



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

The Annual Report

2011/12



National Assembly



National Council of Provinces



National Assembly

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 Acting 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 2012.

The fourth democratic Parliament has agreed on a strategic plan to take Parliament forward in the realisation of its vision of becoming an effective people's Parliament that is responsive to the needs of the people it serves.

Parliament's role and ultimate outcome is to represent the people and ensure government by the people under the Constitution, as well as to represent the provinces in the national sphere of government.

Our Constitution establishes a people-centred democracy. A central tenet for Parliament in ensuring both representative and participatory democracy is thus to interact with, and respond to, the needs of the people.

Parliament is the central institution of democracy that represents the hopes and aspirations of people. Parliament must therefore ensure transparency, responsiveness and accountability of government to the people.

Parliament gives effect to these outcomes through passing legislation, overseeing executive action, facilitating public involvement in parliamentary processes, enhancing co-operative government and increasing international participation.

These outcomes have been described as the five programmes in Parliament's strategic plan. The outputs for these programmes include bills passed, questions put to the executive, annual reports tabled and scrutinised, public participation facilitated, participation in international forums, approved international agreements, appointed office bearers, and discharged statutory functions.

In terms of the Oversight and Accountability Model of Parliament, a great deal of work has been done to implement the model. In the development of this implementation process many areas identified in the Report of the Independent Panel Assessment of Parliament were also addressed.

One of the powerful oversight tools that Parliament has is the Money Bills Amendment Procedure and Related Matters Act, which provides a procedure for Parliament to amend money bills. Processes are currently underway for the Standing Committee on Finance to review this Act to address technical challenges in its implementation. It is imperative that Parliament is enabled in terms of a thorough understanding of the complex factors that come into play to determine the national budget and measure its outcomes.

The processes to establish the Budget Office, as required by this Act, has received substantial attention and steps are in place to have a functional office operational in the near future.

The importance of ensuring that quality legal, procedural and research support is available to Members of Parliament and parliamentary committees in the exercise of their constitutional mandate is recognised and acknowledged. In this respect, work to ensure that the Constitutional and Legal Service Office, the Legislation and Oversight Division and the International Relations Division are strengthened has been identified and processes have been put in place to enhance these crucial aspects of the work of the parliamentary service.

Parliament has also made significant strides in strengthening its internal governance systems through the implementation of the Financial Management of Parliament Act. During the past year Parliament has continued to put accelerated programmes in place to strengthen its financial management environment in line with democratic governance values and in compliance with legislation.

The Improvement of the Financial Management Environment of Parliament (IFMEP) project was initiated to resolve issues arising from previous audit reports and to ensure compliance with the Financial Management of Parliament Act.

A project to enhance technology in the NCOP Chamber was also undertaken during the year under review. The audio quality in the Chamber has been improved significantly and all audio equipment was replaced. In addition, technology enhancements were made which allow members to log into the system using fingerprint identification.

A number of priority projects have also been identified to give effect to the implementation of Parliament's strategic plan. These include projects which will take further the development of a public participation model and strategy, the enhancement of library services and the development of a co-ordinated oversight approach. The year ahead will, amongst others, see us focus on strengthening our governance and financial processes further with a view to consolidating on the gains made.



30 July 2012
M B Coetzee
Acting Secretary to Parliament

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PROGRAMME 1. ADMINISTRATION

Office of the Institutions Supporting Democracy

The Office of the Institutions Supporting Democracy (OISD) was created in accordance with a Resolution taken by the National Assembly in November 2008 with the purpose to, amongst other things, co-ordinate all interactions between Parliament and Institutions Supporting Democracy (ISDs).

The Institutions Supporting Democracy are independent institutions created by the Constitution and legislation to strengthen democracy in South Africa. They are subject only to the Constitution and the law, and annually report on their functions to the National Assembly. The eleven ISDs which form part of the OISD's mandate, are:

- The Auditor-General South Africa (AGSA)
- The Commission for Gender Equality (CGE)
- The Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities (CRL Commission)
- The Financial and Fiscal Commission (FFC)
- The Independent Communications Authority of South Africa (ICASA)
- The Independent Electoral Commission (IEC)
- The National Youth Development Agency (NYDA)
- The Office of the Public Protector (OPP)
- The Pan South African Language Board (PanSALB)
- The Public Service Commission (PSC)
- The South African Human Rights Commission (SAHRC)

As part of its mandate to facilitate the retabling of the Ad Hoc Committee Review Report, the OISD facilitated a consultative process to engage stakeholders in order to ensure that the process is transparent and inclusive. This included a workshop on 5 September 2011 for ISDs to reflect on the findings and recommendations of the Ad Hoc Committee.

The concerns of the ISDs may be grouped under the following headings: institutional governance; budgetary and finance matters; appointment procedures; amendment of enabling legislation; and the relationship of ISDs with Parliament. The Ad Hoc Committee Report addresses a number of these issues and makes recommendations. It is envisaged that these recommendations will be considered by the National Assembly when the Report is retabled.

As part of its mandate to support both ISDs and the National Assembly, the OISD provided technical and legal support to a number of Portfolio Committees on matters pertaining to ISDs. This includes advice on the legal procedure for the filling of vacancies for commissioners at the various institutions; the establishment of the Ad Hoc Committee to process the nominated candidates; assistance in drafting the Ad Hoc Committee reports for tabling; facilitating requests from ISDs relating to financial and other support from Parliament; and conducting preliminary investigations on behalf of PC Chairpersons. Other activities the Office was involved in include speech writing and preparing research papers on matters relevant to ISDs.

The Legislative Sector Capacity Building Programme for Members (LSCBP)

The South African Legislative Sector under the leadership of the Speakers' Forum developed and sponsored a tailor-made Capacity Building Programme for Members (LSCBP). This was a unique professional and developmental programme aimed at building and enhancing skills, knowledge and competencies of Members of Parliament and Provincial Legislatures to fulfil their constitutional obligations. It contributed to the promotion and creation of a professional Legislative Sector by providing access to professional development and qualifications for lifelong learning and career development of Members.

The curriculum framework for the programme was developed after an intensive training needs analysis in which Members of Parliament and Provincial Legislatures were profiled in terms of their previous political and professional organisational experience, employment history, educational qualifications and training needs and aspirations. The report on the outcomes of the Training Needs Analysis (TNA) informed the curriculum design process of the programme (LSCBP).

The LSCBP curriculum framework comprises three components namely:

- Level 1 Course in Governance and Leadership
- Level 2 Graduate Certificate in Governance and Leadership
- Level 3 Postgraduate Diploma in Management and Leadership and/or Masters Programme

In November 2011, the first group of 198 Members of Parliament and Provincial Legislatures successfully completed the Course in Governance and Leadership and were honoured by the University of South Africa (UNISA). Following this course, in May 2012 Members will enrol for the Graduate Certificate in Governance and Leadership. In 2013, members are expected to proceed to a Postgraduate Diploma or enrol for the Masters Programme depending on their performance or qualifications.

Development and implementation of the Sector Oversight Model (SOM)

The South African Legislative Sector (SALS) has developed an oversight framework to guide and enhance the Constitutional mandate of oversight by the legislatures in South Africa. The Sector Oversight Model (SOM) was officially launched at the International Consultative Seminar in March 2012 as a guiding framework for oversight in South Africa. It was the intention of the SALS henceforth to work together with the Government as guided by the SOM to ensure improved quality of life of the people of South Africa. Legislatures were in the process of finalising their implementation preparations, including customization of the SOM to suit their specific environments, training of officials and Members and resourcing committees to fully implement the SOM. There will be continuous support to all the Legislatures to enable all Legislatures to implement the model with minimal challenges.

Development of the Public Participation Framework for Parliament and Provincial Legislatures

Parliament and the Provincial Legislatures decided to collaborate in the development of a Public Participation Framework to ensure a common approach in the implementation of public participation practices in the SALS. A consultative meeting of Parliament and Provincial Legislatures agreed on a thorough approach that would include the review of current practices and benchmarking of best practices locally and internationally.

2012 International Consultative Seminar

The International Consultative Seminar is an annual event of the South African Legislative Sector (SALS) and the European Union (EU). The SALS and the EU have a sector dialogue process aimed at advancing their strategic partnership by sharing perspectives and best practices. The Consultative Seminar was a platform on which the two parties engaged on the work of Parliament and Provincial Legislatures with all sectors of government, civil society groups, parliaments in the South African Development Community (SADC) and on the Continent. In 2012, the seminar focused on sharing experiences, ideas and knowledge in the area of oversight. It was themed "Strengthening Democracy through Global Collaboration of Legislatures on Oversight". It explored possibilities for developing partnerships with relevant organizations and institutions to enhance continued effectiveness of oversight in the South African Legislative Sector. The seminar was addressed by various speakers, including the Deputy President, Mr Kgalema Motlanthe. The newly adopted Oversight Model for the South African Legislative Sector was also launched at the seminar.

Restructuring of the Legislative Sector Support

Parliament completed the organizational review and design of the required staff establishment of the Legislative Sector Support (LSS). The LSS is a coordinating and management mechanism of the programmes of the SALS. The new organizational structure bolstered the capacity of the LSS to enable it to play an effective role as facilitator, catalyzer, enabler and supporter of the achievement of sector priorities. The establishment of the LSS within Parliament is a unique phenomenon in which Parliament provides administrative support that services the entire Legislative Sector.

Information Communication Technology (ICT)

In ensuring optimal usage of systems as well as ICT customer support to users (Members and parliamentary staff), the administration maintained an average of 99% uptime for ICT connectivity systems (network, email and Internet) and Business systems (PCMS) for the financial year. To ensure and maintain a technologically enabling environment for public participation and oversight a 99% average availability of parliamentary audiovisual systems in committees and the Chambers was maintained for the financial year. The ICT infrastructure backbone, which ensures access to Parliament's website by members of the public, was maintained and available at an average of 99% for the financial year. As a recognized certified International Computer Driving Licence (ICDL) trainer, the administration provides scheduled and personalized training on request. For the financial year 887 staff members and 129 Members of Parliament were trained as part of the administration's customer support service.

Funded ICT Projects implemented as per ICT strategy

100% completion of the parliamentary ICT Infrastructure Upgrade Project Phase II.

Provision of Information Communication Technology (ICT) leadership, systems and support through alignment of ICT investment in the institutional strategic objectives

Parliament has formal roles in international ICT fora and facilitated the APKN Secretariat function. The administration, together with the East African Legislative Assembly (EALA), organized the necessary content for the envisaged APKN Council of Secretaries-General meeting and, in conjunction with SADC PF, assisted with a mission to the National Assembly of Namibia on ICT strategic planning.

Members' Interests

The administration drafted a revised Code of Conduct, which was adopted by the Committee for consideration. The draft has been circulated to all political parties for comment and input. The Committee conducted and concluded four investigations in respect of complaints against Members. The 2011 Register for Members was adopted by the Committee. In order to ensure full compliance, follow-up procedures and processes were put in place for Member support. Ongoing advice was provided to Members to assist with compliance. As part of the process to improve compliance, the Office of the Registrar sent all Members details of company listings from the CIPC to ensure correct disclosure of directorships. The administration also assisted a municipality in Mpumalanga with the implementation of the Code of Conduct for Councillors.

Supply Chain Management

Supply Chain Management (SCM) has experienced significant changes and improvements over the past financial year. The concept of SCM has changed from a traditional procurement practice to a full end-to-end process consisting of Demand Management, Acquisition Management, Logistics Management, Disposal Management and Risk Management. In line with this change, SCM has a new structure. New processes were also put in place. Bid Committees, namely the Bids Specification Committee, the Bids Evaluation Committee and the Bids Adjudication Committee, have served to assist the tender process. This new intervention has resulted in an improved Terms of Reference document and clearer, more transparent, evaluation and pricing criteria. Since the establishment of these structures the number of orders raised outside the parameters of the Marang system has decreased significantly to just below 1%. The business units are monitored to ensure that procurement is done according to the SCM policy and process. The SCM is indeed working in a more dynamic way to identify and minimise any fruitless and wasteful expenditure and even more interventions are planned for the next financial year.

Legal Services

The demands on the Legal Services Office have been varied and challenging. Various committees were advised in respect of their oversight mandate.

The objective of the Legal Services Office is to provide sound legal advice and assistance to the Presiding Officers, committees of Parliament, the Joint Tagging Mechanism and the Secretary to Parliament on all aspects of law, including vetting of contracts and assisting in litigation matters. In giving effect to its objective the Legal Services Office has:

- produced 309 written opinions
- provided daily oral advice
- tagged 33 Bills
- scrutinized and edited 149 contracts
- provided litigation assistance in 12 matters

- conducted 1 investigation
- represented Parliament in 1 CCMA matter
- processed and received 189 court documents

The office also provided weekly advice to the SCM fora (Bid Adjudication Committee and Governance Committee) specifically to avert risks for Parliament and ensure legal compliance.

Bills Office

The objective of the Bills Office is to assist Parliament with the processing and publication of Bills. In giving effect to this objective, the Bills Office has:

- assisted with the introduction of 34 Bills
- processed 48 translations of Bills
- published 32 translated Bills
- recorded 28 Bills assented to
- identified 4 Bills awaiting assent

In addition, the Bills Office also assisted with the production and printing of the ATCs. During the past year it has published 169 ATC reports.

Fraud and corruption

Parliament is committed to preventing and deterring fraud and corruption within the Institution. The administration has developed a fraud risk management strategy that focuses on effective and progressive proactive fraud risk management initiatives. The Internal Audit Unit observed tender processes, which resulted in fewer allegations regarding misconduct in that area. The Internal Audit Unit provided the Audit Committee and the Executive Authority with regular feedback and status updates in this regard.

HUMAN RESOURCES

Enabling HR policy environment

To ensure a continuously enabling HR policy framework, a comprehensive review of all HR-related policies was conducted. Within the HR policy domain, innovation was demonstrated in line with global best practice, which encourages “green” working environments linked to environmental sustainability.

Workforce Management

Stable workforce maintained

The focus last year was on the strengthening of collective relationships between managers, staff and organized labour. This was achieved through infrastructure being put in place to ensure a stable workforce, including a full-time shop steward; shop steward training; monthly meetings with organized labour and engagement summits. Proactive workforce management has been achieved through increasing the training of managers and supervisors on Employee Relations fundamentals and conflict resolution. For the year under review, Parliament only had 8 disciplinary hearings compared to 94 in the previous year (2010-2011).

There has been a decrease in the number of employees being dismissed compared to the previous year; only five (5) employees have been dismissed compared to the seventeen (17) dismissals of the previous year. There is also a decreasing trend in the number of grievances that are not resolved. Only 25 unresolved grievances remain for the year under review, compared to 46 for the previous year.

A motivated and healthy workforce

Focus was placed on building a motivated and healthy workforce through addressing Executive Wellness, providing professional Occupational Health Services and putting in place contracts with appropriate service providers who offer a range of social support services to both staff and MPs. An employee engagement survey was conducted with administrative staff to assist leadership proactively to attend to areas of potential HR instability or risk. Reports reflected an increased usage of all these services, suggesting an increased propensity by both staff and managers to strengthen the working environment.

Capacitation and Skills

In line with Parliament's emphasis on skills building:

Behavioural Skills Training was provided to 78 staff members; Communication and Language Training (English grammar and writing) was provided to 20 staff; 269 staff were trained in Oracle Self-service and Microsoft Office; 43 staff were trained in finance for non-financial managers; 56 staff were trained in employee relations and performance improvement; 203 staff members were trained in records management and the Parliamentary Content Management System; 104 staff members were trained in project management, coaching and mentoring, as well as business writing for managers; 47 Secretarial and Office Administration staff were trained in business writing, speedwriting and report writing. In addition the senior management team has embarked on a strategic leadership development programme and junior managers underwent the pilot phase of a management development programme. A proactive intern strategy was started to assist Parliament's efforts to ensure a technical skills pipeline to support MPs.

HR EFFECTIVENESS AND EFFICIENCY

Turnover

The turnover rate has been effectively reduced to 4,6%, which is well in line with national best practice.

Remuneration

A progressive remuneration policy review was conducted and salary adjustments effected from A to D bands (semi-skilled to specialist/management level). This has contributed towards retention, and exit interview reports confirm that staff are generally quite satisfied with remuneration at Parliament.

Performance Alignment

Redesign and repositioning of the performance improvement system was embarked on and included: A revised performance framework being developed; increased performance contracting across Parliament's administration, along with increased governance regarding performance ratings.

Organisational culture

The success and sustainability of an organisation are reliant on staff that are integral to driving the institution's values and culture. The need therefore existed to identify the institution's existing culture in order to build the preferred culture for the future. This has necessitated aligning personal and institutional values to enhance delivery on Parliament's mandate. The project aim is to develop and implement a long-term programme to enhance Parliament's current culture. It was initiated in 2010 and is still in progress.

PROGRAMME 2: LEGISLATION AND OVERSIGHT



PROGRAMME 2: LEGISLATION AND OVERSIGHT

STRATEGIC OBJECTIVES

To strengthen the oversight function and establish a strong culture of overseeing executive action by implementing the oversight model.

To strengthen co-operative government and foster improved co-operation and relations by developing and implementing a co-operative governance strategy.

PROGRAMME OUTPUTS

In the NA procedural advice and guidance was provided with regard to 45 National Assembly sittings, 2 Joint Sittings and 27 Bills passed. Thirty-six (36) Extended Public Committees were held to consider Budget Votes for government departments and other public-funded entities.

