



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

# ANNUAL REPORT | 2017/18







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ANNUAL REPORT 2017/18

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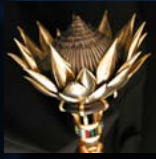
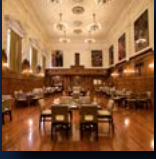
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*An activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.*

SUBMISSION OF  
THE ANNUAL REPORT  
TO THE EXECUTIVE AUTHORITY



**SUBMISSION OF THE ANNUAL REPORT  
TO THE EXECUTIVE AUTHORITY**



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

Ms B Mbete, Speaker of the National Assembly and  
Ms T R Modise, Chairperson of the National Council of Provinces,

I have the honour of submitting the Annual Report  
of the Parliament of the Republic of South Africa for the period of 2017/18.

**MS PN TYAWA**

Acting Secretary to Parliament

**27/08/2018**

Date of Submission

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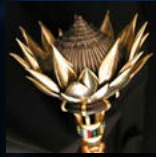
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<b>AU</b>	African Union
<b>APP</b>	Annual Performance Plan
<b>CPA</b>	Commonwealth Parliamentary Association
<b>EA</b>	Executive Authority
<b>FMPPLA</b>	Financial Management of Parliament & Provincial Legislatures Act, 2009
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communications Technology
<b>IPU</b>	Inter-Parliamentary Union
<b>ISD</b>	Institutions Supporting Democracy
<b>MP</b>	Member of Parliament
<b>MTSF</b>	Medium-Term Strategic Framework
<b>NA</b>	National Assembly
<b>NCOP</b>	National Council of Provinces
<b>NDP</b>	National Development Plan
<b>NEHAWU</b>	National Education, Health & Allied Workers' Union
<b>OLOGB</b>	Office of the Leader of Government Business
<b>PAIA</b>	Promotion of Access to Information Act
<b>PAP</b>	Pan-African Parliament
<b>PBO</b>	Parliamentary Budget Office
<b>SADC-PF</b>	Southern African Development Community Parliamentary Forum
<b>SALS</b>	South African Legislative Sector
<b>SALSA</b>	Secretaries' Association of the Legislatures of South Africa
<b>UN</b>	United Nations

# EXECUTIVE AUTHORITY STATEMENT



## EXECUTIVE AUTHORITY STATEMENT

The 2017/18 financial year was the pinnacle of the 5th parliamentary term. When we look back and cast a critical light on the performance of the first four years of the 5th democratic Parliament, it becomes clear that great strides have been made in furthering the gains of our democratic dispensation. But more importantly, concerted efforts were made pursuant to the implementation of the institution's strategic priorities encapsulated in the 2014 – 2019 strategic plan.

Public participation, accountability and effective oversight are essential not only to the operations of Parliament, but also for the country's democracy. It is this realisation that drove our resolve to strengthen oversight and accountability, enhance public involvement, deepen engagement in international fora, and strengthen cooperative governance as well as legislative capacity.

Mindful of the normative role of a legislative sector in a developmental state, the centrality of Parliament in harnessing the country's developmental efforts (as enunciated in the National Development Plan) and our obligation to carry the hopes and aspirations of millions of South Africans, it became imperative that much attention during the 2017/18 financial year be placed on realising our strategic priorities by delivering on our strategic outcome-oriented goals and tracking performance on the 19 performance indicators. As such, we are happy to report in this annual report that Parliament made remarkable progress and recorded improved performance on a number of its predetermined objectives and targets during the reporting period. In particular, the 57,89% performance recorded during the 2017/18 financial year shows a marked improvement on the overall performance of 48,78% recorded during the previous financial year (2016/17).

It was important at this half-way mark in this parliamentary term to reflect on our strategic direction, thus a strategic review was undertaken. This review formed the basis for a revised strategic plan which was tabled in the later part of 2017, and gave Parliament an opportunity to assess progress and course correct where necessary. Additionally, in an effort to further improve Parliament's own accountability, the Joint Standing Committee on the Financial Management of Parliament has consistently considered the quarterly, mid-year and annual reports of the institution, and given recommendations for performance improvement.

Parliament's activism and responsiveness were also on display in the oversight work of Committees and the law-making role of the two Houses. During the reporting period, a number of parliamentary Committees held enquiries to hold the executive and state institutions accountable, oversight visits were undertaken and public hearings and Taking Parliament to the People sessions were held to facilitate meaningful public participation. Moreover, a number of important pieces of legislation, such as Political Party Funding Bill, were passed.

Parliamentary diplomacy was deepened, as demonstrated by active participation in multi-lateral structures such as the IPU, SADC-PF and CPA, ASGP, SOCATT and PAP.

Critical actions and key outcomes aimed at putting the institution on a positive trajectory towards realisation of its constitutional mandate were identified and implemented throughout the 2017/18 financial year. Most notably, we acknowledge the work done in finalising the Legislative Sector Bill and in establishing the Sector Knowledge Institute, as well as the work aimed at the establishment of an umbrella human rights body, pursuant to the recommendations of the Asmal Report. In addition, there was progress in engagements on delinking the budgets of Institutions Supporting Democracy (ISDs) from departments. At the Speakers Forum we made progress on the migration of the Association of Public Accounts Committees (APAC) to the South African Legislative Sector (SALS).

Beyond the focus on the above positive developments and progress made thus far, and notwithstanding the realisation that our institution is on course to fulfil its mandate and meet most of its targets, we are mindful of the challenges and arduous tasks ahead. One such task is following up on the recommendations of the High Level Panel Report, which was tabled to the Speakers' Forum. This Report was one of the key highlights during the reporting period and as the 5th parliamentary term is nearing an end, the task of implementing its recommendations will receive our attention. Additionally, of utmost importance for us as the 5th term draws to a close is to closely monitor compliance with the Protocol Document agreed upon by the South African Legislative Sector and the national and provincial treasuries. This document deals, amongst others, with the processes around budget allocation to the Legislative Sector.

In the most recent past, the global economic outlook remained lacklustre, with uneven growth and performance. The protracted slowdown across large emerging markets had substantial spill overs to developing economies and the South African economy was also affected and, cumulatively, public institutions like Parliament and provincial legislatures also felt the pinch. Due to pressures in the national fiscus, the legislative sector was also compelled to tighten the belt and introduce a number of cost-containment measures.

But now, things are changing for the better and, as the International Monetary Fund (IMF) and the African Development Bank pointed out, the global economic outlook looks promising - with better prospects for countries like ours. In its 2018 budget review, the National Treasury also pointed out that the "economic growth outlook has improved in recent months, following a year marked by recession and policy uncertainty". Moreover, notwithstanding uncertainties and susceptibility to external shocks in global financial markets, the country's economy in the short to medium term, supported by a stable macroeconomic environment, looks promising and able to attract much-needed foreign savings that can fund additional investment.

This stable macroeconomic climate will enable us to play a more meaningful role in strengthening our constitutional democracy. Political and economic stability will also go a long way in enabling the sector to give impetus to the country's and the continent's developmental agenda.

However, without adequate resources, Parliament and provincial legislatures are unable to ensure that their law-making, oversight and accountability responsibilities extend to their international work and advancement of parliamentary diplomacy. Without enough resources and with a glaring disjuncture between responsibility and capacity, the country is deprived of an opportunity to have a transformative legislative sector that contributes to the advancement of the national interest and the attainment of both national and global policy goals. More so, without enough resources, Parliament and legislatures are unable to shoulder global responsibility, carry people's hopes and aspirations and contribute to the realisation of national developmental efforts.

Parliament and provincial legislatures now face more pressures from the public; they are expected to be more accountable and responsive to people's needs. Citizens expect the legislatures to ensure that delivery of services meets their needs. But Parliament and provincial legislatures cannot be expected to do more with less.

Notwithstanding global, continental and local challenges, uncertainties and complexities, we affirm our responsibility to ensure a truly responsive and accountable government.

As we ready ourselves for the new parliamentary term, we remain committed in building confidence in millions of South Africans that the legislative sector is made up of true tribunes of the people that are responsive to people's needs and that work tirelessly to improve the quality of life of South Africans and to ensure enduring equality in our society.



**MS B MBETE**

Speaker: National Assembly

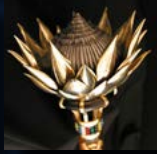
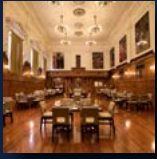


**MS T R MODISE**

Chairperson: National Council of Provinces



# ACCOUNTING OFFICER STATEMENT



## ACCOUNTING OFFICER STATEMENT

The 2017-18 financial year was the last lap before arrival at the destination of our journey - the end of the current parliamentary term. At the beginning of the 5th Parliament, the institution developed a strategic plan with a five-year time horizon (2014-2019) to guide its activities. The 2014-2019 Strategic plan identified the following strategic priorities:

- Strengthening law-making processes;
- Strengthening oversight and accountability over the Executive;
- Enhancing public involvement and participation;
- Deepening international engagements;
- Strengthening co-operative governance; and
- Building an effective and efficient organisation.

This annual report reflects on the road travelled thus far in realising the institution's strategic priorities - with a particular focus on challenges, achievements and future prospects. We must hasten to say that the rich vein of evidence the quarterly reports unearthed shows that, implementation of our strategy during the reporting period (April 2017- April 2018) was affected by several dynamics that had an adverse impact on performance. These included the fiscal austerity measures as directed by National Treasury, an increase in demand for core support to the two Houses, and an adjustment period for strategic realignment at the operational level. What compounded the situation was that, Parliament did not have sufficient resources for the 2017/18 financial year due to the shortfall in the budget that amounted to R 1,084,173, 000 billion.

The new strategic direction and approach characterised by a move from an activity-based to an outcomes-based approach and from a transactional to a transformative approach also presented the Institution with some challenges, since systems and processes had to be reconfigured to be in sync with the transition. In addition, fragile labour peace in the institution also presented a number of challenges, more especially insofar as performance in certain areas is concerned, during the first quarter of the year under review.

However, I'm happy to report that, despite these challenges, Parliament made progress in building on gains already made and in reviewing existing work (there was a strategy review during the reporting period which resulted, amongst other things, in changes in the number of indicators and targets). Throughout the 2017/18 financial year, the institution continued to adjust to the adoption of the results-based and outcomes-oriented approach, with progress being made in the implementation of measures to reduce inefficiencies.

In addition, work has begun on the development of a resource generation and allocation framework, and a methodology to determine value for money. In addition, Parliament continues to make progress to align planning, budgeting, implementation and reporting in accordance with the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA, Act 10 of 2009). Significant advances have been made since the establishment of the Parliamentary Budget Office, and in the provision of independent economic and fiscal advice to Parliamentary Committees to ensure informed recommendations in exercising oversight over public finances. In terms of performance information, under the reporting period, overall performance shows that out of 19 predetermined targets, 11 were met and 8 were not met. This shows a marked improvement on overall performance from 46,88% during the 2015/16 financial year to 57,89% during the 2017/18 financial year.

The areas we identified for immediate intervention include: tabling of governance documents in line with the FMPPLA and compliance with governance schedule. Undoubtedly, compliance with prescripts and regulations of the FMPPLA remains the institution's Achillesheel and we are making concerted efforts to turn the tide against underperformance in this area.

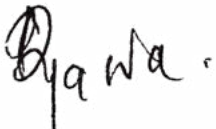
On a positive note, year-on-year performance of the Parliamentary Budget Office shows that the Office has been consistently performing beyond the expected rate. For instance, out of an annual target of 22 analytical reports per year, the office completed 45 such reports, with a variance of 23. In part, this can be attributed to the increased demand for evidence-based budget advice. Capacity-building was also one of the areas where a semblance of improvement was noticeable. In the capacity-building area, eight (8) programmes were implemented during this financial year with the aim of enhancing the capacity of members of Parliament and Provincial Legislatures to fulfil their constitutional responsibilities. These programmes were implemented in partnership with various institutions of higher learning such as the University of Johannesburg (UJ), the Nelson Mandela Metropolitan University (NMMU), the University of London and others. What is important to note in this regard is that the completion rate stood at 40% at the end of the financial year, as against a planned target of 15%.

In terms of core business, while the timeliness indicator remained below the pre-determined target for the 2017/18 financial year, there were significant improvements in overall performance throughout the reporting year. Of noting in the core business during the reporting period is the fact that overall performance on the service charter indicator has improved over the last three (3) years. However, it should be noted that calculations for 2015/16 and 2016/17 did not include the thirteenth sub-indicator on the Office of the Leader of Government Business, and in 2015/16, the indicator on reports was calculated based on 10 days and not 8 days for submission. These statistical anomalies may account for the marginal and declining trends for this indicator.

