



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

The Annual Report

2012/13



National Assembly

National Council of Provinces



PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA

Our Vision:

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

Our Mission:

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

Presiding Officers of Parliament of the Republic of South Africa



Mr MV Sisulu
Speaker
National Assembly



Mr MJ Mahlangu
Chairperson
National Council of Provinces



Ms NC Mfeketo
Deputy Speaker
National Assembly



Ms TC Memela
Deputy Chairperson
National Council of Provinces

Foreword by the Secretary to Parliament

I am pleased to present to the Speaker of the National Assembly and the Chairperson of the National Council of Provinces the Annual Report of Parliament for the financial year ending 31 March 2013.

Parliament's role and ultimate outcome is to entrench the democratic principles enshrined in the Constitution, the most central being to ensure representation of the people of South Africa, as well as profiling the role of the provinces in a coherent manner within the national sphere of government. Our Constitution espouses a people-centred democracy which is a central and most significant tenet of participatory democracy.

I am happy to report that the fourth democratic Parliament, 2009-2014, adopted a Strategic Plan that continues to drive its vision as a parliament responsive to the needs of the people of South Africa. As a direct result of the implementation of its vision, the financial year being reported herein saw an increased focus on the following Strategic Objectives;

- strengthening oversight and accountability,
- increasing public involvement and participation,
- strengthening co-operative government,
- widening the role of Parliament in international participation,
- and increasing the effectiveness and efficiency of parliamentary functions and systems.

The highlights include the success in fulfilling its objectives by passing 22 Bills; followed by a total of 4 501 replies to the 4 596 questions put to the Executive; and ten (10) recommendations made for statutory appointments; with an adoption of seven (7) international agreements. In performing its functions, the committees of Parliament held 1 097 meetings. Our Parliament continued to represent its people in its participation of the third ordinary session of the Pan-African Parliament. We also received 39 bilateral and study visits and participated in 17 multilateral engagements. This report gives further detail to these and other achievements.

Further to the above achievements, several initiatives progressed, including the establishment of the Budget Office and Legal Drafting Unit, the development of the Public Participation Model, and the review of the organisational structure. The latter initiative will indeed ensure that Parliament's administration is aligned and strengthened to improve its support systems to the core business with the onset of the fifth Parliament.

Preparations for the 59th Commonwealth Parliamentary Conference in 2013 were completed and the parliamentary library service was enhanced. Several improvements in capacity were implemented, including supply chain management, legal services, international relations and content support for committees.

Finally, I am happy to report that initiatives, implemented to improve the overall financial management of Parliament, are bearing fruits. To this effect a marked improvement was made for the 2012/13 financial year. Whilst an unqualified opinion was attained, we aim to improve on the outcome of our audit by working towards a clean audit in future years. I wish to thank the Presiding Officers for their continuous support and guidance to the office and administration of the Secretary to Parliament.

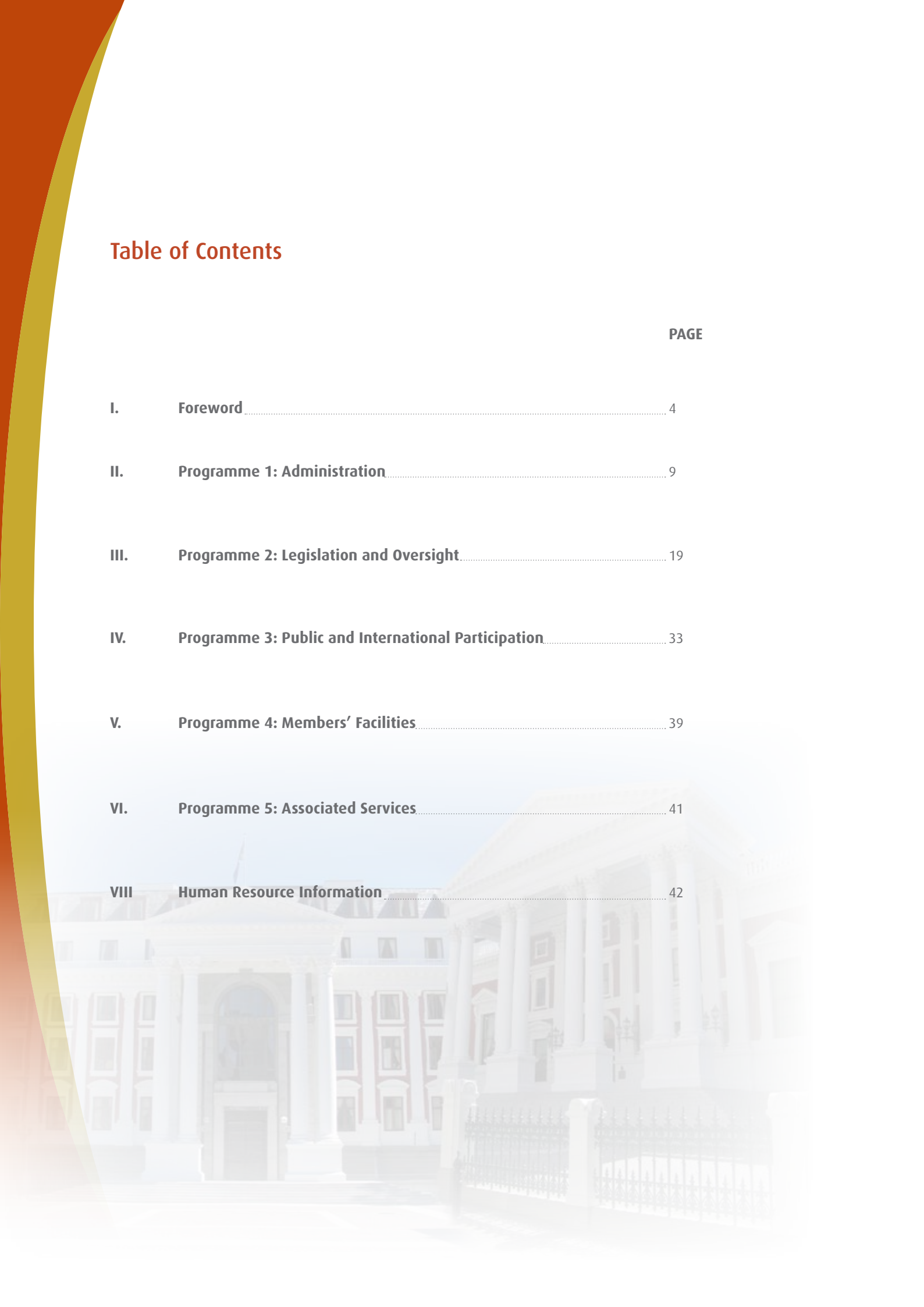


SECRETARY TO PARLIAMENT

MB COETZEE

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PROGRAMME 1: ADMINISTRATION



PROGRAMME 1: ADMINISTRATION

AIM OF THE VOTE

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

PROGRAMMES AND STRATEGIC OBJECTIVES

This is the annual report on the achievement of five strategic objectives of Parliament as provided through the programmes reflected in the Estimates of National Expenditure (ENE) - Vote 2.

STRATEGIC OBJECTIVES

- To build an effective and efficient institution

PROGRAMME OUTPUT

1. Office of the Speaker

Performance target against performance level

Operational Objective	Performance Indicators	Performance Target	Performance Level	Variance	Reasons for underperformance and mitigation strategies.
To provide strategic leadership and political support to the Presiding Officers and House Chairpersons	Administrative and technical support must be given to the Presiding Officers on Core Business	Effective and strengthened structures and systems to support the achievement of the parliamentary mandate	Provision of administrative and technical support has been given to the Presiding Officers	None	-
To provide efficient and effective administrative support	Improved culture of accountability and responsibility	Compliance with chapter 3 of the FMPA	Effective and efficient administrative support has been given to the Office of the Speaker in compliance with chapter 3 of the FMPA	None	-

Narration of performance

Management of committee activities and the coordination of special projects such as MDGs have taken place as an ongoing process. Daily management and authorisation of committee activities/ programmes, which includes the approval of meetings in terms of relevant slots has been achieved. Overseeing and directing the processing of legislation and reporting on progress and/or challenges to the relevant structures took place. Management of local and international travel of the Speaker, Deputy Speaker and House Chairpersons was also coordinated and done accordingly.

2. Office of the Chairperson

Performance target against performance level

Operational Objective	Performance Indicators	Performance Target	Performance Level	Variance	Reasons for underperformance and mitigation strategies.
To provide efficient and effective administrative and executive support to POs	Support provided: Administrative systems are in place and implemented	POs are able to perform their institutional, national and international duties as per their expressed expectations	Systems are in place: Administrative and executive support was successfully provided to POs	None	-
To provide research, content development, communication, legal advisory and political support to POs	POs briefed and strategically supported in their public duties	POs are able to perform their public duties without fail	All parliamentary and public duties of POs were supported, including newly-launched initiatives	None	-
To provide strategic support to legislative, oversight, public and international participation activities led by POs	Strategic engagement programmes and platforms facilitated and/or supported for POs to provide input, guidance or to participate	POs are able to lead programmes or provide guidance in furtherance of the core business of Parliament	Core business and other programmes of Parliament supported High-level positive feedback received	None	-

Narration of performance

Administrative systems

In addition to administrative systems that are in place to support the POs there are two new IT-based systems that were facilitated to improve diary management and performance monitoring.

Cooperative government

Matters relating to the improvement of co-operative government were supported, including the launch of the Local Government Week initiative and briefing workshops on municipal performance for provincial representatives.

Communication

Facilitation of communication included organising special activities to mark the 15th anniversary of the NCOP (e.g. Child Rights Seminar preceded by workshops for children in provinces, public lecture at the University of the Western Cape and other public-oriented projects) to publicly demonstrate its work in different areas in support of its mandate.

Strategic planning

Strategic planning sessions led by POs and involving representatives of provinces and organised local government were supported, including sector-specific sessions for committees.

3. Office of the Secretary

Performance target against performance level

Performance Indicators		Performance Target	Performance Level (Actual performance)	Variance	Reasons for underperformance and mitigation strategies.
ADM 25	% funded posts filled	95% of planned funded posts filled	92 % of Parliaments' funded posts are filled	-3%	<p>Unplanned vacancies due to early retirement, death and illness. Creation of new posts have increased the vacancy rate.</p> <p>The following strategies have been put into place to address the variance:</p> <ul style="list-style-type: none"> - Implementation of Oracle i-Recruitment module - Capacity/Skills Development - Monitoring of aging vacant posts - Additional resources contracted - Accelerated recruitment plan
ADM 26	% increase in rating achieved in annual employee climate survey	8% annual target	8%	None	-
ADM 22	Nature of audit opinion 2012/13 financial year	Unqualified	Refer to Audit Report		-

Performance Indicators		Performance Target	Performance Level (Actual performance)	Variance	Reasons for underperformance and mitigation strategies.
ADM 27	% of information request in terms of the Promotion of Access to Information Act responded to in line with statutory requirements	100%	98.4% Requests received: 64 Requests responded to: 63	-1.6%	In one instance a response was only submitted after 6 days as information from Legal was required before responding to the request
ADM 23	% of availability of IT systems, excluding planned down times	99%	99.86%	+0.86%	-
	% of availability of Audio Visual systems, excluding planned down times	99%	99%	None	
ADM 24	% of availability of the website	99%	99.22%	+0.22%	-

Narration of performance

Recruitment

Vacancies

1 485 establishment posts exist within Parliament, of which 1 361 have been filled. This equates to 92% of Parliament's funded posts being filled. The vacancy rate has been significantly reduced despite the unpredictability of turnover due to sudden resignations, deaths and early retirements. HR accelerated capacitation in the following areas to ensure achievement of Parliament's strategic objectives viz. Parliamentary Communication Services, Internal Audit Office, Legislative Sector Support, Committee Support (Content Advisors and Researchers); Office of Institution Supporting Democracy; Finance Management Office and Supply Chain Management Office. In addition, technological enhancements were planned for implementation to link to existing systems to create a more efficient recruitment system.

Reasons why employees are leaving Parliament

Exit interviews are held with employees who voluntarily leave the institution. This entails having discussions as candidly as possible to secure management information that can be ploughed back into organizational strategies (refer to tables 3.2.1 and 3.3).

Employment Equity

Employment equity targets have been set at Parliament and progress has been made towards the achievement of these targets. Parliament has established an Employment Equity and Skills Development Forum for consultation & information-sharing with staff. It consists of nominated representatives from all divisions as well as representation by the union (refer to table 4.1).

Performance Bonuses

The Performance Management system was redesigned after consultation with various key stakeholders. The redesign of the performance management system is part of various initiatives aimed at creating a high performance culture. The redesigned system will introduce the scorecard approach, therefore enabling the institution to contract, review, manage and assess performance at multiple levels, namely, the institutional, team and individual levels (refer to tables 5.1 and 5.2).

Recruitment of Interns

Interns are recruited based on requests from business areas and in line with business needs. In the 2012/13 financial year 14 Interns were placed in the areas of Parliament Communication Services, OISD, Human Resources, Supply Chain Management and the Office of the Speaker.

Skills Development

Staff training for 2012/13 consisted of both short courses and academic courses. Learning and Development for excellent service delivery represents an investment in staff development to ensure that employees of Parliament have the necessary skills, knowledge and competencies. During this year staff attended short courses focusing on technical, managerial and administrative skills. Courses attended related to remuneration, financial, information technology, business analysis and intelligence, quality assurance, behavioural and project management skills. Staff also attended internal training workshops on Assertiveness skills, Teamwork skills, Supply Chain Management, Documentation management and Microsoft Office skills. Employees are encouraged to attend short courses to refresh their skills and enhance productivity. The enrolment for academic courses by bursary holders was 147 in 2012/13. To capacitate managers and employees in individual labour law and to increase awareness of employee rights and labour processes, training was conducted on Poor Performance Procedures and Grievance and Disciplinary Procedures (refer to table 7.1).

Stable, Motivated and Healthy Workforce

Wellbeing

A robust Employee Wellness Programme at Parliament has proven to be an effective method to promote health and wellness amongst the Members of Parliament and staff. Services such as biological monitoring, medical examinations of employees at risk and a review of incapacity ensured that Parliament not only complies with legislation, but also effectively manages absenteeism due to sick leave and promotes the health and wellbeing of both Members and Employees.

A comprehensive counselling service was contracted to provide a professional, confidential, 24 -hours-a-day, 365-days-a-year personal support and information service that can help Members of Parliament and employees to deal with everyday situations. This service is provided by qualified, experienced counsellors and offers multilingual access to both telephonic and face-to-face counselling. The utilisation of clinical services is steadily increasing.

Employee Engagement Survey

The Employee Engagement Survey was conducted electronically and paper-based within the organisation during the period 26 March – 26 April 2012. 475 of 1 240 employees (38%) responded to the survey. This represents an increase of 3% in the response to the 2011 survey, which yielded a 35% response rate. The percentage of engaged employees in 2012 was 48% as compared to the level of engagement in 2011 of 40%. This represents an increase of 8% in the level of engagement of employees. Correspondingly, the level rate of disengagement in employees decreased from 60% in 2011 to 52% in 2012. The results of the survey were shared with staff.

Stable workforce

Monthly meetings were held with NEHAWU to deal with Institutional issues like performance, recruitment, restructuring, HIV/AIDS and other concerns, including collective agreements. The monthly NEHAWU/Management meetings were very effective as various issues were resolved

through this platform. A successful Annual Management and NEHAWU Summit was held in June 2012. This ensured strengthening of the workplace relationship and addressing of strategic issues. Salary negotiations for 2012/13 were finalised and the agreement signed.

Relationship by Objectives (RBO) interventions are embarked on in specific business areas to analyse the current relationship and to develop objectives to build a more productive one.

Legislative Compliance

To ensure a safe and healthy working environment for Members of Parliament and employees to work efficiently and effectively, the SHE Unit conducted regular risk assessments in various areas and offices to identify potential hazards and risks. Corrective strategies were put in place to mitigate the risks.

Constitutional and legal matters

The Constitutional and Legal Services Office (CLSO) provided written legal opinions on 199 matters dealing with, amongst others, bills before committees, tender procedures / evaluation challenges, litigation, Constitutional Review Committee submissions for 2012 and tagging of bills. In addition 160 contracts were vetted / checked for compliance to ensure against risks to Parliament. The Bills Office also produced and published 163 ATC reports and translations are provided in respect of bills and ATCs. All bills passed by Parliament in 2012 were assented to and announced.

Parliament maintained technologically enabling environment in support of Public Participation, Oversight and ensuring an effective and efficient institution. Members of the public were able to access the Parliamentary website and download papers / minutes / Hansard records / podcasts (24/7) and streaming selected live sittings for the reporting period of April 2012 to 31 March 2013. The website availability was 99.22% and 493,576 unique visitors accessed the website.

Broadcasting feeds are relayed to the national broadcaster, e.tv as well as Multichoice for broadcasting of parliamentary sittings to the entire country as part of the public participation initiatives. During the reporting period 373 feeds were relayed to the broadcasters, and 6 128 sittings (broadcast and non-broadcast) were supported to ensure AV and associated systems were available to allow for uninterrupted debates/caucus/meetings as well as the audio and/or video recording thereof. Audio Visual systems within the committees and chambers were up and available 99% during the reporting period.

The Parliamentary Administration relies on modern ICT systems for operations and processing. These systems also allow Members of Parliament and staff remote access to e-mail, and to download documents / papers / minutes when offsite. Parliament has maintained a 99.86% availability and uptime of IT and Business support systems such as Marang to contribute to an effective and efficient institution. The connectivity systems (network, e-mail [20.06m e-mail messages processed] internet) was 99.82% accessible and available to staff and Members of Parliament.

All disclosure forms were verification in preparation of the Register of Members' Interests. Committee adopted 2012 Register and it was made public in terms of the Rules Committee, commenced with the review of the Code.