CONTENT AND SECRETARIAL SUPPORT WAS PROVIDED FOR:

- 21 NA Programme Committee meetings
- 21 NA Programme Technical Committee meetings
- 21 Chief Whips' Forum meetings
- 2 Joint Programme Committee meetings
- Joint Rules Committee meeting
- NA Rules Committee meeting

Sectoral Parliaments: People's Assembly, Women's Parliament and Youth Parliament.

During the period under review, 220 House resolutions were processed and 15 appointments as well as 15 resignations of NA members were processed.

QUESTIONS (NA)	WRITTEN	ORAL	TOTAL
Total questions put	3596	537	4133
Replies received	3325	505	3830

The NCOP developed joint planning, monitoring, cooperation and evaluation mechanisms with relevant stakeholders. In this regard the NCOP:

- Consolidated and distributed provincial legislature programmes for the development of the NCOP programme
- Facilitated Business Review Sessions between the NCOP and provincial legislatures
- Facilitated Strategic Planning Workshops between the NCOP and provincial legislatures
- Co-ordinated Provincial Week Programmes with the provincial legislatures and other stakeholders
- Co-ordinated Taking Parliament to the People with the provincial legislatures and other stakeholders in KwaZulu-Natal

The NCOP facilitated the submission of provincial mandates on the following Bills:

- Division of Revenue Bill [B24-2011 (Reprint)]
- Sectional Titles Schemes Management Bill [B20B-2010]
- Community Schemes Ombud Service Bill [B21B-2010]
- Basic Education Laws Amendment Bill [B36D-2010]
- Division of Revenue Amendment Bill [B17-2011]
- Further Education and Training Colleges Amendment Bill [B13D-2011]

The NCOP co-ordinated attendance of special delegates at two Joint Sittings, and provided procedural advice on the issuing of three statements in terms of section 106 of the Local Government: Municipal Systems Act, 2000:

- City of eThekweni Municipality
- Abaqulusi Local Municipality
- Sisonke District Municipality

The NCOP made two interventions in terms of section 100 of the Constitution as follows:

- The National Department of Basic Education intervened in the Eastern Cape Education Department
- The Department of Finance intervened in five provincial departments in Limpopo (Finance, Health, Transport, Basic Education and Public Works)

The NCOP wrote 58 reports for publishing in the ATCs and, in six instances, provided legal advice relating to procedural matters in reference to the following:

- Introduction of the Traditional Courts Bill
- Appointment of Council members to the Joint Standing Committee on Intelligence
- Remuneration of Judges and Magistrates
- Expiry of the term of the second Deputy Chairperson of the NCOP in terms of section 64 (3) of the Constitution
- Vacancies owing to the resignation or passing away of members
- Membership of the Ad hoc Joint Committee on the Code of Judicial Conduct and Regulations on Judges' Disclosure of Registrable Interests

Procedural advice and guidance was also provided to 33 NCOP sittings and 26 Bills were passed. One legislative proposal was processed.

Content and secretarial support was provided to:

- 18 meetings of the NCOP Joint Whips’ Forum
- 14 meetings of the NCOP Programme Technical Committee
- 14 meetings of the NCOP Programme Committee
- 2 meetings of the Joint Programme Committee

During the period under review, 13 House resolutions were processed and four appointments as well as four resignations of NCOP members were processed.

QUESTIONS (NCOP)	WRITTEN	ORAL	TOTAL
Total questions put	664	123	787
Replies received	637	103	740

COMMITTEE WORK

Committees have experienced an increase in their work since the beginning of the Fourth Parliament. They sat in 1400 meetings for business ranging from interrogating reports tabled by departments to receiving briefings on a range of issues, including legislation before them. They processed and reported on 47 Bills, considered and reported on 15 private members’ legislative proposals and two special petitions, including what was considered a case of failed justice for two South Africans who were unjustly imprisoned.

They also undertook 128 visits to conduct investigations into services claimed to have been delivered by departments and state agencies in identified locations throughout the country. This showed a significant increase on that of the first years of the Fourth Parliament.

ACHIEVEMENTS:

- Institutionalization of the requirements of the Money Bills Amendment Procedures and Related Matters Act by all committees in their budget review and recommendation reports. These are part of the reports of committees which were published in the ATCS of 2011-12;
- Oversight on the climate change national agenda and priorities; and
- Oversight on the attainment, or otherwise, of the Millennium Development Goals

See Appendices 1 and 2 for Bills processed and oversight activities conducted.

National conferences

Committees attended 17 national conferences as a means of empowering themselves and building their capacity to understand the issues they deal with either in legislation or in their oversight processes.

Public Participation Model

In developing the public participation model, the three focus groups and the expected deliverables were identified.

Develop translation system

Research on alternative translation system solutions was started and is in progress.

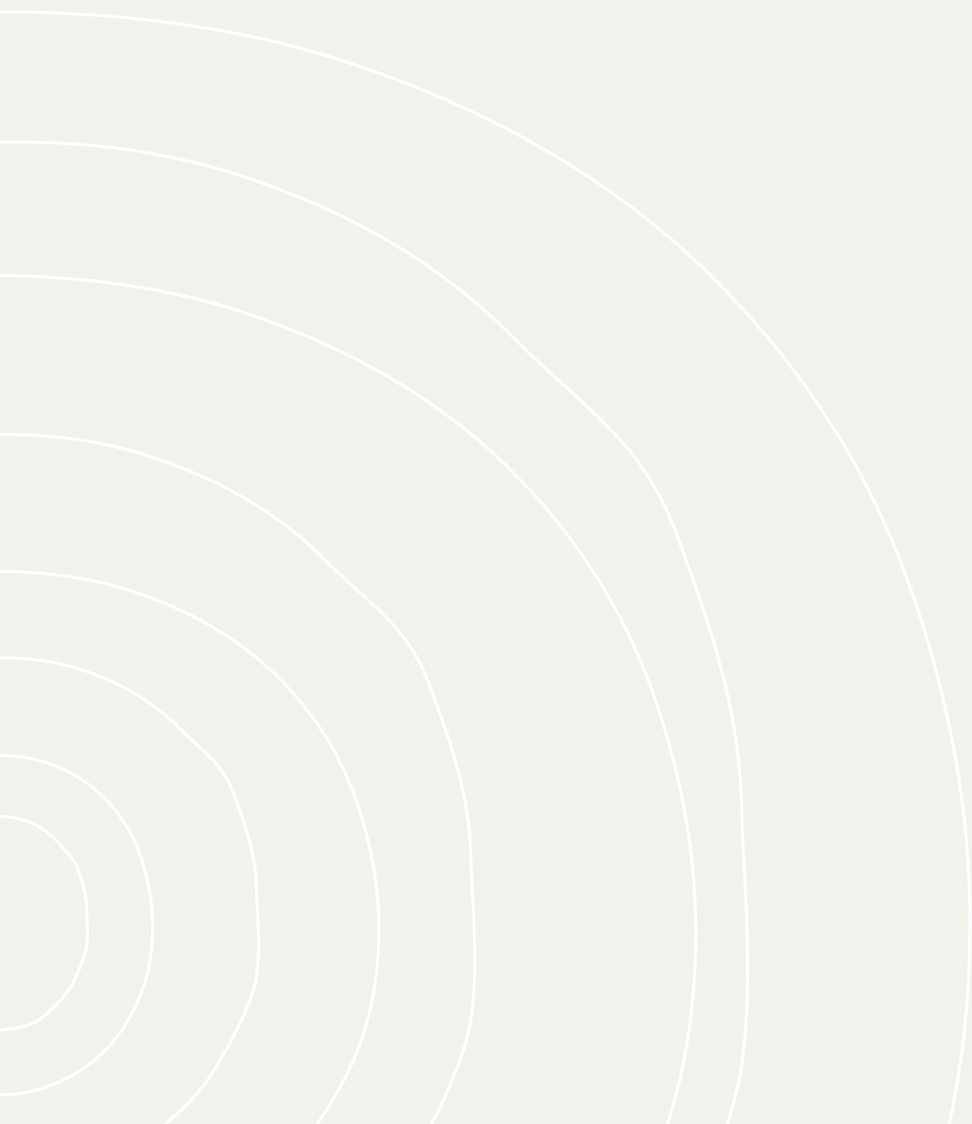
Development and implementation of systems, processes and rules of engagement for scrutiny of legislation

A committee has been established to attend to this matter.

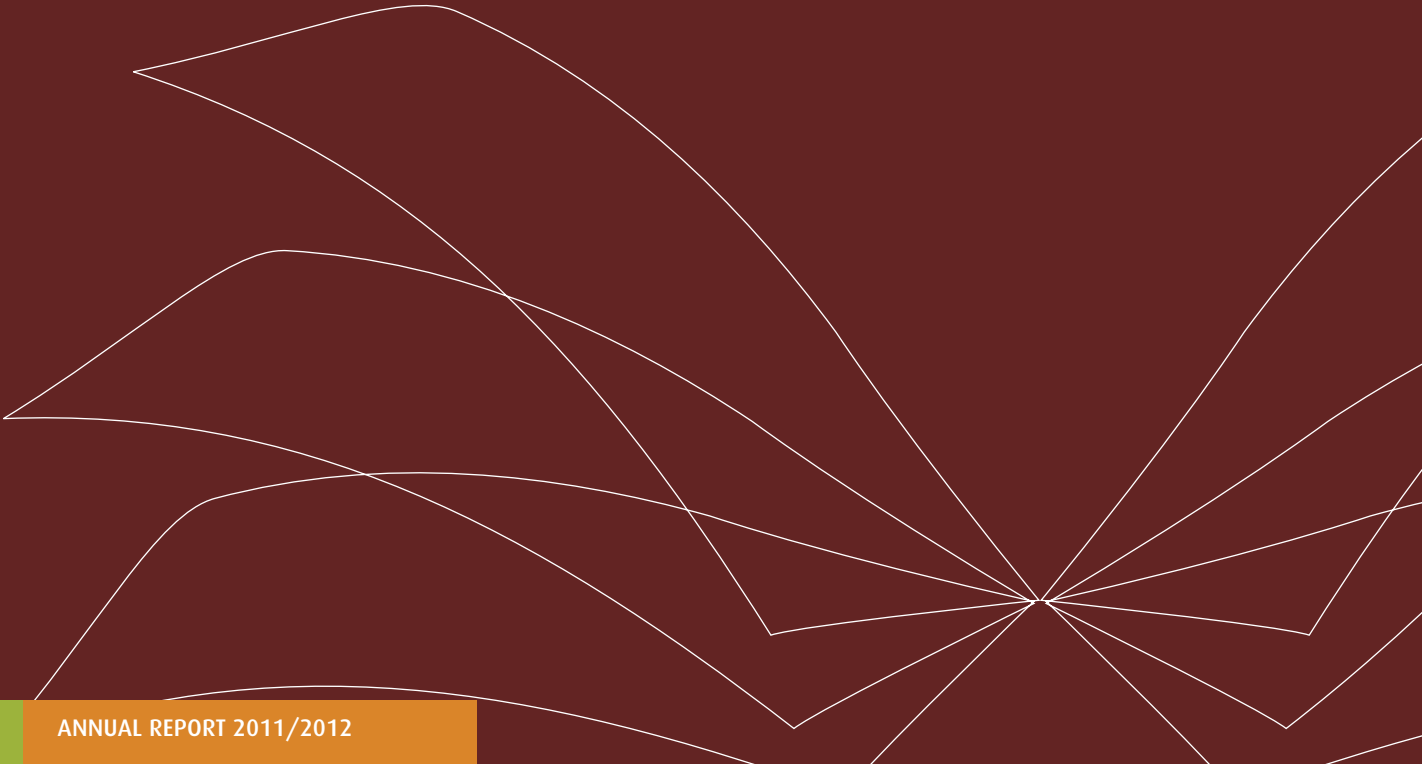
LANGUAGE SERVICES

The first half of the year proved very challenging in the distribution of Hansard. However, a significant improvement in the production and distribution of unrevised Hansard was achieved. Interpreting services were rendered satisfactorily and no more than 15% of negative feedback was received. Ideally, interpreters should work only into their mother languages. However, 99% of the interpreters work into English, which is their second or third language. It is for this reason that an 85% customer satisfaction level is regarded as acceptable. Based on the number of complaints received from Members, customer satisfaction was above 85%.

Translation services were rendered satisfactorily, with positive acknowledgement from the clients who requested the service. The requirements of the Annual Performance Plan for more languages to be used in calls for submission and/or advertisements by committees have been realized.



PROGRAMME 3: PUBLIC AND INTERNATIONAL PARTICIPATION



PROGRAMME 3: PUBLIC AND INTERNATIONAL PARTICIPATION

STRATEGIC OBJECTIVES

- To improve and widen the role of Parliament in international co-operation and participation by developing and implementing an international relations strategy.
- To increase public involvement and participation and build a responsive people's Parliament by developing and implementing a public participation strategy.

PROGRAMME OUTPUTS

International Participation

The administration assisted the Pan-African Parliament to develop a Strategic Plan for 2011 – 2013. The Strategic Plan was adopted by the plenary of the Pan-African Parliament in October 2011.

Parliament was actively involved in bilateral relations over the past financial year. It has undertaken bilateral activities in fairly good spirits and to achieve mutual co-operation. The emphasis has been on interparliamentary co-operation to enhance good parliamentary governance.

At the bilateral level, Parliament had the pleasure of engaging with bilateral partners through visits in the form of courtesy call meetings, official and study visits from various Parliaments, including hosting the following dignitaries: the Chairman of the National People's Congress of China, delegations from Kenya, Vietnam, Botswana, the Slovak Republic, Argentina, Syria, Indonesia, the Russian Federation and Japan, amongst others.

In this period Parliament consolidated the African Agenda by participating in the regional multilateral structures, in particular the Pan-African Parliament and the SADC Parliamentary Forum.

Parliament successfully co-hosted the IPU COP 17 Climate Change Meeting on the margins of the United Nations' COP 17 Climate Change Conference in Durban in December 2011. This concluded with a formal declaration by all IPU member Parliaments.

Parliament also co-hosted the Globe Chapter in preparation for the COP 17 conference. In the spirit of overseeing trade, investment and economic development, Parliament continued to actively participate in the IPU-WTO committee and this afforded Parliament an opportunity to reflect on broad economic policies and how best legislatures could engage in this regard.

In the context of gender mainstreaming and women's emancipation, Parliament participated in the 56th Session of the United Nations Commission on the Status of Women (CSW) and helped to amplify the perennial challenges of women in various walks of life while celebrating positive developments undertaken by our government in empowering the women of South Africa.

The administration is in the process of restructuring the International Relations and Protocol Division to assist Presiding Officers and Members of Parliament in regard to matters of international relations. In this regard, the Division is also in the process of increasing its content development capacity.

Communication Services

To promote the image and a better understanding of Parliament and its role

Media plans were developed and implemented for critical institutional activities and processes of Parliament, including the State of the Nation Address, the Protection of State Information Bill public hearings in all nine provinces, Budget Debate, the NCOP's Provincial Weeks, the SA-EU Consultative Seminar, Parliament's Climate Change Programme, etc. Numerous press statements were issued on a range of subjects and in support of the business of Parliament. Phone-in chat shows and live broadcast slots were facilitated on 16 SABC and 60 community radio stations in all 11 official languages in support of various parliamentary activities. A total of 241 articles were written, 47 media alerts issued, 299 press statements issued, and 545 interviews were conducted during this period.

The Committee News, piloted in 2010, has been revamped and is now called Oversight Forum: Committee News From The People's Parliament. An important strategic intervention made during the year under review is the acquisition of the FlippingBook software to enable the publication of Parliament's publications as e-newsletters, thus increasing the readership, especially among young South Africans who rely on electronic media. This also allows for electronic distribution and sharing of information on social networks.

The introduction of podcasts onto the parliamentary website during this period included the State of the Nation Address by the President and interviews of notable persons, thereby making critical information accessible to users at all times. Other improvements include the direct link of the website to social media sites as well as the installation of software enabling e-publication. Over the past year 574,650 unique visitors accessed Parliament's website.

To open up the communication flow within Parliament and to promote the image, and contribute to a better understanding of Parliament, internal communication relayed various messages on all internal systems. In this year an electronic and printed internal newsletter was established as an additional channel of communication. The parliamentary radio programme uses both SABC public radio stations and community radio stations to communicate and inform the nation of activities and issues emerging from Parliament, and this year accounts for over 288 hours on 72 radio stations in all official languages.

The community radio programme was used to host a series of 4 x 60-minute talk shows across 60 community radio stations, which allowed for meaningful interaction between Members of Parliament and the public.

The Official Parliament Facebook Page was launched in June 2011 and has increased its followers to 440 while the official Parliament social network accounts, launched in December 2011, have collected a significant following totalling over 2,519. A total of 99,371 Virtual Tour of Parliament version 1 CDs were distributed to provincial legislatures, district municipalities, education departments, libraries, museums, Correctional Services institutions, universities and Thusong Centres (GCIS). A total of 1,352 learners were reached through the school visits programme, which is currently an extension of the Outbound Programme, where school visits are set up in areas where workshops are conducted to introduce learners to Parliament.

