constituency allowance		209,325	198,341
These payments were made in terms of Section 34 of the Financial Management of Parliament Act (Act no.10 of 2009).			
8 DONOR PROJECT EXPENSES		10,539	6,866
ACBF - Capacity building		-	397
EU - Legislature support programme		10,539	6,469

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
9 INTEREST PAID			
Finance leases		19	-
10 GENERAL EXPENSES		463,450	386,711
Advertising		22,336	8,134
Audit fees		5,657	3,203
Bank charges and card fees		218	166
Bursaries (employees)		1,655	1,280
Capital works		40,498	19,399
Commission		12	115
Communication		25,665	23,292
Computer services		5,748	6,605
Consultants, contractors and special services		66,663	57,686
Consumables		447	894
Courier and delivery services		515	440
Entertainment		577	1,314
Equipment rental		2,345	2,757
Learnerships		622	437
Legal fees		1,292	4,695
Maintenance, repair and running costs		5,153	4,470
Operating leases		4,777	2,570
Personnel agency fees		714	1,014
Plant flowers and other decorations		2,448	1,355
Printing and publications		16,235	21,900
Professional bodies and membership fees		3,110	2,860
Protective, special clothing & uniforms		869	503
Resettlement costs		3,314	8,383
Training & staff development		5,235	5,189
Translations and transcriptions		33	1
Transport provided as part of the departmental activities		270	144
Travel and subsistence	10.1	234,647	193,860
Venues and facilities		12,395	14,045
10.1 Travel and subsistence		234,647	193,860
Local		180,605	170,839
Foreign		54,042	23,021
11 (LOSS)/ GAIN ON DISPOSAL OF ASSETS		(609)	1,959
Equipment		(162)	-
Furniture and fittings		(258)	-
Computer equipment		(174)	1,959
Transport assets		(15)	-
12 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS		(567)	(321)
Trade receivables			
Movement in provision for doubtful debts	14	(567)	(321)

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
13 CASH AND CASH EQUIVALENTS		411,928	340,825
Cash and cash equivalents consist of the following:			
Cash on hand		48	75
Cash at bank	13.1	95,192	48,702
Call deposits	13.2	316,688	292,048
Cash equivalents and short-term deposits are placed with high- credit quality financial institutions. The exposure to credit risk is the carrying amount of each class of cash and cash equivalents.			
Parliament has the following bank accounts: -			
13.1 Cash at bank		95,192	48,702
FNB Limited - Primary bank account			
Account Number 62078790964			
Cash book balance at beginning of year		48,068	67,740
Cash book balance at end of year		5,024	48,068
Bank statement balance at beginning of year		48,127	68,295
Bank statement balance at end of year		5,244	48,127
FNB Limited - Salary bank account			
Account Number 62078791657			
Cash book balance at beginning of year		625	1,712
Cash book balance at end of year		204	625
Bank statement balance at beginning of year		625	1,712
Bank statement balance at end of year		204	625
FNB Limited - Petty cash bank account			
Account Number 62078792019			
Cash book balance at beginning of year		9	11
Cash book balance at end of year		-	9
Bank statement balance at beginning of year		9	11
Bank statement balance at end of year		-	9
Nedbank Limited - Primary bank account			
Account Number 1452064776			
Cash book balance at beginning of year		-	-
Cash book balance at end of year		89,651	-
Bank statement balance at beginning of year		-	-
Bank statement balance at end of year		89,651	-
Nedbank Limited - Salary bank account			
Account Number 1452064784			
Cash book balance at beginning of year		-	-
Cash book balance at end of year		290	-
Bank statement balance at beginning of year		-	-
Bank statement balance at end of year		290	-
Nedbank Limited - Petty cash bank account			
Account Number 1452064970			
Cash book balance at beginning of year		-	-
Cash book balance at end of year		23	-
Bank statement balance at beginning of year		-	-
Bank statement balance at end of year		23	-

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

Inactive accounts:

EU main - account number 1452064903

EU salaries - account number 1452064911

EU petty cash - account number 1452064938

13.2 Call deposits

Call deposits do not exceed three months and are kept at the following institution:

Rand Merchant Bank Ltd

316,688

292,048

316,688

292,048

Notes to the Financial Statements for the year ended 31 March 2011

14 RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross Balances	Provision for Doubtful Debts	Net Balance
	R'000	R'000	R'000
as at 31 March 2011			
Receivables from exchange transactions	895	(349)	546
Recoveries of staff expenses	895	(702)	193
Other receivables	1,443	(289)	1,154
Total	3,233	(1,340)	1,893
<u>Other receivables</u>			
Employee advances	33	-	33
Total	3,266	(1,340)	1,926
as at 31 March 2010			
Receivables from exchange transactions	859	(12)	847
Recoveries of staff expenses	925	(610)	315
Other receivables	2,286	(267)	2,019
Total	4,070	(889)	3,181

Receivables mainly consist of receivables of a non-trade nature and therefore standard terms do not apply. No interest is raised on long outstanding amounts.