PROGRAMME 2: LEGISLATION AND OVERSIGHT

PROGRAMME 2. LEGISLATION AND OVERSIGHT

STRATEGIC OBJECTIVES

- To strengthen cooperative government and to foster improved cooperation and relations by developing and implementing a cooperative governance strategy

PROGRAMME OUTPUT

Core Business

Performance target against performance level

Performance indicator		Performance Target	Actual performance	Variance	Reasons for underperformance and mitigation strategies.
PARL 1	Number of debates held in the NA for each Bill considered by the house	1 debate per Bill	34 Bills considered by the house between 01 April 2012 and 31 March 2013. Of these 27 were put through the debate process.	-7	Generally the decision to debate or not to debate a Bill is based on the type of Bill. Some legislative amendments are considered technical and often there is political decision not to debate them. It is relevant to state that even when the Bills are not debated there is often a member of the committee who addresses the House on the Bill.
PARL 2	Percentage of Bills passed in relation to Bills introduced and not withdrawn in Parliament	75%	26%, 11 out of the 42 Bills introduced in the year under review were passed by Parliament.	-49%	The process around passing of Bills can be a lengthy process and thus not necessarily finalized during the period. This process entails engagements with stakeholders, which could be extensive. It is significant that an additional 13 Bills introduced in the previous year were passed during the current financial year, which brings the actual number of Bills passed to 24.

Performance indicator		Performance Target	Actual performance	Variance	Reasons for underperformance and mitigation strategies.
PARL 3	Percentage of questions put to the Executive by Members of the NA, and responded to.	96%	During period under review: 544 Questions for oral reply 549 oral replies, 3209 Questions for written reply and 3282 written replies.		Questions for oral and written reply processed in terms of NA Rules.
PARL 7	% of timely recommendations for statutory appointments in respect of prescribed legislation.	100%	90% During the period under review; 10 recommendations for statutory appointments were agreed to by the House.	-10%	Comprehensive discussions were required regarding the recommendations for statutory appointment in 1 of the 10 instances.
ADM 6	% Question papers published for every question session.	100%	100%: During period under review 57 Questions Papers were produced for 21 question days.	None	-
ADM 7	% of draft parliamentary programme submitted to the programming committee within due dates requested by the programming committee(s).	100%	100%: 22 drafts of the NA Programme submitted to meetings of the NAPC, 26 drafts submitted to meetings of the Programme Technical Committee.	None	-

Performance indicator		Performance Target	Actual performance	Variance	Reasons for underperformance and mitigation strategies.
ADM 8	% of House Resolutions communicated to the Executive and other relevant parties.	95%	100%: A total of 295 House Resolutions were adopted by the National Assembly during the period under review. Of these, 69 emanated from recommendations captured in reports by portfolio committees; while 226 emanated from motions put during plenary.	+5%	-
PARL 1	Number of debates held in the NCOP for each Bill considered.	1 debate per Bill	100% (24 Bills)	None	-
PARL 3	Percentage of questions put by members to President, Deputy President and Ministers responded to by Executive	96%	98%	+2%	-
ADM 7	% of draft parliamentary programme submitted to the programming committee within due dates requested by the programming committee.	100%	100%	0%	-

Performance indicator		Performance Target	Actual performance	Variance	Reasons for underperformance and mitigation strategies.
Parl 1.1	Increase representation in passing Bills and oversight by increasing the % plenary and committee meetings that form a quorum.	88%	94 % Bills processed by parliamentary committees between 01 April 2012 and 31 March 2013.	+6%	-
PARL 4	Number of site visits undertaken by committees	57	76 oversight visits undertaken.	+19	-
PARL 5	% of budget review and recommendation reports tabled.	90%	100%	+10%	-

Co-operative Government

Performance target against performance level

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
PARL 10	Percentage of section 100 (interventions in provinces) approved or disapproved by NCOP within 180 days.	100%	100%	None	-
PARL 11	Percentage of section 139 (interventions in local government) approved or disapproved by NCOP within 180 days.	100%	0%	-1	<p>The following notices of interventions were received during the financial year:</p> <ul style="list-style-type: none"> • Swellendam Local Municipality - notice of termination received, therefore intervention was no longer in existence • Mtubatuba Local Municipality - intervention lapsed • Abaqulusi Local Municipality - began 20 March 2013 and still in progress.
ADM 17	% of interventions processed (procedural advice) within 10 days from notification received.	100%	100%	None	-
ADM 18	% of scheduled meetings with provincial legislatures and SALGA attended.	100% (6)	66,6% (4)	-33,3%	<ul style="list-style-type: none"> • There was no Joint Programme Committee meeting in November 2012 because the Parliamentary Programme Framework did not change. • The Speakers' Forum scheduled for March 2013 was postponed and only held on 19-20 April 2013, which falls outside the audited period.

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
ADM 9	% of public appointments advertised for nominations from public.	100%	10% nominations for public appointments were advertised during this period.	90%	-
PARL 6	% of minutes of meetings adopted at the next meeting.	100%	0% as not measurable by Administration.	None	The reading and adoption of the minutes is the Committee Chairperson's prerogative and not within the control of Committee administration. Due to time constraints it is often not possible for the Chairperson to achieve the performance target.

International participation

Performance target against performance level

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
PARL 12	% of international agreements adopted.	100%	100%	None	-
ADM 19	% of reports on international agreements compiled within 10 working days after adoption in Committees.	100%	0%	100%	-

Public involvement

Performance target against performance level

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
PARL 9	Average number of languages used in calls for submissions and notices for public hearings for Committees.	3	Average 1 More than 2 Languages on average used in calls for submissions and notices for public hearings for Committees (written and over the radio) for 60%.	2 languages for 40%	The provision of available languages during public hearings is based upon the requirement thereof. In certain instances the language requirement during the public hearings is less than the performance target.
ADM 1	% of availability of official languages during plenaries.	100%	NA - 100% of all official languages, including SASL (given that the floor language is English; thus 11 languages) NCOP - 100% of all official languages, including SASL.	None	-
ADM 2	% of printed transcripts of parliamentary debates (Unrevised Hansard) available within 48 hours of the debate.	90%	Overall performance at 48-hour mark: 25% .	65%	The Hansard system is outdated. The following will be used as the mitigation: Tracking sheets will be used to monitor the performance. Members' Speech notes will be used.
ADM 5	% of Committee reports compiled within 10 working days.	94%	30% 76 oversights were undertaken - 25 reports were completed within agreed time.	51 reports were completed after the agreed timeframe.	Committee secretaries had to deal with completing tasks over and above the drafting of reports on oversights visits. Appointment of Content Advisors is underway to facilitate the timely drafting of reports.

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
ADM 14	% of calls for public submissions made within due dates as per referral to committees.	100%	100%	None	-
ADM 15	% of public hearings where interpretation of two or more languages is available.	100%	100%	None	-
ADM 3	% of Bills published for comments.	100%	43% For the period under review 18 Bills were published for comments:	57%	During the period 42 Bills were introduced, and once passed, would be published for comment. The process around passing of Bills can be a lengthy process and may roll over into the next year.
ADM 4	% of minutes of committee meetings available within "3 days"	80%	Performance: 26% Total meetings held: 1 097 Minutes of 284 meetings completed within 3 days. Minutes of 813 meetings were completed after 3 days.	54%	Due the increased number of committee meetings, and limited staff available, this has resulted in delays in meeting the timeframe of 3 days.
ADM 16	% of received public submissions processed within due dates requested by committees.	100%	100%	None	-

Parliament Support Services

Performance target against performance level

Performance indicator		Performance Target	Performance level	Variance	Reasons for underperformance and mitigation strategies.
ADM 21	% international agreements in respect of which the status has been established and approved by the House.	100%	100%	None	-

Narration of performance

Oversight and Accountability

Tracking of Resolutions: NA

- A total of 295 House Resolutions were adopted by the National Assembly during the period under review. Of these, 69 emanated from recommendations captured in reports by portfolio committees; while 226 emanated from motions put during plenary.
- 28 questions for oral reply posed to President and Deputy President during plenary
- A total of 57 question papers published for the period under review

Tracking of Resolutions: NCOP

- A total of 20 resolutions emanating from recommendations captured in reports of select committees were adopted by the House. All of the above resolutions were communicated to the relevant government departments.

Percentage of question papers published for every question session: NCOP

- Total Question Papers: 45

Bills passed by the NA

- During period under review there were 24 Bills that were passed by the National Assembly and referred to the NCOP.

Bills introduced

- There were 42 Bills that were introduced in the NA. Of these, four were Private Members' Bills.

Plenary-related advice and guidance

- Procedural advice and guidance was provided to 50 sittings of the National Assembly at which 24 Bills were passed.

Content and secretarial

- NA provided content and secretarial support in 22 NAPC and 25 CWF, and managed proceedings of 26 meetings of NA Programme Technical Committee

Non-plenary-related advice and guidance

- During period under review there were 11 appointments and 8 resignations by members of the NA that were processed, 4 members passed on and 1 member ceased to be a member of the NA.

Processing the tabling and referral of documents

- The summary of decisions by House Committees were sent to relevant stakeholders within 48 hours

Satisfaction level for providing ceremonial and procedural support for National Assembly and joint sessions

- Ceremonial duties were performed at 50 sittings of the National Assembly and 7 Joint Sittings.

Percentage of questions put to and responded to by Executive: NCOP

- A total of 843 questions were put to the Executive (6 to President, 11 to Deputy President, 179 to Ministers for oral reply and 647 questions for written reply). A total of 827 responses were received. Please note that the responses were not necessarily received in the same month in which the questions were posed.

Legislation received in terms of Joint Rule 159: NCOP

- 29 pieces of draft legislation were received from the Executive during the period under review

The relevant correspondence was prepared for the signature of the Chairperson of the NCOP and the draft Bills were forwarded to all Provincial Speakers and the Chairperson of the South African Local Government Association (Salga) in terms of the provisions of Joint Rule 159(2).

Bills before the NCOP Committees: NCOP

- 23 Bills were before the select committees during the period under review

Bills adopted by the House:

- 23 Bills were adopted by the House during the period under review

Members' Legislative Proposals: NCOP

- No Members' Legislative Proposals were received during the period under review.

International Agreements ratified by the House:

- NCOP: A total of 10 international agreements were ratified by the House during the period under review
- NA: During period under review 16 International Agreements were adopted

Intergovernmental relations:

- Statements issued in terms of section 106 of the Municipal Systems Act (Act 32 of 2000): None

Notice of section 139 intervention:

- Swellendam Local Municipality
- Mtubatuba Local Municipality
- Imbabazane Local Municipality
- Abaqulusi Local Municipality

Termination of section 139 intervention:

- Okhahlamba Local Municipality
- Swellendam Local Municipality

Extension of section 139 intervention:

- Indaka Local Municipality

Intervention in terms of Section 100 approved or disapproved within 180 days

- Limpopo

Provincial Participation:

The NCOP held its Provincial Week programme during 16 to 20 April 2012. This week provides an opportunity for provincial delegations to return to their provinces and work with the provincial legislatures on service delivery issues. As part of its 15th Anniversary Celebrations programme, the NCOP hosted a Childrens' Seminar from 31 May – 1 June 2012 to highlight challenges regarding the realisation of the rights of children and the role of legislatures. The Secretary to the NCOP embarked on the first of a series of envisaged consultative meetings with the Secretaries to Provincial Legislatures in an attempt to build relationships on an administrative level to ensure that the mandate of the NCOP is realized. An inaugural Local Government Week was held from 31 July to 03 August 2012. The objectives of the Local Government Week were, amongst others, to facilitate dialogue on local government issues and foster a common understanding of the challenges at hand, as well as to propose short-term, medium-term and long-term solutions. During this period the NCOP was engaged with preparations for the Taking Parliament to the People programme scheduled to take place from 5 to 8 November 2012 in the Northern Cape. Three preparatory meetings, namely Political Steering Committee (PSC), Local Organising Committee (LOC) and Joint Preparatory Committee (JPC) meetings took place.

The NCOP compiled two publications speaking specifically to the mandate of the NCOP and its Taking Parliament to the People programme, namely the *NCOP Brochure*, which was printed in a number of languages and the *Z-fold on Taking Parliament to the People*, which was targeted for the Northern Cape audience and printed in the languages predominantly spoken in De Aar.

In keeping with its objective of constant interaction with provinces, one meeting was held with Provincial Liaison Officers to engage on any challenges that may be faced by provinces in its interaction with the NCOP.

As part of the six-week legislative cycle pertaining to section 76 Bills, the permanent delegates to the NCOP do briefings to the provinces on legislation before the NCOP. Briefings on one piece of legislation took place during the time under review.

Two meetings were held in preparation for the Taking Parliament to the People programme (De Aar) namely a Public Meeting on 3 October 2012 and a Joint Preparatory Committee (JPC) meeting on 2 October 2012. The Public Meeting is a meeting where the Political Steering Committee (PSC) and senior political office bearers from the province meet with the relevant community to get a sense of the challenges facing them. In total, there were seven preparatory meetings held, namely LOC, JPC and PSC meetings, during this period.

During the reporting period the NCOP coordinated three publications specific to Taking Parliament to the People namely a flyer, mobile trailer and poster.

Three meetings with Provincial Liaison Officers (PLOs) took place to discuss processing of section 76 legislation, update on the Taking Parliament to the People programme (Northern Cape and Mpumalanga) and a briefing on the Reflection and Planning Session scheduled to take place in January 2013. Briefings took place in provinces by permanent delegates on three pieces of section 76 legislation. Seven staff members from different units across the Division took part in a study tour to the Rajya Sabha in India from 12 to 19 January 2013.

In terms of interaction with provinces, the NCOP hosted two meetings where provincial political leadership participated, namely the NCOP Planning and Reflection Session, which took place from 30 to 31 January 2013.

Two LOC, three JPC and two PSC meetings in preparation for the Mpumalanga Taking Parliament to the People took place during this period which culminated in the big event taking place from 11 to 15 March in Carolina, Mpumalanga.

The briefing session for NCOP delegates on the Public Participation Framework took place on 20 March 2013 and the Auditor-Generals' Workshop on Local Government Outcomes 2011/12 took place on 27 March 2013.

No publications were coordinated during this period. Three meetings with Provincial Liaison Officers took place and permanent delegates briefed provinces on three pieces of legislation during this period.

Recording and production of Hansard

- The norm is to produce 85% of Unrevised Hansard within 48 hours for each sitting. After challenges with distribution were resolved, Members were sent their unrevised speeches as soon as they were transcribed and edited for them to endorse and send back.

Translation services provided: Statistics

- 4 645 Questions were translated within the 24-hour deadline agreed with the clients
- 128 Motions were translated within the 24-hour deadline, as agreed with the clients

Projects to implement the strategic plan

Project	Lifecycle stage	Status for stage	On schedule
Analyse oversight priorities to develop systems and processes, and oversight warning systems	Planning	The project has been reassigned.	The project has been reassigned.
Reorganisation of the Organisational Development Division for effective service delivery	Execution	The project has been closed in favour of the institutional restructuring project. The report has been submitted.	Project closed.
Hansard production system replaced	Execution	The tender has been awarded.	Not on schedule.
Public Participation Model	Execution	The project focus groups are at different levels of execution.	Not on schedule.
Develop translation system	Planning	Project shelved for 2013/14 financial year.	Rescheduled to 2013/14 financial year due to budget constraints.
Enhancement of library services	Planning	Five sub-projects identified and in progress	Project is scheduled to be completed by January 2014.
NCOP Chamber Upgrade.	N/A	Performed ongoing training with Table Staff.	On schedule.
Development and implementation of systems, processes and rules of engagement for scrutiny of legislation - Project closed.			

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

PROGRAMME OUTPUT

PARLIAMENTARY COMMUNICATION SERVICES

Performance target against performance level

Performance Indicators		Performance Target	Performance Level	Variance	Reasons for underperformance and mitigation strategies
PARL 8	Number of special Parliamentary events held	7	21	+ 14	-
ADM 11	Number of regular and event-specific publications	25	30	+5	-
ADM 12	Broadcast time on 18 Radio Stations in 11 official languages	288 hrs	The accumulative actual total broadcast time for the year is 298 hours and 42 minutes.	+10h42min	-
ADM 10	Number of outbound public education programmes	42	48	+6	-
ADM 13	Number of visitors to Parliament	17,000 (PEO) 10,000 (PR) 24,200 (Sectoral) = 51,200	36,018	15,182	The overall target for this area is realised when the full composite of Sectoral Parliaments is included i.e. Taking Parliament to the People programme (biannual) and People's Assembly (did not take place during this financial year).

Performance Indicators		Performance Target	Performance Level	Variance	Reasons for underperformance and mitigation strategies
ADM 20	% of reports for incoming and outgoing delegations compiled within 10 working days of delegation.	100%	Record of reports compiled within 10 days: 0%. Reports prepared on 100% of delegations. Incoming /Outgoing delegations: 39 delegations Courtesy visits /Staff attachments and Study Tours Not classified as delegations but coordinated 33 activities	No record maintained against agreed timeframe 100%	Reports have been prepared on all incoming and outgoing delegations. However, record of lead times for the compilation of reports within 10 working days was not maintained. This will be addressed in the 2013/14 financial year.

Narration of performance

Parliamentary Communication Services

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

As part of improving internal communications this year, communication training for managers took place to highlight the importance of communication within the institution as well as to revitalise communication skills. Various messages and communication interventions were executed on different internal channels, i.e. Faranani home page updates amounted to 86; some 545 info alerts were sent out; MATV sets of slides amounted to 45; 10 internal electronic newsletters were published; and 10 000 copies of the printed edition of *Masithethe* were distributed. The monthly *InSession* publication print run increased to 50,000, introduced articles in all indigenous languages, and reached citizens in every province, including remote rural areas. Two editions of the Oversight Forum: Committee News for a People's Parliament were produced, focusing specifically on Committee activities, over and above numerous once-off publications, including *Your Guide to Parliament* for the 58th Commonwealth Parliamentary Conference in Sri Lanka during September 2012. A campaign supporting Parliament's

Participation Mobilisation project which was covered in InSession and required public input via questionnaires, was also driven on Parliament's Twitter and Facebook sites and, during the year under review, received 1,117 responses from the public. The Radio programme of Parliament has exceeded its annual target, reaching 298 hours and 42 minutes on 16 public, 60 community, and 1 commercial radio station even though it was unfunded for the first 6 months of the financial year. In reaching the broader public and engaging with them in their home languages in the furthestmost parts of South Africa, community radio chat / phone-in programmes as well as television became critical in spreading news on Parliament. One-hour phone-in programmes covered topics such as Taking Parliament to the People, Credit Amnesty, the Public Participation Model, etc. Radio scripts were also developed supporting Celebratory Days in South Africa such as Freedom Day. Educational radio docudramas were developed specifically to support the Public Participation Project. During 2012 – 2013, comprehensive media strategies were developed in support of some 41 parliamentary programmes and events; 85 press releases/alerts were issued; and 128 media interviews, among others, were conducted.