During this period, 13 major institutional events took place. Over the past year, the institution felt the full impact of the sectoral Parliaments' annual programmes in all its dimensions. To profile the institution special exhibitions were developed and set up for Taking Parliament to the People, the People's Assembly and the Climate Change Programme. A total of 48,285 people participated in Parliament's range of activities for the year, including public attendance in the different galleries for debates and committee meetings, tours, the NCOP's Taking Parliament to the People Programme, etc.

Dedicated and focused support to Parliament's constitutional roles of public participation and public education

The 40 Outbound Public Education workshops entitled Introduction to Parliament and Public Participation reached 1,831 participants in all nine Provinces over this period. Beneficiaries include CDWs, ward councillors, traditional leaders, CBOs and Department of Correctional Services personnel. A total of 469,868 copies of various publications were distributed during the reporting year on topics such as the NA, NCOP, Parliament and Oversight, Committees, Submissions, Women & Parliament, Youth & Parliament, Africa Day, Petitions to Parliament, the Public Education Activity Booklet, COP 17, etc. The qualification for the Further Education and Training Certificate: Democracy, Active Citizenship and Parliamentary Services has been registered by SAQA. This qualification seeks not to only educate the learner about Parliament, democracy and being a responsible citizen, but also to equip the learner for employment in the legislative sector.

To provide communication support to Legislative and Oversight functions

In support of Parliament's Legislative and Oversight functions, press releases on behalf of committee chairpersons were released almost daily. Advice was provided to committee chairpersons on committees' media and communication strategy. Media alerts were distributed and media interviews were organized for television, radio as well as the print media. During the year under review, media support was provided for the NCOP on its extensive consultation process on the proposed Protection of State Information Bill, ensuring that every hearing, in all nine provinces, was covered.

PROGRAMME 4: MEMBERS' FACILITIES



PROGRAMME 4: MEMBERS' FACILITIES

STRATEGIC OBJECTIVES

To support Members by providing operational facilities

PROGRAMME OUTPUTS

In order to support Members by providing operational facilities and to enhance capacity by improving communication in a working environment that supports service delivery, the administration improved and developed processes through the introduction of technology. Through the use of an electronic procurement system that ensures tighter and more effective control of Members' travel with stricter policy compliance, Members are able to arrange their travel in an effective and efficient manner. In excess of 34 000 single journeys were booked and ticketed during the financial year.

A three-day turnaround time was achieved for all travel-related claims submitted, allowing members effectively to organize their travel arrangements and not be burdened with administrative tasks. The turnaround time commitment also reduced written and telephonic enquiries, ensuring more efficient administration. In excess of 18 000 claims were processed during the financial year.

A dedicated service center allows Members to interact with administrative staff and receive information and support immediately in a cordial environment.

PROGRAMME 5: ASSOCIATED SERVICES



PROGRAMME 5: ASSOCIATED SERVICES

STRATEGIC OBJECTIVES

To provide financial and administrative assistance to enable Political Parties to perform their functions effectively

PROGRAMME OUTPUTS

Support and advice was provided to political parties. Audited financial statements were considered before payment of the defined allowances. Funding was made available in accordance with policy to enable parties to participate effectively in Parliament.

All parties submitted audited financial statements with the following outcomes:

- Four political parties received a qualification on the Constituency Allowance
- One political party received a disclaimer on the Constituency Allowance
- One political party received a qualification on the Party Support Allowance
- Two political parties received a disclaimer on the Party Support Allowance

The administration engaged with parties with qualifications and disclaimers to provide assistance and financial management advice to rectify the situation. The parties also submitted their plans to rectify the situation.

Technical data on impact, outcomes and outputs as per annual performance plan

1. Legislation and Oversight (Goal 1)

Bills are introduced in Parliament by the Executive or initiated by Parliament itself. Bills are classified in terms of the Constitution as section 74 Bills (constitutional amendments), section 75 Bills (ordinary Bills not affecting provinces), section 76 Bills (ordinary Bills affecting provinces), and section 77 Bills (money Bills). In the five years after the first democratic elections, significant transformation occurred through the legislative process. The period 1994 to 2004 saw a sustained focus on eradicating the statute books of discriminatory legislation and laying the foundations for a democratic and open society. The first five years therefore saw an increase in Bills introduced in Parliament and subsequent Acts passed. With this important work mostly completed there has been a gradual decline in the number of Bills introduced in Parliament.

As part of the oversight function of Parliament, members put questions to the Executive for oral or written reply. Questions may be put to the President, Deputy President or Ministers. In addition to questions and replies, the oversight function includes the tabling of reports in Parliament by institutions accounting to it. Annual reports are tabled by national departments, state institutions supporting constitutional democracy, public entities, and sector education and training authorities. In this parliamentary committees require government officials to appear before them. Further oversight activities include site visits, reports and briefings to committees, and the budget process.

1.1 Goal

Much of Parliament's focus from 1994 was on ensuring the transformation of South Africa's legislative landscape. After 2004, Parliament increasingly focused on improving its oversight capacity to ensure sound governance and effective service delivery by the Executive. Parliament will now implement the oversight model, establish mechanisms and processes for better oversight, create dedicated capacity to support content work and the skills development programme, and improve institutional knowledge management.

Goal	To represent the people and to ensure government by strengthening the oversight function and passing legislation
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1.2 Strategic objectives

Strategic objective	To increase representation and openness of Parliament in representing the voice of the people in passing Bills and conducting oversight
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Measurable objective	Reporting Division	Baseline 2011/12	Performance targets	
			Actual Performance	
1.1 Increase representation in passing bills and oversight by increasing the percentage of plenary and committee meetings that form a quorum	NA Table / NCOP Table / LOD	n/a	70%	88% for Committees 100% for plenaries

1.3 Performance indicators and targets

1.3.1 Parliament (Core Business)

Performance indicator			Reporting Division 2011/12	Baseline Actual Performance	Performance targets	
PARL 1	1.1	Number of debates held in the NA and NCOP for each Bill introduced	NA Table / NCOP Table	n/a	One debate per Bill in NA / One debate per Bill in NCOP	58 Bills and 57 debated (98%)
PARL 2	1.1	% of Bills passed in relation to Bills introduced and not withdrawn in Parliament	NA Table / NCOP Table	63%	70%	58%
PARL 3	1.1	% of questions put by Members of Parliament to the President, Deputy President and Ministers responded to by the Executive	NA Table / NCOP Table	95%	96%	94%
PARL 4	1.1	Number of official oversight visits undertaken by committees	Legislation and Oversight	n/a	50	128
PARL 5	1.1	% of Members' declarations of interest forms submitted	Office to the Secretary	n/a	100%	-

2. Parliamentary Support Services

Performance indicator			Implementing Division 2011/12	Baseline Actual Performance	Performance targets	
ADM 1	1.1	% of availability of official languages during plenaries (NA and NCOP sittings)	Legislation and Oversight	n/a	100%	100%
ADM 2	1.1	% of printed transcripts of parliamentary debates (Hansard) available within 48 hours	Legislation and Oversight	n/a	85%	80%
ADM 3	1.1	% of Bills published for comment	Legislation and Oversight	n/a	100%	100%
ADM 4	1.1	% of minutes of committee meetings available within 3 days	Legislation and Oversight	n/a	70%	64%
ADM 5	1.1	% of Committee reports compiled within 10 working days	Legislation and Oversight	n/a	85%	100% (legislative work) & 85% (oversight)
ADM 6	1.1	% of question papers published for every question session	NA Table & NCOP Table	n/a	100%	100%

3. Public Participation (Goal 2)

The participation of the public in the processes of Parliament, their access to the institution and its members, and information provided to the public remain a vital focus of Parliament. Public participation activities include public hearings, outreach programmes, radio programmes and broadcasts, television broadcasts, publications, newsletters, promotional material and the website. Parliament’s sectoral programmes for public participation include the People’s Assembly, Taking Parliament to the People, the Women’s Parliament and the Youth Parliament.

3.1 Goal

Over the past decade, Parliament has developed a number of programmes and projects to educate citizens about the role and processes of Parliament, and undertaken initiatives to bring Parliament closer to citizens. Over the MTEF period, Parliament aims to improve its educational information and public access to Parliament. Constituency work by members of Parliament plays a major role in participatory democracy. Parliament will invest in developing tools and providing support services to assist members to perform their functions in constituencies.

Goal	To represent the people through public involvement and participation and building a responsive people’s Parliament
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3.2 Strategic objective

Strategic objective	To increase public involvement and participation by increasing public education programmes, the provision of information, and access to participate
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	Measurable objectives	Implementing Division	Baseline 2011/12	Performance targets	
				Actual Performance	
1.2	Increase access by increasing the number of platforms for the public to participate in parliamentary processes through sectoral parliaments and assemblies	NA Table / NCOP Table / PCS	3	4	4
1.3	Increase average number of languages used in calls for submissions and notices for public hearings	Legislation and Oversight	1	2	2

3.3 Performance indicators and targets

Parliament (Core Business)

Performance indicator			Reporting Division 2011/12	Baseline Actual Performance	Performance targets	
PARL 6	1.2	Number of special Parliamentary events held	PCS	n/a	7	13
PARL 7	1.3	Average number of languages used in calls for submissions and notices for public hearings	Legislation & Oversight	1	2	2

Parliamentary Support Services

Performance indicator			Implementing Division 2011/12	Baseline Actual Performance	Performance targets	
ADM 7	1.2	Number of outbound public education programmes	PCS	n/a	18	40
ADM 8	1.2	Number of regular and event-specific publications	PCS	n/a	12	25
ADM 9	1.2	Broadcast time on 18 radio stations in 11 languages	PCS	n/a	123hrs	285
ADM 10	1.2	Number of visitors to Parliament	Office of the Secretary	n/a	33,824	46,934
ADM 11	1.2	% of calls for public submissions made within due dates requested by Committees	Legislation and Oversight	n/a	90%	100%
ADM 12	1.3	% of public hearings where interpretation of two or more languages is available	Legislation and Oversight	n/a	100%	100%
ADM 13	1.2	% of received public submissions processed within due dates requested by Committees	Legislation and Oversight	n/a	80%	100%

4. Co-operative Government (Goal 3)

Parliament plays a major part in facilitating co-operative government by working with the other arms of government in the discharge of certain statutory functions as prescribed in legislation, the appointment of public office bearers, and approving instruments such as international agreements. A range of functions and duties are assigned to Parliament in the Constitution and in many other laws that have been placed on the Statute Book over the years.

4.1 Goal

To further strengthen cooperative government, aspects of the Constitution relating to the cooperative governance role of Parliament require the development of processes and practice. For Parliament to play its role in intergovernmental relations and promote provincial interests at the national level, Parliament needs to establish protocols and mechanisms to guide and govern the relationship between the spheres of government and the organs of state.

Goal	To ensure cooperative government and intergovernmental relations
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4.2 Strategic objective

Strategic objectives		To improve oversight on cooperation between the spheres of government in terms of Chapter 4 of the Constitution			
Measurable objectives		Reporting Division	Baseline 2011/12	Performance targets	
				Actual Performance	
1.4	Oversee cooperation between the spheres of government by scrutinising Departmental strategic plans to ensure that plans are aligned	NCOP Table	n/a	80%	
1.5	Improve the average time period between interventions implemented and the approval by the NCOP for all Provincial and Local Governmental interventions (Sections 100 and 139 of Constitution)	NCOP Table	n/a	180 days	

4.3 Performance indicators and targets

Parliament (Core Business)

Performance indicator			Reporting Division 2011/12	Baseline Actual Performance	Performance targets	
PARL 8	1.5	% of Section 100 (Interventions in Provinces) approved or disapproved by NCOP within 180 days	NCOP Table	n/a	80%	100%
PARL 9	1.5	% of Section 139 (Interventions in Local Government) approved or disapproved by NCOP within 180 days	NCOP Table	n/a	80%	None during period under review
PARL 10	1.4	% of timely recommendations for public appointments in respect of prescribed legislation	Office of the Secretary	n/a	75%	100%
PARL 11	1.4	% of monthly and quarterly meetings with Provincial Legislatures and SALGA attended	NCOP Table	n/a	100%	100%

Parliamentary Support Services

Performance indicator			Implementing Division 2011/12	Baseline Actual Performance	Performance targets	
ADM 14	1.5	% of interventions processed (procedural advice) within 10 days from notification received from NCOP	NCOP Table	n/a	100%	100%
ADM 15	1.4	% of public appointments (As in PARL 10) advertised for nominations from public	Legislation and Oversight	100%	100%	100%

5. International Participation (Goal 4)

Parliament facilitates and participates in several international relations activities, including multilaterals, bilaterals, international forums and organisations. These include the African, Caribbean, Pacific-European Union Forum, the Inter-Parliamentary Union, the Commonwealth Parliamentary Association, the Pan-African Parliament and the SADC Parliamentary Forum. Several incoming visits and outgoing delegations are facilitated annually.

5.1 Goal

The global environment and governance structure are constantly changing, and Parliament must respond by reviewing and improving its international role. Over the MTEF period, Parliament will prioritise improving cooperation and participation in regional, continental, and international forums. Parliament will also build internal capacity for international relations.

Goal	To increase representation in the international sphere by improving and widening the role of Parliament
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5.2 Strategic objective

Strategic objective	To increase participation in international forums				
Measurable objectives		Reporting Division	Baseline 2011/12	Performance targets	
				Actual Performance	
1.6	Increased percentage of international agreements subjected to public participation through public debates	International Relations & Protocol	n/a	50%	
1.7	Increased number of international forums participated in	International Relations & Protocol	n/a	5	8

5.3 Performance indicators and targets

Parliament (Core Business)

Performance indicator			Reporting Division 2011/12	Baseline Actual Performance	Performance targets	
PARL 12	1.6	Number of international agreements adopted	International Relations & Protocol	n/a	33	13

Parliamentary Support Services

Performance indicator			Implementing Division 2011/12	Baseline Actual Performance	Performance targets	
ADM 16	1.6	% of reports on international agreements compiled within 10 working days after adoption	International Relations & Protocol	n/a	100%	87%
ADM 17	1.7	% of reports for incoming and outgoing delegations compiled within 10 working days of delegation	International Relations & Protocol	n/a	100%	80%

6. Effective and Efficient institution (Goal 5)

6.1 Goal

Parliament will continue to build an effective and efficient institution that is focused on improving service delivery by: improving institutional governance and policy; implementing modern systems and technologies; improving human resource capacity; cultivating an institutional culture that enables service delivery and better communication; and improving space, accommodation and facilities.

Goal	To build an effective and efficient institution
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6.2 Strategic objective

Strategic objectives		Increase the level of services rendered to Members			
Measurable objectives		Implementing Division	Baseline 2011/12	Performance targets	
				Actual Performance	
1.8	Increased the completion of projects on the planned dates as per project schedule	All divisions	n/a	80%	-

6.3 Performance indicators and targets

Parliamentary Support Services

Performance indicator			Implementing Division 2011/12	Baseline Actual Performance	Performance targets	
ADM 18	1.8	Nature of audit opinion for the 2010/11 financial year	Office of the Secretary	Unqualified	Unqualified	Unqualified
ADM 19	1.8	% of availability of IT and Audiovisual systems, excluding planned down time	Corporate Services	n/a	99%	99%
ADM 20	1.8	% of availability of the website	Corporate Services	n/a	99%	99%
ADM 21	1.8	% of funded posts filled	Human Resources	90%	90%	82%
ADM 22	1.8	Increase in rating achieved in annual employee climate survey	Human Resources	n/a	5%	8%
ADM 23	1.8	% of responses to information requests provided within 3 days	Institutional Support	n/a	90%	89%

HUMAN RESOURCES REPORT

Personnel costs

1. Expenditure

Table 1.1. Personnel costs by programme.

Programme	Personnel Expenditure (R'000)	Average personnel cost per employee (R000)
Programme 1: Administration	239,724,643.89	308,129.36
Programme 2: Legislation and oversight	169,512,212.27	311,603.33
Programme 4: Members' Facilities	3,881,402.85	323,450.24
Total	413,118,259.01	943,182.93

Table 1.2. Personnel costs by division.

Divisions	Personnel Expenditure (R'000)	Average personnel cost per employee (R000)
01POSA	5,784,866.08	482,072.17
CSD	26,000,259.49	388,063.57
HR	19,180,870.13	368,862.89
IRandP	1,010,139.05	1,010,139.05
ISD	56,196,025.64	203,608.79
LOD	140,775,331.08	304,050.39
NA	15,172,346.03	352,845.26
NCOP	13,564,535.16	356,961.45
OSTP	135,433,886.35	353,613.28
Total	413,118,259.01	3,820,216.85

Table 1.3. Personnel costs by salary band.