Summary of Debtors by Customer Classification	Gross Balances	Provision for Doubtful Debts	Net Balance
	R'000	R'000	R'000
as at 31 March 2011			
Political parties ¹	728	(349)	379
Media	16	-	16
Government organisations	151	-	151
Members and employees	895	(702)	193
Other	1,443	(289)	1,154
Total	3,233	(1,340)	1,893
as at 31 March 2010			
Political parties ¹	590	(12)	578
Media	13	-	13
Government organisations	256	-	256
Members and employees	925	(610)	315
Other	2,286	(267)	2,019
Total	4,070	(889)	3,181

¹ The provision for doubtful debts provided for political parties pertains to refunds of party support payments for parties that had not returned to Parliament.

The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
Reconciliation of the doubtful debt provision			
Balance at beginning of the year		891	570
Contributions to provision		567	321
Reversal of provision		(116)	-
Balance at end of year		1,342	891
<u>Trade and other receivables past due but not impaired</u>			
The ageing of amounts past due but not impaired is as follows:			
90 - 180 days		7	37
180 - 360 days		54	13
360 days +		4	27
15 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		2,133	23,890
ACBF - recovery of donor project expenses		-	206
Interest receivable accrual		2,133	2,229
National Treasury ¹		-	21,455
¹ Statutory appropriation related to Members' gratuities			
16 INVENTORIES			
Catering stock			
Opening balance		348	302
Additions		5,227	4,289
Cost of sales		(5,216)	(4,243)
Write-down to net realisable value		(5)	-
Balance at end of year		354	348
Inventories are reported on provisional amounts which are subject to the transitional provisions of Directive 8. Currently library books and catering equipment are reported at a provisional amount of zero which will be finalised in the measurement period ending 31 March 2013.			
17 PREPAYMENTS		4,545	3,123
Prepayments to Department of International Relations & Cooperation ¹		1,542	3,123
Prepaid expenses		3,003	-
¹ Advances to Department of International Relations and Cooperation for service to be delivered during international travel for Members of Parliament and staff.			
18 FRUITLESS AND WASTEFUL EXPENDITURE			
Fruitless and wasteful expenditure to be recovered related to the misuse of travel warrants by Members.		544	12,103
Cancellation fees	31.2	-	539
Total		544	12,642
This amount was approved to be written off in the current reporting period by the Executive Authority. It is no longer probable that future economic benefits or service potential will flow to Parliament.			
Reconciliation of movement in fruitless and wasteful expenditure:			
Opening balance		12,642	12,656
Written off to accumulated surplus	38	-	-
Revised opening balance		12,642	12,656
Recovered		-	(14)
Written off		(12,098)	-
Balance at end of year		544	12,642

Notes to the Financial Statements for the year ended 31 March 2011

19 PROPERTY, PLANT AND EQUIPMENT

19.1 Reconciliation of Carrying Value	Equipment	Furniture and fittings	Computer equipment	Transport assets	Total
	R'000	R'000	R'000	R'000	R'000
as at 1 April 2010	11,694	22,188	19,292	338	53,512
Cost	28,933	34,703	49,923	2,979	116,538
Accumulated depreciation and impairment losses	(17,239)	(12,515)	(30,631)	(2,641)	(63,026)
Acquisitions	617	1,176	14,700	-	16,493
Depreciation	(4,127)	(6,664)	(11,817)	(173)	(22,781)
Carrying value of disposals	(162)	(258)	(352)	(15)	(787)
Cost	(5,409)	(2,358)	(9,852)	(83)	(17,702)
Accumulated depreciation and impairment losses	5,247	2,100	9,500	68	16,915
as at 31 March 2011	8,022	16,442	21,823	150	46,437
Cost	24,141	33,521	54,771	2,896	115,329
Accumulated depreciation and impairment losses	(16,119)	(17,079)	(32,948)	(2,746)	(68,892)

Included in property, plant and equipment are leased assets with a carrying value of R241,173 (2010: R12,014).

Parliament is in the process of forming a fixed asset unit which will be responsible for managing their fixed assets.

A physical verification of all fixed assets has been performed by Parliament in the current reporting period. As a result, the existence and recognition of fixed assets has been confirmed.

Parliament has taken advantage of the transitional provisions set out in Directive 8. The transitional provisions allow Parliament three years to measure their fixed assets accurately. The measurement period will end on 31 March 2013. At present, the fixed assets are measured at provisional values. During the measurement period, Parliament will measure all fixed assets currently presented and disclosed at provisional values.

19.2 Reconciliation of Carrying Value	Equipment	Furniture and fittings	Computer equipment	Transport assets	Total
	R'000	R'000	R'000	R'000	R'000
as at 1 April 2009	16,889	25,112	10,007	934	52,942
Cost	29,900	25,887	33,486	2,968	92,241
Change in accounting policy (note 38)	(611)	4,464	977	11	4,841
Accumulated depreciation and impairment losses	(12,400)	(5,239)	(24,456)	(2,045)	(44,140)
Acquisitions	598	3,841	19,985	-	24,424
Depreciation	(5,793)	(6,765)	(10,700)	(596)	(23,854)
Carrying value of disposals	-	-	-	-	-
Cost	-	-	(4,914)	-	(4,914)
Accumulated depreciation and impairment losses	-	-	4,914	-	4,914
as at 31 March 2010	11,694	22,188	19,292	338	53,512
Cost	28,933	34,703	49,923	2,979	116,538
Accumulated depreciation and impairment losses	(17,239)	(12,515)	(30,631)	(2,641)	(63,026)

Included in property, plant and equipment are leased assets with a carrying value of R12,014 (2009: R5,529).