The virtual tour allows outbound participants and members of the public outside Cape Town to experience Parliament through the virtual medium. The updated version is being developed in all 11 official languages.

A total of 599,546 educational pamphlets were distributed. These materials were distributed through the Visitors to Parliament programme, the Outbound programme, Taking Parliament to the People programme, Sectoral Parliaments and school visits.

The number of Visitors to Parliament during this financial year reflects a variance of 16,400, which would be reduced once Taking Parliament to the People is included. It should also be noted that the People's Assembly event did not take place as planned, and was included in the projected annual performance target.

To provide dedicated and focused support to Parliament's constitutional roles of public participation and public education

48 Outbound workshops were conducted this year, exceeding the APP target of 42 by 6 workshops. The workshops this year took place in all nine Provinces, reaching a total of 2,348 participants. In the Northern Cape the *Introduction to Parliament* and *Public Participation* workshops supported the *Taking Parliament to the People* programme by preparing participants for meaningful engagement, and assistance was also provided on *How to write submissions to Parliament*. A total of 20 school visits took place to introduce educators and learners to Parliament and the importance of education for democracy. For the Super Curriculum formal, the qualification for Further Education and Training Certificate: Democracy, Active Citizenship and Parliamentary Services, has been registered by SAQA and is being translated into all official languages. The total number of events for the year is 21, which included both institutional events as well as activities supporting commemorative days such as Nelson Mandela Day, etc. Concepts developed focused on maximising public participation by inviting targeted members of the public to attend, creating opportunities for the public to participate, using platforms to engage the public on issues concerning them, and providing information so that members of the public are empowered to make contributions.

To provide communication support to Legislative and Oversight functions.

Media support such as conference newsletters, articles, etc. was provided to activities such as, the 5th Annual Conference of the Commonwealth Women Parliamentarians (CWP) – Africa Region in East London and to the Gauteng Legislature in hosting the 43rd Commonwealth Parliamentary Association - Africa Region Conference in Sandton.

To provide strategic communication support to Parliament's international programme.

Communication Support was provided for the visit to India by the South African parliamentary delegation and covered and reported on visiting delegations, such as bilaterals with the Palestine Legislative Council, the Bangladesh delegation, the Speaker of the Japanese Diet and the Speaker of the House of Commons, Hon John Bercow MP.

International participation

- In pursuit of the consolidation of the African Agenda, the South African Parliament participates fully in all sessions of the Pan-African Parliament (PAP) and supports the transformation of PAP by giving it full legislative powers.

In 2012, Parliament participated in the first Global Diaspora Conference of Parliamentarians that was organized by PAP to advance parliamentary democracy, economic development and Pan-African solidarity.

- In this period, Parliament has endorsed the notion of the SADC Parliamentary Forum of "Acting Like Parliament" towards the transformation process of SADC-PF from a forum to a SADC parliament.
- Parliament participated in the study that produced a document entitled "Benchmarks for the Democratic Legislatures in Southern Africa." These are important minimum standards on the constitutional and legal framework, political imperatives as well as institutional, financial, material and human resource requirements for truly democratic Parliaments in Southern Africa. In this regard, in 2011, the Speaker of the National Assembly Mr MV Sisulu, led a SADC-PF Election Observation Mission to monitor the elections in Angola. SA parliamentarians also took part in monitoring a referendum for the new Constitution of Zimbabwe.
- Mr M J Mahlangu, the Chairperson of the NCOP, currently the President of the Commonwealth Parliamentary Association (CPA), has been leading preparations for the annual CPA conference to be held in Johannesburg from 28 August - 6 September 2013 under the theme "*Effective Solutions to Commonwealth Developmental Challenges.*" Earlier this year the Africa Region Commonwealth Women Parliamentarians (CWP) hosted a conference in East London with focus on the role of the African legislatures towards the attainment of the 2015 Millennium Development Goals (MDGs).
- Parliament has approved the establishment of the GLOBE Chapter. The mission of GLOBE International is to promote cooperation among legislators to strengthen their role in global environmental concerns.

- Through its active participation in multilateral fora such as PAP, SADC-PF, IPU and CPA, Parliament continues to advocate the democratization of the global structures of governance, sustainable peace, an egalitarian world, fair trade and global partnerships for the post-2015 MDGs in support of the international development agenda. The institution continued to participate in the IPU-WTO committees to reflect on economic policy and how best legislatures could engage in this regard.
- Working together with the IPU and in support of the South African international relations national policy, Parliament participated in the 57th United Nations Commission on the Status of Women to advance women's empowerment and advocate the implementation of the mainstreaming of world-wide gender policies. Parliament also participated in a number of international anti-corruption seminars including the 7th Crans-Montana Forum on Africa. On the formation of the BRICS Parliamentary Forum, work is in progress. Parliament has been active in convening meetings with the representatives of the BRICS member parliaments.
- At the bilateral level, Parliament continues to engage with other legislatures through inter-parliamentary relations. In 2012 Parliament hosted China on a Regular Exchange Mechanism meeting to discuss cooperation between the two legislators on various issues, including youth development programmers. In respect of SA-EU Parliamentary relations, we have advanced towards the realization of a Joint Oversight Mechanism with the purpose of monitoring the implementation of the SA-EU Strategic Partnership.
- Parliament's bilateral engagements, through official visits, courtesy calls, study visits by Committees of Parliament and staff attachments have increased. SA Parliament is seen as a model of excellence in respect of best parliamentary practice. Speakers of Britain, Palestine, Japan and the Deputy Speaker of China visited SA Parliament within this period.
- In support of the right of self-determination for the people of Western Sahara and the decolonization of that country, Parliament sent representatives to the annual Conference of the Saharawi Women, as well as the annual Solidarity Conference held in Tindouf, Algeria. Further to this there has been a reciprocal visit to Palestine to exchange views on the current situation.

PROGRAMME 4: MEMBERS' FACILITIES



PROGRAMME 4: MEMBERS' FACILITIES

STRATEGIC OBJECTIVES

To support Members by providing operational facilities

PROGRAMME OUTPUT

The facilities were provided to Members to enable them to fulfill their duties as public representatives in terms of the Facilities for Members Handbook and include travel, telephone and tools of trade. In excess of 32 500 single journeys were booked and ticketed during the financial year.

The section maintains a 3-day turnaround for all travel-related claims submitted, allowing Members to effectively organize their travel arrangements, and not to be burdened with administrative tasks. The turnaround commitment also reduces written and telephonic enquiries, ensuring more efficient administration. In excess of 20 000 claims were processed during the financial year.

A dedicated service centre was established to allow 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 OUTPUT

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:

- Three political parties received a qualification on the Constituency Allowances
- Two political parties received a disclaimer on the Constituency Allowances
- One political party received a qualification on the Party Support
- Two political parties received a disclaimer on the Party Support

Administration engaged 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. One political party which received disclaimers on both allowances for two consecutive years was requested to submit financial records to Parliament quarterly for scrutiny before the next quarter's transfer is made.

HUMAN RESOURCES INFORMATION

Employee relations quarterly Trends: 1 April 2012 – 31 March 2013

Background

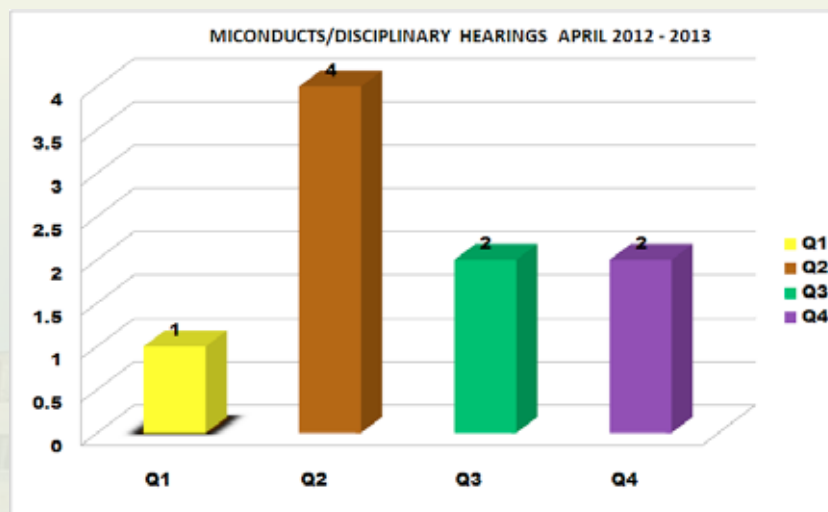
In order to maintain sound Employee Relations, Human Resources trends all of the grievances, disciplinary hearings and other employee relations-related information. This is presented in the Audit Committee meetings quarterly.

ABBREVIATIONS

Q1 = First Quarter	(01/04/2012 – 30/06/2013)
Q2 = Second Quarter	(01/07/2012 – 30/09/2013)
Q3 = Third Quarter	(01/10/2012 – 31/12/2013)
Q4 = Fourth Quarter	(01/01/2012 – 31/03/2013)

MISCONDUCT AND DISCIPLINARY HEARINGS

Figure 1.



Notes:

Above is the graphical presentation of the number of employees who had committed various acts of misconduct in the past four quarters. The second quarter had the highest number (4) of employees who contravened Parliament's Code of Conduct. Two out of the four is for the misuse of Parliament's funds, which led to two dismissals and the others are for insubordination and absence without authorised leave.

Compared to the previous financial year 2011/2012, there has been an increase by 1 disciplinary.

COMMON ACTS OF MISCONDUCT

Table 1 shows the most common acts of misconduct in Parliament from 1/04/2012 to 31/03/2013:

Table 1

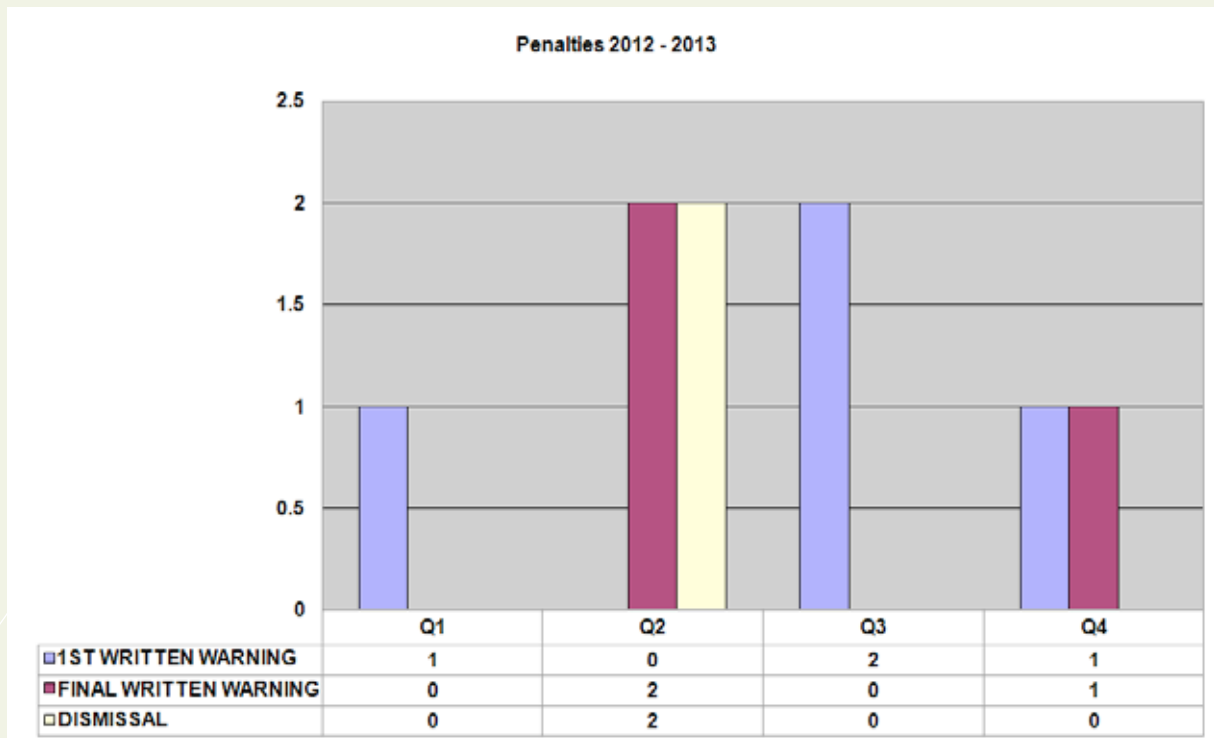
Disciplinary Hearings 2012/2013

	Q1	Q2	Q3	Q4
Insubordination	0	1	0	0
Absent without authorised leave	0	1	0	0
Misuse of Parliament's Funds	0	2	0	0
Negligence	0	0	0	1
Latecoming	0	0	2	1
Failure to comply with instruction	1	0	0	0
Total	1	4	2	2

PENALTIES

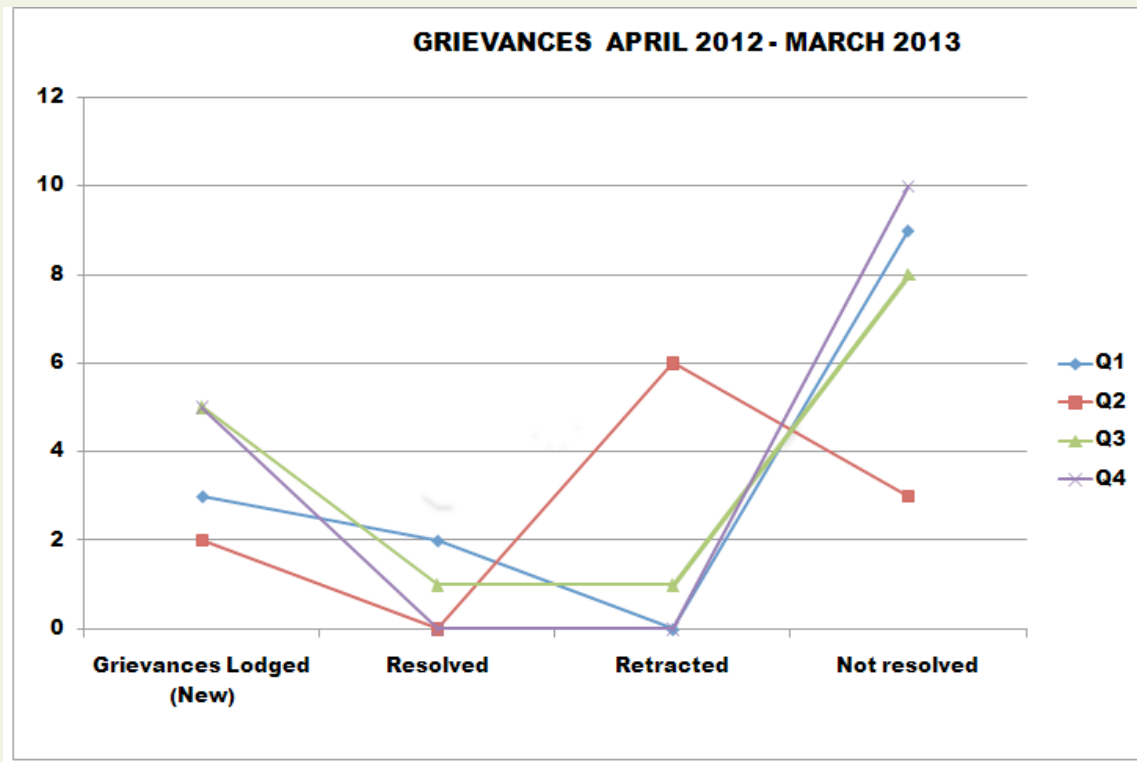
The table below shows the number of penalties that were imposed on those who contravened Parliament's Code of Conduct.

	Q1	Q2	Q3	Q4
1ST WRITTEN WARNING	1	0	2	1
FINAL WRITTEN WARNING	0	2	0	1
DISMISSAL	0	2	0	0



NOTES

Only two (2) employees have been dismissed this year compared to the five (5) dismissals of the previous year, (01/04/2011 to 31/03/2012).



GRIEVANCES

The table below shows the number of grievances raised, resolved and unresolved during the period 1/04/2012 to 31/03/2013:

GRIEVANCES APRIL 12 - MARCH 13

	Q1	Q2	Q3	Q4	
Grievances Lodged (New)	3	2	5	5	
Resolved	2	0	1	0	
Retracted	0	6	1	0	
Not resolved	9	3	8	10	

NB. Unresolved grievances include those from the previous quarter.