Salary Bands	Personnel Expenditure (R'000)	Average personnel cost per employee (R000)
A	25,743,524.54	153,235.27
B	55,025,325.64	181,004.36
C	206,961,640.48	300,816.34
D	105,983,620.83	670,782.41
E	16,629,372.44	1,039,335.78
F	2,774,775.08	1,387,387.54
Total	413,118,259.01	3,732,561.70

2. Employment and vacancies

Table 2.1. Vacancies by salary band

Salary band	Posts	No. of posts filled	No. of active vacant posts	Vacancy rate
A	166	162	4	2.41
B	350	291	59	16.86
C	792	655	137	17.3
D	219	153	66	30.14
E	19	16	3	15.79
F	2	2	0	0
Total	1,548	1,279	269	17.38

Vacancy Rate = Total number of Active Vacant Posts / Total number of Posts, excluding Frozen and Eliminated posts

Table 2.2. Vacancies by salary band

Salary band	Posts	No. of posts filled	No. of active vacant posts	Vacancy rate
POSA	23	12	11	47.83
CSD	69	65	4	5.8
HR	52	49	3	5.77
IR and Protocol	1	1	0	0
ISD	280	267	13	4.64
LOD	544	442	102	18.75
NA	51	42	9	17.65
NCOP	51	38	13	25.49
OSTP	477	363	114	23.9
Total	1,548	1,279	269	17.38

Vacancy Rate = Total number of Active Vacant Posts / Total number of Posts, excluding Frozen and Eliminated posts

2.3 Employment changes

Salary band	Number of employees per band as on 01 Apr 2011	Transfers within Parliament	Terminations	Turnover rate
A	168	0	6	3.57
B	304	0	13	4.28
C	688	0	36	5.23
D	158	0	6	3.8
E	16	0	1	6.25
F	2	0	0	0
Total	1,336	0	62	4.64

Turnover Rate = Number of employees per band as on 01 Apr 11 / Terminations

Table 3. Annual turnover rates by occupational band for the period 01 Apr 2011 to 31 Mar 2012.

Occupational band	Number of employees per band as on 01 Apr 2011	Transfers within Parliament	Terminations	Turnover rate
Unskilled and Defined Decision-making	168	0	6	3.57
Semi-skilled and Discretionary Decision-making	304	13	13	4.28
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	688	73	36	5.23
Prof. Qualified and Experienced Specialist and Mid-Management	158	10	6	3.8
Senior Management	16	0	1	6.25
Top Management	2	0	0	0
Total	1,336	96	62	4.64

Turnover Rate = Number of employees per band as on 01 Apr 2011 / Terminations

Table 4. Reasons why employees leave Parliament

Table 4.1. Reasons why employees are leaving Parliament by Division.

Division	Termination type								Total
	Death	Resignation	End of contract	Dismissal - operational changes	Dismissal - misconduct	Retirement due to ill health	Retirement	Other	
CSD	0	2	0	0	0	0	0	0	2
HR	0	2	0	0	0	0	0	0	2
ISD	1	0	0	0	1	2	5	0	9
LOD	1	17	0	0	2	1	2	0	23
NA	1	0	0	0	0	0	0	0	1
NCOP									
Ostp	0	14	9	0	1	0	0	1	25
Total	3	35	9	0	4	3	7	1	62

Table 4.2. Reasons why employees are leaving Parliament by Programme.

Programme	Termination type								Total
	Death	Resignation	End of contract	Dismissal - operational changes	Dismissal - misconduct	Retirement due to ill health	Retirement	Other	
Administration	1	18	9	0	2	2	5	1	38
Legislation and oversight	2	17	0	0	2	1	2	0	24
Total	3	35	9	0	4	3	7	1	62

Table 5. Promotions
Table 5.1. Promotions by salary band.

Salary band	No. of employees on 01 Apr 2011	Promotions to another salary band	Progressions to another notch within a salary band	Promotions to another salary band as a % of employees by salary band	Notch progressions as a % of employees by salary band
A	168	1	1	0.6	0.6
B	292	1	1	0.34	0.34
C	631	9	9	1.43	1.43
D	141	0	0	0	0
E	16	0	0	0	0
F	2	0	0	0	0
Total	1,250	11	11	0.88	0.88

Table 5.2. Promotions by Programme.

Programme	No. of employees on 01 Apr 2011	Promotions to another salary band	Progressions to another notch within a salary band	Promotions to another salary band as a % of employees by salary band	Notch progressions as a % of employees by salary band
Administration	722	4	4	0.55	0.55
Legislation and Oversight	517	7	7	1.35	1.35
Members' Facilities	11	0	0	0	0
Total	1,250	11	11	0.88	0.88

Table 6. Job Evaluation

Table 6.1. Profile of jobs evaluated and re-evaluated – April 2011 to March 2012.

Occupational Band	Evaluation				Re-evaluation			
	No. of posts evaluated	No. of posts validated	No. of posts declined	No. of appeals 1	No. of posts re-evaluated	No. of posts validated	No. of posts declined	No. of appeals 1
Top Management	0	0	0	0	0	0	0	0
Senior Management	0	0	0	0	0	0	0	0
Prof. Qualified and Experienced Specialist and Mid-Management	12	12	0	0	1	1	0	1
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	9	9	0	0	4	4	0	2
Semi-skilled and Discretionary Decision-making	2	2	0	0	1	1	0	0
Unskilled and Defined Decision-making	0	0	0	0	0	0	0	0
Total	23	23	0	0	6	6	0	3

6.2. Profile of jobs evaluated and re-evaluated per division – April 2011 to March 2012.

Grade	Evaluation				Re-evaluation			
	No. of posts evaluated	No. of posts validated	No. of posts declined	No. of appeals	No. of posts re-evaluated	No. of posts validated	No. of posts declined	No. of appeals
A	0	0	0	0	0	0	0	0
B	2	2	0	0	1	1	0	0
C	9	9	0	0	4	4	0	2
D	12	12	0	0	1	1	0	1
E	0	0	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0
Total	23	23	0	0	6	6	0	3

Table 6.3. Profile of jobs evaluated per division – April 2011 to March 2012.

Divisions	Evaluation				Re-evaluation			
	No. of posts evaluated	No. of posts validated	No. of posts declined	No. of appeals	No. of posts re-evaluated	No. of posts validated	No. of posts declined	No. of appeals
OSTP	20	20	0	0	5	5	0	2
NCOP	0	0	0	0	0	0	0	0
NA	0	0	0	0	0	0	0	0
LOD	0	0	0	0	1	1	0	0
HR	0	0	0	0	0	0	0	1
ISD	3	3	0	0	0	0	0	0
CSD	0	0	0	0	0	0	0	0
IR	0	0	0	0	0	0	0	0
Total	23	23	0	0	6	6	0	3

Table 7. Labour Relations

Table 7.1 Collective Agreements

Subject Matter	Date
None	None

Table 7.2 Misconduct and Discipline hearings finalised

Outcomes of DCs	Number	Percentage/Total
Final written warning	1	12.5%
Dismissals	5	62.5%
Not guilty	1	25%
1st written warning	1	

Table 7.3. Types of Misconduct addressed and Disciplinary Hearings

Types of Misconduct	Number	Percentage of Total
Insubordination	1	12.5%
Absent without authorised leave	4	50%
Failure to comply with an instruction	2	25%
Improper, disgraceful and unacceptable conduct at work	1	12.5%

Table 7.4. Grievances Lodged

Grievances	Number	Percentage of Total
Grievances Lodged	13	100%

Table 7.5. Disputes Lodged

Dispute Addressed	Number	Percentage of Total
Matters of Mutual Interest	1	100%

Table 7.6 Re-instatement

Reason for Reinstatement	Number	Percentage of Total
Settlement Agreement	1	100%

Table 7.7. Re-Employment

Reason for Re-employment	Number	Percentage of Total
None	0	0%

Table 7.8. Precautionary Suspensions

Precautionary Suspension	Number
Number of people suspended	N/A
Number of people whose suspension exceeded 30 days	N/A
Average number of days suspended	N/A

**Table 7.8. Health Promotion and HIV / AIDS Programme:
1/4/2011 – 31/3/2012**

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		Prof. 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 wellbeing of your employees? 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 staff members and an outsourced service. This Unit has an annual Budget of 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: <ol style="list-style-type: none"> 1. HIV/AIDS response strategy 2. Policies and Procedures 3. Awareness and education 4. Prevention Programmes 5. Consultation and advice 6. Counseling 7. Case Management 8. Sports and recreation

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 those 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 in 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.
8. 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 counselling sessions.

FINANCIAL STATEMENTS

for the year ended 31 March 2012



Accounting Officer's Report

BACKGROUND

Parliament's governance model was adopted by the National Assembly and National Council of Provinces on 29 March 2007. The governance model provides for a Parliamentary Oversight Authority (POA) which accounts to Parliament and is responsible, broadly, for formulating policy directives for the various services and facilities of Parliament, and ensuring policy implementation by giving a broad indication of the levels and extent of the services and facilities required for Parliament while monitoring their implementation.

The Office of the Secretary to Parliament has created a forum co-ordination unit within the Office of the Secretary to Parliament. The purpose of this unit is to effectively support the Secretary to Parliament by co-ordinating and managing the optimal functioning of the following fora and committees which give effect to the Parliamentary Governance Model:

- Joint Rules Committee (JRC)
- Parliamentary Oversight Authority (POA)
- Executive Committee (EXCO)
- Budget Forum
- Joint Chief Whips' Forum
- Quarterly Consultative Forum (QCF)

In this financial year the Parliamentary Oversight Authority, Executive Committee and Joint Rules Committee had meetings as per the prescribed requirements of these structures. The Joint Whips' Forum provided for in the Parliamentary Governance Model is being established currently. The Chief Whips' Forum of the National Assembly is managed by the National Assembly Table and continues to meet once a week during session.

Decisions of the Parliamentary Oversight Authority (POA)

The mandate of the POA is to ensure that an appropriate system of governance, by which Parliament is managed and controlled in support of its strategies and policies, is in place.

The POA deliberated on and took certain key decisions during the year under review as detailed below:

Application of the Unemployment Insurance Fund legislation to Members of Parliament

The issue of Members of Parliament being required to contribute to the Unemployment Insurance Fund was initially raised by the Auditor-General. There were different legal opinions on whether or not Members of Parliament should be deemed to be employees of Parliament.

On 22 June 2011 the Parliamentary Oversight Authority agreed that a letter would be sent to the Minister of Finance requesting that the necessary legislation be introduced in Parliament which would address the matter and ensure that Members of Parliament were not required to contribute to the Unemployment Insurance Fund.

On 29 November 2011, Parliament passed the Taxation Laws Amendment Bill, which extended the exemption contained in the Unemployment Insurance Contributions Act, 2002, to include Members of Parliament.

Framework for the operation of sector parliaments

On 22 June 2011 the Parliamentary Oversight Authority approved a framework for the operation of sectoral parliaments, namely the Youth Parliament, Women's Parliament and People's Assembly as well as any other programme decided on by the Executive Authority.

The framework detailed the responsibilities of the steering committees and technical support teams as well as the reporting lines for decisions of steering committees.

Report of the Auditor-General on Vote 2, Parliament of South Africa

On 31 August 2011 the Parliamentary Oversight Authority was briefed by the Chairperson of the Audit Committee and officials from the Office of the Auditor-General of South Africa on the Report of the Auditor-General on Vote 2, Parliament of South Africa, 2010-11 Audit Report.

Parliament had received an unqualified opinion. Two matters of emphasis, as disclosed in the Annual Financial Statements submitted by the Accounting Officer, related to the change in the accounting framework in compliance with the Financial Management of Parliament Act (FMPA) and to a decision to write off fruitless and wasteful expenditure (travel warrants by Members) that were disclosed in the previous year's financial statements.

The report indicated matters which were to be addressed before the next audit. These included: misstatements in the financial statements; non-compliance with laws and regulations, including no deductions being made from Members in terms of the Unemployment Insurance Fund, and internal control deficiencies related to the areas of Supply Chain Management and predetermined objectives.

Budget 2012-13

In determining the budget allocation, the alignment of the budget with strategic policy imperatives and priorities was taken into account, as well as the Annual Performance Plan. In addition, consideration was given to the policy imperatives for the Fourth Parliament and spending trends over the past three years. In regard to the policy imperatives, only two outstanding issues remained, for which there had been an indication that further consideration was required, namely:

- The proposal that Members may annually bring 10 people from their constituencies to Parliament.
- The proposal to increase the support to political parties to enable the appointment of one staff member per Member.

In terms of the strategic objective to strengthen the oversight function and establish a strong culture of the Executive, budget proposals were made, amongst others, for the following:

- Library Services (R17.5 million)
- Research (R50.5 million)
- Language Services (R63.5 million)

In terms of the strategic objective to increase public involvement and participation and build a responsive people's Parliament, budget proposals were made, amongst others, for the following:

- Increased funding to the Parliamentary Communication Services (R81.2 million) or an increase of 24.2%. This amount included R31 million budgeted for events outside of Parliament.

In terms of the strategic objective to improve and widen the role of Parliament in international co-operation and participation, budget proposals were made, amongst others, for the following:

- An amount of R24 million to cover the participation of Members in international organizations and bodies to which Parliament is affiliated.
- An additional amount of R6.4 million for changes in the structure of the International Relations Division.

In terms of the strategic objective to build an effective and efficient institution, budget proposals were made, amongst others, for the following:

- Unit on Chapter 9 institutions (R10.2 million)
- Strengthening the Office of the Speaker (R4.5 million)
- Strengthening the Office of the Chairperson (R2.0 million)
- Strengthening the Office of the Secretary, including the internal audit office (R10.5 million) and the finance management office, especially in terms of Supply Chain Management (R8.5 million)

The financial resources allocated for support of Members performing their functions currently represents 79% of the budget.

In looking at the Medium-Term Expenditure Framework indicative figure, there would be a need for a request for a baseline adjustment for the 2012-13 financial year. This would include:

- The establishment of the budget office in the baseline.
- The establishment of capacity to deal with the monthly financial reports of Chapter 9 institutions in the Finance Management Office.
- Funding for ICT projects over the next three years (operational and capital costs).

Funding for projects flowing out of the Annual Performance Plan had not yet been costed and, therefore, as business cases were completed, they would be funded out of retained funds, after approval by the Executive Authority.

Projects such as the hosting of the 59th Commonwealth Parliamentary Association International Conference in 2013, which would be a once-off project, and the establishment of a Parliamentary Broadcasting channel which would require once-off setup costs, would be submitted to National Treasury for funding. Smaller projects, which would eventually become part of the baseline, could be funded from retained funds in the interim.

Parliamentary Democracy Offices

As part of a programme to build an effective People's Parliament responsive to the needs of the people, the Presiding Officers in the Third Parliament gave an instruction to embark on a process of establishing Parliamentary Democracy Offices in three provinces in the rural and underserved areas.

The Parliamentary Oversight Authority and the Executive Committee agreed that a political assessment of the impact made and effectiveness of the Offices needed to be undertaken. As part of this process the Presiding Officers undertook two visits to the Parliamentary Democracy Offices (PDOs) in 2011.

The Parliamentary Oversight Authority, on 2 November 2011, decided that additional Parliamentary Democracy Offices would not be established and that the role of the current offices should be redefined. The current work of the Parliamentary Democracy Offices would continue while this process is under way.

The Financial Management of Parliament Act (FMPA) and Improvement of the Financial Management Environment of Parliament (IFMEP) project

During the past year, Parliament continued to experience challenges and emerging risks in the financial environment of Parliament. In order to increase efficiency and effectiveness, in line with the democratic governance values and principles enshrined in the Constitution, the Accounting Officer, supported by the Executive Authority, deemed it necessary to implement an accelerated programme to improve the financial management environment of Parliament. The Improvement of the Financial Management Environment of Parliament (IFMEP) project was initiated to resolve issues arising from audit reports. In addition, a change in financial management processes within Parliament to a different accounting and financial reporting standard was required.

The most visible and immediate accomplishment of the IFMEP project was reducing the number of the Auditor-General's findings from 115 in 2010 to fewer than 10 in 2011. Of particular note is the emphasis on matters relating to a lack of process in dealing with irregular and fruitless as well as wasteful expenditure, which was adequately addressed. In meeting the Auditor-General's deadline, the IFMEP not only addressed these issues significantly, but provided draft financial statements, together with supporting audit files. This and other emerging risks relating to compliance with the Finance Management of Parliament Act (FMPA) and GRAP requirements were adequately addressed and demonstrated.

Specific IFMEP enhancements include the development of a more robust and tightly governed supply chain system for Parliament, with a heightened awareness around the specific FMPA requirements, and a lower risk of incurring unauthorized, irregular and fruitless and wasteful expenditure. Value was added to institutional asset management by demonstrating that assets are accounted for and could be verified physically, resulting in enhanced safeguarding, tracking of and accountability for Parliament's assets. In addition, the consistency of the institutional planning documents was increased, together with the ability to measure performance against its strategic and annual objectives, appropriately positioning Parliament for the external audit for the current year. Various learning programmes, crucial to reinforcing and sustaining improvements by communicating the vision around financial responsibility and controls across the institution, were conducted.

Employees are now more empowered, with greater levels of awareness around the requirements of the FMPA, a greater level of consistency in their understanding of these requirements, and there is execution in this respect.

Enterprise-Wide Risk Management.

An Enterprise-Wide Risk Management (ERM) Framework that provides guidelines on how Parliament should manage its risks was finalized. Risk assessment workshops were held with all Divisions and Offices in Parliament.

Expanding the reach of broadcasting

A Project Team has been appointed to advise Parliament on the establishment of a dedicated 24-hour Parliamentary Television Channel and a 24-hour Parliamentary Radio Station. The various external service providers, including various broadcasters, were requested, through supply chain processes, to submit proposals on a suitable Parliamentary Broadcasting Model, and 22 service providers responded. From that list of submissions, six were invited to make presentations on their proposed model. Parliament is considering a suitable broadcasting model that will serve its core business.

Integrated Sustainability Framework of Parliament

Parliament has increasingly been focusing on sustainability as evidenced through its draft Integrated Sustainability Framework that was developed. The Integrated Sustainability Framework was informed by the environmental, social, economic and other fundamental human rights enshrined in the Constitution and the global and national priorities captured in the Millennium Development Goals.