Notes to the Financial Statements for the year ended 31 March 2011

20 INTANGIBLE ASSETS

20.1 Reconciliation of carrying value	Computer Software
	R'000
as at 1 April 2010	62
Cost	2,273
Accumulated amortisation and impairment losses	(2,211)
Acquisitions	343
Amortisation	(90)
Carrying value of disposals	(5)
Cost	(162)
Accumulated amortisation	157
as at 30 March 2011	310
Cost	2,454
Accumulated amortisation and impairment losses	(2,144)

Parliament has taken advantage of the transitional provisions set out in Directive 8. The transitional provisions allow Parliament three years to measure their intangible assets accurately. The measurement period will end on 31 March 2013. At present, the intangible assets are measured at provisional values. During the measurement period, Parliament will measure all intangible assets currently presented and disclosed at provisional values.

20.2 Reconciliation of carrying value	Computer Software
	R'000
as at 1 April 2009	790
Cost	1,976
Change in accounting policy (note 38)	100
Accumulated amortisation and impairment losses	(1,286)
Acquisitions	52
Amortisation	(780)
as at 31 March 2010	62
Cost	2,273
Accumulated amortisation and impairment losses	(2,211)

21 HERITAGE ASSETS

21.1 Reconciliation of carrying value	Heritage assets
	R'000
as at 1 April 2010	42,741
Deemed cost	42,741
Acquisitions	1
as at 30 March 2011	42,742

Parliament has taken advantage of the transitional provisions set out in Directive 8. The transitional provisions allow Parliament three years to measure their heritage assets accurately. The measurement period will end on 31 March 2013. At present, the heritage assets are measured at provisional values. During the measurement period, Parliament will measure all heritage assets currently presented and disclosed at provisional values.

In terms of Directive 7 Parliament determined a deemed cost for heritage assets in the absence of sufficient information about the acquisition cost of its heritage assets.

21.2 Reconciliation of carrying value	Heritage assets
	R'000
as at 1 April 2009	42,756
Cost	35,925
Change in accounting policy (note 38)	6,831
Disposals	(15)
as at 31 March 2010	42,741

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
		R'000	R'000
22 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade creditors		11,018	30,705
Payments received in advance		755	805
Accruals		44,402	21,990
Employee benefits	22.1	32,407	30,460
Other creditors		-	2,073
Total creditors		88,582	86,033
The fair value of trade and other payables approximates their carrying amounts. Standard credit terms of 30 days apply.			
22.1 Employee benefits		32,407	30,460
Leave accrual		18,084	16,721
Negative leave entitlement		(520)	(449)
Leave entitlement		13,014	11,232
Capped leave commitments		5,590	5,938
Guaranteed performance awards		4,154	4,098
Overtime		528	-
UIF		9,641	9,641
23 VAT (PAYABLE) / RECEIVABLE			
VAT (payable) / receivable		(70)	11
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			
24 PROVISIONS		83,802	53,386
Performance bonus	24.1	6,874	5,860
Members' gratuities	24.2	76,928	47,526
The movement in current provisions are reconciled as follows: -			
24.1 Performance Bonus			
Opening balance		5,860	5,800
Contributions to provision		7,061	5,860
Expenditure incurred		(6,047)	(5,800)
Closing balance		6,874	5,860
The bonuses are calculated on 70% of the annual total cost to employer divided by 12 months.			
The value of the bonus is determined by the score out of 5 achieved by an employee at the time of the performance assessment.			
The number of employees qualifying for the bonus is based on management's best estimate taking into consideration historical trends.			
24.2 Members' gratuities			
Opening balance		47,526	43,674
Contributions to provision		31,549	25,122
Expenditure incurred		(2,147)	(21,270)
Closing balance		76,928	47,526
This provision is calculated for all current Members of Parliament with service exceeding five years assuming termination of service at the reporting date. It is calculated as 4 months pensionable salary for every five years in service or pro-rata share of the five year period. Pensionable salary is 60% of their total gazetted remuneration package including a deemed medical aid contribution as determined by the principal employer.			

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

25 UNSPENT CONDITIONAL GRANTS AND RECEIPTS

25.1 EU grant

Budgetary support programme in three tranches of 5 million Euro each to assist Parliament in establishing a legislative sector in South Africa. First tranche received and utilised to facilitate the process. 80% of further tranches to be distributed directly to the provincial legislative sectors.

Opening balance

- -

Received

- 55,175

Recognised in Statement of Financial Performance

3.1 - (55,175)

Closing balance

- -

25.2 ACBF grant

Project in conjunction with the African Capacity Building Foundation which came to an end in the 2010 reporting period.