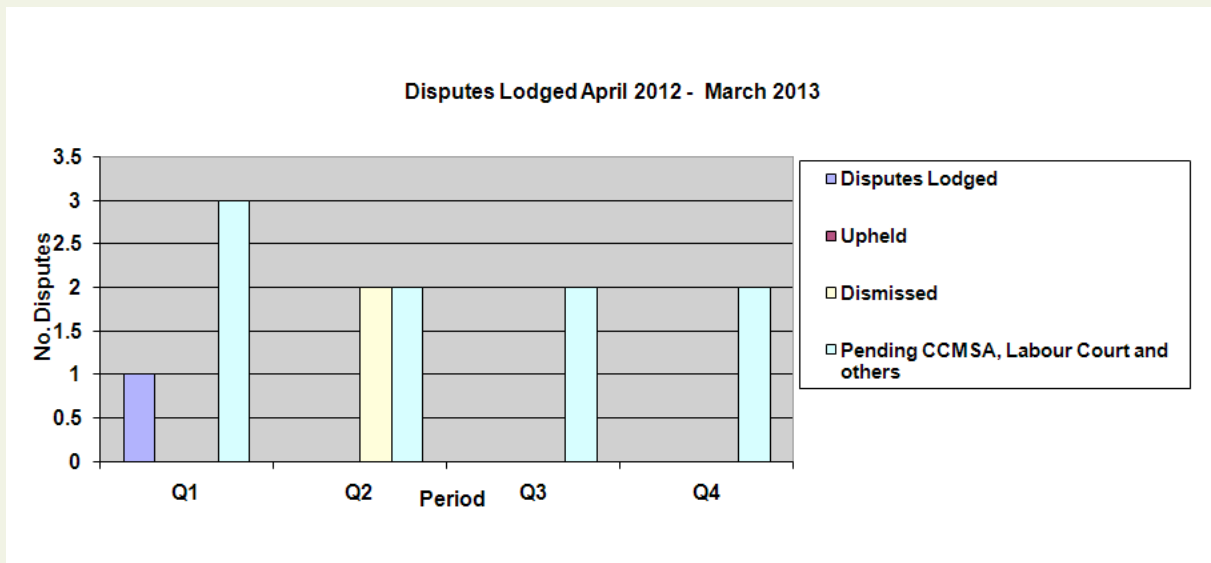
Notes:

The trends on grievances indicate that more grievances were lodged (5) each in the third and fourth quarters compared to the first (1) and second (2) quarters. There is a decreasing trend in the number of grievances that are not resolved throughout the four quarters analysed. There are only 10 unresolved grievances for the year compared to the previous year's 25.

DISPUTES

Table 4 and figure 5 below show the number and status of disputes that were referred to the CCMA, Labour Court, etc.

Disputes Lodged April 12 - March 2013				
	Q1	Q2	Q3	Q4
Disputes Lodged	1	0	0	0
Upheld	0	0	0	0
Settlement	0	0	1	0
Dismissed	0	2	0	0
Pending CCMA, Labour Court and others	3	2	2	2
	4	4	3	2



Notes

The trends in figure 5 above show that only one dispute has been lodged during the first (1) quarter. Two cases dismissed by the CCMA during the second (2) quarter and two (2) pending cases still reflect in the fourth quarter either in the CCMA or the Labour Court.

CONSOLIDATED EMPLOYEE RELATIONS STATISTICAL DATA: 2008 - 2013**GRIEVANCES**

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Grievances Lodged (New)	12	13	17	13	15
Resolved	6	1	8	0	3
Retracted	0	0	1	0	1
Not resolved	1	20	46	25	36

DISCIPLINARY HEARINGS

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
DISCIPLINARY HEARINGS	16	44	95	8	9

DISPUTES LODGED

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
Disputes Lodged	0	5	0	1	1
Upheld	0	0	0	0	0
Dismissed	6	28	12	5	2
Pending CCMA, Labour Court and others	7	18	35	22	13

PENALTIES

	2008/2009	2009/2010	2010/2011	2011/2012	2012/2013
1st written warning	4	1	5	1	4
Final written warning	4	3	66	1	3
Dismissal	6	21	17	5	2

1. PERSONNEL COSTS

Table 1.1: Personnel costs by programme.

Programme	Personnel Expenditure (R'000)
Programme 1: Administration	274,096
Programme 2: Legislation and oversight	227,523
Programme 3: Public and International Participation	47,597
Programme 4: Members' Facilities	37,689
Total	586,905

2. EMPLOYMENT AND VACANCIES

Table 2.1: Vacancies by salary band.

Salary Band	Number of posts	Number of posts filled	Number of Active Vacant Posts	Vacancy Rate
A	152	151	1	0.66
B	320	279	41	12.81
C	768	728	40	5.21
D	226	189	37	16.37
E	17	13	4	23.53
F	2	1	1	50
Total	1,485	1,361	124	8.35

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

Table 2.2.1: Vacancies by division.

Divisions	Number of posts	Number of posts filled	Number of Active Vacant Posts	Vacancy Rate
CCSC-Projects	14	12	2	14.29
CSD	78	72	6	7.69
HR	54	50	4	7.41
IRandP	21	18	3	14.29
ISD	254	251	3	1.18
LOD	530	495	35	6.6
NA	44	42	2	4.55
NCOP	39	37	2	5.13
OSTP	434	367	67	15.44
PO	17	17	0	0
Total	1,485	1,361	124	8.35

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

3. EMPLOYMENT CHANGES

Table 3.1: Annual turnover rates by salary band for the period 01 Apr 12 to 31 Mar 13.

Salary band	Number of employees per band as on 01 Apr 12	Transfers within Parliament	Terminations
A	160	0	10
B	300	0	19
C	648	0	34
D	219	0	9
E	16	0	5
F	2	0	1
Total	1,345	0	78

Table 3.1.1: Annual turnover rates by occupational band for the period 01 Apr 12 to 31 Mar 13.

Occupational Band	Employment at the beginning of period 01 Apr 12	Appointments	Terminations
Unskilled and Defined Decision-Making	160	0	10
Semi-skilled and Discretionary Decision-Making	300	25	19
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	648	99	34
Prof. Qualified and Experienced Specialist and Mid-Management	219	34	9
Senior Management	16	0	5
Top Management	2	0	1
Total	1,345	158	78

Table 3.2.1: Reasons why employees are leaving Parliament by Division.

Divisions	Termination type							
	Death	Resignation	End of contract	Dismissal - operational changes	Dismissal - misconduct	Retirement due to ill health	Retirement	Other
CCSC-Projects	0	2	0	0	0	0	0	0
CSD	0	1	1	0	0	0	0	0
HR	0	1	1	0	0	1	0	0
IRandP	0	1	0	0	0	0	0	0
ISD	1	3	2	0	1	6	8	0
LOD	2	15	3	0	1	0	3	0
OSTP	3	10	8	0	2	0	2	0
Total	6	33	15	0	4	7	13	0

Table 3.3: Reasons why employees are leaving Parliament by Programme.

Programmes	Termination Type								Total
	Death	Resignation	End of contract	Dismissal - operational changes	Dismissal - misconduct	Retirement due to ill health	Retirement	Other	
Programme 1: Administration	4	18	11	0	3	7	10	0	53
Programme 2: Legislation and Oversight	2	15	3	0	1	0	3	0	24
Programme 4: Members' Facilities	0	0	1	0	0	0	0	0	1
Total	6	33	15	0	4	7	13	0	78

Note: Programme 3 is included in Programme 1 above

Table 3.4: Promotions by salary band.

Salary Band	No. of employees on 31 March 12	Promotions to another salary band	Progression Notch	Promotions to another salary band as a % of employees by Salary band	% of Progression Notch
A	160	1	83	0.62	28%
B	300	17	67	5.94	23%
C	648	26	106	3.86	36%
D	219	2	35	1.3	12%
E	16	0	4	0	1%
F	2	0	0	0	0
Total	1,345	46	295	3.56	100%

Table 3.5: Promotions by programme.

Programme	No. of employees on 01 Apr 12	Promotions to another salary band	Promotions to another salary band as a % of employees by Salary band
Programme 1: Administration	781	21	2.8
Programme 2: Legislation and Oversight	552	25	4.73
Programme 4: Members' Facilities	12	0	0
Total	1,345	46	3.56

Note: Programme 3 is included in Programme 1 above

Table 3.6: Promotions by division.

Division	No. of employees on 01 Apr 12	Promotions to another salary band	Promotions to another salary band as a % of employees by Salary band
CCSC-Projects	2	0	0
CSD	65	2	3.08
HR	48	2	4.17
IRandP	17	0	0
ISD	267	2	0.75
LOD	503	19	4.23
NA	42	3	7.14
NCOP	37	3	8.11
OSTP	353	15	4.25
Total	1,345	46	3.56

4. EMPLOYMENT EQUITY

Table 4.1: Total number of employees (including employees with disabilities) in each of the following occupational categories as on 31 Mar 13.

Number of Employees per Occupational category											
Occupational Category	Total Employees in Occupational category	Male					Female				
		African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total
Unskilled and Defined Decision-Making	151	5	38	0	4	47	23	68	0	13	104
Semi-skilled and Discretionary Decision-Making	280	45	67	5	17	134	88	49	3	5	145
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	278	211	58	8	28	305	258	117	6	42	422
Prof. Qualified and Experienced Specialist and Mid-Management	189	69	14	10	15	108	35	23	7	16	81
Senior Management	13	6	3	0	0	9	3	1	0	0	4
Top Management	1	0	1	0	0	1	0	0	0	0	0
Total	1,362	336	181	23	64	604	406	258	16	76	756
Employees with disabilities	8	2	3	1	0	6	0	1	0	1	2

Table 4.2: Appointment and Movement by Programme for the period 01 Apr 12 to 31 Mar 13.

Number of Employees per Programme											
Programme	Total Employees per Programme	Male					Female				
		African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total
Programme 1: Administration	37	13	4	1	0	18	10	8	0	1	19
Programme 2: Legislation and Oversight	42	16	4	0	0	20	18	2	0	2	22
Programme 4: Members' Facilities	1	0	0	0	0	0	0	1	0	0	1
Total	80	29	8	1	0	38	28	11	0	3	42

Notes: Programme 3 is included in Programme 1 above

Movements = Reasons on salary screen "Lateral movements, promotion by appointment and new contract"

Table 4.3: Appointment and Movement by Division for the period 01 Apr 12 to 31 Mar 13.

Divisions	Total	Male				Female				Employees with disability			
		African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White
CCSC-Projects	1	0	0	0	0	1	0	0	0	0	0	0	0
CSD	1	1	0	0	0	0	0	0	0	0	0	0	0
HR	3	0	1	0	0	1	1	0	0	0	0	0	0
IRandP	2	0	0	0	0	1	1	0	0	0	0	0	0
ISD	1	1	0	0	0	0	0	0	0	0	0	0	0
LOD	36	12	4	0	0	17	2	0	1	0	0	0	0
NA	4	3	0	0	0	0	0	0	1	0	0	0	0
NCOP	2	1	0	0	0	1	0	0	0	0	0	0	0
OSTP	28	11	3	1	0	6	6	0	1	0	0	0	0
PO	2	0	0	0	0	1	1	0	0	0	0	0	0
Total	80	29	8	1	0	28	11	0	3	0	0	0	0

Movements = Reasons on salary screen "Lateral movements, promotion by appointment and new contract"

Table 4.4: Terminations by Salary Band for the period 01 Apr 12 to 31 Mar 13.

Number of Employees per Salary Band											
Salary Band	Total Employees per band	Male					Female				
		African	Coloured	Indian	White	Total	African	Coloured	Indian	White	Total
A	10	0	1	0	0	1	0	7	1	1	9
B	19	5	5	1	1	12	2	4	0	1	7
C	34	15	2	0	1	18	11	1	0	4	16
D	9	4	1	0	0	5	2	2	0	0	4
E	5	2	1	0	0	3	1	0	1	0	2
F	1	1	0	0	0	1	0	0	0	0	0
Total	78	27	10	1	2	40	16	14	2	6	38

5. PERFORMANCE REWARDS

Table 5.1: Performance rewards of employees by programme (Perf Bonuses), 01 Apr 12 to 31 Mar 13.

Programme	Cost (R'000)
Programme 1: Administration	5,210
Programme 2: Legislation and Oversight	4,112
Programme 3: Public and International Participation	883
Total	10,205

Table 5.2: Recruitment of Interns for the period 01 Apr 12 to 31 Mar 13.

Unit	Total	Male				Female				Employees with disability			
		African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured	Indian	White
Development Unit	14	4	1	1	0	7	1	0	0	0	0	0	0
Total	14	4	1	1	0	7	1	0	0	0	0	0	0

6. LEAVE UTILIZATION FOR THE PERIOD

Table 6.1: Sick leave taken from 01 Jan 12 to 31 Dec 12.

Salary Band	Total days taken	% of total days taken	Number of medical certificates submitted	% of medical cert. submitted
A	960	13.59	220	14.46
B	1,692	23.95	377	24.79
C	3,756	53.17	805	52.93
D	590	8.35	99	6.51
E	39	0.55	7	0.46
F	27	0.38	13	0.85
Total	7,064	100	1,521	100

Table 6.2: Capped leave, 01 Jan 12 to 31 Dec 12.

Salary Band	Total days	Average number of days taken per employee	Number of employees who took capped leave	Average Capped leave per employee as at 31 Dec 12
A	5	4.2	3	9.38
B	51	42.86	13	40.63
C	50	42.02	13	40.63
D	13	10.92	3	9.38
Total	119	100	32	100

Table 7.1: Training provided 01 Apr 12 to 31 Mar 13.

Occupational Category	Gender	Number of Training Provided	Training provided within the reporting period		
			Academic Courses	Skills Prog. & other Short Courses	Total
Unskilled and Defined Decision-Making	Female	119	1	31	32
Unskilled and Defined Decision-Making	Male	54	0	28	28
Semi-skilled and Discretionary Decision-Making	Female	256	24	104	128
Semi-skilled and Discretionary Decision-Making	Male	187	18	53	71
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	Female	464	47	353	400
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	Male	343	40	286	326
Prof. Qualified and Experienced Specialist and Mid-Management	Female	87	7	62	69
Prof. Qualified and Experienced Specialist and Mid-Management	Male	119	10	74	84
Senior Management	Female	5	0	4	4
Senior Management	Male	14	0	0	0
Top Management	Male	2	0	0	0
Total		1,650	147	995	1,142

8. JOB EVALUATION (APRIL 2012 – MARCH 2013)

Table 8.1 Profile of jobs evaluated and re-evaluated.

Occupational Band	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	No. of posts scheduled for validation
Top Management	0	0	0	0	0	0	0	0	0
Senior Management	1	1	0	0	0	0	0	0	0
Prof. Qualified and Experienced Specialist and Mid-Management	6	6	0	0	2	1	0	0	1
Skilled, Academic, Jr. Management, Supervisors, Foremen and Superintendents	1	1	0	0	3	2	0	0	1
Semi-skilled and Discretionary Decision-Making	2	2	0	0	1	1	0	1	0
Unskilled and Defined Decision-Making	0	0	0	0	0	0	0	0	0
Total	10	10	0	0	6	4	0	1	2

Table 8.2 Profile of jobs evaluated and re-evaluated per division.

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	1	1	0	0	1	1	0	0
C	2	2	0	0	3	2	0	1
D	6	6	0	0	2	1	0	0
E	1	1	0	0	0	0	0	0
F	0	0	0	0	0	0	0	0
Total	10	10	0	0	6	4	0	1

Table 8.3 Profile of jobs evaluated per division.

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	9	9	0	0	0	0	0	0
NCOP	0	0	0	0	1	1	0	0
NA	1	0	1	0	5	3	0	0
LOD	0	0	0	0	0	0	0	0
HR	0	0	0	0	0	0	0	0
ISD	0	0	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	10	10	0	0	6	4	0	0

9. HEALTH PROMOTION AND HIV / AIDS PROGRAMME: 1/4/2012 – 31/3/2013

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.
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		Mr B Bashe Section Manager: Organisational Wellness
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 Employee Wellness Unit for promoting Health and Wellbeing of employees. It consists of 4 internal staff members and an outsourced service. Within this Unit there is also a Peer Educator committee that is instrumental in assisting health promotion and awareness on issues of HIV/AIDS. The annual Budget is R2.5m.
3. Has Parliament introduced an Employee Assistance or Health Promotion Programme for your employees? if so, indicate the key elements/services of this programme.	X		Parliament has a Wellness Programme which focuses mainly on: <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. Counselling Services 7. Case Management 8. Sport and recreation 9. HIV Counselling and Testing (HCT)
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		LIST OF MEMBERS FOR THE JOINT HIV AND AIDS COMMITTEE IN PARLIAMENT: Tshwete, Mrs P; Goqwana, Mr MB; Segale-Diswai, Ms MJ; Motsepe, Ms RM; Magagula, Mr VV; Robinson, Mrs D; Kganara, Mr DA; Msweli, Ms HW; Moshodi, Mr TA; Mashamaite, Mr TA; Rasmieni, Ms RN; Plaatjie, Mr SH; de Villiers, Mr MJR

<p>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.</p>	<p>X</p>	<p>HIV/AIDS Policy</p> <p>Parliament will endeavour by all means possible to ensure that no prejudice or victimisation takes place against any staff member on account of his/her HIV/AIDS status.</p> <p>No applicant for employment will be discriminated against in the selection process on account of his/her HIV/AIDS status.</p> <p>No staff member will be dismissed because he/she is identified as being HIV positive.</p> <p>No staff member will be removed from his/her normal place of work or his/her normal duties or isolated because he/she has been identified as HIV positive.</p>
<p>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.</p>	<p>X</p>	<p>HIV/AIDS policy, awareness campaigns.</p> <p>External Service Provider for Comprehensive Counselling has been contracted to provide support services (Access Health).</p> <p>Maintenance of confidentiality.</p> <p>Staff member is under no obligation to inform management of his/her HIV/AIDS status.</p> <p>Normal disciplinary procedure will be enforced in case of leakage of confidential information.</p>
<p>7. Does Parliament encourage its employees to undergo HIV Counselling and Testing (HCT)? If so, list the results that you have achieved.</p>	<p>X</p>	<p>Parliament's HIV/AIDS strategy promotes participation in HCT programme. The HCT programme is done on the premises and it is provided by an external service provider. Employees are encouraged to use external facilities as well.</p>
<p>8. Has Parliament developed measures/indicators to monitor and evaluate the impact of its health promotion programmes? If so, list these measures/indicators.</p>	<p>X</p>	<p>Monthly and quarterly reports.</p> <p>Attendance of workshops, HCT and psychosocial counselling sessions.</p>



FINANCIAL STATEMENTS
for the year ended 31 March 2013

FINANCIAL STATEMENTS

for the year ended 31 March 2013

Report by the Accounting Officer to the Executive Authority

1. General review of the state of affairs

Budget

The aim of the vote is:

To provide support services required by Parliament to fulfil its constitutional functions;

To enable representative political parties to secure administrative support and service constituents;

To provide Members of Parliament with the facilities needed to enable them to discharge their duties in an effective and efficient manner.

The original budget allocation for Parliament amounted to R1 763 414 000 for the financial year under review and there was additional funding of R5 013 000 provided by National Treasury through the Adjustment Budget.