Parliament, in its preparation for COP 17, focused on the environmental pillar of the integrated sustainability framework and conducted a study of Parliament's carbon footprint. The following activities within Parliament were looked at to determine its carbon emissions and the results are as follows:

Electricity Usage	76.48%
Air Travel	22%
Water disposal	1.26%
Water usage	0.15%
Fleet vehicles	0.11%

The Parliament of South Africa is one of two parliaments in the world, the other being the German parliament, to have conducted a study of its carbon emissions.

Enhancement of Technology in the NCOP Chamber

The audio quality in the Chamber has improved dramatically after the acoustic treatment of the walls and ceilings. The installation of new heavier curtains and thicker carpets also contributed to the improved acoustics. The reverberation was eliminated and the sound is clear throughout the entire Chamber. All the audio equipment was replaced with a new configurable system which allows for more control and shaping of the sound throughout the Chamber, including the gallery areas. The new and improved sound quality and equipment improved the output quality of sound for the use of audio recordings. The lighting in the Chamber was upgraded and the colour scheme changed to assist with improved cinematics for video recordings and broadcasting purposes.

The technology enhancement consists of the installation of a delegate system which comprises of 12" Touch Screens and Fingerprint Readers, Voting Module, Language Selector and earpiece, and microphone and microphone button which enables ease of use of the system. Members can log onto the system using fingerprint identification, which eliminates the use of cards and the issue of management of lost or stolen cards. The speakers' list, papers of the day and other functions such as voting are displayed and performed via the Touch Screens, which cut down on the use of paper. The set up time of the system is very short and the systems can be switched on and off from a central console. A console was provided in the Sound and Vision Bay which controls all the new and improved multimedia functions in the Chamber. Video clips, video and audio feeds from other venues or external sources can be displayed via the new 50" HD TV monitors and sound system should the need arise. The lights and block-out blinds are controlled from the same console.

The improvement in the functioning of the NCOP Chamber was achieved by adding functions and features into the delegate system, which enables less disruption to the proceedings in the Chamber. The NCOP Table and Procedural staff can configure and prepare the system prior to the sitting, and monitor and control all the functions via the Table Staff and service staff modules provided in the system. Voting and methods of voting can be set up prior to voting and results can be displayed on all the screens in the Chamber, which further reduces the use of paper. Members interact with the system via the Members' Module on the 12" Touch Screen. Voting is done via this module and there is no need for members to call or attract the service staff's attention as service requests can be done via the Members Module.

Public participation from the gallery was achieved by removing the Sound and Vision and Hansard Bays from the gallery area. Two more benches were installed and twenty new language selectors were installed for the first two rows in the gallery. The walls were treated with acoustic panels, and additional loudspeakers were installed, which improved the audio quality in the gallery area. Two new 50" HD TV monitors were installed for improved viewing of proceedings in the Chamber. The lighting in the gallery was upgraded as the previous lighting was inadequate. New curtains and carpets were installed in the gallery to match the curtains and carpets of the Chamber.

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 674 902 000 for the financial year under review and there was additional funding of R7 628 000 provided by National Treasury through the Adjustment Budget.

The original budget allocation for Parliament amounted to R1 682 530 000 for the financial year under review.

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

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 financial statements have been prepared in accordance with Generally Recognised 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).

Parliament has adopted GRAP in the 2010/11 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.

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

Table 1:

Programme	2011/12 R'000	% Increase/ (Decrease)	2010/11 R'000	2009/10 R'000	2008/09 R'000
1. Administration	368 591	6.4%	346 279	292 150	224 944
2. Legislation and Oversight	298 000	(0.7%)	300 068	232 991	178 268
3. Public and International Participation	108 900	31.7%	79 429	98 832	64 489
4. Members Facilities	199 800	3%	193 931	225 243	183 025
5. Associated Services	297 599	5.6%	281 914	258 686	263 073
Sub-Total	1 272 890	5.9%	1 201 621	1 108 002	913 799
Direct charge: National Revenue Fund - Members Remuneration	409 640	4.3%	392 679	376 678	253 979
Total	1 682 530	5.5%	1 594 300	1 484 680	1 167 778

From the table it is evident that the budget for Parliament for the 2011/12 has increased by 5.5% from the 2010/11 financial year.

In addition to the above Parliament utilised an amount of R5 674 000 of retained funds of previous years to fund the balance of agreement with SABC for radio broadcasting.

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

Programme	Adjusted appropriation 2011/12 R'000	Virements R'000	Final Appropriation 2011/12 R'000
1. Administration	368 591	-	368 591
2. Legislation and Oversight	298 000	490	298 490
3. Public and International Participation	108 900	5 184	114 084
4. Members' Facilities	199 800	-	199 800
5. Associated Services	297 599	-	297 599
Transfer from Retained Earnings		(5 674)	(5 674)
Sub-Total	1 272 890	-	1 272 890
Direct Charge: National Revenue Fund	409 640	-	409 640
Total	1 682 530	-	1 682.530

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 SABC radio broadcasting. 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 under spend of R 49 523 000 for the financial year under review. The under spend relates primarily to the spending on compensation for Members.

	2011/12 R'000	2010/11 R'000	2009/10 R'000	2008/9 R'000
Spending on vote –surplus/(overspent)	49 523	16 525	0	6883
Retained Earnings Approved for spending for 2011/12				
Retained Funds approved in prior years for multi-year projects	64 545			
Less: Spending per Appropriation Statement	(5 674)			
Available for use in future years	58 871			

Spending Trends on voted funds

	2011/12 R'000	2010/11 R'000	2009/10 R'000	2008/09 R'000
Final Appropriation	1 682 530	1 594 300	1 484 680	1 224 840
Expenditure	1 633 007	1 577 775	1 478 732	1 217 957
% Spent	97.05%	99.0%	99.6%	99.4%

Spending against the direct charge against the National Revenue Fund

	2011/12 R'000	2010/11 R'000	2009/10 R'000	2008/09 R'000
Final Appropriation	409 640	392 679	398 134	311 041
Expenditure	360 931	375 727	395 675	356 884
% Spent	88.1%	95.7%	99.4%	114.7%

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 an 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 2011/12 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 Legislative Sector Support Structure 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 will be recognized as part of Retained Funds - LSPSP Retained Funds

Funds available will be determined as per the agreement, provided the fixed and variable conditional result area targets are achieved as per the finance 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

Parliament's Audit Committee, which is chaired by an independent member, has been functioning effectively throughout the reporting period. The Accounting Officer, Internal audit and relevant Management team members attended the meetings by invitation on a regular basis.

An Audit Steering Committee, chaired by the Auditor General South Africa (AGSA) and attended by the relevant divisions of Parliament, was established this year. The terms of reference included dealing with any major concerns or issues with regards to the regulatory audit.

The Audit Task Team (ATT), which was chaired by Management and Internal Audit, and attended by all Divisional representatives, Internal Audit and AGSA, continued, as in previous years', to support the successful delivery of the regulatory audit. The ATT dealt timeously with all requests for information from AGSA and ensured that management responded appropriately to all communication of audit findings from AGSA.

The Risk Management Committee met regularly throughout the year. This Committee reviewed the assessment of the major risks on a regular basis. A Risk Management Framework has been developed and Parliament is currently in the process of putting the necessary processes and procedures in place to mitigate these risks.

The Internal Audit unit which is in the process of being fully capacitated is functioning independently in terms of the Audit Committee Charter and in compliance with the terms and reference of the Internal Audit Charter.

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 classifies 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

In the prior year, the post retirement benefit obligation on respect of PARMED was actuarially estimated and recognised for the first time in line with the adoption of Standards of GRAP. During the current year, it became evident that the actuarial liability that was previously recognised needed to be revised. The main reason for this relates to the use of certain inputs in the model that were found in the current year to require modification. Consequently, the liability has been restated retrospectively with the necessary adjustments to bring it in line with the revised actuarial valuation.

The actuarial valuation 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 27.4 of the annual financial statements.

Investigations into possible fruitless and wasteful and irregular expenditure

Parliament is conducting an investigation into possible fruitless and wasteful and irregular expenditure to the value of R661 922. Initial indications are that the proper procurement processes may not have been complied with in terms of Parliament's policies and procedures.

Condoning of irregular expenditure in previous years:

Goods and services to the value of R12 026 659 (2011: R10 112 102 and 2010: R1 914 557) where the proper procurement processes were not followed have been condoned. Investigations have revealed that in all instances Parliament had benefited from the goods or services which were procured but where the proper processes as included in the policies and procedures of the Institution 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 74 to 141 have been approved by the Accounting Officer.



MB Coetzee
Acting Secretary to Parliament

Date: 30 July 2012

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2012.

Audit Committee Members and Attendance

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

Name of Member	Number of Meetings Attended
C. Choeu (Chairperson)	4
D. Coovadia	5
V. Nondabula	4
N.Z. Qunta	5
Hon. T. Chaane (MP – NCOP)	1
Hon. J.D. Thibedi (MP – National Assembly)	2

Audit Committee Responsibility

We have performed our oversight responsibilities in respect of 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). In addition, we have operated within the approved Audit Committee Charter, and have discharged all our duties and responsibilities as contained therein as well as 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, the Internal Audit Unit and Management provided the Audit Committee with the assurance that internal controls are adequate and effective.

The Risk Management Committee that had been established during the previous financial year continues to meet on a regular basis. It reviews the risk registers, ensures that it is updated and provides oversight so 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. The Improvement of the Financial Management Environment Project (IFMEP), which was completed last year, was further entrenched within Parliament this year in that Management brought in additional skills to assist with the implementation of recommendations made by the IFMEP team. These initiatives strengthened the internal control systems in that recommendations that were made by the IFMEP team were in the process of being implemented to ensure that gaps which had been identified were closed.

We have reviewed the Management Report of the Auditor-General South Africa (AGSA) and are satisfied that Management has responded appropriately to the recommendations in the report. We will ensure that the Internal Audit Unit monitors the action plans that Management is putting into place to deal with the issues agreed upon.

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

Internal Audit

The Committee is concerned that the capacitation of the Internal Audit Unit has not yet been satisfactorily resolved for the year under review. This has had an effect on the effectiveness of the Internal Audit Unit and their ability to complete the work programme approved by the Committee. We have received a report from the Accounting Officer on the progress in this regard and recommend that the capacitation process be completed as speedily as possible.

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 sustainable reporting.

We have reviewed and are satisfied with the content and quality of the In Year Monitoring and Management (IYM) reports submitted to National Treasury by the Accounting Officer as well as 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 is in accordance with Generally Recognised Accounting Practice (GRAP), and is 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 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.

The AGSA has issued an unqualified audit opinion and the Committee is satisfied with the audit opinion.

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



.....
Chairperson of the Audit Committee

30 July 2012

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

REPORT ON THE FINANCIAL STATEMENTS

Introduction

1. I have audited the financial statements of Parliament of the Republic of South Africa as set out on pages 74 to 129, which comprise the statement of financial position as at 31 March 2012, statement of financial performance, statement of changes in net assets and the cash flow statement for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

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 the South African Standards of Generally Recognised Accounting Practise (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 the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor-General's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing. 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.
4. 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.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

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 2012, and its financial performance and cash flows for the year then ended in accordance with SA Standards of GRAP and the requirements of the FMPA.

Emphasis of matter

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

Restatement of corresponding figures

8. As disclosed in note 39 to the financial statements, the corresponding figures for the 31 March 2011 have been restated as a result of an error discovered during 2012 in the financial statements of Parliament of the Republic of South Africa for the year ended 31 March 2011.

Additional matters

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

Unaudited supplementary schedules

10. The supplementary information set out in pages 130 to 142 does not form part of the financial statements and is presented as additional information. I have not audited this schedule and, accordingly, I do not express an opinion thereon.

REPORT ON LEGAL AND REGULATORY REQUIREMENT

11. In accordance with the PAA and the *General Notice* issued in terms thereof, we report the following findings relevant to performance against predetermined objectives, compliance with laws and regulations and internal control, but not for the purpose of expressing an opinion.

Predetermined objectives

12. I performed procedures to obtain evidence about the usefulness and reliability of the information in the annual performance report as set out on pages 32 to 41 of the annual report.
13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability. The usefulness of information in the annual performance report relates to whether it is presented in accordance with the FMPA annual reporting principles and whether the reported performance is consistent with the planned objectives. The usefulness of information further relates to whether indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the FMPA.
14. The reliability of the information in respect of the selected programmes is assessed to determine whether it adequately reflects the facts (i.e. whether it is valid, accurate and complete).
15. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Compliance with laws and regulations

16. I performed procedures to obtain evidence that the entity has complied with applicable laws and regulations regarding financial matters, financial management and other related matters. My findings on material non-compliance with specific matters in key applicable laws and regulations as set out in the *General Notice* issued in terms of the PAA are as follows:

Financial Management of Parliament Act, 2009 (Act No. 10 of 2009) (FMPA)

Expenditure management

17. Money owing by Parliament was not always paid within 30 days of receiving an invoice or statement, as required by section 33(2)(e) of the FMPA.

Revenue Management

18. Interest was not charged on overdue debt as required by section 32(3) of the FMPA.

Annual financial statements, performance and annual report

19. The financial statements submitted for auditing were not prepared in all material respects in accordance with the requirements of section 56(1) of the FMPA. Material misstatements identified by the auditors were subsequently corrected, resulting in the financial statements receiving an unqualified audit opinion.

Internal control

20. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with laws and regulations. The matters reported below under the fundamentals of internal control are limited to the significant deficiencies that resulted in the findings on the financial statements and annual performance report and the findings on compliance with laws and regulations included in this report.

Leadership

21. The accounting officer did not implement the adequate controls and procedures to review and monitor timely payment of suppliers within 30 days as required by section 33(2) (e) of the FMPA. Monitoring controls of approval times of invoices have not been developed to sufficiently track the approval of invoices once these invoices are sent to the budget holders for verification to ensure payment within 30 days is achieved.
22. Parliament developed a plan to address internal and external audit findings, but adherence to the plan was not monitored on a timely basis by the appropriate level of management. This resulted in the re-occurrence of findings from the prior year which relate to interest which is not charged on overdue accounts in accordance with section 32(3) of the FMPA.

Financial and performance management

23. Management did not adequately exercise their responsibility throughout the financial year to ensure accurate and complete financial statements. This is evident by the extent of the misstatements included in the financial statements as well as non-compliance with the FMPA.

OTHER REPORTS

Investigations

24. An audit was conducted by the Auditor-General on request of the Presiding Officers. The audit was initiated based on the allegation that a salary advance awarded to the Secretary to Parliament was improper. The Presiding Officers requested the Auditor-General to perform an independent audit to determine whether financial misconduct or impropriety took place contrary to any law, policy or regulation. The report on this matter has been provided to the Executive Authority.

Auditor General

Cape Town

30 July 2012



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Parliament of the Republic of South Africa
STATEMENT OF FINANCIAL PERFORMANCE
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
Revenue			
Revenue from non-exchange transactions	2	1 682 530	1 594 300
Revenue from exchange transactions	3	12 655	9 556
Transfers, sponsorships and donations	4	48 375	-
Other income	5	25 321	24 944
Total revenue		1 768 881	1 628 800
Expenses			
Cost of sales	17	5 757	5 221
Compensation of employees and Members	6	925 802	1 012 908
Bad debts		51	12 098
Depreciation and amortisation expense	7	24 213	22 871
Transfers to non-profit institutions	8	297 599	281 925
Donor project expenses	9	37 716	10 539
Interest paid	10	29	19
General expenses	11	426 083	458 747
Total expenses		1 717 250	1 804 328
(Loss) / gain on sale of assets	12	(3 428)	(609)
Impairment loss	13	(112)	(567)
Write-down to net realisable value	17	-	(5)
(Deficit) / surplus for the period		48 091	(176 709)

Parliament of the Republic of South Africa
STATEMENT OF FINANCIAL POSITION
as at 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
ASSETS			
Current assets			
Cash and cash equivalents	14	493 304	411 923
Receivables from exchange transactions	15	1 014	2 409
Receivables from non-exchange transactions	16	8 030	4 827
Inventories	17	408	354
Prepayments	18	4 034	9 145
VAT receivable	24	50	-
Non-current assets			
Fruitless and wasteful expenditure	19	544	544
Property, plant and equipment	20	40 048	46 437
Intangible assets	21	1 936	310
Heritage assets	22	42 783	42 742
Total assets		592 151	518 691
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	23	100 095	79 958
Current provisions	25	89 403	83 802
VAT payable	24	-	70
Finance leases - current	28	67	187
Non-current liabilities			
Employee benefits	27	1 116 097	1 069 570
Finance leases - non-current	28	-	67
Total liabilities		1 305 662	1 233 654
Net assets		(713 511)	(714 963)
NET ASSETS			
Accumulated deficit		(713 511)	(714 963)
Total net assets		(713 511)	(714 963)

Parliament of the Republic of South Africa
STATEMENT OF CHANGES IN NET ASSETS
for the year ended 31 March 2012

	R'000	R'000	Total: Net Assets
	R'000	R'000	R'000
Balance 31 March 2010	(227 202)		(227 202)
Correction of prior period errors	(311 052)		(311 052)
Deficit for the period	(176 709)		(176 709)
Restated balance at 31 March 2011	(714 963)		(714 963)
Statutory funds surrendered to National Treasury	(46 639)		(46 639)
Surplus for the period	48 091		48 091
Balance at 31 March 2012	(713 511)		(713 511)

Note

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Parliament of the Republic of South Africa
CASH FLOW STATEMENT
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 766 961	1 648 068
Annual appropriation		1 272 890	1 201 621
Statutory appropriation		409 640	414 134
Departmental revenue		11 334	7 534
Interest received		24 722	24 779
Transfer, sponsorship and donations		48 375	-
Payments		1 662 473	1 560 559
Compensation of employees and Members		873 674	800 722
Suppliers		444 532	477 893
Interest paid		29	19
Statutory Funds surrendered to National Revenue Fund		46 639	-
Non-profit institutions		297 599	281 925
Net cash flows from operating activities	29	104 487	87 509
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(21 045)	(16 493)
Purchase of intangible assets		(1 989)	(343)
Purchase of heritage assets		(41)	-
Proceeds from sale of fixed assets	30	156	183
Net cash flows from investing activities		(22 919)	(16 653)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from finance lease liability		-	242
Repayment of finance lease liability		(187)	-
Net cash flows from financing activities		(187)	242
Net increase in net cash and cash equivalents		81 381	71 098
Net cash and cash equivalents at beginning of period		411 923	340 825
Net cash and cash equivalents at end of period	31	493 304	411 923

Parliament of the Republic of South Africa
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
for the year ended 31 March 2012

1.1 BASIS OF ACCOUNTING

1.1.1 BASIS OF PREPARATION

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 financial statements have been prepared in accordance with Generally Recognised 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.