However, Parliament has begun to turn the tide in this regard too, with an increase in 2016-17 to 49% of the targets achieved. This performance level remains unacceptable; however, we have confidence that this new positive trajectory will be sustained as the change and realignment drive gains momentum.

As such, this brings into sharp focus the need to be proactive in our thinking and continue to imbue our systems and processes with efficiency. As we are readying ourselves for the new parliamentary term, we remain committed to implementing efficiency measures, ensuring more effective processes and practices, and building good relations with labour for improved implementation of the organisational goals. But more importantly, we remain mindful not only of the need to improve our performance, but also of improving our role of supporting and empowering Members of Parliament to discharge their oversight role efficiently and effectively to ensure that the Executive is on the right course in implementing the country's national policy blueprint - the National Development Plan (NDP).

As the Administration, we have also identified a number of areas in which we need to redouble our efforts to effectively turn the tide against underperformance in certain areas of parliamentary business and accelerate change over the remaining period of the term, including sharpening our monitoring and evaluation methods and periodic assessments of how citizens experience Parliament through all means of interface with its work.



**MS P TYAWA**

Acting Secretary to Parliament

# GENERAL INFORMATION



## GENERAL INFORMATION

### Vision, Mission & Values

**Vision:**

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

**Mission:**

Parliament aims to be of service to the people of South Africa by providing:

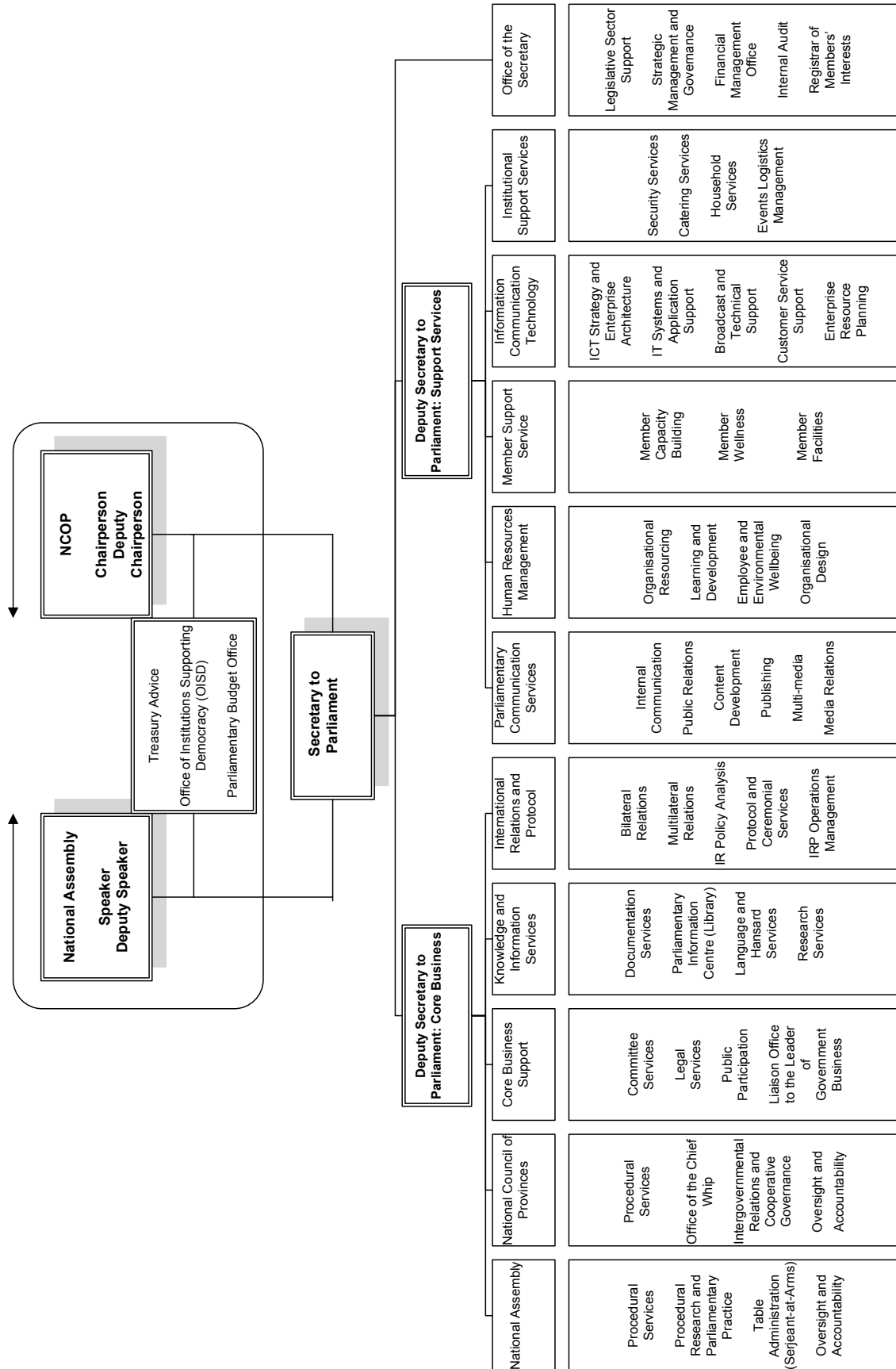
- A vibrant people's assembly that intervenes and transforms society and addresses the development challenges of our people;
- Effective oversight over the Executive by strengthening its scrutiny of actions against the needs of South Africans;
- An opportunity for South Africans to participate in the decision-making processes that affect their lives;
- A healthy relationship between the three arms of the State, that promotes efficient co-operative governance between the spheres of government, and ensures appropriate links with our region and the world; and
- An innovative, transformative, effective and efficient parliamentary service and administration that enables Members of Parliament (MPs) to fulfil their constitutional responsibilities.

**Values:**

Parliament's values are as follows:

- Openness
- Responsiveness
- Accountability
- Teamwork
- Professionalism
- Integrity

# ORGANISATIONAL STRUCTURE





## LEGISLATIVE AND OTHER MANDATES

Parliament is responsible for administering the following legislation:

**Table 1: Legislative Mandate of Parliament**

No.	LEGISLATION/ MANDATE	PURPOSE
1	Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996)	Chapter 4 of the Constitution stipulates how Parliament must conduct its work – its composition, functions and powers.
2	Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)	To regulate the financial management of Parliament in a manner consistent with its status in terms of the Constitution; to ensure that all revenue, expenditure, assets and liabilities of Parliament are managed efficiently.
3	Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009)	To provide for a procedure to amend money Bills before Parliament and for norms and standards for amending money Bills before provincial legislatures and related matters.
4	Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004 (Act No. 4 of 2004)	To define and declare certain powers, privileges and immunities of Parliament, provincial legislatures, members of the National Assembly, delegates to the National Council of Provinces and members of provincial legislatures; and to provide for incidental matters.

## OFFICES REPORTING TO THE EXECUTIVE AUTHORITY

The following offices report to the Executive Authority (EA) of Parliament:

**Table 2: Offices reporting to the Executive Authority**

NAME OF ENTITY	LEGISLATION	NATURE OF BUSINESS
Parliamentary Budget Office (PBO)	Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009)	To provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills. To support the implementation of the Money Bills Act by undertaking research and analysis for the committees referred to in section 4.
Office of the Institutions Supporting Democracy (OISD)	National Assembly (NA) Resolution 21 of November 2008	To facilitate and co-ordinate all engagements between Parliament and the institutions supporting democracy (ISD) in order to ensure meaningful engagement and support.

## **HIGHLIGHTS OF PARLIAMENT'S PERFORMANCE DURING THE 2017/18 FINANCIAL YEAR**

The Policy Priorities and Strategic Plan for the Fifth Parliament, 2014-2019, were tabled on 27 February 2015, with annual performance plans subsequently presented to the Executive Authority for 2015/16 to 2017/18.

The 5th Parliament set out to achieve the following strategic priorities:

- Strengthen oversight and accountability,
- Enhance public involvement,
- Deepen international engagement,
- Strengthen co-operative government, and
- Assess the impact of laws passed and strengthen legislative capacity.

The Policy Priorities also set out specific objectives to be accomplished as part of each priority. According to performance information, the 5th Parliament is set to achieve most of its intended objectives related to the priorities of strengthening oversight and accountability, and assessing the impact of passed laws. Good progress was also shown in the priorities of enhancing public involvement, deepening international engagement and strengthening co-operative government. The following pages set out the main achievements and highlights recorded during the 2017/18 financial year. Whilst these achievements are acknowledged, the financial year of 2018/19 will still yield more progress and results. The final assessment on achievements will be recorded in the 5th Parliament legacy report.

## STRENGTHENING OVERSIGHT AND ACCOUNTABILITY

With regard to strengthening oversight and accountability, the 5th Parliament directed the emphasis of oversight to the budget process, using the National Development Plan (NDP) and Medium-Term Strategic Framework (MTSF) as basis to scrutinise and oversee government action. Oversight activities are now anchored in the Money Bills amendment process, with committees using indicator information to oversee performance, including analysis of the respective strategies of departments to establish alignment with the NDP and MTSF outcomes. In this regard the 5th Parliament was the first democratic Parliament to exercise its powers of amending Money Bills when it amended the Adjustments Appropriation Bill in November 2017.

As a result of this shift in emphasis towards oversight work, the programme of Parliament was changed to allow more time for committee and constituency work. Further changes to the programme are in progress to ensure coherence and reduce overlaps for maximum impact on the work of both houses. Parliament and its committees also collaborated and utilised information provided by the AG and Stats SA, with an in principle agreement reached to use datasets as well as any scientifically based research provided by Stats SA. The services and capacity of the Parliamentary Budget Office (PBO) were expanded through new analytical reports and services, and offered to more committees. The adoption of proposed amendments to the principal Act will strengthen the independence and capacity of the PBO.

In particular, the 2017/18 financial year presented an opportunity for the two Houses of Parliament and their committees to oversee the implementation of laws, plans and programmes by the Executive. House debates focused on a range of matters of national importance, including government priorities based on the State of the Nation Address (SONA), departmental budget allocations, as well as key legislation.

As extensions of the Houses, Parliamentary Committees continued to be the engine rooms of the institution and as outlined in the oversight cycle conducted activities including the interrogation of budgets, quarterly and annual evaluation of departmental performance, oversight through legislation, and oversight visits to various sites in provinces. The core of the legislature's mandate is the ability of Parliament to hold the Executive accountable, and as Parliament has grappled with the full extent of its oversight role, the 2017/18 financial year has presented several opportunities for the institution to demonstrate its commitment to its Constitutional obligation.

In its efforts to bring to life its vision of being "an activist and responsive people's Parliament", Parliament instituted a number of inquiries where more in-depth scrutiny was required. These included inquiries into the South African Broadcasting Corporation (SABC), Eskom, the Department of Social Development, and the matter of political party funding. The inquiries became key features for the 5th Parliament, ensuring improved scrutiny of executive action and accountability.

2017 will also be remembered as the first year in which Parliament exercised its Constitutional powers to amend a money Bill. The Adjustments Appropriation Bill of 2017 [B25B – 2017] was the first instance in which a money Bill was amended using the procedure set out in the Money Bills

Amendment Procedure and Related Matters Act, Act 9 of 2009. In this regard, the Act prescribes that committees must annually assess government spending and performance and submit Budgetary Review and Recommendation Reports (BRRR) to the House. These reports can contain proposals on the forward use of resources. Parliament is also required to engage with the Government's Medium-Term Budget Statement (MTBPS) in carrying out its oversight.

The Joint Standing Committee on the Financial Management of Parliament was established to oversee the financial management of Parliament in terms of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA), Act 10 of 2009 as amended. In keeping with its values of openness and accountability, the National Legislature has remained committed to holding itself to the Constitutional standards of openness, transparency and accountability.

On Wednesday, 14 February 2018 the President of the Republic, Mr J G Zuma, resigned with immediate effect. The Chief Justice subsequently called a meeting of the National Assembly for 15 February 2018 for the purpose of electing a President. The Chief Justice determined the rules for the election of the President as contemplated in item 9 of Part A of Schedule 3 to the Constitution. These rules dealt with procedures for the meeting, duties of the presiding officer and those assisting the presiding officer, nomination of candidates, procedures for voting and announcing the results of the election. On 15 February 2018, the National Assembly was convened and proceeded to elect the President, with the Chief Justice presiding. Mr M C Ramaphosa was nominated and, in the absence of further nominations, elected President of the Republic. Questions to the Executive remain a key element of strengthening oversight and accountability. During 2017 a total of 5 719 questions were put to the Executive in the National Assembly, of which 5 264 were written and 455 were oral questions. In the National Council of Provinces 542 questions were put to the Executive, of which 315 were written and 227 oral questions.