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

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

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

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

Basis of Accounting

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

Table 1:

Programme	2012/13	% Increase/ (Decrease)	2011/12	2010/11	2009/10
	R'000		R'000	R'000	R'000
1. Administration	392 608	6.5%	368 591	346 279	292 150
2. Legislation and Oversight	315 892	6.0%	298 000	300 068	232 991
3. Public and International Participation	125 426	15.2%	108 900	79 429	98 832
4. Members Facilities	193 000	(3.4%)	199 800	193 931	225 243
5. Associated Services	311 379	4.6%	297 599	281 914	258 686
Sub-Total	1 338 305	5.1%	1 272 890	1 201 621	1 108 002
Direct charge: National Revenue Fund - Members Remuneration	430 122	5.0%	409 640	392 679	376 678
Total	1 768 427	5.1%	1 682 530	1 594 300	1 484 680

From the table it is evident that the budget for Parliament for the 2012/13 has increased by 5.1% from the 2011/12 financial year.

In addition to the above Parliament utilised an amount of R30 400 000 of retained funds of previous years to fund earmarked projects.

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

Programme	Adjusted appropriation	Virements	Final
	2012/13 R'000	R'000	Appropriation 2012/13 R'000
1. Administration	392 608	30 400	423 008
2. Legislation and Oversight	315 892	-	315 892
3. Public and International Participation	125 426	-	125 426
4. Members' Facilities	193 000	-	193 000
5. Associated Services	311 379	-	311 379
Transfer from Retained Earnings		(30 400)	(30 400)
Sub-Total	1 338 305	-	1 338 305
Direct Charge: National Revenue Fund	430 122	-	430 122
Total	1 768 427	-	1 768 427

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 earmarked projects. 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 37 988 000 for the financial year under review. The under spend relates to the spending on compensation for Members (R41 100 000) and overspending on annual Appropriation (R3 112 000).

	2012/13 R'000	2011/12 R'000	2010/11 R'000	2009/10 R'000
Spending on vote –surplus/(overspent)	37 988	49 523	16 525	0
Retained Earnings Approved for spending for 2012/13				
Retained Funds approved in prior years for multi-year projects	141 344			
Less: Spending per Appropriation Statement	(30 400)			
Available for use in future years	110 944			

Spending Trends on voted funds

	2012/13	2011/12	2010/11	2009/10
	R'000	R'000	R'000	R'000
Final Appropriation	1 338 305	1 272 890	1 201 621	1 108 001
Expenditure	1 371 817	1 272 076	1 240 871	1 072 722
% Spent	102.5%	99.9%	103.3%	99.6%

Spending against the direct charge against the National Revenue Fund

	2012/13	2011/12	2010/11	2009/10
	R'000	R'000	R'000	R'000
Final Appropriation	430 122	409 640	392 679	398 134
Expenditure	389 022	360 931	375 727	395 675
% Spent	90.4%	88.1%	95.7%	99.4%

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 services per definition are 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 2012/13 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, continued to function effectively 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 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.

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 of 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

Irregular expenditure amounting to R1 482 000 was condoned on the 30 May 2013.

9. Performance Information

Performance indicators are identified during planning. Performance achievements are reported on a monthly basis.

10. Exemptions and Deviations received from the National Treasury

No exemptions or deviations were required from National Treasury this year.

11. Other

Liability for Ex-Members' Medical Aid

The actuarial valuation to determine Parliament's liabilities in respect of former Members of Parliament and Provincial Legislatures was done for the current financial year. 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

At 31 March 2013 Parliament was conducting investigations into possible fruitless and wasteful and irregular expenditure to the value of R3 841 000. Initial indications are that the proper procurement processes may not have been complied with in terms of Parliament's policies and procedures.

Approval

The Annual Financial Statements as set out from page 72 to 137 have been approved by the Accounting Officer.



MB Coetsee

Secretary to Parliament

Date: 31 July 2013

REPORT OF THE AUDIT COMMITTEE

We are pleased to present our report for the financial year ended 31 March 2013.

Audit Committee Members and Attendance

The Audit Committee operates within formally approved terms of reference, namely the Audit Committee Charter. It met (7) times and consists of the members listed below:

Name of Member	Capacity	Number of Meetings Attended
C. Choebu	Independent Chairperson	7
D. Coovadia	Independent Member	7
V. Nondabula	Independent Member	6
N.Z. Qunta	Independent Member	7
Hon. T. Chaane	Member of Parliament – National Council of Provinces	3
Hon. J.D. Thibedi	Member of Parliament – National Assembly	3

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 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) the Internal Audit Unit and Management provided the Audit Committee with the assurance that internal controls are adequate and effective.

The Risk Management Committee which includes senior members of Management is functioning effectively and continues to meet on a regular basis. It reviews Parliament's risk policy, the risk registers, ensures that it is updated and provides oversight with regards to Institutional risks.

Furthermore, on an ongoing basis, Management in conjunction with the Internal Audit Unit, reviews the state of readiness of Parliament for the statutory audit. The benefits that The Improvement of the Financial Management Environment Project (IFMEP) brought in previous years are now fully entrenched within Parliament.

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 both on financial statements and performance information for the period under review was satisfactory.

Internal Audit

The Internal Audit Unit was not fully capacitated for the year under review. We are satisfied that the Accounting Officer has put into place an effective plan to ensure that all vacancies including that of the Chief Audit Executive are filled. The Internal Audit Unit has performed an assessment of key controls risks on a quarterly basis and follows up on a regular basis the commitments given by Management to improve controls. The Unit also performed a high level review on the year-end financial statements prior to it being handed to the AGSA for auditing. We believe that these reviews, in addition to the completion of certain core sections of the annual audit plan, contributed to the strengthening of the internal control environment at Parliament.

The quality of in-year management and monthly/ quarterly reports submitted in terms of the FMPA

We have reviewed and we are satisfied with the content and quality of the In Year Monitoring and Management (IYM) reports submitted to National Treasury by the Accounting Officer 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;
- Parliament's compliance with operational, legal and regulatory provisions; and
- Adjustments made during the audit based on the AGSA's findings and recommendations.

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

Auditor – General South Africa

We have met with the AGSA to ensure that there are no unresolved issues at the end of the audit.

The AGSA has issued an unqualified audit opinion on the Annual Financial Statements, an unmodified conclusion on the Performance Information Report and found one non-compliance with laws and regulations in that, although Parliament has managed to reduce the paying of suppliers from date of receipt of invoice from an average of 69 days in the previous financial year to 44 days in this financial year, the Institution is still not complying with the FMPA which requires Parliament to settle suppliers within 30 days. The Committee is satisfied that Parliament is addressing this final hurdle in order to receive a clean audit report from the AGSA.

The Committee is therefore satisfied with the audit opinion and conclusion reported by the AGSA.

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



C.A.K. CHOELL

Chairperson of the Audit Committee

Date: 31 July 2013

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

1. I have audited the financial statements of Parliament of the Republic of South Africa as set out on pages 72 to 128, which comprise the statement of financial position as at 31 March 2013, the statement of financial performance, statement of changes in net assets, the cash flow statement and statement of comparison of budget to actual information for the year then ended, and the notes, comprising a summary of significant accounting policies and other explanatory information.

The accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament Act, 2009 (Act No. 10 of 2009) (FMPA), and for such internal control as 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 the Parliament of the Republic of South Africa as at 31 March 2013, and its financial performance, cash flows and comparison of budget to actual information for the year then ended in accordance with the 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 period ended 31 March 2012 have been restated as a result of prior period errors and adjustments identified, due to expiry of the Directive 8 transitional provisions during the 2012-13 financial year.

Additional matter

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

Unaudited supplementary schedules

10. The supplementary information set out in pages 131 to 139 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and, accordingly, I do not express an opinion thereon.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

11. In accordance with the PAA and the general notice issued in terms thereof, I 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 9 to 41 of the annual report.

13. The reported performance against predetermined objectives was evaluated against the overall criteria of usefulness and reliability for the programmes selected for auditing. 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 in respect of the selected programs are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the FMPA.

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).

14. There were no material findings on the annual performance report concerning the usefulness and reliability of the information.

Additional matters

15. Although no material findings concerning the usefulness and reliability of the performance information were identified in the annual performance report, I draw attention to the matters below.

Achievement of planned targets

16. Of the total 39 targets planned for the year, 17 were not achieved during the year under review. This represents 44% of total planned targets that were not achieved.

17. This was mainly due to the fact that targets were not suitably developed during the strategic planning process.

Material adjustments to the annual performance report

18. Material misstatements of 45% for the legislation and oversight programme and 46% for the public and international participation programme in the annual performance report were identified during the audit, all of which were corrected by management.

Compliance with laws and regulations

19. I performed procedures to obtain evidence that the entity had 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:

Expenditure management

20. 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.

Internal control

21. I considered internal control relevant to our 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 finding on compliance with laws and regulations included in this report.

Financial and performance management

22. Payments not made within 30 days from invoice recurred during the year, as result of ineffective corrective actions that were implemented during the year. Even though Parliament implemented a system to manually track unpaid invoices, the respective officials were not held accountable when invoices were not presented for payment on time. Measures to improve financial discipline and accountability across the institution should be put in place and management should consider including this compliance objective as a performance criteria for the respective officials.

Auditor-General

Cape Town

31 July 2013



AUDITOR-GENERAL
SOUTH AFRICA

Auditing to build public confidence

Parliament of the Republic of South Africa

STATEMENT OF FINANCIAL POSITION

as at 31 March 2013

	Note	2012/13 R'000	2011/12 Restated R'000
ASSETS			
Current assets			
Cash and cash equivalents	14	464 238	493 304
Receivables from exchange transactions	15	738	869
Receivables from non-exchange transactions	16	82 005	8 364
Inventories	17	695	408
Prepayments	18	6 865	4 179
VAT receivable	24	75	50
Non-current assets			
Fruitless and wasteful expenditure	19	-	544
Property, plant and equipment	20	35 988	50 159
Intangible assets	21	957	1 937
Heritage assets	22	49 592	49 611
Total assets		641 152	609 425
LIABILITIES			
Current liabilities			
Trade and other payables from exchange transactions	23	81 755	100 095
Current provisions	25	99 026	89 403
Finance leases	28	20	67
Non-current liabilities			
Employee benefits	27	1 256 822	1 123 560
Finance leases	28	15	-
Total liabilities		1 437 638	1 313 125
Net assets		(796 486)	(703 700)
NET ASSETS			
Accumulated deficit		(796 487)	(703 700)
Total net assets		(796 487)	(703 700)

Parliament of the Republic of South Africa			
STATEMENT OF FINANCIAL PERFORMANCE			
for the year ended 31 March 2013			
	Note	2012/13	2011/12
		R'000	Restated R'000
Revenue			
Revenue from non-exchange transactions	2	1 768 427	1 682 530
Revenue from exchange transactions	3	13 883	12 989
Transfers, sponsorships and donations	4	69 459	48 375
Other income	5	28 018	25 321
Total revenue		1 879 787	1 769 215
Expenses			
Cost of sales	17	7 052	5 757
Compensation of employees and Members	6	1 109 189	933 265
Bad debts		268	51
Depreciation and amortisation expense	7	26 359	24 213
Transfers to non-profit institutions	8	311 378	297 599
Fruitless & Wasteful Expenditure	19	544	-
Donor project expenses	9	25 790	37 716
Interest paid	10	20	29
General expenses	11	439 291	426 083
Total expenses		1 919 891	1 724 713
Loss on sale of assets	12	(849)	(3 428)
Impairment gain/(loss)	13	230	(112)
(Deficit) / surplus for the period		(40 723)	40 962

Parliament of the Republic of South Africa

STATEMENT OF CHANGES IN NET ASSETS

for the year ended 31 March 2013

Note	Accumulated Surplus/(Deficit) R'000	Total: Net Assets R'000
Balance at 31 March 2011	(714 963)	(714 963)
Prior period adjustments (Note 39)	16 940	16 940
Restated balance at 31 March 2011	(698 023)	(698 023)
Surplus for the period	40 962	40 962
Statutory funds surrendered to National Treasury	(46 639)	(46 639)
Balance at 31 March 2012	(703 700)	(703 700)
Statutory funds surrendered to National Treasury	(52 064)	(52 064)
Deficit for the period	(40 723)	(40 723)
Balance at 31 March 2013	(796 487)	(796 487)

Parliament of the Republic of South Africa			
CASH FLOW STATEMENT			
for the year ended 31 March 2013			
	Note	2012/13	2011/12
		R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts		1 806 298	1 766 961
Annual appropriation		1 338 305	1 272 890
Statutory appropriation		430 122	409 640
Departmental revenue		15 596	11 334
Interest received		22 275	24 722
Transfer, sponsorship and donations		-	48 375
Payments		1 823 212	1 662 473
Compensation of employees and Members		966 304	873 674
Suppliers		493 446	444 532
Interest paid		20	29
Statutory Funds surrendered to National Revenue Fund		52 064	46 639
Non-profit institutions		311 378	297 599
Net cash flows from operating activities	29	(16 914)	104 487
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(11 866)	(21 045)
Purchase of intangible assets		(311)	(1 989)
Purchase of heritage assets		-	(41)
Proceeds from sale of fixed assets	30	56	156
Net cash flows from investing activities		(12 121)	(22 919)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayment of finance lease liability		(32)	(187)
Net cash flows from financing activities		(32)	(187)
Net increase in net cash and cash equivalents		(29 067)	81 381
Net cash and cash equivalents at beginning of period		493 304	411 923
Net cash and cash equivalents at end of period	31	464 238	493 304

Parliament of the Republic of South Africa
STATEMENT OF COMPARISON OF BUDGET TO ACTUAL INFORMATION
for the year ended 31 March 2013

R '000	Approved budget	Final Budget	Actual Outcome prepared on a cash basis	Variance	Reference
INCOME					
Annual appropriation	1 338 305	1 338 305	1 338 305	-	
Statutory appropriation	430 122	430 122	430 122	-	
Departmental revenue	8 250	8 250	15 596	(7 346)	4,1
Interest received	15 000	15 000	22 275	(7 275)	4,2
Transfers, sponsorships and donations	63 963	63 963	-	63 963	4,3
	1 855 640	1 855 640	1 806 298	49 342	
EXPENSES					
Capital expenditure	5 600	4 259	12 177	(7 918)	4,4
Compensation of employees	598 000	587 119	585 026	2 093	4,5
Compensation of Members	430 100	430 122	381 278	48 844	4,6
Suppliers	418 400	465 948	493 446	(27 498)	4,7
Interest paid	-	-	20	(20)	
Transfers to non-profit institutions	311 300	311 379	311 378	1	
-	1 763 400	1 798 827	1 783 325	15 502	
-	92 240	56 813	22 973	33 840	
(DEFICIT)/SURPLUS					

1. Parliament's budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 April 2012 to 31 March 2013.

2. The changes between the approved and final budget are a result of reallocation of funds (within the same programme)

3. 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.

4. 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 explanations of variances indicated on the Statement of comparison of budget to actual information are provided below:

4.1 Revenue from the use of Parliament's catering facilities exceeded the budget. This is due to increase use of the facilities by government departments than anticipated

4.2 Parliament anticipated to utilise most of the retained funds during the year, but only a minimal amount was used. This then resulted in Parliament still having a large amount of retained funds thus the increased interest received.

4.3 There has been a delay in releasing the funds by National Treasury. The funds were only received in April 2013

4.4 This has been caused by projects which were funded from retained income

4.5 The liability raised for post retirement medical benefits does not involve a cash payment.

4.6 The baseline for Members' salaries was increased after the 2009 elections due to the payment of loss of office gratuities to non returning Members. The underspending surrendered to the National Revenue Fund.

4.7 The difference is the result of projects which were funded from retained income

5. 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 2013 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.

	Operating	Investing	Financing	Total
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	35 150	(12 177)	-	22 973
Basis Differences	(52 064)	56	(32)	(52 040)
Statutory Funds surrendered to National Revenue Fund	(52 064)	-	-	(52 064)
Sales of assets not budgeted for	-	56	-	56
Actual Amount in the Statement of Cash Flows	(16 914)	(12 121)	(32)	(29 067)

Parliament of the Republic of South Africa
SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

for the year ended 31 March 2013

1.1 STATEMENT OF ACCOUNTING POLICIES

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

1.1.1 Basis of preparation

The financial statements have been prepared in accordance with the standards of Generally Recognised Accounting Practices (GRAP), issued by the Accounting Standards Board in accordance with Section 55 of the Financial Management of Parliament Act (Act no. 10 of 2009) and approved by the Minister of Finance as effective. The ASB has issued a directive that sets out the principles for the application of the GRAP 3 guidelines in the determination of the GRAP Reporting Framework hierarchy, as set out in the standard of GRAP 3 on Accounting Policies, Changes in Accounting Estimates and Errors.

Where a standard of GRAP is approved as effective, it replaces the equivalent statement of International Public Sector Accounting Standards Board, International Financial Reporting Standards or Generally Accepted Accounting Principles. Where a standard of GRAP has been issued, but is not yet in effect, an entity may select to apply the principles established in that standard in developing an appropriate accounting policy dealing with a particular section or event before applying paragraph 12 of the Standard of GRAP on Accounting Policies, Changes in Accounting Estimates and Errors.

In the process of applying Parliament's accounting policies, management has made the following significant accounting judgements, estimates and assumptions, which have the most significant effect on the amounts recognised in the financial statements:

1.1.2 Pension and other post-employment benefits

The cost of defined benefit pension plans and other employment medical benefits is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty.

1.1.3 Impairment of trade receivables

The calculation in respect of the impairment of debtors is based on an assessment of the extent to which debtors have defaulted on payments already due, and an assessment of their ability to make payments based on their credit worthiness. This was performed per service-identifiable categories across all classes of debtors.

1.1.4 Property, plant and equipment

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

1.1.5 Provisions and contingent liabilities

Management's judgement is required when recognising and measuring provisions, and when measuring contingent liabilities, as set out in notes 25, 27.4 and 34 respectively. Provisions are discounted where the effect of discounting is material, using actuarial valuations.

1.1.6 Offsetting

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

1.1.7 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).

1.1.8 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 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 their obligations as they fall due.