Parliament has adopted GRAP in the 2010/11 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.

1.1.2 OFFSETTING

Assets, liabilities, revenues and expenses have not been offset except when offsetting is required or permitted by a Standard of GRAP.

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

1.1.4 GOING CONCERN ASSUMPTION

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 of GRAP 25 - Employee Benefits. National Treasury will take over the liability from April 2013 and Parliament will reverse the liability accordingly. Parliament is therefore able to meet its obligations as they fall due.

1.1.5 COMPARATIVE INFORMATION

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 2010/11 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 39.

1.1.6 HIERARCHY OF STANDARDS USED

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

1.1.7 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 of IAS 32, IAS 39 and IFRS 7. Therefore implementation will have no significant effect on Parliament.

The transitional provisions for Parliament - Directive 8 has 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 1.17.

1.2 REVENUE

1.2.1 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 .

1.2.2 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.

The following broad categories of Revenue from non-exchange transactions are received by Parliament:

- Annual appropriation;
- Statutory appropriation; and
- Transfers, sponsorships and donations.

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.

1.2.3 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.

1.3 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.

1.4 PROPERTY, PLANT AND EQUIPMENT

1.4.1 INITIAL RECOGNITION

Property, plant and equipment are tangible non-current assets that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one year. Items of property, plant and equipment are initially recognised as assets on acquisition date and are initially recorded at cost. The cost of property, plant and equipment is recognised as an asset when it is probable that future economic benefits or service potential associated with the asset will flow to Parliament and if the cost of the asset can be measured reliably.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by Parliament. Trade discounts and rebates are deducted in arriving at the cost. The cost also includes the necessary costs of dismantling and removing the asset and restoring the site on which it is located.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Where an asset 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 that asset on the date acquired.

Where an item of property, plant and equipment 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 item's fair value was not determinable, its deemed cost is the carrying amount of the asset(s) given up.

1.4.2 SUBSEQUENT MEASUREMENT

Subsequent to initial recognition, items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Where Parliament replaces parts of an asset, it derecognises the part of the asset being replaced and capitalises the new component. Subsequent expenditure incurred on an asset is capitalised when it increases the capacity or future economic benefits or service potential associated with the asset.

1.4.3 DEPRECIATION AND IMPAIRMENT

Depreciation commences when the asset is ready for its intended use. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. Components of assets that are significant in relation to the whole asset and that have different useful lives are depreciated separately. The annual depreciation rates are based on the following estimated average asset lives:

Category	Estimated average useful lives
Equipment	5 years
Furniture and fittings	5 years
Computer equipment	3 years
Financed assets - cell phones & modems	2 years
Transport assets	5 years
Library books	Not yet depreciated

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.

1.4.4 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.

1.4.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 - have been applied to GRAP 17 - Property, plant and equipment. Refer to note 1.1.7.

1.5 HERITAGE ASSETS

1.5.1 INITIAL RECOGNITION

Heritage assets are assets that are or 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.

1.5.2 SUBSEQUENT MEASUREMENT

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

1.5.3 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.

1.5.4 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.

1.5.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 - have been applied to GRAP 103 - Heritage assets. Refer to note 1.1.7.

1.6 INTANGIBLE ASSETS

1.6.1 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, its deemed cost is the carrying amount of the asset(s) given up.

1.6.2 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.

1.6.3 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	Estimated useful life
Computer software	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.

1.6.4 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.

1.6.5 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 - have been applied to GRAP 102 - Intangible Assets. Refer to note 1.1.7.

1.7 INVENTORIES

1.7.1 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.

1.7.2 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 are 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.

1.7.3 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 - have been applied to GRAP 12 - Inventories. Refer to note 1.1.7.

1.8 FINANCIAL INSTRUMENTS

1.8.1 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.

1.8.2 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.

a) 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.

b) 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.

c) 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 and net of bank overdrafts. Parliament categorises cash and cash equivalents as financial assets, loans and receivables which are accounted for at amortised cost.

1.8.3 DERECOGNITION

a) 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.

b) 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 derecognition 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.

1.8.4 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 PROVISIONS

Provisions are recognised when Parliament has a present or constructive obligation as a result of past events and 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 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.

1.14 LEASES

1.14.1 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.

1.14.2 TRANSITIONAL PROVISIONS

The transitional provisions for Parliament - Directive 8 - have been applied to GRAP 13 - Leases. Refer to note 1.1.7.

1.14.3 BUDGET INFORMATION

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

1.15 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.

1.16 EMPLOYEE BENEFITS

1.16.1 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.

1.16.2 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 funds

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 they 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.

1.17 IMPAIRMENT OF ASSETS

Parliament assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, Parliament estimates the recoverable service amount of 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 1.1.7.

1.18 KEY SOURCES OF ESTIMATION UNCERTAINTY AND JUDGMENTS

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 judgment 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 judgments include:

1.18.1 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 R 5000.

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

For the reporting date ended 31 March 2012 the useful life 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 life and residual values of all items of property, plant and equipment and intangible assets still in use at 31 March 2013 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.

1.18.2 Defined benefit plans

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

1.18.3 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.

1.18.4 Fair value estimation

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.

1.18.5 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 25.

1.18.6 Effective interest rate

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

1.18.7 Capital works

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

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11
		R'000	Restated R'000
2 REVENUE FROM NON-EXCHANGE TRANSACTIONS		1 682 530	1 594 300
2.1 Annual appropriation received		1 272 890	1 201 621
Programmes:			
Administration		368 591	346 279
Legislation and Oversight		298 000	300 068
Public and International Participation		108 900	79 429
Members' Facilities		199 800	193 931
Associated Services		297 599	281 914

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.

2.2 Statutory appropriation received		409 640	392 679
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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).

3 REVENUE FROM EXCHANGE TRANSACTIONS		12 655	9 556
Sale of goods and services		6 623	6 110
Sundry income		6 032	3 446
4 TRANSFERS, SPONSORSHIPS AND DONATIONS		48 375	-
4.1 Local and foreign aid assistance		48 375	-
European Union (EU) - Legislature support programme	26.1	48 375	-
5 OTHER INCOME		25 321	24 944
Investment income		25 065	24 624
Insurance commissions		256	217
Bad debt recoveries		-	103

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11
		R'000	Restated R'000
6 COMPENSATION OF EMPLOYEES AND MEMBERS		925 802	1 012 908
6.1 Compensation of employees		481 806	420 017
Basic remuneration		432 424	380 681
Performance awards		8 840	7 061
Compensative/ circumstantial		5 629	4 893
Periodic payments		5 161	2 955
Pension		22 972	18 196
UIF		1 895	1 813
Insurance		4 885	4 418
6.2 Compensation of Members		360 931	375 727
Basic remuneration		207 528	182 902
Pension		47 859	51 653
Gratuities		6 444	32 968
Other non-pensionable allowances		99 100	108 204
6.3 Benefits paid		83 065	217 164
Post-retirement medical aid contributions		36 538	35 394
Movement in long-term employee benefits		46 527	181 770
Average number of employees		1292	1219
Average number of Members		384	392
7 DEPRECIATION AND AMORTISATION EXPENSE		24 213	22 871
7.1 Depreciation	20	23 851	22 781
Equipment		3 586	4 127
Furniture and fittings		6 367	6 664
Computer equipment		13 010	11 817
Transport assets		888	173
7.2 Amortisation			
Software	21	362	90

Both depreciation and amortisation are subject to the transitional provisions of Directive 8.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11
		R'000	Restated R'000
8	TRANSFERS TO NON-PROFIT INSTITUTIONS	297 599	281 925
	Party leadership allowance	6 510	6 000
	Party support allowance	70 251	66 600
	Constituency allowance	220 838	209 325

These payments were made in terms of Section 34 of the Financial Management of Parliament Act (Act No. 10 of 2009).

9	DONOR PROJECT EXPENSES	37 716	10 539
	EU - Legislature support programme	37 716	10 539
10	INTEREST PAID	29	19
	Finance leases	15	19
	Interest on late payment	14	-

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
11 GENERAL EXPENSES		426 083	458 781
Advertising		18 983	22 336
Audit fees		4 175	5 657
Bank charges and card fees		65	233
Bursaries (employees)		1 620	1 655
Capital works		2 388	40 498
Commission		12	12
Communication		23 572	25 665
Computer services		7 286	5 748
Consultants, contractors and special services		54 509	66 663
Consumables		1 136	447
Courier and delivery services		532	515
Entertainment		648	577
Equipment rental		2 013	2 345
Learnerships		325	622
Legal fees		1 291	1 301
Maintenance, repair and running costs		4 123	5 153
Operating leases		5 031	4 777
Personnel agency fees		1 907	714
Plant flowers and other decorations		3 052	2 448
Printing and publications		21 088	16 235
Professional bodies and membership fees		2 045	3 110
Protective, special clothing & uniforms		552	869
Resettlement costs		2 519	3 314
Training & staff development		5 533	5 235
Translations and transcriptions		648	33
Transport provided as part of departmental activities		1 813	270
Travel and subsistence	11.1	245 508	229 954
Tuition Fees		29	-
Venues and facilities		13 680	12 395

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
11.1 Travel and subsistence		245 508	229 954
Local		204 815	181 498
Foreign		40 693	48 456
12 (LOSS)/ GAIN ON DISPOSAL OF ASSETS		(3 428)	(609)
Equipment		(247)	(162)
Furniture and fittings		(2 303)	(258)
Computer equipment		(878)	(174)
Transport assets		-	(15)
13 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS		(112)	(567)
Trade receivables			
Movement in provision for doubtful debts	15	(112)	(567)
14 CASH AND CASH EQUIVALENTS		493 304	411 923
Cash and cash equivalents consist of the following:			
Cash on hand		92	48
Cash at bank	14.1	493 212	95 187
Call deposits	14.2	-	316 688

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 equivalent.

Parliament has the following bank accounts: -

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
14.1 Cash at bank		493 212	95 187
FNB Limited - Primary bank account Branch: Global transactional services Cape Town Account Number 62078790964			
Cash book balance at beginning of year		5 019	48 068
Cash book balance at end of year		20	5 019
Bank statement balance at beginning of year		5 244	48 127
Bank statement balance at end of year		20	5 244
FNB Limited - Salary bank account Branch: Global transactional services Cape Town Account Number 62078791657			
Cash book balance at beginning of year		204	625
Cash book balance at end of year		-	204
Bank statement balance at beginning of year		204	625
Bank statement balance at end of year		-	204
FNB Limited - Petty cash bank account Branch: Global transactional services Cape Town Account Number 62078792019			
Cash book balance at beginning of year		-	9
Cash book balance at end of year		-	-
Bank statement balance at beginning of year		-	9
Bank statement balance at end of year		-	-

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
Nedbank Limited - Primary bank account			
Branch: Corporate client services Cape Town			
Account Number 1452064776			
Cash book balance at beginning of year		89 651	-
Cash book balance at end of year		435 848	89 651
Bank statement balance at beginning of year		89 651	-
Bank statement balance at end of year		435 848	89 651
Nedbank Limited - Salary bank account			
Branch: Corporate client services Cape Town			
Account Number 1452064784			
Cash book balance at beginning of year		290	-
Cash book balance at end of year		6 836	290
Bank statement balance at beginning of year		290	-
Bank statement balance at end of year		6 836	290
Nedbank Limited - Petty cash bank account			
Branch: Corporate client services Cape Town			
Account Number 1452064970			
Cash book balance at beginning of year		-	-
Cash book balance at end of year		10	23
Bank statement balance at beginning of year		23	-
Bank statement balance at end of year		10	23

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
Nedbank Limited - EU account			
Branch: Corporate client services Cape Town			
Account Number 1452064903			
Cash book balance at beginning of year		-	-
Cash book balance at end of year		50 498	-
Bank statement balance at beginning of year		-	-
Bank statement balance at end of year		50 498	-
Inactive accounts:			
EU salaries - account number 1452064911			
EU petty cash - account number 1452064938			
14.2 Call deposits		-	316 688
Call deposits do not exceed three months and are kept at the following institution:			
Rand Merchant Bank Ltd		-	316 688

The balance in the investment account as at 31 March 2012 (R339,616) was transferred to the Nedbank Primary account and is included in the balance of R435,848. The amount was transferred to an investment account with Nedbank on 1 April 2012.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS

	Gross Balances	Provision for Doubtful	Net Balance Debts
	R'000	R'000	R'000
as at 31 March 2012			
Receivables from exchange transactions	286	-	286
Recoveries of staff expenses	1 177	(838)	339
Other receivables	858	(614)	245
Total	2 321	(1 451)	869
Other receivables			
Employee advances	145	-	145
Total	2 466	(1 451)	1 014
as at 31 March 2011			
Receivables from exchange transactions	895	(349)	546
Recoveries of staff expenses	895	(702)	193
Other receivables	1 926	(289)	1 637
Total	3 716	(1 340)	2 376
Other receivables			
Employee advances	33	-	33
Total	3 749	(1 340)	2 409

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.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

Summary of Debtors by Customer Classification

	Gross Balances	Provision for Doubtful	Net Balance Debts
	R'000	R'000	R'000
as at 31 March 2012			
Political parties	224	-	224
Media	4	-	4
Government organisations	57	-	57
Members and employees	1 177	(838)	339
Other	858	(614)	245
Total	2 321	(1 451)	869
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	1 926	(289)	1 637
Total	3 716	(1 340)	2 376

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.

	2011/12	2010/11 Restated
	R'000	R'000
Reconciliation of the doubtful debt provision		
Balance at beginning of the year	1 340	889
Contributions to provision	112	567
Reversal of provision	(19)	(116)
Balance at end of year	1 433	1 340

Trade and other receivables past due but not impaired

The ageing of amounts past due but not impaired is as follows:

90 - 180 days	-	7
180 - 360 days	-	54
360 days +	1	4

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11 Restated
		R'000	R'000
16 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS		8 030	4 827
Interest receivable accrual		2 417	2 074
BA Rebate		5 613	2 753
17 INVENTORIES			
Catering stock			
Opening balance		354	348
Additions		5 811	5 227
Cost of sales		(5 757)	(5 216)
Write-down to net realisable value		-	(5)
Balance at end of year		408	354

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.

18 PREPAYMENTS		4 034	9 145
Prepayments to Department of International Relations & Cooperation ¹		1 082	6 142
Prepaid expenses		2 952	3 003

¹Advances to Department of International Relations and Cooperation for service to be delivered during international travel for Members of Parliament and staff.

19 FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure to be recovered related to the misuse of travel warrants by Members.

Total	544	544
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Reconciliation of movement in fruitless and wasteful expenditure:

Opening balance	544	12 642
Recovered	-	-
Written off	-	(12 098)
Balance at end of year	544	544

Parliament of the Republic of South Africa
 NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2012

20 PROPERTY, PLANT AND EQUIPMENT
20.1 Reconciliation of Carrying Value

	Equipment R'000	Furniture and fittings R'000	Computer equipment R'000	Transport assets R'000	Total R'000
as at 01 April 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)
Acquisitions	3 322	687	10 786	6 250	21 045
Depreciation	(3 586)	(6 367)	(13 010)	(888)	(23 851)
Carrying value of disposals	(247)	(2 303)	(1 033)	-	(3 583)
Cost	(510)	(6 260)	(6 974)	-	(13 744)
Accumulated depreciation and impairment losses	263	3 958	5 941	-	10 161
as at 31 March 2012	7 511	8 460	18 566	5 511	40 048
Cost	26 953	27 948	58 583	9 146	122 630
Accumulated depreciation and impairment losses	(19 442)	(19 488)	(40 017)	(3 635)	(82 582)

Included in property, plant and equipment are leased assets with a carrying value of R55,730 (2011: R241,173). Parliament is in the process of forming a fixed asset unit which will be responsible for managing the fixed assets in the institution.