Opening balance

- -

Recognised in Statement of Financial Performance

3.1 - 206

Transferred in/ (out)

- (206)

Closing balance

- -

Total Unspent Conditional Grants and Receipts

- -

Non-current unspent conditional grants and receipts

- -

Current portion of unspent conditional grants and receipts

- -

26 EMPLOYEE BENEFITS

26.1 The Government Employees Pension Fund (GEPF)

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

Contributions to the GEPF for the reporting period

18,196 16,450

These contributions are included in surplus or deficit for the reporting period.

The most recent actuarial valuation of the GEPF was performed on 31 March 2008. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R707 million which are adequately funded by assets of R707 million.

26.2 The Political Office-Bearers Pension Fund (POBF)

The Political Office-Bearers Pension Fund has a defined contribution and a defined benefit section in terms of which the basis of funding of retirement benefits is on a defined benefit basis through additional service and equalisation benefits provided by National Treasury, and on a defined contribution basis through the utilisation of member credits accumulated. This responsibility is governed the Members of Parliament and Political Office-bearers Pension Scheme Act, 1984 (Act No. 112 of 1984) as amended in 1992. Parliament's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees.

Contributions to the POBF for the reporting period

51,653 48,749

These contributions are included in surplus or deficit for the reporting period.

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

The most recent actuarial valuation of the POBF was performed on 31 March 2008. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R1.422 billion which are adequately funded by assets of R1.423 billion.

26.3 Non-contributory funds

The Pension Scheme for Officers of Parliament (PSOP)

The Pension Scheme for Officers of Parliament (PSOP) is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund. This responsibility is governed by the General Pensions Act 29 of 1979.

26.4 Post-retirement medical aid contributions

In terms of existing practice Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for retired Members of Parliament. This defined benefit liability for potential post-retirement medical aid costs in respect of existing employees has been actuarially valued as at 31 March 2011.

678,966 568,106

Reconciliation of movement in liability

Opening balance	568,106	533,760
Current service cost	28,540	21,240
Interest cost	38,750	43,890
Benefits paid	(35,394)	(33,114)
Actuarial loss	78,964	2,330
Closing balance	678,966	568,106

Notes to the Financial Statements for the year ended 31 March 2011

Principal actuarial assumptions:

Sensitivity results

The present value of obligations of Parliament was recalculated to show the effect of:

A one percent change in the Discount rate, with all other assumptions remaining unchanged;

An one percent change in the Health Care inflation rate, with all other assumptions remaining unchanged;

An average retirement age of one year younger or older than the assumed average retirement age, with all other assumptions remaining unchanged.

The tables below shows the accrued liability with the altered assumptions as listed, as well as the proportional sensitivity relative to the results shown in Section 2.1. The reader should note that these sensitivities apply to the accrued liabilities only.

31 March 2011	Discount rate		
	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	684.13	781.37	605.68
% change		+14.2%	-11.5%

31 March 2011	Health Care Inflation		
	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	573.27	605.56	779.93
% change		-11.5%	+14.0%

31 March 2011	Average Retirement Age		
	Base Assumptions 65 years	1 year younger	1 year older
Accrued Contributions Liability (R' million)	573.27	702.52	667.92
% change		+2.7%	-2.4%

31 March 2010	Discount rate		
	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	573.27	654.41	507.65
% change		+14.2%	-11.4%

31 March 2010	Health Care Inflation		
	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	573.27	507.55	653.19
% change		-11.5%	+13.9%

31 March 2010	Average Retirement Age		
	Base Assumptions 65 years	1 year younger	1 year older
Accrued Contributions Liability (R' million)	573.27	592.16	556.07
% change		+3.3%	+3.0%

Notes to the Financial Statements for the year ended 31 March 2011

DISCOUNT RATE

The discount rate is based on the annualised Zero-Coupon yield curve of South African bonds as at 31 March 2010 and 31 March 2011, gross of tax, as shown in the table below. The entire yield curve was applied to this valuation

Term Zero-coupon South African Bond yields:

Term	2011	2010
0	5.29%	6.37%
1	5.92%	6.91%
2	6.56%	7.31%
3	7.14%	7.65%
4	7.62%	7.87%
5	7.99%	8.02%
6	8.27%	8.17%
7	8.46%	8.32%
8	8.60%	8.44%
9	8.69%	8.54%
10	8.76%	8.62%
11	8.81%	8.68%
12	8.85%	8.72%
13	8.88%	8.76%
14	8.91%	8.78%
15	8.93%	8.79%
16	8.94%	8.80%
17	8.95%	8.81%
18	8.96%	8.81%
19	8.97%	8.81%
20	8.98%	8.81%
21	8.99%	8.81%
22	8.99%	8.81%
23	8.99%	8.81%
24	9.00%	8.81%
25	9.00%	8.81%
26	9.00%	8.80%
27	9.00%	8.80%
28	9.00%	8.80%
29	9.00%	8.80%
30	9.01%	8.80%
30+	9.01%	8.80%

Notes to the Financial Statements for the year ended 31 March 2011

INCREASE IN HEALTH CARE COST

Term Zero-coupon South African Bond yields less 1.5%:

	Term	2011	2010
	0	3.79%	4.87%
	1	4.42%	5.41%
	2	5.06%	5.81%
	3	5.64%	6.15%
	4	6.12%	6.37%
	5	6.49%	6.52%
	6	6.77%	6.67%
	7	6.96%	6.82%
	8	7.10%	6.94%
	9	7.19%	7.04%
	10	7.26%	7.12%
	11	7.31%	7.18%
	12	7.35%	7.22%
	13	7.38%	7.26%
	14	7.41%	7.28%
	15	7.43%	7.29%
	16	7.44%	7.30%
	17	7.45%	7.31%
	18	7.46%	7.31%
	19	7.47%	7.31%
	20	7.48%	7.31%
	21	7.49%	7.31%
	22	7.49%	7.31%
	23	7.49%	7.31%
	24	7.50%	7.31%
	25	7.50%	7.31%
	26	7.50%	7.30%
	27	7.50%	7.30%
	28	7.50%	7.30%
	29	7.50%	7.30%
	30	7.51%	7.30%
	30+	7.51%	7.30%
Active members expected to continue after retirement		95%	95%
Average retirement age		65 years	65 years

Notes to the Financial Statements for the year ended 31 March 2011

MORTALITY PRE-RETIREMENT

Male	SA 85-90 (aggregate)	SA 85-90 (aggregate)
Female	SA 85-90 (aggregate) with a 3 year reduction	SA 85-90 (aggregate) with a 3 year reduction
Mortality post-retirement		
Male	PA (90) rated down with 2 years and 1% annual mortality improvement from 2008	PA (90) rated down with 2 years and 1% annual mortality improvement from 2008
Female	PA (90) rated down with 2 years and 1% annual mortality improvement from 2008	PA (90) rated down with 2 years and 1% annual mortality improvement from 2008

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

27 FINANCE LEASES

Minimum lease payments due:

Payable within 1 year	197	8
Payable within 2 - 5 years	69	6
Less: future finance charges	(12)	(2)
Present value of lease payments due	254	12
Current	187	7
Non-current	67	5
	254	12

The average lease term is 2 years for cellphones and modems. The average effective borrowing rate is prime interest rate.

Leases have fixed monthly payments however, lease payments vary due to contingent rentals (airtime, etc).

Transfer of ownership and risks takes place at the end of the lease term provided all lease payments have been made.

28 CASH GENERATED BY OPERATIONS

Surplus for the year	(113,553)	82,025
Adjustment for:-		
Depreciation and amortisation	22,871	24,634
Loss / (gain) on sale of assets	609	(1,959)
Bad debts written off	12,098	-
Contribution to provisions - current	30,416	3,911
Movement in employee benefits	110,860	34,346
Impairment loss - receivables	567	321
Capital works	-	-
Decrease in reserves	-	(14)
Interest earned	(24,624)	(18,605)
Interest paid	19	-
Operating surplus before working capital changes:	39,263	124,659
(Increase) in inventories	(6)	(46)
Decrease / (increase) in trade receivables	22,348	(13,935)
(Increase) / decrease in other receivables	(1,422)	(199)
(Increase) in VAT receivable	-	(12)
Decrease in fruitless and wasteful expenditure	-	14
Increase / (decrease) in trade payables	2,549	(49,574)
Increase in VAT payable	81	-
Interest received	24,720	18,605
Interest paid	(19)	-
Cash generated by/(utilised in) operations	87,514	79,512

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
29 PROCEEDS FROM SALE OF FIXED ASSETS			
Net book value of assets disposed		792	15
(Loss) / gain on sale of assets		(609)	1,959
Proceeds from sale of fixed assets		183	1,974
30 CASH AND CASH EQUIVALENTS			
Cash and cash equivalents included in the cash flow statement comprise the following:			
Bank balances and cash		411,928	340,825
Net cash and cash equivalents (net of bank overdrafts)		411,928	340,825
31 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED			
31.1 Unauthorised expenditure			
-			
Reconciliation of unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure current year		-	23,202
Authorised		-	(23,202)
Transfer to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation		-	-
The overspend in the 2010 reporting period related to Members' gratuities paid. This was authorised and charged to the National Revenue Fund.			
31.2 Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure			
Opening balance -		761	646
Fruitless and wasteful expenditure current year		251	115
Fruitless and wasteful expenditure closing balance		1,012	761
Incident			
Cancellation fees - under investigation		170	
Interest on late payment		187	3
Insurance excess to rental company where driver had not exercised proper care		-	112
Previously reported as receivable	18	539	
Fees for course that did not meet expectations - under investigation		116	-
		1,012	115

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

31.3 Irregular expenditure

Reconciliation of irregular expenditure

Opening balance		1,915	-
Irregular expenditure current year		10,112	1,915
Irregular expenditure awaiting condonement		12,027	1,915

Investigations have thus far indicated that the irregular expenditure arose due to non-compliance to Parliament's procurement policy processes.

As such, no disciplinary or criminal action has been taken.