1.1.9 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 2012/13 reporting period Parliament implemented GRAP 17 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.

1.1.10 Hierarchy of standards used

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

1.1.11 Adoption of new and revised standards

In the current year Parliament has adopted all new and revised standards and interpretations issued by the Accounting Standards Board (ASB) as set out in Annexure F of directive 5 that are relevant to its operations, and effective.

The adoption of these new and revised standards and interpretations has resulted in changes to the accounting policies.

For the current reporting period Parliament (early) adopted GRAP 20, which has been issued but not yet effective.

A number of new standards are not yet effective for the year ended 31 March 2013, and are presented below:

GRAP 18	Segment reporting
GRAP 25	Employee benefits
GRAP 105	Transfer of functions between entities under common control
GRAP 106	Transfers of functions between entities not under common control
GRAP 107	Mergers

All the above standards, where applicable, will be complied with in the financial statements once the effective date has been set. Preliminary investigations indicated that the impact of the standards on the financial statements will be minimal, except for the application of GRAP 25 'Employee benefits' and additional disclosures

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. Revenue from non-exchange transactions are measured at the amount of the increase in net assets recognized by Parliament.

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 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are stated at cost less accumulated depreciation and impairment or at fair value where assets have been acquired by grant or donation. Where items of property, plant and equipment have been impaired, the carrying value is adjusted by the impairment loss, which is recognised as an expense in the Statement of Financial Performance in the period that the impairment is identified.

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

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

Depreciation commences when the asset is ready for its intended use. Depreciation is calculated on the depreciable amount, using the straight-line method over the estimated useful lives of the assets. The annual depreciation rates are based on the following estimated average lives of assets:

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	5 years

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 HERITAGE ASSETS

Heritage asset is defined as an asset that has a cultural, environmental, historical, natural, scientific, technological or artistic significance, and are held and preserved indefinitely for the benefit of present and future generations.

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

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation would be immaterial. Heritage assets are valued every parliamentary term (5 years).

1.5 INTANGIBLE ASSETS

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.

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.

Amortisation

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	Years
Computer software	3 to 5

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.

1.6 INVENTORIES

Inventories consist of raw materials, work in progress, consumables and finished goods, which are valued at the lower of cost, determined on the weighted-average basis and net realisable value. Where it is held for distribution or consumption at no charge or for a nominal amount, inventories are valued at the lower of cost and current replacement value.

Cost of inventories comprises all costs of purchase, cost of conversion, and other costs incurred in bringing the inventories to their present location and condition. Redundant and slow-moving inventories are identified and written down to their estimated net realisable values, and are recognised as an expense in the period in which the write-down or loss occurs.

Consumables are written down according to their age, condition and utility.

1.7 FINANCIAL INSTRUMENTS

Financial instruments are recognised when Parliament becomes a party to the contractual provisions of the instrument and are initially measured at fair value plus, in the case of a financial asset or liability, not at fair value through the Statement of Financial Performance, transaction costs that are directly attributable to the acquisition or issue of the financial asset or liability. The subsequent measurement of financial instruments is dealt with as follows:

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred, and Parliament has transferred substantially all risks and rewards of ownership, or when the enterprise loses control of contractual rights that comprise the assets.

Financial liabilities are derecognised when the obligation specified in the contract is discharged, cancelled or expires.

1.7.1 Financial assets

Parliament classifies its financial assets into the following categories:

- Held-to-maturity
- Loans and receivables
- Available-for-sale
- Fair value through profit and loss.

The classification depends on the purpose for which the financial asset is acquired and is as follows:

- Held-to-maturity investments are financial assets with fixed or determinable payments and fixed maturity, where Parliament has the positive intent and ability to hold the investment to maturity. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Loans and receivables are financial assets that are created by providing money, goods or services directly to a debtor. They are subsequently measured at amortised cost, using the effective interest rate method. Any adjustment is recorded in the Statement of Financial Performance in the period in which it arises.
- Available-for-sale financial assets are financial assets that are designated as available-for-sale, and are subsequently measured at fair value at Statement of Financial Position reporting date, except for investments in equity instruments that do not have quoted market prices in an active market, and of which fair value cannot be reliably measured, which shall be measured at cost. Any adjustment is recorded in the Statement of Changes in Net Assets in the period in which it arises. When these investments are derecognised, the cumulative gain or loss previously recognised directly in equity is recognised in profit or loss. The fair value of financial instruments classified as available-for-sale is their quoted bid price at the Statement of Financial Position reporting date.
- Fair value through profit and loss financial assets include derivative financial instruments used by Parliament to manage its exposure to fluctuations in interest rates attached to certain of its external borrowings' interest swap agreements. Any fair value adjustment is recorded in the Statement of Financial Performance in the period in which it arises. To the extent that a derivative instrument has a maturity period of longer than a year, the fair value of these instruments will be reflected as a non-current asset or liability, and is subsequently measured at fair value at Statement of Financial Position reporting date.

An assessment is performed at each statement of financial position reporting date to determine whether objective evidence exists that a financial asset is impaired. The carrying amounts of cash investments are reduced to recognise any decline, other than a temporary decline, in the value of individual investments. This reduction in carrying value is recognised in the Statement of Financial Performance.

1.7.2 Financial liabilities

After initial recognition, Parliament measures all financial liabilities, including trade and other payables, at amortised cost, using the effective interest rate method. Financial liabilities include borrowings, other non-current liabilities (excluding provisions), and trade and other payables (excluding provisions). Interest-bearing external loans and bank overdrafts are recorded net of direct issue costs. Finance charges, including premiums payable, are accounted for on an accrual basis.

1.7.3 Trade payables and other

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

1.7.4 Trade and other receivables

Trade and other receivables are recognised initially at fair value, which approximates amortised cost less provision for impairment. An estimate is made for doubtful debt based on past default experience of all outstanding amounts at year-end. Bad debts are written off in the year in which they are identified as irrecoverable, subject to the approval of the necessary delegated authority.

Amounts receivable within 12 months from the date of reporting are classified as current.

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

1.7.5 Cash and cash equivalents

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

1.8 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.

1.9 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.

1.10 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.

1.11 PROVISIONS

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

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

1.12 LEASES

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

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

Subsequent to initial recognition, the leased assets are accounted for in accordance with the stated accounting policies applicable to property, plant, equipment or intangibles. The lease liability is reduced by the lease payments, which are allocated between the lease finance cost and the capital repayment using the effective interest rate method. 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.

1.13 BUDGET INFORMATION

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

1.14 EMPLOYEE BENEFITS

1.14.1 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.

1.14.2 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.

1.14.3 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 it were defined contribution funds.

1.14.4 Other post employment obligations

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 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.

1.14.5 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.

1.14.6 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.

1.15 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.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	Note	2012/13	2011/12
		R'000	Restated R'000
2 REVENUE FROM NON-EXCHANGE TRANSACTIONS		1 768 427	1 682 530
2.1 Annual appropriation received		1 338 305	1 272 890
Programmes			
Administration		392 608	368 591
Legislation and Oversight		315 892	298 000
Public and International Participation		125 426	108 900
Member's Facilities		193 000	199 800
Associated Services		311 379	297 599

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		430 122	409 640
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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).

Unexpended Statutory Appropriation is surrendered to the National Revenue Funds

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Note	2012/13	2011/12
		R'000	Restated R'000
3 REVENUE FROM EXCHANGE TRANSCATIONS		13 883	12 989
Sale of goods and services		8 010	6 623
Sundry income		5 873	6 366
4 TRANSFERS, SPONSORSHIPS AND DONATIONS		69 459	48 375
Local and foreign aid assistance		69 459	48 375
European Union (EU) - Legislature support programme		69 459	48 375
5 OTHER INCOME		28 018	25 321
Investment income		27 720	25 065
Insurance commissions		298	256
6 COMPENSATION OF EMPLOYEES AND MEMBERS		1 109 189	933 265
6.1 Compensation of employees		549 216	481 806
Basic remuneration		494 800	432 424
Performance awards		10 205	8 840
Compensative/ circumstantial		7 073	5 629
Periodic payments		2 177	5 161
Pension		28 406	22 972
UIF		2 148	1 895
Insurance		3 826	4 885
Retirement or Retrechment Benefits		581	-
6.2 Compensation of Members		389 022	360 931
Basic remuneration		224 066	207 528
Pension		51 046	47 859
Gratuities		10 893	6 444
Other non-pensionable allowances		103 017	99 100

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
6.3 Benefits paid	170 951	90 528
Post-retirement medical aid contributions	37 689	36 538
Movement in long-term employee benefits	133 262	53 990
Average number of employees	1345	1292
Average number of Members	388	384
7 DEPRECIATION AND AMORTISATION EXPENSE	26 359	24 213
7.1 Depreciation	20	25 069
Equipment	3 878	3 586
Furniture and fittings	7 386	6 367
Computer equipment	12 284	13 010
Transport assets	1 430	888
Library books	91	
7.2 Amortisation		
Software	21	1 290
8 TRANSFERS TO NON-PROFIT INSTITUTIONS	311 378	297 599
Party leadership allowance	6 743	6 510
Party support allowance	74 326	70 251
Constituency allowance	230 309	220 838
These payments were made to political parties represented in Parliament in terms of Section 34 of the Financial Management of Parliament Act (Act no.10 of 2009).		
9 DONOR PROJECT EXPENSES	25 790	37 716
EU - Legislature support programme	25 790	37 716
10 INTEREST PAID	20	29
Finance leases	3	15
Interest on late payment	17	14

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13	2011/12
	R'000	Restated R'000
11 GENERAL EXPENSES	439 291	426 083
Advertising	28 533	18 983
Audit fees	2 583	4 175
Bank charges and card fees	101	65
Bursaries (employees)	2 426	1 620
Capital works	828	2 388
Commission	9	12
Communication	23 874	23 572
Computer services	6 159	7 286
Consultants, contractors and special services	48 000	54 509
Consumables	500	1 136
Courier and delivery services	880	532
Entertainment	611	648
Equipment rental	2 664	2 013
Learnerships	-	325
Legal fees	7 700	1 291
Maintenance, repair and running costs	4 525	4 123
Operating leases	5 085	5 031
Personnel agency fees	4 366	1 907
Plant flowers and other decorations	2 465	3 052
Printing and publications	21 261	21 088
Professional bodies and membership fees	2 863	2 045
Protective, special clothing & uniforms	663	552
Resettlement costs	5 333	2 519
Training & staff development	5 122	5 533
Translations and transcriptions	879	648
Transport provided as part of the departmental activities	1 067	1 813
Travel and subsistence	242 790	245 508
Tuition Fees	25	29
Venues and facilities	17 979	13 680

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
11.1 Travel and subsistence	242 790	245 508
Local	201 001	204 815
Foreign	41 789	40 693
12 (LOSS)/ GAIN ON DISPOSAL OF ASSETS	(849)	(3 428)
Equipment	(657)	(247)
Furniture and fittings	(110)	(2 303)
Computer equipment	(82)	(878)
P&L Disposal of assets		-
13 (IMPAIRMENT LOSS) / REVERSAL OF IMPAIRMENT LOSS	230	(112)
Trade receivables		
Movement in provision for doubtful debts	15 230	(112)
14 CASH AND CASH EQUIVALENTS	464 238	493 304
Cash and cash equivalents consist of the following:		
Cash on hand		92
Cash at bank	14.1 112 818	493 212
Call deposits	14.2 351 342	-

Cash equivalents and short-term deposits are placed with high- credit quality financial institutions. The exposure to credit risk is the carrying amount of each class of cash and cash equivalents.

Parliament has the following bank accounts:

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13	2011/12
	R'000	Restated
	R'000	R'000
14.1 Cash at bank	112 818	493 212
FNB Limited - Primary bank account		
Branch: Global transactional services Cape Town		
Account Number 62078790964		
Cash book balance at beginning of period	20	5 019
Cash book balance at end of period	-	20
Bank statement balance at beginning of period	20	5 244
Bank statement balance at end of period	-	20
Nedbank Limited - Primary bank account		
Branch: Corporate client services Cape Town		
Account Number 1452064776		
Cash book balance at beginning of period	435 848	89 651
Cash book balance at end of period	80 280	435 848
Bank statement balance at beginning of period	435 848	89 651
Bank statement balance at end of period	80 280	435 848
Nedbank Limited - Salary bank account		
Branch: Corporate client services Cape Town		
Account Number 1452064784		
Cash book balance at beginning of period	6 836	290
Cash book balance at end of period	2 547	6 836
Bank statement balance at beginning of period	6 836	290
Bank statement balance at end of period	2 547	6 836

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
Nedbank Limited - Petty cash bank account		
Branch: Corporate client services Cape Town		
Account Number 1452064970		
Cash book balance at beginning of period	10	-
Cash book balance at end of period	19	10
Bank statement balance at beginning of period	10	23
Bank statement balance at end of period	19	10
Nedbank Limited -EU account		
Branch: Corporate client services Cape Town		
Account Number 1452064903		
Cash book balance at beginning of period	50 498	-
Cash book balance at end of period	29 972	50 498
Bank statement balance at beginning of period	50 498	-
Bank statement balance at end of period	29 972	50 498
Inactive accounts:		
EU salaries - account number 1452064911		
EU petty cash - account number 1452064938		

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
14.2 Call deposits	351 342	-
Call deposits do not exceed six months and are kept at the following institution:		
Nedbank Limited - Call Deposit (30 days notice at 4.8% interest)		
Branch: Corporate client services Cape Town		
Account Number 037881095598-01		
Cash book balance at beginning of period	-	-
Cash book balance at end of period	78 766	-
Bank statement balance at beginning of period	-	-
Bank statement balance at end of period	78 766	-
Nedbank Limited - Fixed Account (six month at 5.25%)		
Branch: Corporate client services Cape Town		
Account Number 037881095598-03		
Cash book balance at beginning of period	-	-
Cash book balance at end of period	272 576	-
Bank statement balance at beginning of period	-	-
Bank statement balance at end of period	272 576	-

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

15 RECEIVABLES FROM EXCHANGE TRANSACTIONS	Gross	Provision for Doubtful	Net Balance
	Balances	Debts	
	R'000	R'000	R'000
as at 31 March 2013			
Receivables from exchange transactions	725	(349)	376
Recoveries of staff expenses	890	(785)	105
Other receivables	345	(88)	257
Total	1 960	(1 222)	738
as at 31 March 2012			
Receivables from exchange transactions	286	-	286
Recoveries of staff expenses	1 177	(838)	339
Other receivables	858	(614)	244
Total	2 321	(1 451)	869

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

Summary of Debtors by Classification

	Gross	Provision for Doubtful	Net Balance
	Balances	Debts	
	R'000	R'000	R'000
as at 31 March 2013			
Political parties ¹	495	(349)	146
Media	5	-	5
Government organisations	225	-	225
Members and employees	890	(785)	105
Other	345	(88)	257
Total	1 960	(1 222)	738
as at 31 March 2012			
Political parties ¹	224	-	224
Media	4	-	4
Government organisations	57	-	57
Members and employees	1 177	(838)	339
Other	858	(614)	244
Total	2 321	(1 451)	869

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
<p>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.</p> <p>The maximum exposure to credit risk at the reporting date is the carrying amount of each class of receivable mentioned above.</p>		
<p><u>Reconciliation of the doubtful debt provision</u></p>		
Balance at beginning of the year	1 451	1 358
Contributions to provision	(230)	112
Reversal of provision	-	(19)
Balance at end of year	1 221	1 451
<p><u>Trade and other receivables past due but not impaired</u></p>		
<p>The ageing of amounts past due but not impaired is as follows:</p>		
90 - 180 days	-	-
180 - 360 days	-	-
360 days +	1	1
16 OTHER RECEIVABLES	82 005	8 364
Interest receivable accrual	7 862	2 417
European Union Income	69 459	-
IPU refunds of expenses		334
Rebate	4 684	5 613
17 INVENTORIES		
<p>Catering stock</p>		
Opening balance	408	354
Additions	7 339	5 811
Cost of sales	(7 052)	(5 757)
Balance at end of year	695	408

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Note	2012/13 R'000	2011/12 Restated R'000
18 PREPAYMENTS	6 865	4 179
Prepayments to Department of International Relations & Cooperation ¹	1 861	1 082
Prepaid expenses	4 779	2 952
Advances - short term	225	145

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

Reconciliation of movement in fruitless and wasteful expenditure:

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

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

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	Library books R'000	Total R'000
as at 01 April 2012	7 871	16 028	19 935	6 140	185	50 160
Cost	23 883	36 793	60 637	7 008	29 885	158 207
Accumulated depreciation and impairment losses	(16 012)	(20 765)	(40 702)	(868)	(29 700)	(108 047)
Reinstatement of assets	630	265	519			1 414
Acquisitions	1 842	1 129	7 458	7	17	10 452
Depreciation	(3 878)	(7 386)	(12 284)	(1 430)	(91)	(25 069)
Carrying value of disposals	(657)	(110)	(202)	-	-	(969)
Cost	(2 008)	(185)	(2 090)	-	-	(4 283)
Accumulated depreciation and impairment losses	1 351	75	1 888	-	-	3 314
as at 31 March 2013	5 808	9 926	15 426	4 717	111	35 988
Cost	24 347	38 003	66 524	7 015	29 902	165 791
Accumulated depreciation and impairment losses	(18 539)	(28 077)	(51 098)	(2 298)	(29 791)	(129 803)

Included in property, plant and equipment are leased assets with a carrying value of R26,306 (2012: R55,730).
Parliament has established a fixed asset unit which will be responsible for managing the fixed assets in the institution. The unit has five positions, one position filled and interviews for the other four already done.

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.