## Change in Memberships During 2017/18

The following changes in membership in each of the Houses were recorded for 2017/18:

### National Assembly

**Table 4: Vacancies in National Assembly owing to resignation (as at 31<sup>st</sup> March 2018)**

NAME	DATE	REPLACED BY	DATE
<b>Ms A D N Qikani</b>	5 December 2016	<b>Mr T S Mpanza</b>	24 April 2017
<b>Dr H C Volmink</b>	14 March 2017	<b>Mr G K Y Cachalia</b>	18 April 2017
<b>Ms E D Peters</b>	31 March 2017	<b>Mr J J Dube</b>	12 April 2017
<b>Mr M H Jonas</b>	31 March 2017	<b>Mr T M Nkonzo</b>	12 April 2017
<b>Ms T M Joemat-Pettersson</b>	31 March 2017	<b>Ms R C Adams</b>	12 April 2017
<b>Mr N A Ramatlhodi</b>	31 March 2017	<b>Mr S H Mbuyane</b>	18 April 2017
<b>Ms T R Mabudafhasi</b>	1 May 2017	<b>Ms L C Theko</b>	1 May 2017
<b>Mr B Molefe</b>	14 May 2017	<b>Mr M J Wolmarans</b>	7 September 2017
<b>Mr T M Manyoni</b>	15 May 2017	<b>Mr N V Xaba</b>	26 February 2018
<b>Dr W G James</b>	12 June 2017	<b>Mr R T Hugo</b>	4 September 2017
<b>Mr M H Redelinghuys</b>	1 July 2017	<b>Mr D R Ryder</b>	1 July 2017
<b>Mr P P Mabe</b>	31 August 2017	<b>Dr N C Dlamini-Zuma</b>	7 September 2017
<b>Mr E K Siwela</b>	20 September 2017	<b>Mr G J Skosana</b>	25 October 2017
<b>Ms L E Yengeni</b>	2 October 2017	<b>[Vacant]</b>	
<b>Mr S P Mabilo</b>	17 October 2017	<b>Mr A Botes</b>	21 February 2018
<b>Mr L S Tlhaole</b>	31 October 2017	<b>Mr M Tshwaku</b>	1 November 2017
<b>Dr P W A Mulder</b>	1 December 2017	<b>Mr W W Wessels</b>	1 December 2017
<b>Mr M S Mbatha</b>	1 January 2018	<b>Ms N Nolutshungu</b>	5 January 2018
<b>Ms M O Mokause</b>	1 January 2018	<b>Ms N K F Hlonyana</b>	1 January 2018
<b>Mr G Mackay</b>	31 January 2018	<b>Ms G S A Ngwenya</b>	20 February 2018
<b>Ms N G Tolashe</b>	25 February 2018	<b>[Vacant]</b>	
<b>Ms D P Manana</b>	26 February 2018	<b>Ms M R Mhaule</b>	26 February 2018
<b>Mr J J Skosana</b>	26 February 2018	<b>Mr D D Mabuza</b>	26 February 2018
<b>Mr F A Mbalula</b>	26 February 2018	<b>[Vacant]</b>	
<b>Ms L Brown</b>	27 February 2018	<b>[Vacant]</b>	
<b>Mr B R Topham</b>	19 March 2018	<b>[Vacant]</b>	

Mr M C Ramaphosa (ANC – National) was elected as President of the Republic on 15 February 2018, and ceased to be a member of the NA in terms of section 87 of the Constitution.

**Table 5: Vacancies in National Assembly owing to retirement**

NAME	DATE	REPLACED BY	DATE
<b>Mr M A Mncwango</b>	15 June 2017	<b>Mr X Ngwezi</b>	15 June 2017
<b>Prof C T Msimang</b>	1 November 2017	<b>Inkosi E M Buthelezi</b>	1 November 2017

**Table 6: Vacancies in National Assembly owing to loss of membership in terms of section 47(3)(c) of the Constitution**

NAME	DATE	REPLACED BY	DATE
<b>Ms J F Terblanche</b>	7 September 2017	<b>Mrs C Visser</b>	1 December 2017
<b>Dr M B Khoza</b>	21 September 2017	<b>Mr N T Nhleko</b>	26 February 2018

**Table 7: Vacancies in National Assembly owing to death**

NAME	DATE	REPLACED BY	DATE
<b>Mr T J Bonhomme</b>	29 July 2017	<b>Mr Z L Mkhize</b>	26 February 2018
<b>Mr T Z M Khoza</b>	2 August 2017	<b>Ms A T Mfulo</b>	1 September 2017
<b>Ms T E Baker</b>	6 October 2017	<b>Ms A T Khanyile</b>	1 December 2017
<b>Ms B T Ngcobo</b>	18 February 2018	<b>Ms P N Nkonyeni</b>	26 February 2018
<b>Ms F S Loliwe</b>	5 March 2018	<b>[Vacant]</b>	

## National Council of Provinces

**Table 8: Vacancies in National Council of Provinces owing to resignation**

NAME	DATE	REPLACED BY	DATE
<b>Kgoshi Setlamorago Thobejane</b>	30 January 2017	<b>Mr Dewet Motalane Monakedi</b>	09 March 2017
<b>Ms Galerekwe Mase Manopole</b>	10 October 2017	<b>Ms Goganamang Gladys Oliphant</b>	10 October 2017

## Statutory appointments

The following statutory appointments were processed:

**a) Appointment of members of the Media Development and Diversity Agency (MDDA).**

The National Assembly recommended the following persons for appointment to the MDDA Board in terms of section 4(1)(b) of the MDDA Act, 2002 (Act 14 of 2002).

Mr Ronald Lamola  
 Ms Martina Della-Togna  
 Ms Nombeko Mbava

- b) Approval of remuneration of Constitutional Court Judges and Judges.** The National Assembly approved the Draft Notice and Schedule determining the Rate, with effect from 1 April 2016, at which salaries, allowances and benefits are payable to Constitutional Court Judges and Judges annually, in terms of section 2(4) of the Judges Remuneration and Conditions of Employment Act, 2001 (Act 47 of 2001).
- c) Filling of vacancies in Commission for Gender Equality (CGE).** The National Assembly recommended the following persons to serve as members of the CGE in terms of sec 193(4) of the Constitution, 1996.
- Ms Tamara Euginia Mathebula
  - Ms Nthabiseng Moleko
  - Mr Sediko Daniel Rakolote
  - Ms Nthabiseng Sepanya Mogale
  - Ms Sethembiso Promise Mthembu
  - Dr Praveena Sukhraj-Ely
- d) Approval of salaries and allowances or benefits of magistrates.** The National Assembly approved the Draft notice and Schedule determining the rate at which salaries and allowances or benefits are payable to magistrates annually, with effect from 1 April 2017, in terms of section 12(1)(a)(i) of the Magistrates Act, 1993 (No 90 of 1993) as amended by section 3 of the Judicial Officers (Amendment of Conditions of Service) Act, 2003 (Act No. 28 of 2003).
- e) Appointment of members of ICASA.** The National Assembly recommended the following candidates to fill three vacancies on the Council of Independent Communications Authority of South Africa (ICASA) in terms of the Independent Communications Authority of South Africa Act, 2000 (Act No 13 of 2000).
- Ms Nomonde Gongxeka – Seopa
  - Mr Rubben Mohlaloga
  - Ms Kate Skinner
  - Ms Themeka Semane
  - Ms Lulama Mokhobo
- f) Designation of member to the Magistrates Commission.** The National Assembly agreed to a motion designating Inkosi E M Buthelezi to replace Prof C T Msimang on the Magistrates Commission in terms of section 1(a)(x) of the Magistrates Act, 1993 (Act 90 of 1993).
- g) Election of Members of the Pan African Parliament (PAP).** The National Assembly elected the following members to serve in the PAP in terms of Article 4 of the Protocol to the Constitutive Act of the African Union, relating to the Pan-African Parliament:
- Ms T Modise (ANC)
  - Inkosi Z M D Mandela (ANC)
  - Ms A T Didiza (ANC)
  - Mr J S Malema (EFF)



## LEGISLATION AND BUILDING LEGISLATIVE CAPACITY

In 2017 a total of 18 bills were passed by the National Assembly and the National Council of Provinces and of these 18 were assented to by the President, as follows:

- Financial Intelligence Centre Amendment Bill [B 33D-2015 (s75)] (assented to 26 April 2017; GG 40821)
- Justice Administered Fund Bill [B 26-2015 (s75)] (assented to 4 April 2017; GG 40773)
- Division of Revenue Bill [B 4-2017 (s76)] (assented to 26 May 2017; GG 40871)
- Criminal Procedure Amendment Bill [B 2B-2017 (s75)] (assented to 27 June 2017; GG 40946)
- Protected Disclosures Amendment Bill [B 40D-2015 (s75)] (assented to 31 July 2017; GG 41016)
- Appropriation Bill [B 5-2017 (s77)] (assented to 4 July 2017; GG 40971)
- Courts of Law Amendment Bill [B 8B-2016 (s75)] (assented to 31 July 2017; GG 41017)
- Judicial Matters Amendment Bill [B 14B-2016 (s75)] (assented to 31 July 2017; GG 41018)
- Financial Sector Regulation Bill [B 34D-2015 (s75)] (assented to 21 August 2017; GG 41060)
- Division of Revenue Amendment Bill [B 24-2017 (s76)] (assented to 12 December 2017; GG 41324)
- Refugees Amendment Bill [B 12D-2016 (s75)] (assented to 14 December 2017; GG 41343)
- Adjustments Appropriation Bill [B 25B-2017 (s77)] (assented to 12 December 2017; GG 41323)
- Tax Administration Laws Amendment Bill [B 28-2017 (s75)] (assented to 14 December 2017; GG 41341)
- Rates and Monetary Amounts and Amendment of Revenue Laws Bill [B 26-2017 (s77)] (assented to 12 December 2017; GG 41323)
- International Arbitration Bill [B 10B-2017 (s75)] (assented to 19 December 2017; GG 41347)
- Legal Practice Amendment Bill [B 11B-2017 (s75)] (assented to 17 January 2018; GG 41389)
- Taxation Laws Amendment Bill [B 27-2017 (s77)] (assented to 14 December 2017; GG 41342)
- Insurance Bill [B 1B-2016 (s75)] (assented to 17 January 2018; GG 41388)

The Adjustments Appropriation Bill [B25B – 2017] was amended using the procedure set out in the Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009. With regard to assessing the impact of laws passed, the Speakers' Forum appointed a High Level Panel (HLP) to assess the impact of laws, and to make recommendations in this regard. The panel delivered its report at the end of 2017, and Parliament will now put processes in place to consider the report.

**Figure 1: High Level Panel Assessment on the impact of Laws - Progress**



Lastly, the capacity of Parliament to initiate legislation was enhanced through the Private Members' Bills process and the services of the Legal Drafting Unit.

## ENHANCING PUBLIC INVOLVEMENT

With regard to enhancing public involvement, Parliament adopted the Public Participation Model, which will be integrated into the Oversight & Accountability programme. Parliament implemented its annual programmes including Taking Parliament to The People, and other public education and participation programmes. Platforms such as radio and web services (YouTube, Facebook, Twitter) are used to provide information and profile the work of Parliament, and saw a significant uptake during the 5th term. The MyParliament mobile application is being implemented to transition Members to use digital and mobile platforms for their work in Parliament. More time was made available for Members to focus on constituency work. Finally, survey results show an increase in the public's awareness of Parliament and ability to access participation processes.

The public participation model implores Parliament not only to seek public feedback in conducting its business, but to remain responsive to it. This means that it is not enough to inform the public of its work; citizens must be active participants in parliamentary processes. Programmes such as Taking Parliament to the People, sectoral parliaments, and the public education programme all form part of the multiple ways in which Parliament embodies the spirit of a people's Parliament.

In the previous term, one of the biggest criticisms of Parliament's public participation process was that it lacked a feedback mechanism and that previously identified challenges were rarely revisited. A noteworthy change in how Taking Parliament to the People (TPTTP) is conducted in the current term, is Parliament's focus on following up on its commitments. Therefore, when Members of National Council of Provinces visited the Alfred Nzo District Municipality in March 2018, it was a follow-up to a previous visit in 2016. While there is still much to improve, this is a step in the right direction.

In addition to engagements with individual citizens through various platforms, Parliament also provides a platform for organised civic organisations to present their views. From the business sector to non-governmental organisations (NGOs) working with vulnerable women, youth, children, and the elderly. The role of NGOs in a developmental state is complementary to a participatory legislature, given that these organisations are usually based at the grassroots, are composed of community members themselves, and can present a strong voice for the marginalised in society.