32 CAPITAL COMMITMENTS

32.1 Commitments in respect of capital expenditure

- Approved and contracted for

Capital works		12,638	36,162
Other		8,035	32,650
		4,603	3,512

- Approved but not yet contracted for

Capital works		45,029	20,000
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Total		57,667	56,162
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This expenditure will be financed from:

Appropriation		57,667	56,162
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32.2 Operating leases

At the reporting date Parliament has outstanding commitments under operating leases which fall due as follows:

Operating leases - lessee

Within one year		535	1,267
In the second to fifth year inclusive		322	645
Total		857	1,912

Operating lease payments represent rentals payable by Parliament for office equipment and rental of Parliamentary Democratic Offices. Leases of equipment are negotiated for an average term of three years and rentals are fixed for the entire lease term. Leases of PDO offices are subject to 8% escalation per annum and were straightlined over the period of the lease.

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
33 CONTINGENT LIABILITY			
33.1 Staff litigation		1,100	3,175
Labour related disputes and claims instigated by former employees			
33.2 Other litigation		1,000	2,300
Ongoing litigation in which Parliament will possibly be liable either ex parte or as respondent in civil action.			
33.3 Other contingent liabilities		-	1,982
Department of Foreign Affairs - foreign travel claims - evidence still to be provided.			
34 REMUNERATION OF KEY PERSONNEL		-	-
The aggregate compensation of the senior management of Parliament showing separately major classes of key management personnel and the respective benefits according to the headings indicated for the current and comparative period.			
Presiding Officers			
Annual Remuneration		4,112	3,882
Performance- and other bonuses		-	-
Travel, motor car, accommodation, subsistence and other allowances		2,098	2,036
Contributions to UIF, Medical and Pension Funds		1,032	982
Total		7,242	6,900
Number of Presiding Officers included¹		4	4
¹ Remuneration of the Speaker and Deputy Speaker of the National Assembly and the Chairperson and Deputy Chairperson of the National Council of Provinces.			
Key personnel			
Annual Remuneration		12,506	11,846
Performance- and other bonuses		241	259
Travel, motor car, accommodation, subsistence and other allowances		-	342
Contributions to UIF, Medical and Pension Funds		932	811
Total		13,679	13,258
Number of key personnel included²		12	13
² Remuneration of the following key personnel:			
Secretary to Parliament			
Deputy Secretary			
Chief Operating Officer			
Secretary to the National Council of Provinces			
Secretary to the National Assembly			
Chief Financial Officer			
Divisional Managers			
35 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 entities.			
All related party transactions are consistent with normal operating relationships between the entities, and are undertaken on terms and conditions that are normal for such transactions in these circumstances.			

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000
35.1 Intergovernmental receivables		531	633
Departments		109	127
Department of Basic Education		-	40
Department of Economic Development		-	25
Department of Finance		59	-
Department of Higher Education		-	39
Department of International Relations & Co-operation		2	-
Department of Minerals & Energy		-	2
Department of Police Services		10	8
Department of Public Works		1	1
Department of Rural Development & Land Reform		-	12
Public Works Ministry		2	-
Science & Technology Ministry		1	-
Social Development Ministry		1	-
Woman, Youth & Children Centre		33	-
Other government entities		422	506
National Treasury		-	18
Office of the President		27	110
Office of the President: Cabinet Section		17	-
SARS		378	378
35.2 Intergovernmental payables		2,675	2,891
Departments			
Department of Foreign Affairs		-	1,982
Department of Health		-	18
Department of Housing		-	1
Department of Justice		643	577
Department of Public Works		2,031	163
Department of Public Service and Administration		-	2
Department of Rural Development & Land Reform		1	-
Department of Transport		-	148
Other government entities		62	-
Government Motor Transport		33	-
Government Printing Works		1	-
Government Communications & Information Systems		28	-

35.3 Services in kind

The Parliament complexes are owned by Department of Public Works (DPW). Parliament is occupying these complexes for no rental cost paid to DPW. These complexes were occupied for the entire reporting period.

Notes to the Financial Statements for the year ended 31 March 2011

	Note	2011	2010
			Restated
		R'000	R'000

36 RISK MANAGEMENT

36.1 Credit risk

Credit risk arises from the risk that a counter-party may default or not meet its obligations timeously.

Credit risk consists mainly of cash deposits, cash equivalents and trade debtors. Parliament only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Trade receivables mainly comprise related parties, lowering counterparty risk.

Financial assets exposed to credit risk at year end were as follows:

First National Bank - current accounts

	412,109	340,811
13.1	5,457	48,763
13.1	89,964	-
13.2	316,688	292,048

Nedbank - current accounts

RMB - call deposit

These balances represent the maximum exposure to credit risk.

36.2 Liquidity risk

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

Parliament manages its liquidity risk to ensure it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents.

The maturity dates of Parliament's liabilities are set out below as undiscounted cash flows:

Trade and other payables

Payable within 1 year

22 11,018 30,705

Finance leases

Payable within 1 year

27 197 8

Payable within 2 - 5 years

27 69 6

36.3 Interest rate risk

Interest rate risk results from the cash flow and financial performance uncertainty arising from interest rate fluctuations.

At reporting date, financial instruments exposed to interest rate risk were as follows:

Current accounts at floating rates¹

13.1 95,421 48,763

Call deposits at floating rates¹

13.2 316,688 292,048

¹Invested at prime less 4% for both reporting periods.

37 COMPARISON WITH THE BUDGET

The comparison of Parliament's actual financial performance with that budgeted is set out in the Statement of comparison of budget and actual amounts on pages 55 to 56.