The transitional provisions set out in Directive 8 expired on the 30 March 2013. During the 2012/2013 reporting period Parliament implemented GRAP 17 as required by the Financial Management of Parliament Act (Act no. 10 of 2009). As a result Parliament undertook valuation of all assets.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

20.2 Reconciliation of Carrying Value

	Equipment	Furniture and fittings	Computer equipment	Transport assets	Library books	Total
	R'000	R'000	R'000	R'000	R'000	R'000
Restated balance as at 01 April 2011	8 383	24 011	24 230	778	185	57 587
Cost	24 141	33 521	54 771	2 896	-	115 329
Prior period Cost adjustments (note 39)	(3 070)	8 845	3 092	(2 138)	29 885	36 614
Accumulated depreciation and impairment losses	(16 119)	(17 079)	(32 948)	(2 746)	(29 700)	(98 592)
Prior period Accumulated Depreciation adjustments (note 39)	3 430	(1 276)	(685)	2 766	-	4 235
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	7 871	16 028	19 935	6 140	185	50 160
Cost	23 883	36 793	60 637	7 008	29 885	158 207
Accumulated depreciation and impairment losses	(16 012)	(20 765)	(40 702)	(868)	(29 700)	(108 047)

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

21 INTANGIBLE ASSETS

21.1 Reconciliation of carrying value

	Computer Software R'000
as at 1 April 2012	1 936
Cost	4 440
Accumulated amortisation and impairment losses	-2 504
Acquisitions	311
Amortisation	-1 290
Carrying value of disposals	-
Cost	1 069
Accumulated amortisation	-1 069
as at 31 March 2013	957
Cost	3 682
Accumulated amortisation and impairment losses	-2 725

21.2 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	1 937
Cost	4 440
Accumulated amortisation and impairment losses	(2 504)

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

22 HERITAGE ASSETS

22.1 Reconciliation of carrying value

	Heritage assets R'000
as at 1 April 2012	49 611
Deemed cost	49 611
Acquisitions	-
Accessioned	19
Disposals	(38)
as at 31 March 2013	49 592

22.2 Reconciliation of carrying value

	Heritage assets R'000
Restated balance as at 1 April 2011	49 570
Deemed cost	42 742
Prior period adjustments (note 39)	6 828
Acquisitions	41
as at 31 March 2012	49 611

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 Restated R'000
23 TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS			
Trade creditors		3 391	4 567
Payments received in advance		611	581
Accruals		51 306	68 060
Employee benefits	23.1	26 447	26 887
Total creditors		81 755	100 095

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

Standard credit terms of 30 days apply.

23.1 Employee benefits		26 447	26 887
Leave accrual		21 670	22 206
Negative leave entitlement		(827)	(651)
Leave entitlement		17 609	17 062
Capped leave commitments		4 888	5 795
13th cheque		3 987	4 038
Overtime		789	369
Award		-	274

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Note	2012/13 R'000	2011/12 Restated R'000
24 VAT RECEIVABLE			
VAT (payable) / receivable		75	50

VAT payable is paid over to SARS immediately after submitting the returns and the amount is payable. VAT receivable represents refunds due to Parliament in terms of returns submitted.

25 PROVISIONS		99 026	89 403
Performance bonus	25.1	10 370	8 491
Members' gratuities	25.2	88 656	80 912

The movement in current provisions are reconciled as follows: -

25.1 Performance Bonus

Opening balance		8 491	6 874
Contributions to provision		8 839	8 839
Expenditure incurred		(6 960)	(7 222)
Closing balance		10 370	8 491

The performance 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		80 912	76 928
Contributions to provision		10 204	6 444
Expenditure incurred		(2 460)	(2 460)
Closing balance		88 656	80 912

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 2013

	2012/13	2011/12
		Restated
	R'000	R'000
26 UNSPENT CONDITIONAL GRANTS AND RECEIPTS		
EU grant		
Official Development Assistance (ODA) sector budget support programme in four tranche payments, the first two tranches equivalent to €5 million, third tranche equivalent to €7 million and the fourth tranche €3 million. Three tranche payments were received and utilised to facilitate the implementation of the sector policy and sector strategy of the South African Legislative Sector, which is composed of National Parliament and nine Provincial Legislatures. A once off total transfers amounting to R31,153,500.00 were made to the Provincial Legislatures between September 2011 and February 2012 to assist in the implementation of sector-wide projects such as the customisation of the Sector Oversight Model and Sector Public Participation Framework		
Opening balance	-	-
Received	69 459	48 375
Recognised in Statement of Financial Performance	(69 459)	(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	28 406	22 972
These contributions are included in surplus or deficit for the reporting period.		

An actuarial valuation of the GEPF is conducted at least every three years as prescribed in section 17(3) of the GEP Law. The latest 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 2013

	2012/13	2011/12
	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	51 046	47 859
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 2012. 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 provides to contribute a maximum of 66.67% to the Parmed scheme for retired Members of Parliament. This defined benefit liability for potential post-retirement medical aid costs in respect of existing employees has been actuarially valued as at 31 March 2013.	1 256 822	1 123 560
Reconciliation of movement in liability		
Opening balance	1 123 560	1 069 570
Current service cost	50 442	43 884
Interest cost	66 153	64 621
Benefits paid	(37 689)	(36 538)
Actuarial (gain) loss	54 356	(17 977)
Closing balance	1 256 822	1 123 560

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

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.

31 March 2013	Discount rate		
	Base Assumptions	X%	
Accrued Contributions Liability (R' million)	1,242,25	-1.0%	+1.0%
% change	-	-12.52%	15.54%

31 March 2013	Health Care Inflation		
	Base Assumptions	X%	
Accrued Contributions Liability (R' million)	1,242,25	+1.0%	-1.0%
% change	-	15.54%	-12.52%

31 March 2013	Average Retirement Age		
	Base Assumptions	65 years	
Accrued Contributions Liability (R' million)	1,242,25	+10%	-10%
% change	-	-0.23%	0.24%

31 March 2012	Discount rate		
	Base Assumptions	X%	
Accrued Contributions Liability (R' million)	1,116.10	-1.0%	+1.0%
% change	-	-13.26%	14.45%

31 March 2012	Health Care Inflation		
	Base Assumptions	X%	
Accrued Contributions Liability (R' million)	1,116.10	-1.0%	+1.0%
% change	-	14.45%	-13.26%

31 March 2012	Average Retirement Age		
	Base Assumptions	65 years	
Accrued Contributions Liability (R' million)	1,116.10	-1.0%	+1.0%
% change	-	1.38%	-1.03%

Parliament of the Republic of South Africa
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Discount rate

The following table shows a summary of the zero-coupon bond yield curve as at 31 March 2013 (annualised). The entire yield curve was applied in the PRMA valuation of Parliament.

Term Zero-coupon South African Bond yields:	Term	2012/13	2011/12
	1	4,87%	5,40%
	2	5,14%	5,92%
	3	5,19%	5,90%
	4	5,23%	6,42%
	5	5,31%	7,10%
	6	5,40%	7,39%
	7	5,48%	7,70%
	8	5,42%	7,98%
	9	5,36%	8,17%
	10	5,30%	8,21%
	11	5,28%	8,36%
	12	5,28%	8,52%
	13	5,29%	8,67%
	14	5,29%	8,82%
	15	5,30%	8,97%
	16	5,30%	9,10%
	17	5,31%	9,17%
	18	5,31%	9,24%
	19	5,32%	9,31%
	20	5,32%	9,38%
	21	5,33%	9,45%
	22	5,34%	9,52%
	23	5,36%	9,59%
	24	5,38%	9,66%
	25	5,41%	9,74%
	26	5,43%	9,74%
	27	5,45%	9,74%
	28	5,47%	9,74%
	29	5,50%	9,74%
	30	5,52%	9,74%

Parliament of the Republic of South Africa
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Health care inflation curve

The following table shows a summary of the health care inflation curve as at 31 March 2013 (annualised). The entire inflation curve was applied in the PRMA valuation of Parliament. The health care inflation rate was assumed to be 0.5% lower than the valuation discount rate at each term to maturity.

Term	2013	2012
1	4,35%	3,84%
2	4,62%	4,35%
3	4,66%	4,33%
4	4,71%	4,84%
5	4,79%	5,51%
6	4,87%	5,81%
7	4,95%	6,10%
8	4,89%	6,39%
9	4,84%	6,57%
10	4,78%	6,61%
11	4,75%	6,76%
12	4,76%	6,91%
13	4,76%	7,06%
14	4,77%	7,21%
15	4,77%	7,36%
16	4,78%	7,49%
17	4,78%	7,56%
18	4,79%	7,63%
19	4,79%	7,70%
20	4,80%	7,77%
21	4,81%	7,84%
22	4,82%	7,91%
23	4,84%	7,97%
24	4,86%	8,04%
25	4,88%	8,11%
26	4,90%	8,11%
27	4,93%	8,11%
28	4,95%	8,11%
29	4,97%	8,11%
30	5,00%	8,11%

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Active members expected to continue after retirement	95%	95%
Average retirement age	65 years for both males and females	65 years for both males and females
Pre-retirement mortality		
Male	SA 85-90 (aggregate) with a 3 year reduction	SA 85-90 (aggregate) with a 3 year reduction
Female	SA 85-90 (aggregate) with a 3 year reduction	SA 85-90 (aggregate) with a 3 year reduction
Post-retirement mortality		
Male	PA (90)M rated down with 2 years	PA (90)M rated down with 2 years
Female	PA (90)F rated down with 2 years	PA (90)F rated down with 2 years
AIDS	Not allowed for	Not allowed for
Age difference	Male spouse 3 years older than female spouse	Male spouse 3 years older than female spouse

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000
28 FINANCE LEASES		
Minimum lease payments due:		
Payable within 1 year	23	69
Payable within 2 - 5 years	15	-
Less: future finance charges	(3)	(2)
Present value of lease payments due	35	67
Current	20	67
Non-current	15	-
	35	67
<p>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.</p>		
29 CASH GENERATED BY OPERATIONS		
Surplus for the year	(40 723)	40 962
Adjustment for:-		
Depreciation and amortisation	26 359	24 213
Loss / (gain) on sale of assets	849	3 428
Bad debts written off	268	51
Fruitless expenditure written off	544	
Contribution to provisions - current	9 623	5 601
Movement in employee benefits	133 262	53 990
Impairment loss (gain) - receivables	(230)	112
Interest earned	(27 720)	(25 065)
Interest paid	20	29
Operating surplus before working capital changes:	102 252	103 321
(Increase) in inventories	(287)	(54)
Decrease / (increase) in trade receivables	(67 500)	(1 911)
(Increase) / decrease in other receivables	(2 686)	5 111
Decrease in fruitless and wasteful expenditure	(544)	-
Increase / (decrease) in trade payables	(18 340)	20 087
Increase in VAT payable	-	(120)
Interest received	22 275	24 722
Interest paid	(20)	(29)
Statutory Funds surrendered to the National Revenue Fund	(52 064)	(46 639)
Cash generated by/(utilised in) operations	(16 914)	104 487

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000
30 PROCEEDS FROM SALE OF FIXED ASSETS		
Net book value of assets disposed	969	3 584
(Loss) / gain on sale of assets	(913)	(3 428)
Proceeds from sale of fixed assets	56	156

31 CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Bank balances and cash	464 238	493 304
Net cash and cash equivalents	464 238	493 304

32 IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED

32.1 Fruitless and wasteful expenditure

Reconciliation of fruitless and wasteful expenditure

Opening balance -	1 030	1 012
Fruitless and wasteful expenditure current period	35	18
Fruitless and wasteful expenditure written off	(539)	-
Fruitless and wasteful expenditure closing balance	526	1 030

Incident

Cancellation fees - under investigation	194	176
Interest on late payment	204	187
Previously reported as receivable	-	539
Unaccredited course	116	116
Traffic Fine Admin Fees	12	12
	526	1 030

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000
32.2 Irregular expenditure		
Reconciliation of irregular expenditure		
Opening balance	998	12 027
Irregular expenditure current period	2 317	662
Irregular expenditure condoned	-	(11 691)
Irregular expenditure awaiting condonement	<u>3 315</u>	<u>998</u>

33 COMMITMENTS

33.1 Commitments in respect of capital expenditure

Capital Works	2 000	973
---------------	-------	-----

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	1 387	1 146
In the second to fifth year inclusive	1 249	1 857
Total	<u>2 636</u>	<u>3 003</u>

Operating lease payments represent rentals payable by Parliament for office equipment and rental of Parliamentary Democratic Offices. Leases of equipment are negotiated for an average term of three years and rentals are fixed for the entire lease term. Parliament still uses some leases which had expired on a month to month basis whilst still negotiating new lease agreements. These leases (expired) do not have any liability as they can be terminated anytime. Leases of PDO offices are subject to 0% (2012: 0%) escalation per annum and were straightlined over the period of the lease.

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000
34 CONTINGENT LIABILITY		
<p>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.</p>		
34.1 Staff litigation	<u>2 300</u>	<u>3 000</u>
Labour related disputes and claims instigated by former employees		
34.2 Other litigation	<u>6 230</u>	<u>1 569</u>
Ongoing litigation in which Parliament will possibly be liable either ex parte or as respondent in civil action.		

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

35 REMUNERATION OF MANAGEMENT

Parliament of the Republic of South Africa is governed by The Executive Authority, comprising the Speaker (and Deputy) of the National Assembly and the Chairperson (and Deputy) of the National Council of Provinces. The Executive Authority, together with the Secretary to Parliament, Deputy Secretary to Parliament, Chief Operating Officer, Secretary to the National Council of Provinces, Secretary to the National Assembly, Chief Finance Officer and Division Managers are responsible for planning, directing, and controlling the activities of the institution. During the financial year, the following remuneration was paid to these members of management:

	2012/13			2011/12	
	Basic salary R'000	Other short-term benefits R'000	Post- employment benefits R'000	Total R'000	Total R'000
	1 416	625	319	2 360	2 237
	1 416	625	319	2 360	2 237
	991	438	223	1 652	1 566
	991	438	223	1 652	1 566

Executive Authority

Mr M Sisulu - Speaker of the National Assembly

Mr M J Mahlangu - Chairperson of the NCOP

Ms N C Mfeketo - Deputy Speaker of the National Assembly

Ms T C Memela - Deputy Chairperson of the NCOP

	2012/13			2011/12	
	Basic salary R'000	Bonuses and related payments R'000	Post- employment benefits ⁸ R'000	Termination benefits R'000	Total R'000
	801	-	144	-	945
	1 598	30	139	-	1 767
	1 209	19	112	-	1 340
	1 151	29	88	-	1 268
	1 162	-	967	-	2 129
	962	29	48	-	1 039
	462	-	148	581	1 191
	1 004	14	-12	-	1 005

Senior Employees

Mr Z A Dingani - Secretary to Parliament¹

Mr M B Coetzee - (Deputy) Secretary to Parliament²

Mr T Lamani - Chief Operations Officer

Adv M Phindela - Secretary to the NCOP

Mr M Mansura - Acting Deputy Secretary to Parliament³

Mr M Xaso - (Acting) Secretary to the National Assembly⁴

Mr L Mondo - Chief Finance Officers⁵

Ms L Harper - Acting Chief Finance Officer⁶

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	2012/13			2011/12
	Bonuses and related payments R'000	Post-employment benefits ⁸ R'000	Termination benefits R'000	Total R'000
Basic salary R'000				R'000
<i>Divisional Managers</i>				
Ms N Keswa - Legislation & Oversight	29	170	-	1 321
Mr L Klassen - Institutional Support	29	100	-	1 268
Mr L Jacobs - Sporksperson	29	99	-	1 268
Mr K Somgqeza - International Relations & Protocol	29	111	-	1 187
Mr S Makhasi - Office of the Chairperson	29	2	-	1 331
Mr S Steenkamp - Internal Audit	29	2	-	1 259
Adv Z Adhikarie - Legal Services	27	109	-	1 180
Adv N Cetywayo - Institutions Supporting Democracy	27	2	-	1 124
Ms S Schalk - Legislative Support Programme	27	2	-	1 124
Ms S Paruk - Human Resources ⁷	-	6	-	930

¹Suspended from the 27 March 2012 and services terminated on the 11 September 2012

²Appointed Acting Secretary of Parliament from the 27 March 2012 and appointed to the position from 01 November 2012

³Appointed Acting Deputy Secretary from the May 2012 and resigned 28 February 2013.

⁴Appointed Acting Secretary to the National Assembly from 24 May 2012 and appointed to the position from 01 March 2013

⁵Suspended from 27 March 2012 and services terminated on the 24 August 2012

⁶Appointed Acting Chief Finance Officer from the 17 May 2012

⁷Resigned 31 December 2012

⁸Included in post-employment benefits are contributions to pension and UIF as well as payment of leave on terminations.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000
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.		
Related party transactions are consistent with normal supplier and client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Parliament to have adopted if dealing with individual entity or person in the same circumstances. Transactions with these entities occurs within terms and conditions within the normal operating parameters established by Parliament.		
36.1 Intergovernmental receivables	225	26
Departments	219	19
Department of Co-operative Governance & Traditional Affairs	101	12
Department of Higher Education & Training	30	-
Department of International Relations & Co-operation	13	-
Department of Minerals & Energy	1	2
Department of Police Services	-	5
National Treasury	73	-
Department of Rural Development & Land Reform	1	-
Other government entities	6	7
Office of the President	-	7
Office of the President: Cabinet Section	6	-
36.2 Intergovernmental payables	4 224	2 590
Departments	4 080	2 558
Department of Health	40	7
Department of Justice	2 654	1 269
Department of Public Works	1 386	1 280
Department of Public Service and Administration	-	2
Other government entities	144	32
Government Motor Transport	61	25
Government Printing Works	83	7

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	2012/13	2011/12
	R'000	Restated R'000

36.3 Services in kind

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

37 RISK MANAGEMENT

37.1 Credit risk

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

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

Trade receivables mainly comprise related parties, lowering counterparty risk.

	464 898	494 081
Financial assets exposed to credit risk at year end were as follows:		
First National Bank - current accounts	14,1	20
Nedbank - current accounts	14,1	493 192
Nedbank - investments accounts	14,2	-
Trade debtors	15	869

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 Parliament's liabilities are set out below as undiscounted cash flows:

Trade and other payables

Payable within 1 year	23	3 391	4 567
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Finance leases

Payable within 1 year	28	20	67
Payable within 2 - 5 years	28	15	-

Parliament of the Republic of South Africa**NOTES TO THE FINANCIAL STATEMENTS**

for the year ended 31 March 2013

		2012/13	2011/12
		R'000	Restated R'000
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	112 818	493 212
Call deposits at floating rates ¹	14.2	351 342	-

¹Call and fixed deposits invested at 4.8% and 5.25% respectively.