In the year under review, an additional two issues of Masithethe was produced bringing the annual total to 12 publications. The internal publication is not only used to convey information about the programme of Parliament, but is also a vehicle for staff to voice their opinion, create understanding of issues pertinent to staff and for feedback from Management. Six editions of InSession was published in print and on-line this year, while one edition was published on-line only. 35,000 publications were printed for each edition. Three editions of a Speaker's Forum Newsletter called Somlomo was produced and distributed at the Speaker's Forum and the Provincial Legislatures. The website had 690,346 users for the year. On social media Parliament's Twitter account had 446,367 followers, YouTube a total of 943,746 views, and Facebook 55,749 likes by the end of the year. A total of 1,926 programmes were broadcast on Parliament TV. As part of the internal communication strategy to create awareness and inform internal audiences about the programme of Parliament, some 806 messages were posted on the Info Alert platform, 240 slide sets with 5,566 slides were posted on the MATV platform, and the Faranani user activity registered 1,295,781 page views with 16,269 unique visitors. A total of 10,824 tickets were issued to visitors attending Sittings in Parliament during the year.

**Infographic 1: Public Participation in Numbers**

**Public Participation Model**

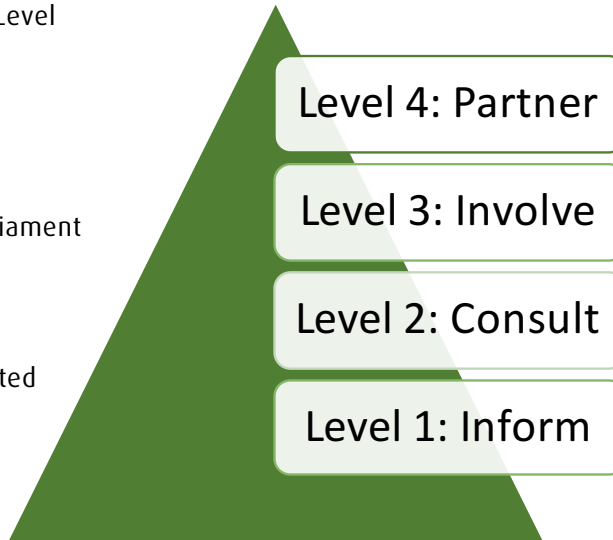
**1** Joint Committee to process High Level Panel Recommendations

**74** Public Hearings

**19 684** Participants of Taking Parliament to the People

**16 153** Tour Visitors

**434 680** Public Materials Distributed



**Social Media**



## STRENGTHENING CO-OPERATIVE GOVERNMENT

In terms of the Constitution Parliament plays an important role in ensuring effective co-operation and relations of government. This role is prescribed through requirements outside of Chapter 4 of the Constitution. Amongst others, Parliament effects this role by performing the following functions:

- Section 100: approve national interventions in provincial administration,
- Section 139: approve provincial interventions in local government,
- Section 178: serve on the Judicial Service Commission (6 members from the NA and 4 permanent delegates from the NCOP)
- Section 181(3): assist and protect institutions supporting democracy (ISDs),
- Section 196 (7): approve commissioners for the Public Service Commission,
- Section 234: adopt Charters of Rights to deepen the culture of democracy, and
- The recommendation or approval of various statutory appointments.

### Approval of interventions in local government

During 2017 the National Council of Provinces continued to exercise its mandate of overseeing co-operative government and inter-governmental relations through its various programmes and strategic engagements with Provincial Legislatures, SALGA and stakeholders. It also considered Section 100 and 139 interventions for approval.

**Table 3: Section 139 interventions**

No	Name of Municipality	Province	Intervention began on	Expires on	Date Approved / Not-approved by the NCOP
1	Emadlangeni Local Municipality	KwaZulu-Natal	18-Jan-17	17-Aug-17	27-Jun-17
2	Nquthu Local Municipality	KwaZulu-Natal	1-Mar-17	N/A	23-Feb-17
3	Mafube Local Municipality	Free State	13-Mar-17	10-Sep-17	25-Aug-17
4	Masilonyana Local Municipality	Free State	17-Mar-17	14-Sep-17	25-Aug-17
5	Metsimaholo Local Municipality	Free State	1-Jul-17	28-Dec-17	25-Aug-17
6	Inkosi Langalibalele Local Municipality	KwaZulu-Natal	8-Dec-17	6-Jun-18	5-Jun-18
7	Mpofana Local Municipality	KwaZulu-Natal	8-Dec-17	6-Jun-18	5-Jun-18
8	Walter Sisulu Local Municipality	Eastern Cape	7-Feb-18	6-Aug-18	28-Jun-18
9	Maluti-A-Phofung Local Municipality	Free State	10-Feb-18	9-Aug-18	28-Jun-18
10	Dr Nkosazana Zuma Local Municipality	KwaZulu-Natal	28-Mar-18	24-Sep-18	Not yet

### Strengthening the legislative sector

With regard to strengthening co-operative government in the legislative sector, Parliament also ensured greater co-operation through its new sector strategy, various sector models and standards to inform development of processes and practice, and a draft Bill to formalise co-operation.

Effective oversight of Executive action is dependent on the levels of cooperation in the legislative sector. To this end, the Legislative Sector Support (LSS) Programme aims to strengthen inter-legislature collaboration. Joint structures are in place at political and administrative level focusing on delivery of sector plans and targets. These are respectively, the Speakers' Forum (SF) and the Secretaries' Association of the Legislatures of SA (SALSA). Based at Parliament, the LSS works to put in place guidelines and minimum norms and standards for implementation by all legislatures as well as sharing best practices and learning. It further aims to facilitate and monitor the implementation and development across the sector against set targets and standards.

The majority of Provincial Legislatures have established provincial Speakers' Forums consisting of Provincial Presiding Officers and municipal Speakers and the structures mirror the model of the National Speakers' Forum. Matters emanating from these structures may be elevated to the Speakers'

Forum SA for consideration and guidance. In this way the Sector would support the strengthening of the capacity and oversight role of municipal councils at local government level thereby executing its mandate in terms of Section 155(6)(a) of the Constitution. In this respect, systematic work has also been done towards re-integrating the Association of Public Accounts Committees (APAC) into the Sector governance and machinery as resolved by the Speakers' Forum. The SF Reference Group on Oversight is furthermore working closely with Chairs of Chairs of Legislatures, thereby providing a platform for cascading and integration of sector matters at political / committee level across legislatures with the aim of strengthening the oversight function across the legislative arm of government. Some of the key outputs with regard to the services that LSS renders include:

- The development of draft Sector Bill was tabled and adopted at the Speakers' Forum. The draft Bill was then referred to Parliament for processing.
- The implementation of the Sector Oversight Model and the Sector Public Participation framework in legislatures.
- The FMPPLA Amendment Bill was tabled at Speakers' Forum for adoption.
- The consolidated S65 FMPPLA regulations tabled at Speakers' Forum for adoption.
- Internal Audit Sector Framework adopted.
- Enterprise Risk Management Sector Framework developed.
- Sector Governance Framework developed.
- Protocol Document and related matters developed such as implementation proposal, uniform budget structures, uniform reporting templates and the establishment of a Sector Budget Co-ordination Unit within LSS.
- A business case for the establishment of the Parliamentary Institute developed and approved. This was followed by the development of the project plan and further research and benchmarking and the development of the implementation plan.
- Sector Tool and Template, identifying NDP Oversight Pillars and associated Sector NDP Priorities (focus areas) to track the implementation of the NDP Outcomes was developed. The High Level Panel report on assessment of key legislation was developed, presented at the Speakers Forum and shared for further processing by all legislatures.

## DEEPENING INTERNATIONAL ENGAGEMENT

The Policy Perspective and Operational Guidelines for Parliament's Involvement and Engagement in International Relations, as agreed by the Joint Rules Committee (2006), noted that the participation of the South African Parliament in international relations is informed by South Africa's foreign policy. The South African foreign policy is an expression of the democratic values of the country. These values are entrenched in the provisions of the 1996 Constitution of the Republic of South Africa. Furthermore, Parliament's international engagement supports and reflects South Africa's national imperatives, which include critical issues such as democracy, job creation, education, health, poverty eradication, gender justice, international law, sustainable development and economic development. These imperatives are clearly outlined in the National Development Plan (NDP) 2030 that sets out measures and objectives to increase employment and income, ensure skills development and broaden ownership to include historically disadvantaged groups. The emphasis of Parliament's involvement in international relations specifically focuses in the Southern African Region, the continent whilst it courts and maintains developmental cooperation with its global parliamentary partners. It is the vision of the Parliament of the Republic of South Africa to create a better South Africa in a Better Africa and Just World.

With regard to deepening international engagement, Parliament continued its role in approval of tabled international agreements and its representation on various international fora and associations. These include the Pan-African Parliament, SADC Parliamentary Forum, BRICS forums, the Inter-Parliamentary Union and the Commonwealth Parliamentary Association. Ongoing engagement and participation also included bilateral co-operation with incoming and outgoing delegations. Parliamentary engagement in international relations has become increasingly important in achieving not only the country's goals of building a democratic world order, but its domestic goal of improving the quality of life of South Africans. And while Parliaments around the world have often lagged behind the Executive in the area of international relations, ensuring more participatory international engagements has been a key feature of the 5th Parliament. Parliamentary Committees oversee the work of the Department of International Relations and Cooperation (DIRCO) through scrutinising its budget, site visits, and holding hearings on various matters. In addition, through diplomacy, Parliament uses alternative methods of engagements at the bilateral and multilateral levels. These include knowledge sharing on processes and procedures, legislative and policy alignment with country groupings, and promoting democratic electoral systems through election observation missions.

### **The role of the Parliamentary Group on International Relations (PGIR)**

To achieve its international relations and cooperation objectives, Parliament established the Parliamentary Group on International Relations (PGIR), a strategic body that was established by the Joint Rules Committee (Joint Rule 76 to 79) to manage Parliament's involvement in international relations. The PGIR provides strategic direction on the implementation of policy positions emanating from Parliament's international relations policy guidelines. The South African Parliament's participation in international relations is conducted by the Presiding Officers and the Members of Parliament, through the strategic support of the Parliamentary Group on International Relations (PGIR). Parliament's participation in international relations is supported by the International Relations and Protocol Division (IRPD), whose key tasks include the following:



- Providing content advice;
- Providing international relations policy analysis;
- Making action-oriented policy recommendations;
- Developing discussion documents and concept papers;
- Managing bilateral and multilateral relations;
- Coordinating the work of the PGIR;
- Managing the operations of the Division;
- Rendering protocol and ceremonial services.

### **Approval of international agreements**

Section 231(2) of the Constitution, 1996, provides that an international agreement binds the Republic only after it has been approved by resolution in both the National Assembly and the National Council of Provinces, unless it is an agreement referred to in subsection (3). Section 231(3) states that an international agreement of a technical, administrative or executive nature, or an agreement which does not require either ratification or accession, entered into by the national executive, binds the Republic without the approval by the National Assembly and the National Council of Provinces, but must be tabled in the Assembly and the Council within a reasonable time. There were 88 international agreements submitted during the 2017/18 financial year. Only 3 of the submitted international agreements required ratification, in terms of section 231(2). No international agreements, however, were passed during the 2017/18 financial year. The agreements submitted in terms of section 231(2) include the following:

- Southern African Development Community (SADC) Protocol on Environmental Management for Sustainable Development, tabled in terms of section 231(2) of the Constitution, 1996.
- Agreement Amending Annex 1 (Co-Operation on Investment) of the SADC Protocol on Finance and Investment (FIP); including the Protocol on Finance and Investment, tabled in terms of section 231(2) of the Constitution, 1996.
- The Revised Addis Convention on the Recognition of Studies, Certificates, Diplomas, Degrees and Other Academic Qualifications in Higher Education in African States, tabled in terms of section 231(2) of the Constitution, 1996.

### ***Representation on various international fora and associations***

The 5th Parliament prioritised the promotion of Agenda 2063 of the African Union, the Regional Indicative Strategic Development Plan of the SADC, as well as the National Development Plan.

Bilaterals have included exchanges with the Parliaments of the Republic of France (May 2017), the Socialist Republic of Vietnam (August 2017), the Islamic Republic of Iran (September 2017), the Russian Federation (October 2017), and the Republic of Poland (November 2017).