Notes to the Financial Statements for the year ended 31 March 2011

38 CHANGE IN ACCOUNTING POLICY, CORRECTION OF PRIOR PERIOD ERRORS AND RESTATEMENTS

	Balance as previously reported	Restatements	GRAP adjustments	Restated balance	Note
	R'000	R'000	R'000	R'000	
Statement of Financial Performance					
for the year ended 31 March 2010					
REVENUE					
Annual appropriation	1,108,002				
Statutory appropriation	398,133				
Revenue from non-exchange transactions	1,506,135	-	-	1,506,135	
Departmental revenue	29,902				
Revenue from exchange transactions	29,902	(23,615)		6,414	
Local and foreign aid assistance	6,625				
Transfers, sponsorships and donations	6,625	2,744	48,756	58,125	38.7
Other revenue		18,784	-	19,322	
TOTAL REVENUE	1,542,662	(2,087)	48,756	1,589,996	
EXPENDITURE					
Current expenditure					
Cost of sales		4,249	(6)	4,243	38.3
Compensation of employees/ Compensation of Members and employees	794,066			828,412	38.5 , 38.8
Goods and services / general expenses	399,101	(4,254)	(8,136)	386,711	38.5
Financial transactions in assets and liabilities / Depreciation and amortisation	22,283	(395)	2,746	24,634	38.7
Local and foreign aid assistance / Donor projects	6,609	-	257	6,866	
Interest paid			-	-	
Total current expenditure	1,222,059	(400)	(5,139)	1,250,866	
Transfers and subsidies/ Transfers to non-profit institutions	258,743	-		258,743	
SURPLUS/(DEFICIT) FOR THE YEAR	61,860	(1,687)	53,895	80,387	
Gain/ (loss) on sale of fixed assets		1,959		1,959	
(Impairment loss) / Reversal of impairment loss		(398)	77	(321)	38.4
Inventories: (Write-down) / reversal of write-down to net realisable value				-	
SURPLUS/(DEFICIT) FOR THE YEAR	61,860	(126)	53,972	82,025	

Notes to the Financial Statements for the year ended 31 March 2011

	Balance as previously reported	Restatements	GRAP adjustments	Restated balance	Note
	R'000	R'000	R'000	R'000	
Statement of Financial Position as at 31 March 2010					
ASSETS					
Current assets	384,104	(78)	(6)	384,020	
Irregular expenditure	189		(189)	-	38.1
Fruitless and wasteful expenditure	12,642		-	12,642	38.2
Cash and cash equivalents	340,825			340,825	
Inventory	245		103	348	38.3
Prepayments and advances	3,120		3	3,123	
Receivables	27,083	(23,979)	77	3,181	38.4
Receivables from non-exchange transactions	-	23,890		23,890	
VAT receivable	-	11		11	
Non-current assets	79,041	-	17,274	96,315	
Tangible capital assets/ Property, plant and equipment	138,657	(98,898)	13,753	53,512	38.5
Intangible capital assets	2,409	(2,109)	(238)	62	38.5
Heritage assets	-	35,910	6,831	42,741	38.6
Less: Accumulated depreciation	(62,025)	65,097	(3,072)	-	
TOTAL ASSETS	463,145	(78)	17,268	480,335	
LIABILITIES					
Current liabilities	188,424	(613)	(48,382)	139,426	
Payables	188,424	(53,999)	(48,389)	86,033	38.7, 38.8
Current provisions	-	53,386		53,386	
Finance leases - current	-		7	7	38.5
Non-current liabilities	-	(5,164)	573,275	568,111	
Non-current unspent conditional grants and receipts	-	-	-	-	
Employee benefits	-	(5,164)	573,270	568,106	38.10
Finance leases	-	-	5	5	38.5
TOTAL LIABILITIES	188,424	(5,777)	524,893	707,537	
NET ASSETS	274,721	5,699	(507,625)	(227,202)	
NET ASSETS					
Reserves	12,098		(12,098)	-	38.9
Accumulated surplus / (deficit)	262,623		(495,527)	(227,202)	38.11
Total net assets	274,721	-	(507,625)	(227,202)	