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 78 to 79.

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2013

39 PRIOR PERIOD ADJUSTMENTS

	Retained Income R'000	Cost R'000	Accumulated depreciation R'000
<p>The transitional provisions set out in Directive 8 expired on the 30 March 2013. During the 2012/2013 reporting period Parliament implemented GRAP 17 as required by the Financial Management of Parliament Act (Act no. 10 of 2009). The adoption of the standard retrospectively required that the opening balances of property, plant and equipments had to be restated.</p>			

Parliament also capitalised library books during the reporting period in terms of GRAP 17 and Treasury circular number 07 dated the 31 March 2011. This also required the reinstatement of opening balances.

Summary

Reinstatement of opening balances in respect of heritage assets

During the assets count Parliament found assets on the floor which could not be traced to the asset register. These heritage assets had to be reinstated as follows:

Cost: Heritage assets	6 828		
Retained income	-6 828		
<i>Net effect on surplus for the year 31 March 2012</i>	-6 828	-6 828	

Reinstatement of opening balances in respect of assets found on the floor

During the assets count Parliament found assets on the floor which could not be traced to the asset register. These assets had to be reinstated as follows:

Cost : Computer Equipments	519		
Cost : Equipment	266		
Cost : Furniture & Fittings	630		
Retained income	-1 414		
<i>Net effect on surplus for the year 31 March 2012</i>	-1 414	-1 414	

Parliament of the Republic of South Africa
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 March 2013

	Retained Income R'000	Cost R'000	Accumulated depreciation R'000
Revaluation of assets			
During the valuation of fixed assets certain assets were valued but could not be found on the asset register. The assets had to be reinstated as indicated below:			
Cost : Computer Equipments	504		
Cost : Equipment	238		
Cost : Furniture & Fittings	1 688		
Retained income	-2 431		
<i>Net effect on surplus for the year 31 March 2012</i>	-2 431	-2 431	
Reinstatement of assets with a Nil book value			
During the reporting period Parliament evaluated assets with a NIL book value and reinstated as indicated below:			
Cost : Computer Equipments	1 277		
Cost : Equipment	1 326		
Cost : Furniture & Fittings	7 770		
Cost : Transport Assets	-2 138		
Retained income	8 236		
	8 236	8 236	
Disposal of Assets			
Effect on cost			
Computer Equipments	273		
Equipment	-4 634		
Furniture & Fittings	-613		
Retained income	4 974	4 974	
Effect on Accumulated Depreciation			
Computer Equipments	91		
Equipment	-3 743		
Furniture & Fittings	-615		
Retained income	-4 267		-4 267
<i>Net effect on surplus for the year 31 March 2012</i>	-4 267		

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

	Retained Income R'000	Cost R'000	Accumulated depreciation R'000
<i>Reinstatement of opening balances in respect of library books</i>			
Cost : Library books	29 885	-29 885	
Retained income	-29 885		
Retained income	29 700		29 700
Accumulated depreciation: Library books	-29 700		
<i>Net effect on surplus for the year 31 March 2012</i>	-185		
<i>Price change for Revaluation of Assets</i>			
<i>Effect on Accumulated Depreciation</i>			
Accumulated Depreciation : Transport Assets	2 923		
Retained Income	-2 923		
<i>Net effect on surplus for the year 31 March 2012</i>	-2 923		-2 923
<i>Provision of Depreciation on Revalued Assets</i>			
Computer Equipment	426		
Equipment	265		
Furniture and Fittings	1 554		
Vehicles	157		
Retained Income	2 402		
<i>Net effect on surplus for the year 31 March 2012</i>	2 402		2 402
<i>Provision of Depreciation on Revalued Assets</i>			
Computer Equipment	168		
Equipment	48		
Furniture and Fittings	338		
Retained Income	553		
<i>Net effect on surplus for the year 31 March 2012</i>	553		553
<i>TOTAL EFFECT ON SURPLUS FOR THE YEAR ENDED</i>			
31 MARCH 2012	-18 354	-43 819	25 465

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

40 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.	
<i>Correction of disclosure for pre-paid expenses</i>	
An amount of R144,896.51 in respect of short-term advances was reported as employee advances instead of prepayments.	
Receivable from exchange transaction (Note 15)	-145
Prepaid expenses (Note 18)	145
<i>Net effect on surplus for the year 31 March 2012</i>	-
<i>Recognising of prior period revenue</i>	
An amount of R333,987.63 received during December 2012 as recovery for expenses incurred by Parliament in the prior period was recognised during the current period.	
Other receivables (Note 16)	334
Other revenue (Note 3)	-334
<i>Net effect on surplus for the year 31 March 2012</i>	334
Correction of reconciliation of the doubtful debt provision (Note 15)	
The reconciliation of the doubtful debt provision was not done correctly. The corrected reconciliation is as indicated below:	
Balance at beginning of the year	1 358
Contributions to provision	112
Reversal of provision	-19
Balance at end of year	1 451

Parliament of the Republic of South Africa

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 March 2013

Correction of employee benefits (Note 27)

R'000

The amount paid for employee benefits was disclosed as R44,001 instead of R36,538. This resulted in understatement of the post-retirement medical aid. The correct note should be:

Opening balance	1 069 570
Current service cost	43 884
Interest cost	64 621
Benefits paid	-36 538
Actuarial (gain) loss	-17 977
Closing balance	1 123 560
<i>Net effect on surplus for the year 31 March 2012</i>	<i>-7 463</i>

Correction of commitment disclosure: Note 33.1

The disclosure for commitments included capital commitments approved but not yet contracted, other commitments as well as how the contractual commitment will be financed. These are not in terms of GRAP 17 which only refers to contractual commitments for property, plant and equipment.

Correction of Note 37.1: Risk Management

The balance (R869,000.00) of trade receivable was not disclosed under note 37.1. The corrected note is as indicated below:

First National Bank - current accounts	20
Nedbank - current accounts	493 192
Nedbank - investments accounts	-
Trade debtors	869

TOTAL EFFECT ON SURPLUS FOR THE YEAR ENDED 31 MARCH 2012

-7 129

41 EVENTS AFTER REPORTING PERIOD

The irregular expenditure amounting to R1,482,000 disclosed under note 32.1 has been condoned on the 30 May 2013.

Appropriation Statement
for the year ended 31 March 2013

		2012/13						2011/12		
		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	419 974	(790)	-	419 184	421 995	(2 811)	100,7%	362 639	337 014
	Transfers and subsidies	-	-	-	-	-	-	-	-	-
	Payment for capital assets	3 034	790	-	3 824	3 819	5	99,9%	5 952	17 714
	Changes in retained revenue	(30 400)	-	-	(30 400)	-	-	-	-	-
2. Legislation and Oversight										
	Current payment	314 040	1 841	-	315 881	315 911	(30)	100,0%	297 799	297 799
	Transfers and subsidies	-	-	-	-	-	-	-	-	-
	Payment for capital assets	1 852	(1 841)	-	11	11	-	100,0%	691	1 133
	Changes in retained revenue	-	-	-	-	-	-	-	-490	-
3. Public and International Participation										
	Current payment	124 741	250	-	124 991	125 123	(132)	100,1%	113 520	110 871
	Transfers and subsidies	-	-	-	-	-	-	-	-	-
	Payment for capital assets	685	(250)	-	435	434	1	99,8%	564	674
	Changes in retained revenue	-	-	-	-	-	-	-	-5 184	-
4. Members' Facilities										
	Current payment	193 000	-	-	193 000	193 146	(146)	169,1%	198 500	207 972
	Transfers and subsidies	-	-	-	-	-	-	-	-	-
	Payment for capital assets	-	-	-	-	-	-	0,0%	1 300	1 300
	Changes in retained revenue	-	-	-	-	-	-	-	-	-
5. Associated Services										
	Current payment	311 379	-	-	311 379	311 378	1	100,0%	297 599	297 599
	Transfers and subsidies	-	-	-	-	-	-	-	-	-
	Payment for capital assets	-	-	-	-	-	-	-	-	-
	Subtotal	1 338 305	-	-	1 338 305	1 371 817	(3 112)	102,5%	1 272 890	1 272 076
	Statutory Appropriation									
	Current payments	430 122	-	-	430 122	389 022	41 100	90,4%	409 640	360 931
	Total	1 768 427	-	-	1 768 427	1 760 839	37 988	99,6%	1 682 530	1 633 007
Reconciliation with Statement of Financial Performance										
Add:	Departmental receipts				41 901				38 310	
	Local and foreign aid assistance				69 459				48 375	
					1 879 787				1 769 215	
Actual amounts per Statement of Financial Performance (Total Revenue)										
Add:	Local and foreign aid assistance					25 790				37 716
	Post-retirement medical aid contributions					133 262				53 990
Actual amounts per Statement of Financial Performance Expenditure						1 919 891				1 724 713

Appropriation Statement

for the year ended 31 March 2013

	Appropriation per Economic classification									
	2012/13					2011/12				
	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	602 319	(15 200)	-	587 119	720 248	(133 129)	122,7%	536 679	518 344	
Goods and services	449 436	16 512	-	465 948	469 199	(3 251)	100,7%	435 759	435 312	
Foreign governments & international organisations	-	-	-	-	-	-	0,0%	-	-	
Non-profit institutions	311 379	-	-	311 379	311 378	1	100,0%	297 599	297 599	
Changes in retained revenue	(30 400)	-	-	(30 400)	-	-	-	-	-	
Payment for capital assets										
Buildings & other fixed structures	-	-	-	-	4 254	5	99,9%	8 527	20 760	
Machinery & equipment	5 571	(1 312)	-	4 259	-	-	0,0%	(5 674)	61	
Software & other intangible assets	-	-	-	-	-	-	-	-	-	
Total	1 338 305	-	-	1 338 305	1 505 079	(136 374)	124,9%	1 272 890	1 272 076	

	Statutory Appropriation									
	2012/13					2011/12				
	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										
Member of executive committee/parliamentary officers	430 122	-	-	430 122	389 022	41 100	90,4%	409 640	360 931	
Total	430 122	-	-	430 122	389 022	41 100	90,4%	409 640	360 931	

Appropriation Statement

for the year ended 31 March 2013

Programme per subprogramme	2012/13						2011/12		
	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	37 674	-	-	37 674	37 657	17	100,0%	44 104	39 228
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Payment for capital assets	200	(120)	-	80	80	-	100,0%	724	324
1.2 Office of the Chairperson									
Current payment	21 118	-	-	21 118	21 118	-	100,0%	20 057	20 112
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	200	(136)	-	64	64	-	100,0%	343	124
1.3 Office of the Secretary									
Current payment	225 131	-	-	225 131	227 959	(2 828)	101,3%	167 639	150 951
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	1 034	55	-	1 089	1 089	-	100,0%	4 000	15 506
Changes in retained revenue	(30 400)	-	-	(30 400)	-	-	-	-	-
1.4 Corporate Services									
Current payment	53 225	(150)	-	53 075	53 075	-	100,0%	49 873	43 854
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Payment for capital assets	600	150	-	750	749	1	99,9%	528	1 403
1.5 Institutional Support									
Current payment	82 826	(640)	-	82 186	82 186	-	100,0%	80 966	82 869
Transfers and subsidies	-	-	-	-	-	-	0,0%	-	-
Payment for capital assets	1 000	841	-	1 841	1 837	4	99,8%	357	357
Total	392 608	-	-	392 608	425 814	(2 806)	108,5%	368 591	354 728

Appropriation Statement

for the year ended 31 March 2013

Economic classification	2012/13						2011/12		
	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	284 769	(10 500)		274 269	274 096	173	99,9%	254 293	224 790
Compensation of employees	135 205	9 710		144 915	147 898	(2 983)	102,1%	108 326	112 224
Goods and services	(30 400)			(30 400)					
Changes in retained revenue									
Payments for capital assets	3 034	790		3 824	3 820	4	99,9%	5 972	17 653
Machinery & equipment	-			-			0,0%	-	61
Software & other intangible assets									
Total	392 608	-	-	392 608	425 814	(2 806)	108,5%	368 591	354 728

Appropriation Statement

for the year ended 31 March 2013

Detail per programme 2 - Legislation and Oversight

Programme per subprogramme	2012/13						2011/12		
	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	23 570	400		23 970	23 890	80	99,7%	22 568	22 568
Transfers and subsidies				-	-	-	0,0%	-	-
Payment for capital assets	400	(400)		-	-	-	0,0%	132	268
2.2 National Council of Provinces									
Current payment	32 500	193		32 693	32 842	(149)	100,5%	28 823	28 823
Transfers and subsidies				-	-	-	0,0%	-	-
Payment for capital assets	204	(193)		11	11	-	100,0%	377	649
2.3 Legislation and Oversight									
Current payment	257 970	1 248		259 218	259 179	39	100,0%	246 408	246 408
Transfers and subsidies				-	-	-	0,0%	-	-
Payment for capital assets	1 248	(1 248)		-	-	-	0,0%	182	216
Changes in retained revenue				-	-	-		-490	
Total	315 892	-	-	315 892	315 922	(30)	100,0%	298 000	298 932

Economic classification	2012/13						2011/12		
	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	227 624			227 624	227 523	20	100,0%	207 630	207 630
Goods and services	86 416	1 852		88 268	88 399	(50)	100,1%	90 169	90 169
Capital									
Machinery & equipment	1 852	(1 852)		-	-	-	0,0%	691	1 133
Software & other intangible assets				-	-	-		-	-
Changes in retained revenue				-	-	-		-490	
Total	315 892	-	-	315 892	315 922	(30)	100,0%	298 000	298 932

Appropriation Statement

for the year ended 31 March 2013

Detail per programme 3 - Public and International Participation

Programme per subprogramme	2012/13						2011/12		
	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 Public Affairs									
Current payment	78 516	250		78 766	78 897	(131)	100,2%	70 889	68 112
Transfers and subsidies				-		-	0,0%	-	-
Payment for capital assets	300	(250)		50	50	-	100,0%	195	195
Changes in retained revenue									
3.2 International Relations									
Current payment	46 225			46 225	46 226	(1)	100,0%	42 631	42 759
Transfers and subsidies				-		-	0,0%	-	-
Payment for capital assets	385			385	384	1	99,7%	369	479
Total	125 426	-	-	125 426	125 557	(131)	100,1%	108 900	111 545

Economic classification	2012/13						2011/12		
	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	47 631			47 631	47 597	34	99,9%	36 306	36 438
Goods and services	77 110	250		77 360	77 526	(166)	100,2%	77 214	74 433
Interest and rent on land				-		-		-	-
Transfers & subsidies									
Foreign governments & international organisations				-		-	0,0%	-	-
Capital									
Buildings & other fixed structures									
Machinery & equipment	685	(250)		435	434	1	99,8%	564	674
Software & other intangible assets				-		-		-	-
Changes in retained revenue									
Total	125 426	-	-	125 426	125 557	(131)	100,1%	108 900	111 545

Appropriation Statement
for the year ended 31 March 2013

Detail per programme 4 - Members' Facilities

Programme per subprogramme	2012/13						2011/12		
	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	172 384			172 384	172 387	(3)	100,0%	184 138	184 138
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	-			-	-	-	0,0%	1 300	1 300
4.2 National Council of Provinces Members' Facilities									
Current payment	20 616			20 616	20 759	(143)	100,7%	14 362	23 834
Transfers and subsidies	-			-	-	-	0,0%	-	-
Payment for capital assets	-			-	-	-	0,0%	-	-
Total	193 000	-	-	193 000	193 146	(146)	100,1%	199 800	209 272

Economic classification	2012/13						2011/12		
	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	42 295	(4 700)		37 595	37 689	(94)	100,3%	38 450	49 486
Goods and services	150 705	4 700		155 405	155 457	(52)	100,0%	160 050	158 486
Capital									
Machinery & equipment	-			-	-	-	0,0%	1 300	1 300
Software & other intangible assets	-			-	-	-	0,0%	-	-
Total	193 000	-	-	193 000	193 146	(146)	100,1%	199 800	209 272

Appropriation Statement
for the year ended 31 March 2013

Detail per programme 5 - Associated Services									
Programme per subprogramme	2012/13					2011/12			
	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	74 326			74 326	74 326	-	100,0%	70 251	70 251
Payment for capital assets				-		-	0,0%	-	
5.2 Constituency Support									
Current payment				-		-	0,0%	-	
Transfers and subsidies	230 309			230 309	230 309	-	100,0%	220 838	220 838
Payment for capital assets				-		-	0,0%	-	
5.3 Party Leadership Support									
Current payment				-		-	0,0%	-	
Transfers and subsidies	6 744			6 744	6 743	1	100,0%	6 510	6 510
Payment for capital assets	-			-		-	0,0%	-	-
Total	311 379	-	-	311 379	311 378	1	100,0%	297 599	297 599

Economic classification	2012/13					2011/12			
	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	311 379		-	311 379	311 378	1	100,0%	297 599	297 599
Total	311 379	-	-	311 379	311 378	1	100,0%	297 599	297 599

Parliament of the Republic of South Africa - Vote 2

Notes to the Appropriation Statement

for the year ended 31 March 2013

- 1. Detail of transfers and subsidies as per Appropriation Act (after Virement):**
Detail of these transactions can be viewed in note 8 (Transfers and subsidies)
 - 2. Detail of specifically and exclusively appropriated amounts voted (after Virement):**
Detail of these transactions can be viewed in note 2 (Annual Appropriation) to the annual financial statements.
 - 3. Detail 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 R'000	Actual Expenditure R'000	Variance R'000	Variance as a % of Final Approp. %
Administration	423 008	425 814	(2 806)	-1%
Legislation and Oversight	315 892	315 922	(30)	0%
Public and International Participation	125 426	125 557	(131)	0%
Members' Facilities	193 000	193 146	(146)	0%
Associated Services	311 379	311 378	1	0%

4,2 Per economic classification: R'000

Current expenditure -3118

Transfers and subsidies

Non-profit institutions 1

Payments for capital assets

Machinery and equipment 5

Parliament used an amount of R30,400 from retained income for priority projects under Programme 1.





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OF THE REPUBLIC OF SOUTH AFRICA

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