Parliament has also participated at multilateral platforms including at the Southern African Development Community Parliamentary Forum (SADC-PF), the Pan African Parliament (PAP), the African, Caribbean and Pacific-European Union Joint Parliamentary Assembly (ACP-EU JPA), the Commonwealth Parliamentary Association (CPA), the Inter-Parliamentary Union (IPU), the BRICS Parliamentary Forum, and the Global Legislators’ Organisation International (Globe) – many of which mirror international governmental institutions (IGOs), such as the United Nations (UN) or African Union (AU) in which the Executive participates.

The active participation of Members of Parliament has included the advancement of various motions and resolutions in the areas of human rights, democratic advancement, health, and women’s empowerment and gender equality. Parliament’s continued efforts to make a more deliberate contribution in international relations, has seen its participation in the establishment of the Regional Executive Committee of the Southern African Development Community (SADC), campaigning to strengthen the legislative powers of the Pan African Parliament (PAP), as well as facilitating and participating in the establishment of Parliamentary Forums of BRICS and India Brazil and South Africa (IBSA). The National Legislature has also played a more active role in the Inter-Parliamentary Union as well as in the Commonwealth Parliamentary Association. In addition, several parliamentarians hold numerous leadership positions within multilateral organisations.

**Figure 2: Leadership Positions held in Multilateral Organisations**



There is also a need to strengthen the representation of Women in international engagements, in line with the 50 percent target for women representation in all areas of decision-making as enshrined in the SADC Protocol on Gender and Development of 2008. The IPU has sounded a clarion call to increase young parliamentarians’ participation at the IPU and other regional assemblies during the year under review. In terms of the *Women in Politics: 2017* report, a joint report by the United Nations (UN Women) and the Inter-Parliamentary Union (IPU), South Africa now ranks as follows:

- 9th global position for Women in ministerial positions (41%), and
- 9th global position for Women in Parliament (42%)

It is common knowledge that Parliament’s international participation has, in the year under review, operated under a heavily burdened financial framework with cost cutting measures as echoed during the 2016 Budget Speech. These austerity measures coupled with inadequate resources that Parliament receives from the National Treasury have the potential of undermining Parliament’s international efforts. However, this state of affairs has not been the catalyst and Parliament has put shoulders to wheel and rose to the challenge of enhancing and deepening international participation.

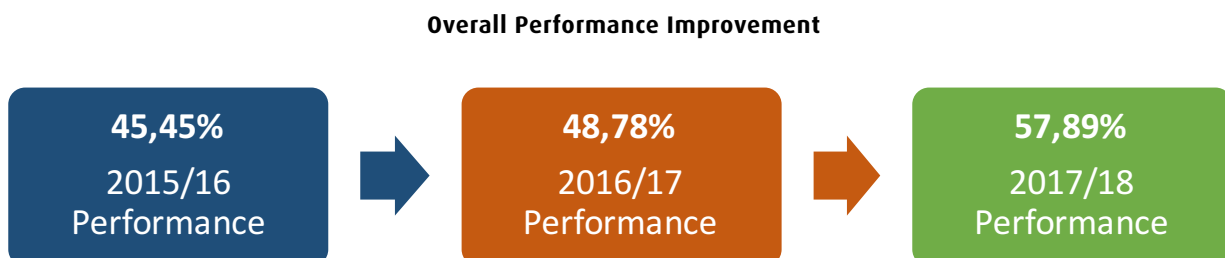
## INSTITUTIONAL CAPACITY AND SUPPORT

Building a capable and efficient parliamentary service to support the work of Members is central in the achievement of Parliament’s goals and objectives. In the 2017/18 financial year the Administration has sought to improve processes to accelerate the provision of quality support services to Members of Parliament. Key achievements for the administration for the 2017/18 financial year include the following, amongst others:

- A clean audit for 2017/18 (clean audits were achieved for 2014/15, 2015/16, 2016/17, and now 2017/18 – the 5th Parliament could make history by becoming the first to achieve clean audits for the duration of the electoral term);
- The implementation of a Member-centric application to make relevant, accurate and timely information available to MPs on a user-friendly mobile device;
- Digitising approximately seven million pages of rare and fragile library material which included books, Hansard, artwork, microfiche, photographs and maps.
- The successful hosting of the 2nd African Network of Parliamentary Budget Offices Conference in August 2017 by the Parliamentary Budget Office – a high-level parliamentary event led by the Executive Authority of Parliament as well as the PBO’s Advisory Board;
- Successfully hosting of a two-day international conference on the theme: “Women in the Changing World of Work”;
- The successful launch of the Executive and Management Coaching programme as part of efforts to support the development and growth of managers. Sixty (60) managers are enrolled in the programme.
- A successful Relationship Building Summit took place in October 2017 between Management and NEHAWU to reflect and agree on interventions for a conducive working environment.

The institution’s overall performance has also seen steady improvement during the last three years. Overall performance increased from 45% in 2015/16 to 48% in 2016/17. In 2017/18 the overall performance moved to 57%.

**Figure 3: Performance Improvement Year-on-Year**



More specifically, the core business indicators on the provision of advisory and information products and services rose from 85,36% in 2016/17, to 91,28% in 2017/18.

At the start of the 4th Parliament (2009), the Independent Panel for the Assessment of Parliament noted the following:

*...The support provided by Committee Secretaries (is) wide ranging, including activities such as minute taking, drafting committee reports, securing venues for committee meetings, and addressing the travel and catering requirements of the committee. The Panel heard several submissions that voiced concern over the effectiveness of the Committee Section. One of the primary issues raised was the inadequacy of record keeping within the section. It appears that Members of Parliament and administrative staff often experience difficulties in accessing minutes of past committee meetings. This problem may have serious ramifications for the work of Parliament as committee meetings and the resulting minutes are public and committees may be called upon to respond to decisions made in past meetings.*

*...Parliament should urgently assess the information management processes and challenges in the Committee Section, relating specifically to the drafting and record-keeping of minutes and reports. It may be necessary to conduct an audit of documents in order to effectively catalogue minutes and other documents currently held in the Committee Section.*

- *Report of the Independent Panel Assessment of Parliament, 2009, pg 70*

In this regard the performance levels for the provision of minutes and reports were as low as 26% at the end of the 4th Parliament. The 5th Parliament has brought the performance relating to minutes to 95%, and that of reports to 91%. Whereas the performance of minutes is now above the set target, the provision of reports is still slightly below the set target. Minutes and reports are also centrally stored as performance information to improve accessibility. As the committee system is known as the *engine rooms* of Parliament, this achievement will contribute to the increased effectiveness of committees.

While there has been much progress, there remain significant challenges. As with other public and government entities in South Africa, the poor global and local economic performance of recent years led to significant reductions in allocated budgets. This was also the case for Vote 2, where budget reductions, cost containment measures and efficiency initiatives were implemented. The measures reduced operational costs and ensured mission critical activities in the value chain of Parliament. The 2017/18 financial year saw a further reduction in budget for operational expenditure, with budget pressures in almost all areas of work. As part of its statutory audit, the Auditor General also completed a financial viability assessment. The assessment highlights risks that may influence the institution's financial viability and sustainability. The overall assessment for 2017/18 indicated an outcome of *'concerning'*. The root cause here is that remuneration and operating costs are increasing at a rate above the inflationary adjustment to the budget of Parliament. This will require mitigation steps to ensure financial viability and sustainability.

The 5th Parliament has also been characterised by transitions in several domains, including in its approach to strategic management. As the mid-point of this term, the 2017/18 financial year provided the opportune moment to reflect on the institution's strategy, assess progress in implementing it, and to effect changes where necessary. A strategic review session was held in September of 2017, and adjustments were made to the Annual Performance Plan for 2017/18 which was tabled October. As the institution gears up for the 6th Parliament, it will be important that key challenges hindering implementation are identified and mitigated.

## STRATEGIC INITIATIVES

### KEY EVENTS

#### ***20 Year Celebration of the Constitution and The NCOP***

In March 2017 Parliament, with active involvement of the Provincial Legislatures, launched a year-long programme commemorating the 20th anniversary of the signing into law of the Constitution of the Republic of South Africa. Former President Nelson Mandela on 10 December 1996 signed the Constitution and the inception of the National Council of Provinces (NCOP) took place on 6 February 1997. Parliament undertook in the 2017/18 financial year a number of commemorative activities and production of commemorative products including inter alia the following:

- Sittings of the National Assembly, National Council of Provinces and Provincial Legislatures to debate the Constitution and pay tribute to the people who were involved in the constitution-making process.
- Hosting of seminars and colloquia in the Eastern Cape, Gauteng, KwaZulu Natal, Limpopo, Mpumalanga and North West Provincial Legislatures to encourage dialogue and sharing of experiences of what the adoption of the Constitution signified in the lives of South Africans.
- Production of a documentary/film that depicted the constitution-making process. The film was played during the programme launch and also broadcast on DSTV.
- Production of two exhibitions that documented the birth of constitutional democracy and the establishment of the National Council of Provinces (NCOP).
- Parliament hosted a 2-day International Women's Conference (IWC), under the theme "Women in the Changing World of Work".
- A book documenting the experiences of Theme Committee members who were involved in the drafting of the Bill of Rights was published and five additional books dealing with other themes scheduled for publication.
- In addition to the Theme Committee books, a commemorative book which contains excerpts from speeches made by the Theme Committee members in the Constitutional Assembly is being published.

#### ***Institutions Supporting Democracy (ISDs)***

On 28 September 2017, National Assembly Speaker Ms. Baleka Mbete convened the fourth consultative meeting with stakeholders at the Constitutional Court of South Africa as part of a process to re-examine the recommendations of the 2007 Report of the Ad hoc Committee on the Review of Chapter 9 and Associated Institutions. In addition to endorsing the establishment of an adequately resourced Task Team with clear Terms of Reference, the meeting identified short-term and long-term matters for consideration by the proposed Task Team. Parliament resolved that swift but measured action was necessary to ensure the processing of the recommendations on the amalgamation of ISDs and the delinking of the budgets of ISDs, and to provide a clear direction on the matter.

## **MEMBER EFFECTIVENESS**

### ***My Parliament App Project***

The objective of the My Parliament App project was to design, develop and implement a Member-centric application capable of presenting relevant, accurate and timely information to Members of Parliament on a user-friendly mobile device. This information would leverage off existing systems and e-repositories. The App delivers online and mobile delivery of information to Members of Parliament as-and-when needed from any networked location in the world; and enhances the way Members of Parliament perform their day-to-day duties and responsibilities. The rollout of the App commenced in October 2016 and by end of March 2018, 302 Members of Parliament had the App installed on their devices.

### ***Oversight Monitoring & Tracking Project***

The overall objective of the project is to provide a system to enable monitoring, tracking and feedback from accountable parties to the Members of Parliament, through monitoring and tracking the progress of House resolutions and questions. The system will include a reporting tool that reliably monitors and tracks to enable timely submission of oversight reports. The project will benefit Parliament by implementing accountability measures through workflow, for example, tracking the exchange of work assignments between different Members, Committees and Executives from start to finish. The Project was ready to go live by March 2018, with the intention for it to go live in both Houses in April 2018.

### ***Digital Recording and Transcription System Project***

Parliament is required to record all proceedings in the two Houses and certain Committees, transcribe, collate and publish the proceedings, and archive these materials for future reference. The Digital and Transcription System project will implement a new state-of-the-art digital recording and transcription system to replace the existing one in order to meet this requirement. This has significant implications for a parliament that wants to remain accountable to its people.

### ***Video Broadcast Infrastructure Upgrade Project***

Parliament implemented a project to upgrade the video broadcasting infrastructure to replace an obsolete one, through which all existing analogue infrastructure and video cameras have been decommissioned and replaced with high-definition infrastructure. The project had two consecutive phases. The first phase of the project was carried out to implement an advanced digital video broadcasting infrastructure and upgrade of the broadcast control room and to support two Houses of Parliament and fourteen Committee rooms. Phase two was to implement a media asset management system for archiving, storage and distribution of Parliament media assets. While lack of budget slowed the implementation of this initiative, an interim storage solution was implemented which could be replaced by the media asset management system during the 6th Parliament.

## **ORGANISATIONAL EFFECTIVENESS**

### ***Fraud Awareness Project***

Parliament initiated a Fraud Awareness Project aimed at enhancing institutional commitment to zero-tolerance to fraud. The project launched an anonymous Whistle-Blowing Hotline facility, rolled out fraud awareness training and an e-learning fraud awareness. The benefit of undertaking this project is that Parliament has legally complied with the Companies' Act and the Protected Disclosures Act, which requires all public and listed entities to set up whistle-blowing facilities in the work place and to create awareness of the facility.

### ***Business Continuity Planning Project***

The need for an institutional Business Continuity (BC) Management Plan was identified in recent audit reports. While some components existed, the institution requires an overall integrated institution-wide BC Plan.