Notes to the Financial Statements for the year ended 31 March 2011

38.1	Reversal of irregular expenditure	
		The purchase of furniture and fittings in contravention of the procurement policy was capitalised as at date of purchase and depreciated to date subsequent to condonement.
38.2	Reversal of fruitless and wasteful expenditure	
		The remaining balance of fruitless and wasteful expenditure of R17.2 million of which R5.1 million was recovered was derecognized as it no longer meets the definition of an asset. During the 2010 reporting period an amount of R13,661 was recovered.
38.3	Inventory	
		Previous provisions raised against inventory have been reversed and a revised provision for obsolescence has been recognised.
38.4	Reversal of provision for doubtful debts	
		Relates to provision that was made for related parties, not based on an individual assessment of impairment indicators, but on number of days outstanding.
38.5	Property, plant and equipment	
		The following changes in accounting policy were affected to property, plant and equipment and intangible assets:
		<ul style="list-style-type: none"> • Assets that were previously expensed have now been recognised as these meet the definition of an asset • Cell phone handsets and modems under contract have been capitalised as the nature of the agreement constitutes a finance lease in terms of GRAP 13 - Leases
		All assets verified, but not found on the fixed asset register during an asset verification exercise were added at a nominal value pending measurement during the transitional measurement period in terms of Directive 8
		* All assets not verified during an asset verification exercise were derecognised
		* Transfers were made between asset classes
38.6	Heritage assets	
		Heritage assets were recorded at deemed cost as determined by a fair value exercise performed by an independent valuer in 2008. All further additions were recognised at cost.
38.7	Recognition of EU funding	
		A budget support payment from the European Union was recognised as revenue as there are no conditions attached to the receipt of the funds. This is in terms of GRAP 23 - Revenue from non-exchange transactions.
38.8	Straight lining of operating leases	
		Parliament does not have a lease agreement with Department of Public Works (DPW) for the Cape Town premises. Leases however exist with DPW for two Parliamentary Democratic Offices (PDOs). These lease payments were accrued for and straight-lined over the remaining term of the lease.
38.9	Transfer of the recoverable revenue reserve to accumulated surplus	
		The recoverable revenue reserve has been transferred to accumulated surplus with effect from initial recognition.
38.10	Post-retirement employee benefits	
		Parliament's liability to provide post-retirement benefits for Members of Parliament has been provided for in terms of an actuarial valuation.
38.11	Reconciliation of impact on net assets	
	Impact on accumulated surplus	(522,101)
	Transfer of recoverable revenue	12,098
	Reverse transfer from recoverable revenue	14
	Impact on comparative Statement of Financial Performance	53,972
	Total change in net assets	(456,017)
39	EVENTS AFTER REPORTING DATE	
		There were no events after the reporting date which were identified..

Notes to the Financial Statements for the year ended 31 March 2011

STATEMENT OF COMPARISON OF BUDGET TO ACTUAL INFORMATION

R Thousands or R	Reference	Approved budget	Final Budget	Actual Outcome Prepared on a cash basis	Variance	Reference
INCOME						
Annual appropriation		1,201,621	1,201,621	1,201,621	-	
Statutory appropriation		392,679	392,679	392,679	-	
Departmental revenue		-	-	8,021	(8,021)	
Interest received		-	-	24,720	(24,720)	
Transfers, sponsorships and donations		-	-	-	-	
		1,594,300	1594,300	1,627,041	(32,741)	
EXPENSES						
Capital expenditure		10,809	16,901	16,837	64	
Compensation of employees		475,440	456,375	419,927	36,448	
Compensation of members		392,679	392,679	381,132	11,547	
Suppliers		430,550	492,087	477,979	14,108	
Interest paid		-	-	19	(19)	
Transfers to non-profit institutions		284,822	281,914	281,925	(11)	
		1,594,300	1,639,956	1,577,819	62,137	
(DEFICIT)/SURPLUS						
		-	(45,656)	49,222	(94,878)	

- Parliament's budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 April 2010 to 31 March 2011.
- The material differences in actual expenditure over the final budget relates to the following:
 - Underspending on Compensation of employees 8.0 % (11.7 % over approved budget) which is due mostly to the delay in recruitment of specialists for Committee support in the Legislation and Oversight Division.
 - Underspending of 11.1 % for suppliers which is due to goods and services procured before 31 March 2011 but not paid for. This amount is included in payables.
 - Underspending of 2.9 % for compensation of members. This is due to an amount provided for in the budget to cover loss of office gratuity for members leaving parliament. The expenditure is dependant on members leaving Parliament.
- The budget and the basis of accounting differ. The financial statements for Parliament are prepared on the accrual basis using classification based on the nature of expenses in the statement of financial performance while the budget is approved on the cash basis.
- The amounts in the financial statements were recast from the accrual basis to the cash basis and reclassified by functional classification to be on the same basis as the final approved budget. In addition, adjustments to amounts in the financial statements for timing differences associated with the continuing appropriation were made to express the actual amounts on a comparable basis to the final approved budget. The amounts of these adjustments are identified in the following table:
- A reconciliation between the actual amounts on a comparable basis as presented in the Statement of Comparison of Budget and Actual Amounts and the actual amounts in the Statement of Cash Flows for the Year Ended 31 March 2011 is presented below. The financial statements and budget documents are prepared for the same period, but there is a basis difference in that the budget is prepared on a cash basis and the financial statements on the accrual basis.
- The deficit of 45,656m of actuals over budget was funded by use of retained funds from prior years which were approved by the Executive Authority of Parliament. This was utilized for upgrading of certain locations in the precinct of Parliament i.e. committee rooms and office space.

Notes to the Financial Statements for the year ended 31 March 2011

	Operating	Investing	Financing	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	(28,755)	(16,901)	-	(45,656)
Basis Differences	98,264	183	242	98,689
Statutory appropriation for prior year only received in 2011	21,455			21,455
Short-term employee benefit accruals included in budget	32,407			32,407
Accruals for goods and services included in budget	44,402			44,402
Capital works				-
Sales of assets not budgeted for		183		183
Deemed finance leases not budgeted for			242	242
Actual Amount in the Statement of Cash Flows	87,514	(16,653)	242	71,103

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