A physical verification of all fixed assets has been performed by Parliament in the current and previous 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 its 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.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

20.2 Reconciliation of Carrying Value

	Equipment R'000	Furniture and fittings R'000	Computer equipment R'000	Transport R'000	Total assets R'000
as at 01 April 2010	11 694	22 188	19 292	338	53 512
Cost	28 933	34 703	49 923	2 979	116 538
Change in accounting policy	-	-	-	-	-
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)

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

21 INTANGIBLE ASSETS

21.1 Reconciliation of carrying value

Computer Software
R'000

as at 1 April 2011	310
Cost	2 454
Accumulated amortisation and impairment losses	(2 144)
Acquisitions	1 989
Amortisation	(362)
Carrying value of disposals	(1)
Cost	(3)
Accumulated amortisation	2
 as at 31 March 2012	 1 936
Cost	4 440
Accumulated amortisation and impairment losses	(2 504)

Parliament has taken advantage of the transitional provisions set out in Directive 8. The transitional provisions allow Parliament three years to measure its 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.

Parliament of the Republic of South Africa
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21.2 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 31 March 2011	310
Cost	2 454
Accumulated amortisation and impairment losses	(2 144)

22 HERITAGE ASSETS

22.1 Reconciliation of carrying value

Heritage assets
R'000

as at 1 April 2011	42 742
Deemed cost	42 742
Acquisitions	41
as at 31 March 2012	42 783

Parliament has taken advantage of the transitional provisions set out in Directive 8. The transitional provisions allow Parliament three years to measure its 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.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

22.2 Reconciliation of carrying value	Heritage assets R'000
as at 1 April 2010	42 741
Deemed cost	42 741
Acquisitions	1
as at 31 March 2011	42 742

	Note	2011/12 R'000	2010/11 Restated R'000
23 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade creditors		4 567	11 152
Payments received in advance		581	755
Accruals		68 060	45 285
Employee benefits	23.1	26 887	22 766
Total creditors		100 095	79 958

The fair value of trade and other payables approximates their carrying amounts.

Standard credit terms of 30 days apply.

23.1 Employee benefits		26 887	22 766
Leave accrual		22 206	18 084
Negative leave entitlement		(651)	(520)
Leave entitlement		17 062	13 014
Capped leave commitments		5 795	5 590
13th cheque		4 038	4 154
Overtime		369	528
Award		274	-

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12 R'000	2010/11 Restated R'000
24 VAT (PAYABLE) / RECEIVABLE			
VAT (payable) / receivable		50	(70)
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.			
25 PROVISIONS		89 403	83 802
Performance bonus	25.1	8 491	6 874
Members' gratuities	25.2	80 912	76 928

The movement in current provisions are reconciled as follows: -

25.1 Performance Bonus

Opening balance	6 874	5 860
Contributions to provision	8 839	7 061
Expenditure incurred	(7 222)	(6 047)
Closing balance	8 491	6 874

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.

25.2 Members' gratuities

Opening balance	76 928	47 526
Contributions to provision	6 444	31 549
Expenditure incurred	(2 460)	(2 147)
Closing balance	80 912	76 928

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.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11
		R'000	Restated R'000
26 UNSPENT CONDITIONAL GRANTS AND RECEIPTS			
26.1 EU grant			
<p>Budgetary support programme in three tranches of 5 million Euro each to assist Parliament in establishing a legislative sector in South Africa. First two tranches were received and the first tranche was utilised to facilitate the process. Eighty percent of the second tranche distributed directly to the Provincial Legislative sector.</p>			
Opening balance		-	-
Received		48 375	-
Recognised in Statement of Financial Performance	4.1	(48 375)	-
Closing balance		-	-

27 EMPLOYEE BENEFITS**27.1 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	22 972	18 196
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 2010. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R801 million which are adequately funded by assets of R801 million.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

	Note	2011/12	2010/11
		R'000	Restated R'000

27.2 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	47 859	51 653
These contributions are included in surplus or deficit for the reporting period.		

The most recent actuarial valuation of the POBF was performed on 31 March 2011. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R3.082 billion which are adequately funded by assets of R3.198 billion.

27.3 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.

27.4 Post-retirement medical aid contributions

In terms of existing practice Parliament contributes 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 2012.

	1 116 097	1 069 570
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Reconciliation of movement in liability

Opening balance	1 069 570	887 800
Current service cost	43 884	43 540
Interest cost	64 621	60 010
Benefits paid	(44 001)	(35 394)
Actuarial (gain) loss	(17 977)	113 614
Closing balance	1 116 097	1 069 570

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for the year ended 31 March 2012

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;

A 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 above. The reader should note that these sensitivities apply to the accrued liabilities only.

		Discount rate	
31 March 2012	Base Assumptions X%	-1.0%	+1.0%
Accrued Contributions Liability (R' million)	1,116.10	985.44	1,277.38
% change	-	-13.26%	14.45%
		Health Care Inflation	
31 March 2012	Base Assumptions X%	-1.0%	+1.0%
Accrued Contributions Liability (R' million)	1,116.10	1,277.38	985.44
% change	-	14.45%	-13.26%
		Withdrawal assumption	
31 March 2012	Base Assumptions 65 years	-1.0%	+1.0%
Accrued Contributions Liability (R' million)	1,116.10	1,131.51	1,127.73
% change	-	1.38%	-1.03%

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2012

		Discount rate	
31 March 2011	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	1,069.57	1,221.59	946.92
% change	-	+14.2%	-11.5%
		Health Care Inflation	
31 March 2011	Base Assumptions X%	-1%	+1%
Accrued Contributions Liability (R' million)	1,069.57	946.73	1,219.34
% change	-	-11.5%	+14.0%
		Average Retirement Age	
31 March 2011	Base Assumptions 65 years	1 year younger	1 year older
Accrued Contributions Liability (R' million)	1,069.57	1,098.32	1,044.23
% change	-	+2.7%	-2.4%

Discount rate

The following table shows a summary of the zero-coupon bond yield curve as at 31 March 2012 (annualised). The entire yield curve was applied in the PRMA valuation of Parliament.

Term Zero-coupon South African Bond yields:

Term	2011/12	2010/11
1	5,40%	5,92%
2	5,92%	6,56%
3	5,90%	7,14%
4	6,42%	7,62%
5	7,10%	7,99%
6	7,39%	8,27%
7	7,70%	8,46%
8	7,98%	8,60%
9	8,17%	8,69%
10	8,21%	8,76%
11	8,36%	8,81%
12	8,52%	8,85%
13	8,67%	8,88%
14	8,82%	8,91%
15	8,97%	8,93%
16	9,10%	8,94%
17	9,17%	8,95%
18	9,24%	8,96%

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NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2012

19	9,31%	8,97%
20	9,38%	8,98%
21	9,45%	8,99%
22	9,52%	8,99%
23	9,59%	8,99%
24	9,66%	9,00%
25	9,74%	9,00%
26	9,74%	9,00%
27	9,74%	9,00%
28	9,74%	9,00%
29	9,74%	9,00%
30	9,74%	9,01%

Health care inflation curve

The following table shows a summary of the health care inflation curve as at 31 March 2012 (annualised). The entire inflation curve was applied in the PRMA valuation of Parliament. The health care inflation rate was assumed to be 1.5% lower than the valuation discount rate at each term to maturity.

Term	2012	2011
1	3,84%	4,42%
2	4,35%	5,06%
3	4,33%	5,64%
4	4,84%	6,12%
5	5,51%	6,49%
6	5,81%	6,77%
7	6,10%	6,96%
8	6,39%	7,10%
9	6,57%	7,19%
10	6,61%	7,26%
11	6,76%	7,31%
12	6,91%	7,35%
13	7,06%	7,38%
14	7,21%	7,41%
15	7,36%	7,43%
16	7,49%	7,44%
17	7,56%	7,45%
18	7,63%	7,46%
19	7,70%	7,47%
20	7,77%	7,48%
21	7,84%	7,49%
22	7,91%	7,49%
23	7,97%	7,49%
24	8,04%	7,50%
25	8,11%	7,50%
26	8,11%	7,50%
27	8,11%	7,50%
28	8,11%	7,50%
29	8,11%	7,50%
30	8,11%	7,51%

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Active members expected to continue after retirement	100%	95%
Average retirement age	65 years	65 years
Pre-retirement mortality		
Male	SA 85-90L (aggregate)	SA 85-90 (aggregate)
Female	SA 85-90L (aggregate) with a 3-year reduction	SA 85-90 (aggregate) with a 3-year reduction
Post-retirement mortality		
Male	PA (90)M rated down by 2 years for both male and female lives	PA (90) rated down by 2 years and 1% annual mortality improvement from 2008
Female	PA (90)M rated down by 2 years for both male and female lives	PA (90) rated down by 2 years and 1% annual mortality improvement from 2008
AIDS	Not allowed for	Not allowed for
Age difference	Male spouse 3 years older than female spouse	Actual age of spouse is used when the spouse will be subsidised if the member dies

28 FINANCE LEASES

	2011/12	2010/11
	R'000	Restated R'000
Minimum lease payments due:		
Payable within 1 year	69	197
Payable within 2 - 5 years	-	69
Less: future finance charges	(2)	(12)
Present value of lease payments due	67	254
Current	67	187
Non-current	-	67
	67	254

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.

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	2011/12	2010/11
	R'000	Restated R'000
29 CASH GENERATED BY OPERATIONS		
CASH GENERATED BY OPERATIONS		
Surplus for the year	48 091	(176 709)
Adjustment for:-		
Depreciation and amortisation	24 213	22 871
Loss / (gain) on sale of assets	3 428	609
Bad debts written off	51	12 098
Contribution to provisions - current	5 601	30 416
Movement in employee benefits	46 527	181 770
Impairment loss - receivables	112	567
Interest earned	(25 065)	(24 624)
Interest paid	29	19
Operating surplus before working capital changes:	102 987	47 017
(Increase) in inventories	(54)	(6)
Decrease / (increase) in trade receivables	(1 577)	19 113
(Increase) / decrease in other receivables	5 111	(6 022)
Increase / (decrease) in trade payables	20 087	(6 076)
Increase in VAT payable	(120)	81
Interest received	24 722	24 779
Interest paid	(29)	(19)
Statutory Funds surrendered to the National Revenue Fund	(46 639)	-
Prior period adjustments	-	8 642
Cash generated by/(utilised in) operations	104 487	87 509
30 PROCEEDS FROM SALE OF FIXED ASSETS		
Net book value of assets disposed	3 584	792
(Loss) / gain on sale of assets	(3 428)	(609)
Proceeds from sale of fixed assets	156	183
31 CASH AND CASH EQUIVALENTS		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Bank balances and cash	493 304	411 923
Net cash and cash equivalents (net of bank overdrafts)	493 304	411 923

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
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	Note	2011/12 R'000	2010/11 Restated R'000
32 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED			
32.1 Unauthorised expenditure			
Reconciliation of unauthorised expenditure			
Opening balance		-	-
Unauthorised expenditure current year		-	-
Authorised		-	-
Transfer to receivables for recovery		-	-
Unauthorised expenditure awaiting authorisation		-	-
32.2 Fruitless and wasteful expenditure			
Reconciliation of fruitless and wasteful expenditure			
Opening balance -		1 012	761
Fruitless and wasteful expenditure current year		18	251
Fruitless and wasteful expenditure closing balance		1 030	1 012
Incident			
Cancellation fees - under investigation		176	170
Interest on late payment		187	187
Previously reported as receivable	19	539	539
Unaccredited course		116	116
Traffic Fine Admin Fees		12	-
		1 030	1 012
32.3 Irregular expenditure			
Reconciliation of irregular expenditure			
Opening balance		12 027	1 915
Irregular expenditure current year		662	10 112
Irregular expenditure condoned		(11 691)	-
Irregular expenditure awaiting condonement		998	12 027

Further investigation being conducted regarding an amount of R635,000 relating to use of service provider not approved by Parliament and R27,000 for not following procurement process. An amount of R336,000 has been referred to the National Prosecuting Authority for further investigation.

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NOTES TO THE FINANCIAL STATEMENTS
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	2011/12	2010/11
	R'000	Restated R'000
33 CAPITAL COMMITMENTS		
33.1 Commitments in respect of capital expenditure		
- Approved and contracted for	4 126	12 638
Capital works	973	8 035
Other	3 153	4 603
- Approved but not yet contracted for	23 624	45 029
Capital works	23 624	45 029
Total	27 750	57 667
This expenditure will be financed from:		
Appropriation	27 750	57 667

33.2 Operating leases

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

Operating leases - lessee

Within one year	1 146	535
In the second to fifth year inclusive	1 857	322
Total	3 003	857

Operating lease payments represent rentals payable by Parliament for office equipment and rental of Parliamentary Democracy 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 0% (2011: 8%) escalation per annum and were straightlined over the period of the lease.

34 CONTINGENT LIABILITY

The following are pending claims in respect of staff litigation and other litigation. The certainty and timing of the outflow of these liabilities are uncertain. The amounts disclosed below are possible outflow amounts.

34.1 Staff litigation	3 000	1 100
Labour-related disputes and claims instigated by former employees		
34.2 Other litigation	1 569	1 000

Ongoing litigation in which Parliament will possibly be liable either ex parte or as respondent in civil action.

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NOTES TO THE FINANCIAL STATEMENTS
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35 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	4 564	4 112
Travel, motor car, accommodation, subsistence and other allowances	2 016	2 098
Contributions to UIF, Medical and Pension Funds	1 027	1 032
Total	7 607	7 242
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	14 584	12 506
Performance and other bonuses	349	241
Contributions to UIF, Medical and Pension Funds	1 102	932
Total	16 035	13 679
Number of key personnel included²	13	12

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
- Senior Executives

36 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.

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36.1 Intergovernmental receivables	26	531
Departments	19	109
Department of Co-operative Governance & Traditional Affairs	12	-
Department of Finance	-	59
Department of International Relations & Co-operation	-	2
Department of Minerals & Energy	2	-
Department of Police Services	5	10
Department of Public Works	-	1
Public Works Ministry	-	2
Science & Technology Ministry	-	1
Social Development Ministry	-	1
Woman, Youth & Children Centre	-	33
Other government entities	7	422
Office of the President	7	27
Office of the President: Cabinet Section	-	17
SARS	-	378
36.2 Intergovernmental payables	2 590	2 737
Departments	2 558	2 675
Department of Health	7	-
Department of Justice	1 269	643
Department of Public Works	1 280	2 031
Department of Public Service and Administration	2	-
Department of Rural Development & Land Reform	-	1
Other government entities	32	62
Government Motor Transport	25	33
Government Printing Works	7	1
Government Communications & Information Systems	-	28

36.3 Services in kind

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

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
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37 RISK MANAGEMENT

37.1 Credit risk

Credit risk arises from the risk that a counterparty 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 counterparty.

Trade receivables mainly comprise related parties, lowering counterparty risk.

Financial assets exposed to credit risk at year end were as follows: **493 212** **412 109**

First National Bank - current accounts	14.1	20	5 457
Nedbank - current accounts	14.1	493 192	89 964
RMB - call deposit	14.2	-	316 688

These balances represent the maximum exposure to credit risk.

37.2 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 Parliaments' liabilities are set out below as undiscounted cash flows:

Trade and other payables

Payable within 1 year **23** 4 567 11 152

Finance leases

Payable within 1 year **28** 67 187

Payable within 2 - 5 years **28** - 67

37.3 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 rates ¹	14.1	493 212	95 421
Call deposits at floating rates ¹	14.2	-	316 688

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

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NOTES TO THE FINANCIAL STATEMENTS
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38 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 128 to 129.

39 PRIOR PERIOD ERRORS

R'000

A number of prior period errors were corrected during the year ending 31 March 2012.

The details of the prior period errors adjusted are reflected below.

Summary

Statement of financial position

Net assets as previously reported	-227 202
Adjustments to opening accumulated surplus as per details below	-311 052
	-538 254

Statement of financial performance

Deficit as previously reported	-113 553
Net effect on deficit for the year ended 31 March 2011 as per details below	-63 156
	-176 709

Cash and cash equivalents

Adjustments were made to cash and cash equivalents in respect of unknown balances.

Net effect on cash and cash equivalents for the year ended 31 March 2011

Decrease in cash due to an unknown balance	-5
<i>Net effect on deficit for the year ended 31 March 2011</i>	
Decrease in other revenue due to an unknown balance	5

Receivables from exchange transactions

Adjustment of receivables from exchange transactions in respect of various staff benefits overpaid.

Net effect on receivables from exchange transactions for the year ended 31 March 2011

Increase in receivables in respect of leave pay overpayment	20
Increase in receivables in respect of departmental debt	37
Increase in receivables in respect of loss of gratuity	427
	484
<i>Net effect on deficit for the year ended 31 March 2011</i>	
Decrease in gratuity for loss of office payments	-427
Decrease in payroll expenses in respect of leave overpayment	-37
Decrease in payroll expenses in respect of departmental debt	-20
	-484

Receivables from non-exchange transactions

Adjustments were made to accrued income as a result of incorrect interest income and rebates recognised.

Adjustments against opening accumulated deficit on 31 March 2010

45

Net effect on accrued income for the year ended 31 March 2011

Decrease in accrued income in respect of unknown balances	-45
Decrease in accrued income to correct bank charges accounted as accrued income	-15
Increase in accrued income in respect of incorrect interest income	1
Increase in accrued income in respect of BA rebates not accrued for previously	154
Increase in accrued income in respect of adjustment not raised previously for BA rebate	2 599
	<hr/>
	2 694

Net effect on deficit for the year ended 31 March 2011

Increase in bank charges	15
Increase in interest income	-1
Increase in other revenue from BA rebate	-154
Increase in other revenue in respect of adjustment not raised previously for BA rebate	-2 599
	<hr/>
	-2 739

Prepayments

Adjustments were made to the DIRCO prepayment accounts to align it those balances that were confirmed by DIRCO.