The implementation of the BC Plan provides a co-ordinated institutional response to foreseen and unforeseen disruptions, by primarily focusing on the facilities, technology and human resource abilities of the institution to deliver Parliament's critical activities related to the conducting of plenaries and committee meetings.

Deliverables produced include the assessment of the operational risk environment and an institutional Business Impact Analysis Report which will be used to develop a Business Continuity framework and BC Plan for the institution.

The project milestones scheduled in the 6th Parliament include the implementation of the ICT Disaster Recovery Strategy and the Facilities Business Continuity Plan.

### ***Parliamentary Space Utilisation Project***

The Space Utilisation Project was initiated to review previous studies on the space utilisation for facilities that address the spatial needs of Parliament, including the space requirements for residential accommodation for Members of Parliament. The project was aligned with previous reports and re-based cost estimates from 2016 requirements and market prices. In the strategic objective of improved usage and management of space, facilities and conducive environment, the project provided an indication on the costs of upgrading the existing parliamentary precincts to meet the current space requirements and also inform the space needs of a future Parliament.



## **INFORMATION ON PRE-DETERMINED OBJECTIVES**

### ***Aim of the Vote***

The aim of the vote is to provide the support services required by Parliament to fulfil its constitutional mandate, assist political parties represented in Parliament to secure administrative support and service their constituents, and provide Members of Parliament (MPs) with the necessary services and facilities they require in discharging their constitutional responsibilities.

### ***Overview of the Service Delivery Environment***

Over the last few years Parliament has operated in a constrained budgetary environment. Whilst National Treasury has reduced Parliament's budget allocation since 2016, the budget for the compensation of employees has increased steadily and the budget for operational and capital expenditure has declined. These conditions, and a constrained global and economic climate, will continue to pose a risk to delivering Parliament's strategy. Despite inherent constraints, Parliament has remained focused on implementing the oversight and accountability model, the legislative model, the public participation model, and the cooperative governance model. The focus on results in these key areas will improve Parliament's ability to deal with complex transversal issues that are at the core of developmental challenges faced by the country. Moreover, effective management of the core business programme will provide improved outcomes in the achievement of medium and long-term priorities of the NDP.

### ***Overview of the Organisational Environment***

Parliament continued to balance multiple priorities and constraints in the 2017/18 financial year, including a constrained budget, sustained pressure on human capital, and rising demand for a responsive legislature. The tense labour environment of the 2015/16 and 2016/17 reporting periods has given way to more cooperative engagement between management and the labour union NEHAWU, with a successful engagement facilitated towards the end of 2017. According to the IPSOS survey, an average of 57,33% of citizens rated Parliament's performance average and above. There still exists significant scope for Parliament to improve performance.

These conditions and challenges provide Parliament with the opportunity to improve efficiencies, streamline processes and focus on its most important priorities. Additionally, there is more emphasis on a more Member-centric parliamentary service, which provides further prioritisation and strategic alignment. Thus the Executive Authority Strategy Review Session that took place in September 2017 was well-timed to create space to pause and review progress towards the institution's goals. As with previous financial years within this parliamentary term, the 2017/18 period was characterised by adjustments and changes in both the political and the administrative sphere. For the better part of the 2017/18 financial year the institution had an Acting Secretary at its helm, while the institution contended with the implementation of major strategic initiatives like Back to Basics.



### ***Key Policy Development and Legislative Changes***

While there have been no policy or legislative changes during the year under review, there are several changes in the pipeline. The FMPPLA Amendment Bill and Consolidated S65 Regulations have been developed and tabled at the Speakers' Forum for adoption. Remarkable progress has also been recorded in relation to ensuring that Parliament and Provincial Legislatures prepare their financial statements in accordance with standards of Generally Recognised Accounting Practice (GRAP) as required by section 56 of the Act. The draft SALS Integrated Strategic Management Framework, which aims to establish an overarching results-based and outcomes-oriented approach in strategic management, was also developed and tabled at SALS. The Sector Enterprise Risk Management (ERM), Internal Audit and Communications Frameworks have also been developed and adopted at SALS. Sector budgeting in relation to the protocol document and all related matters is also in progress.

It is critical that Parliament continues to review, modernise and adopt its institutional policies to ensure an effective institution.

### ***Parliament's Revenue, Expenditure and Transfer Payment***

Parliament is not required to return funds to the National Revenue Fund. Unspent funds are categorised as retained earnings. Other revenue, such as interest collected and catering sales, is reflected as a part of retained earnings.

### ***Capital Investment, Maintenance and Asset Management Plan***

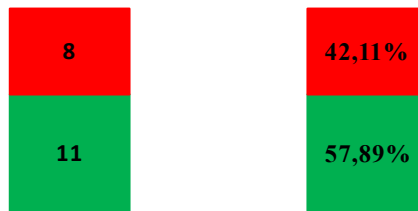
Parliament is revisiting the comprehensive maintenance plan in order to address the institution's space needs, and has applied to control its own Capex budget. The current state of assets is in good condition, as stock in poor condition was disposed of in the previous financial year. Procurement of assets was decentralised to the individual business units.

### Overall Performance

The Parliamentary Service has continued in its efforts to drive performance improvement through the implementation of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA, Act 10 of 2009). In support of the work of Members of Parliament, the administration achieved eleven (11) of the nineteen (19) indicators – bringing performance for the 2017/18 performance year to 57,89%.

**Graph 1: Overall Institutional Performance 2017/18**

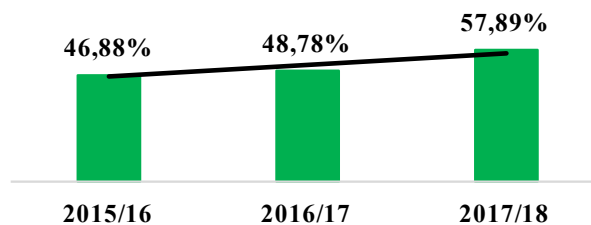
#### Institutional Performance 2017/18 Financial Year



In fact, as can be seen in the graph below, performance has improved over the last three (3) financial years.

**Graph 2: Overall Performance – Year-on-Year Improvement**

#### Overall Percentage of Targets Met Year on Year Improvement



**Table 9: Overall Targets Met – Year-on-Year**

	Targets Met	Targets Not Met	Total Indicators	Percentage of Targets Met
2015/16	15	17	32	46,88%
2016/17	20	21	41	48,78%
2017/18	11	8	19	57,89%

Programme 1 on Strategic Leadership measured three (3) indicators of which one (1) achieved the target: governance schedule implemented; governance documents tabled according to the FMPPLA; and analytical reports produced.

While the two (2) governance-related indicators did not meet the target, it should be noted that the Parliamentary Budget Office has exceeded the number of analytical reports produced due to an

increase in demand for budget advice. This trend is in line with the strategic priority for closer scrutiny of Executive Budget Expenditure.

The Administration area or Programme 2, measures four (4) indicators on: the number of capacity-building programmes implemented; the completion rate of capacity-building programmes; the percentage of resolutions followed up and actioned from Speakers' Forum and SALSA meetings; as well as the percentage of compliance with specific prescripts of the FMPPLA (those related to the submission of governance documents). The Legislative Sector Support (LSS) Programme achieved all of its Annual Performance Plan (APP) indicators on capacity building and sector coordination. This is significant given the renewed focus on a sector driven approach geared towards strengthening the legislative sector and leveraging its collective influence. The success of sector co-ordination has implications for an activist Legislature that is able to fully exercise its authority to adequately oversee Executive function. That said, improvements must be made in the timely submission of governance documents. However, it must be noted that performance has improved significantly on governance documents submitted compliant to the FMPPLA, from 50% in 2016/17, to 95% in 2017/18. Overall, programme 2 performed well.

Programme 3 constitutes Core Business and measures three (3) indicators focusing on the provision of service as per the service charter (including advisory and informational services and products), as well as the percentage of the population having access to and participating in parliamentary processes. The service charter indicator measures the reduction in the average turnaround time for the provision of procedural advice, content advice, research products, minutes and reports. While there was a slight increase in average turnaround time in 2016/17 to 85,36% from 86,73% in 2015/16 (meaning it took longer to provide these services), 2017/18 has recorded 91,28% of advisory and information services provided as per the service charter. Therefore, while the service charter performance is still below the 95% target set, the indicator's upward trend is encouraging. The two (2) indicators measuring both the population's access to parliamentary processes and their participation in the processes, both perform at a relatively low rate. In 2016/17 access to processes scored 11,5% (meeting its target) while participation scored 8,7% (missing its target). For the 2017/18 financial year, access scored 10% (meeting its target) while participation scored 6% (missing its target). The year-on-year performance suggests that both access and participation decreased between 2016/17 and 2017/18 – however, it must be considered that the research instrument (survey questions) was amended, which may have affected the outcome. Performance trends also suggest that of those respondents that believe they have access to parliamentary processes, fewer had participated in those processes. Thus, in addition to improving overall access and participation in processes, there is a need to examine the gap between having access and participating in parliamentary processes.

Programme 4, or Support Services, has five (5) indicators measuring a range of areas including human resources, information and communication technology, institutional support (catering, household, health and safety, protection, heritage & artworks) and Members' support. For the 2017/18 financial year three (3) met their target while two (2) missed their targets. The percentage of universal access to ICT platforms (72,7%) and the percentage increase in the Talent Management Index (TMI – 9%) both exceeded the targets set in the APP. In addition, the percentage of the population who are aware of the business of Parliament was at 24%, exceeding the target set. The two (2) indicators measuring client satisfaction both missed the target – this may indicate a need to refocus the institution's emphasis on client orientation.

While work was done on developing a Stakeholder strategy as well as the development of service norms and standards in both core and support services, it is clear that looking forward to the 6th Parliament, much more must be done to put clients at the centre of delivery.

Programme (5) on Associated Services measures four (4) indicators, of which only one (1) did not meet the target set in the APP. The phase of the integrated services strategy implementation experienced delays in its roll-out, and thus the milestone of refurbishing the physical space for the seamless service centre was only partially met. In addition, the final report for the project was completed after the end of the financial year. It should be noted that the project's six (6) other milestones were completed. The review of facilities as defined in the Facilities Handbook, the average turnaround time for processing and paying the reimbursement of Members, as well as the percentage of payments made to political parties compliant to policy, were all achieved. Below is a per-indicator summary of performance:

**Table 10: Overall Per-Indicator Summary of Performance**

STRATEGIC OBJECTIVE	INDICATOR		
SO 0.1	0.1a	% of governance schedule implemented	Red
	0.1b	% of governance documents tabled for referral (FMPPLA)	Red
SO 2.2	2.2	Number of analytical reports per year	Green
SO 1.3	1.3a	Number of programmes implemented	Green
	1.3b	Completion rate (%)	Green
SO 1.2	1.2	% of Speakers' Forum and SALSA resolutions followed up and actioned	Green
SO 1.9	1.9	% compliance with prescripts and regulations	Red
SO 2.1	2.1	% of service provision as per Service Charter	Red
SO 3.1	3.1a	% Population having access to participate in parliamentary processes	Green
	3.1b	% Population participating in parliamentary processes	Red
SO 1.1	1.1	Client satisfaction level (% of clients satisfied with service levels)	Red
SO 1.5	1.5	% of population who are aware of the business of Parliament	Green
SO 1.4	1.4	% of universal access	Green
SO 1.6	1.6	Client satisfaction level (% clients satisfied with service levels)	Red
SO 1.7	1.7	% increase in talent management index	Green
SO 4.1	4.1a	Phase of integrated services strategy implementation	Red
	4.1b	Handbook published by 31 Oct	Green
SO 4.2	4.2	Average number of days to reimburse Members	Green
SO 5.1	5.1	% of payments made compliant to policy	Green

## **Programme 1: Strategic Leadership and Governance**

### **Purpose:**

The purpose of this Programme is to provide political and strategic leadership, governance and institutional policy, communication and co-ordination, and oversee the development and the implementation of Parliament’s strategic plan, annual performance plan and budget.

### **Strategic & Specific Objectives:**

Objectives include improving strategic, advisory, executive, administrative and logistical support to the Executive Authority. Indicators utilised include:

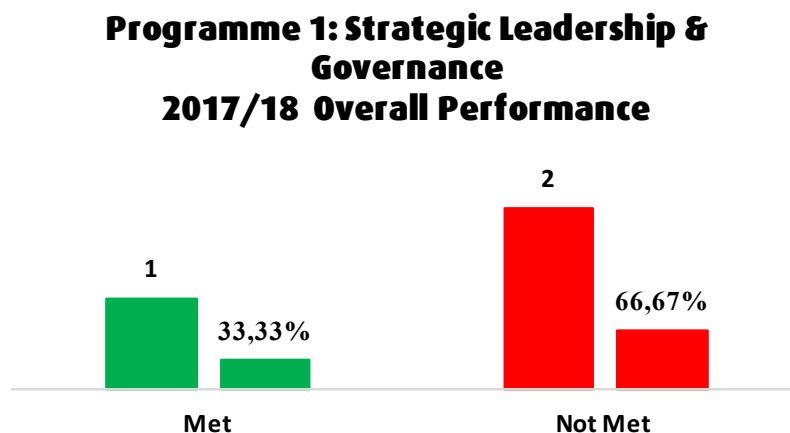
- Governance programme implemented
- FMPPLA implemented

A second objective is to improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019. The measurement used for this objective is the following:

- Presentation of budget analysis; economic, policy and fiscal briefs; reports requested related to money Bills; and forecast robustness reports

### **Programme One (1) Performance:**

**Graph 3: Programme 1 - Strategic Leadership & Governance Performance**



Programme One (1) had three (3) indicators, of which one (1) met its target, and two (2) missed their targets. The programme performed better during the 2016/17 period, with only one (1) indicator missing its target. For 2017/18, both the indicator on governance documents tabled and governance schedule implemented, missed their annual targets of 100%.

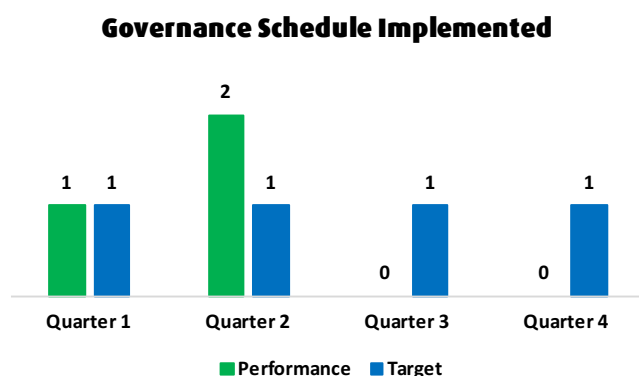
**Table 11: Programme 1 - Per-Indicator Performance Improvement**

STRATEGIC LEADERSHIP & GOVERNANCE			
Indicator	Performance		
	2016/17	2017/18	
0.1a	% of governance schedule implemented	100%	75%
0.1b	% of governance documents tabled for referral (FMPPLA)	21%	65%
2.2	Number of analytical reports per year	23	45

Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
0.1a % of governance schedule implemented	100%	75% (3 of 4)	-25%	EXCO meetings took place during the year however they did not follow the planned schedule.

**Performance Trends:**

The indicator on percentage of governance schedule implemented has not met its target for the 2017/18 financial year. While Executive Committee (Exco) meetings took place in the first and second quarter, meetings during the third and fourth quarter did not take place according to the planned schedule.

**Graph 4: Governance Schedule Implemented**


Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
0.1b % of governance documents tabled for referral (FMPPLA)	100%	65% (15/20)	-25%	Procedures for tabling of documents need to be improved and processes are currently being reviewed.

### Performance Trends:

While this indicator missed its target, it must be noted that 65% is an improvement from the 2016/17 performance of 21%, more especially since this represents a variance of -79%. The 2017/18 performance was 75%.

**Table 12: Number of Governance Documents tabled for referral**

YEAR	NUMBER OF GOVERNANCE DOCUMENTS TABLED FOR REFERRAL		
	Documents Tabled according to FMPPLA	Total Documents	Percentage
2016/17	4	19	21,00%
2017/18	15	20	65,00%

<b>Strategic Objective (SO 2.2)</b>	Improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019.
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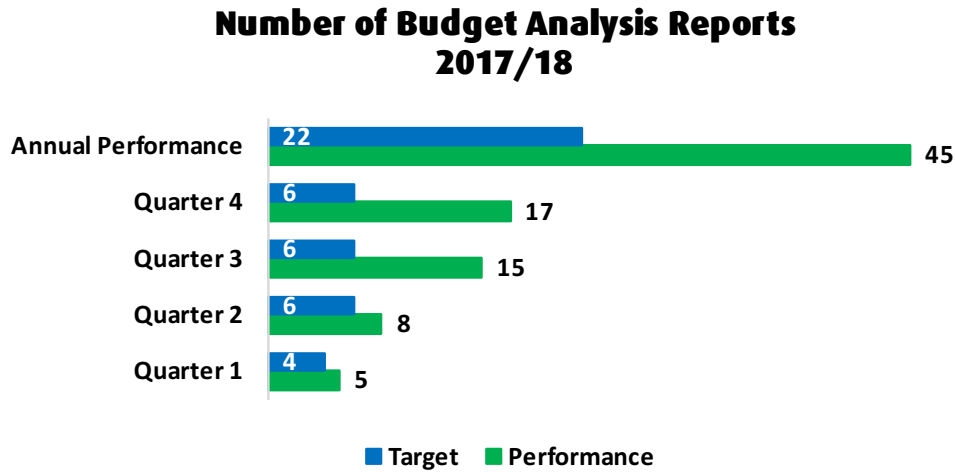
Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.2 Number of analytical reports per year	22	45	+23	Increased demand from Members of Parliament.

### Performance Trends:

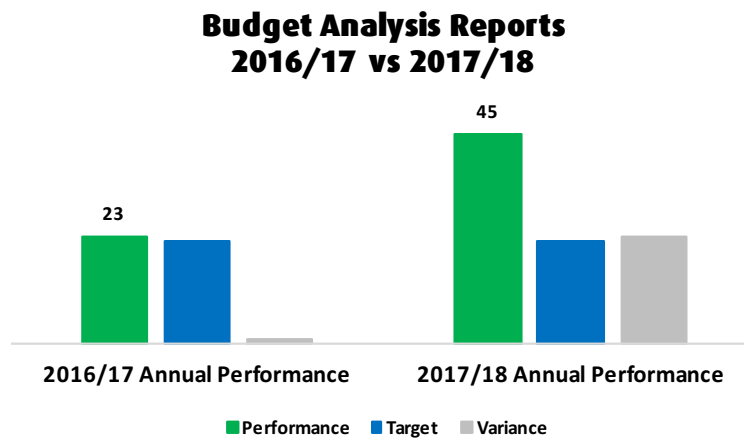
The objective of the Parliamentary Budget Office (PBO) is to improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019. The PBO was established in terms of the Money Bills Amendment Procedure and Related Matters Act, no 9 of 2009. The PBO supports the implementation of the Act by undertaking research and analysis for the finance and appropriations committees. The analytical reports presented to the Parliamentary Committees on Finance and Appropriations include budget analysis; economic, policy and fiscal briefs; reports requested related to money Bills; and forecast robustness reports.

Analysis reports highlighted a range of budget matters including the status of the implementation of the NDP; the ownership and independence of the Central Banks; the integration of the NDP with departmental annual performance plans; regulations protecting South Africans against fraud; the recapitalisation of SAA and preliminary expenditure information on the 2018 budget. The following graphs show the positive performance of this indicator over the course of the 2017/18 financial year, as well as the trends with regard to the volume of work produced in this area.

**Graph 5: Number of Budget Analysis Reports**

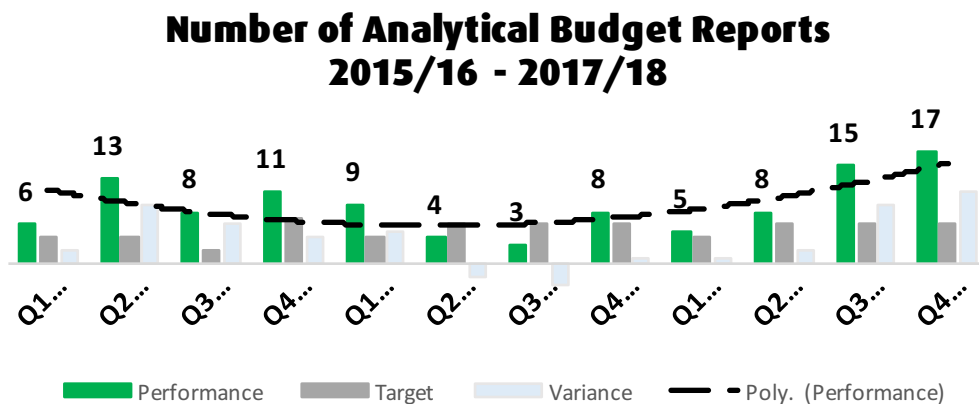


**Graph 6: Budget Analysis Reports 2016/17 – 18**



As illustrated in the graph below, volumes of analytical budget reports at the Budget Office declined during the 2016/17 financial year, but have risen in 2017/18 due to increased demand for evidence-based budget advice.

**Graph 7: Number of Analytical Budget Reports – Twelve (12) Quarters**





## Programme 2: Administration

### Purpose:

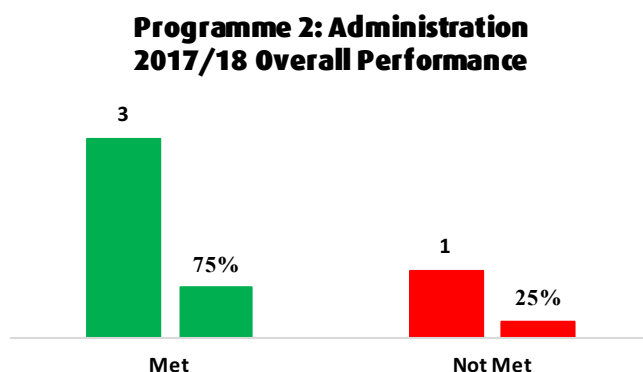
The purpose of this Programme is to provide strategic leadership support and management, institutional policy and governance, development of programmes for Members, overall management and administration, overseeing of internal audit, financial management, and the Registrar of Members' Interests functions.

### Strategic & Specific Objectives:

Objectives of this programme are to improve usefulness, relevance and accessibility of integrated development programmes for Members by developing and implementing a Members' Capacity-Building and Development strategy by 2019. Additionally, it is to improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures by implementing a revised legislative sector strategy by implementing a sector-wide plan to improve the outcomes of the sector.

Strengthening strategic management, governance and compliance by implementing the prescripts of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA) through increasing compliance also forms part of the objectives for this programme.

### Graph 8: Programme 2 – Administration Performance



**Table 13: Programme 2 - Per-Indicator Performance Improvement**

ADMINISTRATION		
Indicator 2016/17	Performance	
	2017/18	
1.3a Number of programmes implemented	100%	100%
1.3b Completion rate (%)	Not Measured	Met
1.2 % of Speakers' Forum and SALSA resolutions followed up and actioned	100%	100%
1.9 % Compliance with Prescripts	50%	95%
<b>Strategic Objective (SO 1.3)</b>	Improve usefulness, relevance and accessibility of integrated development programmes for Members by developing and implementing a Members' Capacity-Building and Development strategy by 2019.	

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.3a	Number of programmes implemented	8	8 programmes	0	

**Performance Trends:**

The eight (8) programmes implemented during this financial year were aimed at enhancing the capacity of members of Parliament and Provincial Legislatures to fulfil their constitutional responsibilities. The following programmes were implemented in partnership with various institutions of higher learning:

- University of Johannesburg (UJ)
  - Continuing Education Programmes (Certificates):
    - Industrial Policy,
    - Strategic Diplomacy
    - Transitional Justice
  - Postgraduate Diplomas:
    - Public Policy and African Affairs
    - Governance and Leadership and
  - Masters Programme
- Nelson Mandela Metropolitan University (NMMU)
  - Certificate in Human Settlement
- University of London
  - Postgraduate Programmes

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.3b	Completion rate (%)	15%	40%	+25%	89% pass rate in 3 CEP Certificates

**Performance Trends:**

In total, at the end of the academic year, only three (3) of the eight (8) programmes were completed with Members having received their results. Out of forty-one (41) registered members for the programmes, thirty-one (31) have successfully completed and progressed to the Postgraduate Diploma level at the University of Johannesburg (75,61%).

The remaining five (5) programmes will be completed at the end of the 2019 academic year. Completion rate was not measured during the 2016/17 financial year, but has been included for the 2017/18 reporting cycle.