Adjustments against opening accumulated deficit on 31 March 2010

985

Net effect on prepayments for the year ended 31 March 2011

Decrease in prepayments due to write off	-985
Increase in prepayments due to correction of prepayments	5 585
	<hr/>
	4 600

Net effect on deficit for the year ended 31 March 2011

Decrease in travel expenses due to correction of prepayments	-5 585
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Trade and other payables from exchange transactions

Corrections were made to trade payables for creditors not provided for in prior periods. Provision for members' UIF was reversed as no provision should be raised for members.

Adjustments against opening accumulated deficit on 31 March 2010

Increase in trade payables for creditors not provided	-13
Decrease in general expenses resulting from overstatement of accruals	-169
Decrease in employee benefits due to UIF provision for members	-9 641
	<hr/>
	-9 823

Net effect on trade and other payables from exchange transactions for the year ended 31 March 2011

Decrease in trade payables due to an unknown balance	13
Increase in trade payables for creditors not accounted for	-902
Decrease in employee benefits due to UIF provision for members	8 071
Decrease in employee benefits due to UIF provision for members	1 570
Decrease in payables for car hire deductible from employee's salary	1
Decrease in payables relating to payroll contributions	5
Decrease in trade payables for overstatement of accruals	169
Increase in payables relating to payroll	-152
	<hr/>
	8 775

Net effect on deficit for the year ended 31 March 2011

Increase in general expenses not provided for	902
Decrease in general expenses to be deducted from employee's salary	1
Decrease in compensation of employees	-5
Increase in compensation of employees	152
	<hr/>
	1 049

Employee benefits

In the prior year, the post-retirement benefit obligation in respect of PARMED was actuarially estimated and recognised for the first time in line with the adoption of Standards of GRAP. During the current year, it became evident that the actuarial liability that was previously recognised needed to be revised. The main reason for this relates to the use of certain inputs in the actuarial model which were found, in the current year, to require modification. Consequently, the liability has been restated retrospectively with the necessary adjustments to bring it in line with the revised actuarial valuation.

<i>Adjustments against opening accumulated deficit on 31 March 2010</i>	<hr/>
	319 694

Net effect on employee benefits for the year ended 31 March 2011

Increase in employee benefits due to the restatement of the PARMED post retirement benefit obligation	<hr/>
	-390 604

Net effect on deficit for the year ended 31 March 2011

Increase in compensation of members due to the restatement of the PARMED post-retirement benefit obligation	<hr/>
	70 910

40 CHANGE IN ACCOUNTING ESTIMATE

Included in the expenditure relating to the bonus provision is an amount of R348 which arose as the actual bonus payment exceeded the provision raised in the previous financial year. The effect of the change in accounting estimate for the current year is as follows:

Net effect on provisions for the year ended 31 March 2012

Decrease in the bonus provision	<hr/>
	-348

Net effect on deficit for the year ended 31 March 2012

Increase in the expense	<hr/>
	348

41 EVENTS AFTER REPORTING PERIOD

Parliament is not aware of any adjusting events after the reporting period.

- c) Transfers, sponsorships and donations: The variance is the result of exchange rate fluctuations as the amount is paid to Parliament in Euros.
- d) Capital expenditure: The variance is the result of the refurbishment of the NCOP and of motor vehicles purchased for the Executive Authority.
- e) Compensation of employees: The underspending of 12,7% for compensation of members is attributable 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.
- f) Interest paid: The variance arose as no interest was budgeted for in the current year.

4. The budget and the basis of accounting differ. The financial statements for Parliament are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance while the budget is approved on the cash basis.
5. 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 table below:
6. 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 2012 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.
7. The deficit of 5,674m of actuals over budget was funded by the use of retained funds from prior years, which was approved by the Executive Authority of Parliament. The majority of this was utilised for the radio programme.

	Operating	Investing	Financing	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	151 126	(23 075)	-	128 051
Basis Differences	(46 639)	156	(187)	(46 670)
Statutory Funds surrendered to National Revenue Fund	(46 639)	-	-	(46 639)
Sales of assets not budgeted for	-	156	-	156
Deemed finance leases repayments not budgeted for	-	-	(187)	(187)
Actual Amount in the Statement of Cash Flows	104 487	(22 919)	(187)	81 381

**Appropriation Statement
for the year ended 31 March 2012**

Appropriation per Programme										
	2011/12					2010/11 (Restated)				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
1. Administration										
Current payment	365 954	(3 315)	-	362 639	337 014	25 625	92,9%	411 058	406 479	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	2 637	3 315	-	5 952	17 714	(11 762)	297,6%	12 232	12 168	
Changes in retained revenue	-	-	-	-	-	-	-	-45 656	-	
2. Legislation and Oversight										
Current payment	297 799	-	-	297 799	297 799	-	100,0%	273 008	267 634	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	691	-	-	691	1 133	(442)	164,0%	3 065	3 065	
Changes in retained revenue	(490)	-	-	(490)	-	(490)	-	-	-	
3. Public and International Participation										
Current payment	113 520	-	-	113 520	110 871	2 649	97,7%	85 978	86 022	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	564	-	-	564	674	(110)	119,5%	493	493	
Changes in retained revenue	(5 184)	-	-	(5 184)	-	(5 184)	-	-	-	
4. Members' Facilities										
Current payment	199 800	(1 300)	-	198 500	207 972	(9 472)	104,8%	178 418	177 395	
Transfers and subsidies	-	-	-	-	-	-	-	-	-	
Payment for capital assets	-	1 300	-	1 300	1 300	-	100,0%	1 111	1 111	
5. Associated Services										
Current payment	-	-	-	-	-	-	-	-	-	
Transfers and subsidies	297 599	-	-	297 599	297 599	-	100,0%	281 914	281 925	
Payment for capital assets	-	-	-	-	-	-	-	-	-	
Subtotal	1 272 890	-	-	1 272 890	1 272 076	814	99,9%	1 201 621	1 236 292	
Statutory Appropriation										
Current payment	409 640	-	-	409 640	360 931	48 709	88,1%	392 679	375 727	
Total	1 682 530	-	-	1 682 530	1 633 007	49 523	97,1%	1 594 300	1 612 019	
Reconciliation with Statement of Financial Performance										
Add: Departmental receipts				37 976				31 752		
Local and foreign aid assistance				48 375				-		
Actual amounts per Statement of Financial Performance (Total Revenue)				1 768 881				1 626 052		
Add: Local and foreign aid assistance					37 716				10 539	
Post-retirement medical aid contributions					46 527				181 770	
Actual amounts per Statement of Financial Performance Expenditure					1 717 250				1 804 328	

Appropriation Statement
for the year ended 31 March 2012
Appropriation Per Economic Classification

	2011/12						2010/11 (Restated)			
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments										
Compensation of employees	536 679	-	-	536 679	518 344	18 335	96,6%	458 275	455 411	
Goods and services	440 374	(4 615)	-	435 759	435 312	447	99,9%	490 187	482 119	
Foreign governments & international organisations	-	-	-	-	-	-	0,0%	-	-	
Non-profit institutions	297 599	-	-	297 599	297 599	-	100,0%	281 914	281 925	
Payment for capital assets										
Buildings & other fixed structures	-	-	-	-	-	-				
Machinery & equipment	3 912	4 615	-	8 527	20 760	(12 233)	243,5%	16 558	16 494	
Software & other intangible assets	-	-	-	-	61	(61)	0,0%	343	343	
Changes in retained revenue	(5 674)	-	-	(5 674)	-	(5 674)		(45 656)	-	
Total	1 272 890	-	-	1 272 890	1 272 076	814	99,9%	1 201 621	1 236 292	

**Appropriation Statement
for the year ended 31 March 2012**

Statutory Appropriation												
	2011/12							2010/11 (Restated)				
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000			
Direct charge against Provincial Revenue Fund												
List all direct charges against the Revenue Fund President and Deputy President salaries Member of executive committee/ parliamentary officers	409 640	-	-	409 640	360 931	48 709	88,1%	392 679	375 727			
Total	409 640	-	-	409 640	360 931	48 709	88,1%	392 679	375 727			

Appropriation Statement
for the year ended 31 March 2012
Detail per programme 1 - Administration

Programme per subprogramme	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
1.1 Office of the Speaker									
Current payment	44 204	(100)	-	44 104	39 228	4 876	88,9%	31 435	26 874
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	624	100	-	724	324	400	44,8%	417	417
1.2 Office of the Chairperson									
Current payment	20 114	(57)	-	20 057	20 112	(55)	100,3%	18 786	18 786
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	286	57	-	343	124	219	36,2%	34	34
1.3 Office of the Secretary									
Current payment	170 797	(3 158)	-	167 639	150 951	16 688	90,0%	239 851	239 833
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	842	3 158	-	4 000	15 506	(11 506)	387,7%	10 614	10 550
1.4 Corporate Services									
Current payment	49 873		-	49 873	43 854	6 019	87,9%	42 876	42 876
Transfers and subsidies	-			-	-	-		-	-
Payment for capital assets	528			528	1 403	(875)	265,7%	821	821
1.5 Institutional Support									
Current payment	80 966			80 966	82 869	(1 903)	102,4%	78 110	78 110
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	357			357	357	-	100,0%	346	346
Changes in retained revenue								(45 656)	-
Total	368 591	-	-	368 591	354 728	13 863	96,2%	377 634	418 647

**Appropriation Statement
for the year ended 31 March 2012**

Economic Classification Adjusted Appropriation R'000	2011/12							2010/11 (Restated)	
	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000	
Current payments									
Compensation of employees	254 293			254 293	224 790	29 503	88,4%	216 998	216 018
Goods and services	111 641	(3 315)		108 326	112 224	(3 898)	103,6%	194 060	190 461
Payments for capital assets									
Machinery & equipment	2 657	3 315		5 972	17 653	(11 681)	295,6%	11 889	11 825
Software & other intangible assets	-			-	61	(61)	0,0%	343	343
Changes in retained revenue				-		-		-45 665	
Total	368 591	-	-	368 591	354 728	13 863	96,2%	377 625	418 647

Detail per programme 2 - Legislation and Oversight
 for the year ended 31 March 2012

Programme per subprogramme	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
2.1 National Assembly									
Current payment	22 568			22 568	22 568	-	100,0%	18 794	18 794
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	132			132	268	(136)	203,0%	257	257
2.2 National Council of Provinces									
Current payment	28 823			28 823	28 823	-	100,0%	30 518	30 544
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	377			377	649	(272)	172,1%	174	174
2.3 Legislation and Oversight									
Current payment	246 408			246 408	246 408	-	100,0%	223 696	218 296
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	182			182	216	(34)	118,7%	2 634	2 634
Changes in retained revenue	(490)			(490)		(490)			
Total	298 000	-	-	298 000	298 932	(932)	100,3%	276 073	270 699

**Appropriation Statement
for the year ended 31 March 2012**

Economic classification	2011/12						2010/11 (Restated)		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current									
Compensation of employees	207 630			207 630	207 630	-	100,0%	179 089	177 189
Goods and services	90 169			90 169	90 169	-	100,0%	93 919	90 445
Capital									
Machinery & equipment	691			691	1 133	(442)	164,0%	3 065	3 065
Software & other intangible assets				-	-	-		-	-
Changes in retained revenue	(490)			(490)		(490)		-	-
Total	298 000	-	-	298 000	298 932	(932)	100,3%	276 073	270 699

**Appropriation Statement
for the year ended 31 March 2012**

Detail per programme 3 - Public and International Participation

Programme per subprogramme	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
3.1 Parliamentary									
Communication Service									
Current payment	70 889			70 889	68 112	2 777	96,1%	53 001	53 043
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	195			195	195	-	100,0%	218	218
Changes in retained revenue	(5 184)			(5 184)		(5 184)			
3.2 International Relations									
Current payment	42 631			42 631	42 759	(128)	100,3%	32 977	32 979
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	369			369	479	(110)	129,8%	275	275
Changes in retained revenue									
Current payment									
Transfers and subsidies									
Payment for capital assets									
Total	108 900	-	-	108 900	111 545	(2 645)	102,4%	86 471	86 515

**Appropriation Statement
for the year ended 31 March 2012**

Economic classification	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current									
Compensation of employees	36 306			36 306	36 438	(132)	100,4%	26 794	26 810
Goods and services	77 214			77 214	74 433	2 781	96,4%	59 184	59 212
Interest and rent on land				-	-	-		-	-
Transfers & subsidies									
Foreign governments & international organisations				-	-	-	0,0%	-	-
Capital									
Buildings & other fixed structures				-	-	-		-	-
Machinery & equipment	564			564	674	(110)	119,5%	493	493
Software & other intangible assets				-	-	-		-	-
Changes in retained revenue	(5 184)			(5 184)		(5 184)			
Total	108 900	-	-	108 900	111 545	(2 645)	102,4%	86 471	86 515

Appropriation Statement
for the year ended 31 March 2012

Details per programme 4 - Members' Facilities

Programme per subprogramme	2011/12						2010/11 (Restated)		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
4.1 National Assembly Members' Facilities									
Current payment	185 438	(1 300)		184 138	184 138	-	100,0%	167 872	167 872
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	-	1 300		1 300	1 300	-	100,0%	1 111	1 111
4.2 National Council of Provinces Members' Facilities									
Current payment	14 362			14 362	23 834	(9 472)	166,0%	10 546	9 523
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	-			-	-	-	0,0%	-	-
Total	199 800	-	-	199 800	209 272	(9 472)	104,7%	179 529	178 506

Economic classification	2011/12						2010/11 (Restated)		
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Current									
Compensation of employees	38 450			38 450	49 486	(11 036)	128,7%	35 394	35 394
Goods and services	161 350	(1 300)		160 050	158 486	1 564	99,0%	143 024	142 001
Capital									
Machinery & equipment		1 300		1 300	1 300	-	100,0%	1 111	1 111
Software & other intangible assets				-	-	-	0,0%	-	-
Total	199 800	-	-	199 800	209 272	(9 472)	104,7%	179 529	178 506

**Appropriation Statement
for the year ended 31 March 2012**

Detail per programme 5 - Associated Services

Programme per subprogramme	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
5.1 Political Party Support									
Current payment	-			-	-	-	0,0%	-	-
Transfers and subsidies	70 251			70 251	70 251	-	100,0%	66 589	66 600
Payment for capital assets	-			-	-	-	0,0%	-	-
5.2 Constituency Support									
Current payment	-			-	-	-	0,0%	-	-
Transfers and subsidies	220 838			220 838	220 838	-	100,0%	209 325	209 325
Payment for capital assets	-			-	-	-	0,0%	-	-
5.3 Party Leadership Support									
Current payment	-			-	-	-	0,0%	-	-
Transfers and subsidies	6 510			6 510	6 510	-	100,0%	6 000	6 000
Payment for capital assets	-			-	-	-	0,0%	-	-
5.4 Membership Fees									
Current payment	-			-	-	-	0,0%	-	-
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	-			-	-	-	0,0%	-	-
Total	297 599	-	-	297 599	297 599	-	100,0%	281 914	281 925

Economic Classification	2011/12							2010/11 (Restated)	
	Adjusted Appropriation R'000	Shifting of Funds R'000	Virement R'000	Final Appropriation R'000	Actual Expenditure R'000	Variance R'000	Expenditure as % of final appropriation %	Final Appropriation R'000	Actual Expenditure R'000
Transfers & subsidies									
Non-profit institutions	297 599	-	-	297 599	297 599	-	100,0%	281 914	281 925
Total	297 599	-	-	297 599	297 599	-	100,0%	281 914	281 925

Parliament of the Republic of South Africa - Vote 2
Notes to the Appropriation Statement
 for the year ended 31 March 2012

1. **Details of transfers and subsidies as per Appropriation Act (after Virement):**
 Detail of these transactions can be viewed in note 7 (Transfers and subsidies)
2. **Details 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. **Details on financial transactions in assets and liabilities**
4. **Explanations of material variances from Amounts Voted (after virement):**

4.1 Per programme:

	Voted Funds after virement	Actual Expenditure	Variance	Variance as a % of Final Appropriation
	R'000	R'000	R'000	%
Administration	368 591	354 728	13 863	4%
Legislation and Oversight	298 490	298 932	(442)	0%
Public and International Participation	114 084	111 545	2 539	2%
Members' Facilities	199 800	209 272	(9 472)	-5%
Associated Services	297 599	297 599	-	0%
Changes in retained revenue	5 674		5 674	

During this period the Treasury of Parliament of the Republic of South Africa approved the transfer of the above amount from retained earnings of prior years to fund the radio programme.

4.2 Per economic classification:	R'000
Current expenditure	18 782
Transfers and subsidies	
Departmental agencies and accounts	-
Foreign governments and international organisations	-
Non-profit institutions	-
Payments for capital assets	
Machinery and equipment	(12 233)
Changes in retained revenue	-

Underspending on current expenditure is mainly the result of delays in recruitment of specialists for Committee support in the Legislation and Oversight Division.

Overspending on capital expenditure is the result of the refurbishment of the NCOP and the purchase of vehicles for the Executive Authority to do away with renting vehicles for them, which was expensive.



PARLIAMENT
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