**Graph 9: Actual Performance on Completion Rate**

**Actual Performance on Completion Rate 2015/16 vs 2017/18**



<b>Strategic Objective (SO 1.2)</b>	Improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures by implementing a revised Sector Strategy by 2019.
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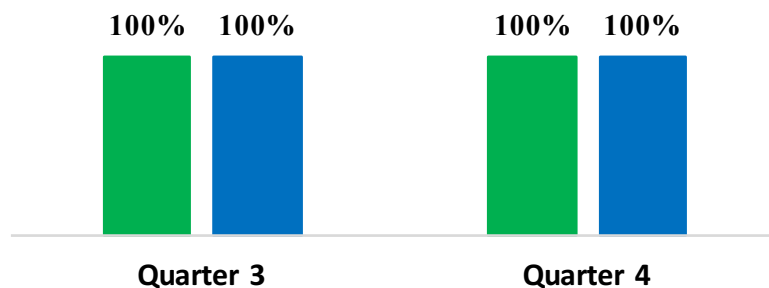
Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.2	% of Speakers' Forum and SALSA resolutions followed up and actioned	100%	100% (98 of 98)	0%	

**Performance Trends:**

While this indicator was not measured for the first and second quarter of 2017/18, its third and fourth quarter performance indicates that it met the 100% target.

**Graph 10: % Speakers' Forum & SALSA Resolutions Actioned**

**% Speakers' Forum & SALSA Resolutions Actioned 2017/18 Performance**



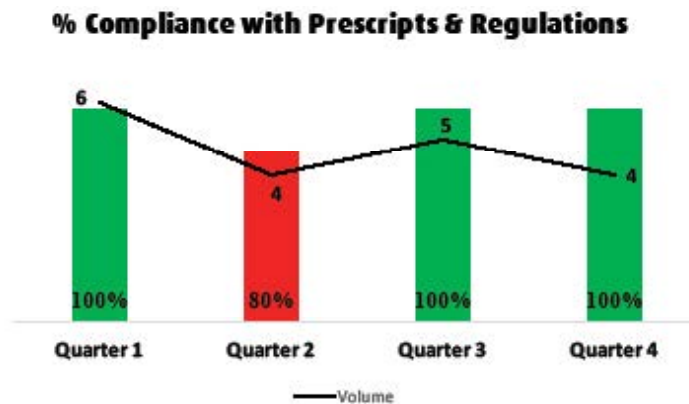
<b>Strategic Objective (SO 1.9)</b>	Strengthening strategic management, governance and compliance by implementing the prescripts of the Financial Management of Parliament and Provincial Legislatures Act.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.9	% compliance with prescripts and regulations	100%	95% (19 of 20)	-5%	Lack of administrative co-ordination in the submission of governance documents. Operating procedures for submissions have been reviewed.

**Performance Trends:**

This performance indicator did not meet its target for the 2017/18 financial year, albeit marginally. As can be seen below, quarter 2 performance lagged behind, affecting the overall performance negatively.

**Graph 11: % Compliance with Prescripts & Regulations**



**Table 14: Governance Documents Submitted Compliant to FMPPLA 2017/18**

	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	100%	80%	100%	100%
<b>Target</b>	100%	100%	100%	100%
<b>Governance Documents Submitted Compliant to FMPPLA</b>	6	4	5	4
<b>Total Governance Documents Submitted</b>	6	5	5	4

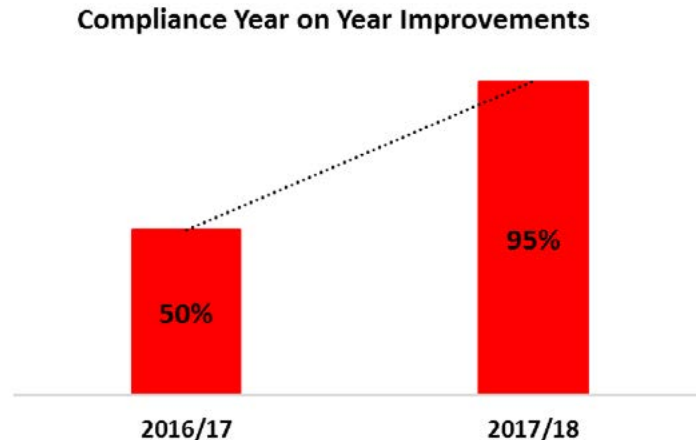
Below is a list of documents submitted:

**Table 15: List of Governance Documents Submitted**

<b>QUARTER</b>	<b>GOVERNANCE DOCUMENT</b>	<b>STATUS</b>
<b>FIRST</b>	Draft APP & Budget presented to EA before 31 May	Met
	Performance agreement of AO concluded by 07 April	Met
	Monthly Financial statements submitted before 15th	
	<b>March 2016/17</b>	Met
	<b>April 2017/18</b>	Met
	<b>May 2017/18</b>	Met
	Quarterly Report submitted within 30 days	
	<b>Quarter 4 2016/17</b>	Met
<b>SECOND</b>	Monthly Financial statements submitted before 15th	
	<b>June 2017/18</b>	Met
	<b>July 2017/18</b>	Met
	<b>August 2017/18</b>	Met
	Annual Report Submitted before end August	
	<b>Annual Report 2016/17</b>	Met
	Quarterly Report submitted within 30 days	
	<b>Quarter 1 2017/18</b>	Not Met
<b>THIRD</b>	Monthly Financial statements submitted before 15th	
	<b>September 2017/18</b>	Met
	<b>October 2017/18</b>	Met
	<b>November 2017/18</b>	Met
	Mid Year Report Submitted before 31 October	
	<b>Mid Year 2017/18</b>	Met
	Quarterly Report submitted within 30 days	
	<b>Quarter 2 2017/18</b>	Met
<b>FOURTH</b>	Monthly Financial statements submitted before 15th	
	<b>December 2017/18</b>	Met
	<b>January 2017/18</b>	Met
	<b>February 2017/18</b>	Met
	Quarterly Report submitted within 30 days	
	<b>Quarter 3 2017/18</b>	Met

While 2017/18 performance remained below the predetermined target, 95% performance on this indicator represents a significant improvement on the performance recorded during the 2016/17 financial year as seen in the graph below.

**Graph 12: Compliance Year-on-Year Improvement**



**Table 16: Governance Documents Submitted 2016/17 – 18**

	2016/17	2017/18
<b>Performance</b>	50,00%	95,00%
<b>Target</b>	100,00%	100,00%
<b>Variance</b>	-50,00%	-5,00%
<b>Volume</b>	10	20

### Programme 3: Core Business

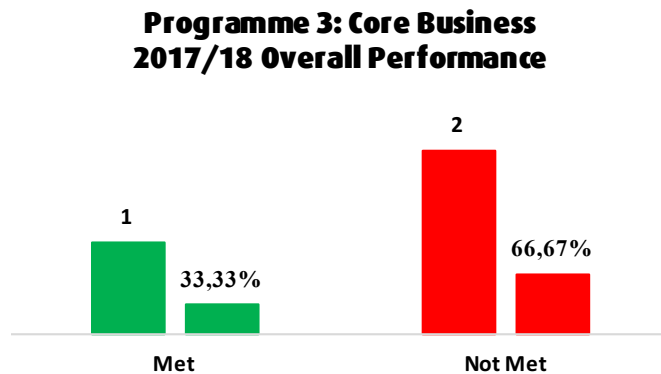
**Purpose:**

To provide procedural and legal advice, analysis, information and research, language, content and secretarial and legislative drafting services for meetings of the National Assembly, National Council of Provinces and their committees. Provide public education, information and access to support public participation. Provide analysis, advice and content support for parliamentary international engagement.

**Strategic & Specific Objectives:**

The objectives are to improve the timeliness and quality of advisory and information services and products from 93% to 95%, by reducing the average turnaround time for the provision of procedural advice, content advice, research products, minutes and reports by 2019. This is measured by the timeliness and quality of core business services and products delivered. An additional objective is the increase in access and improvement in the quality of participation in the processes of Parliament through enhanced programmes to ensure participatory democracy. Improved engagement with the public and stakeholders will be measured.

**Graph 13 Programme 3 – Core Business Performance**



**Table 17: Programme 3 - Per-Indicator Performance Improvement**

CORE BUSINESS			
Indicator		Performance	
		2016/17	2017/18
2.1	% of service provision as per Service Charter	85,39%	90,85%
3.1a	% Population having access to participate in parliamentary processes	11,5%	10%
3.1b	% Population participating in parliamentary processes	8,7%	6%

**Table 18: Core Business Year-on-Year Performance**

CORE BUSINESS				
	Met	Not Met	Total	Percentage Met
2016/17	7	15	22	31,82%
2017/18	1	2	3	33,33%

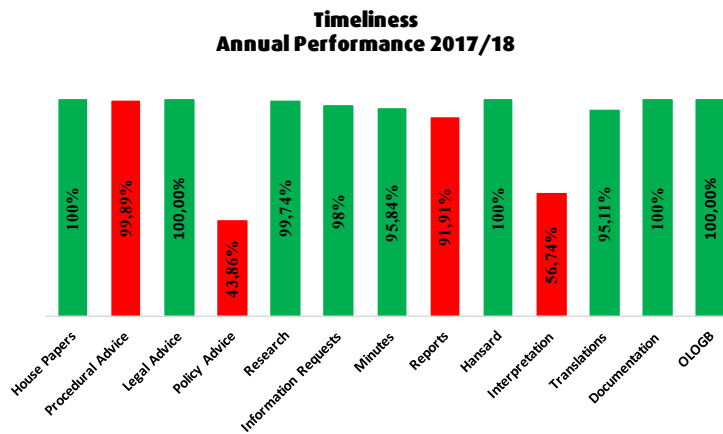
<b>Strategic Objective (SO 2.1)</b>	Improve the timeliness and quality of advisory and information services and products from 93% to 95%, by reducing the average turnaround time for the provision of procedural advice, content advice, research products, minutes and reports by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1	% of service provision as per Service Charter	95%	90,85%	-4,15%	Staff vacancies and increased work volumes have contributed to performance challenges. Recruitment processes are addressing the challenges.

**Performance Trends:**

Overall performance on the service charter indicator has improved over the last three (3) years. While the timeliness indicator remains under target for the 2017/18 financial year, there were significant improvements in overall performance throughout the reporting year.

**Graph 14: Timeliness Performance 2017/18**



While the timeliness indicator remained below the predetermined target for the 2017/18 financial year, there were significant improvements in overall performance throughout the reporting year.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1a	House Papers: % available on sitting days	100%	100% (351 of 351)	0%	

**Performance Trends:**

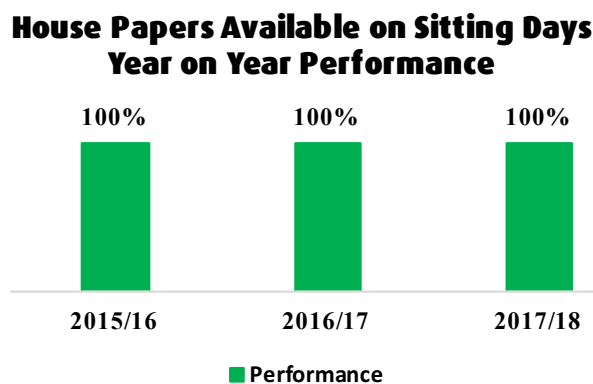
This indicator met its annual performance target of 100% - performance was maintained throughout the year regardless of house paper volumes.



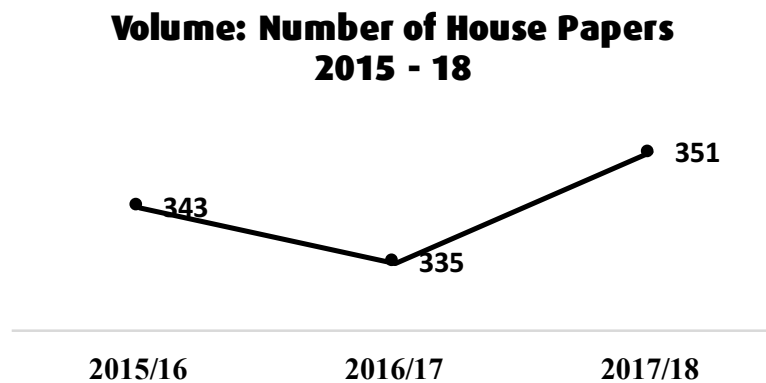
**Table 19: House Papers – Quarter-On-Quarter**

HOUSE PAPERS: ORDER PAPERS, QUESTION PAPERS: ORAL REPLY, ATCS				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	100%	100%	100%	100%
<b>Target</b>	100%	100%	100%	100%
<b>Volume</b>	117	66	104	64

**Graph 15: House Papers Available on Sitting Days – Year-on-Year**



**Graph 16: Volumes – Number of House Papers 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1b	Procedural advice: % within 7 day average	100%	99,89% (887 of 888)	-0,11%	

**Performance Trends:**

This indicator missed its target marginally by less than one percent (0,11%). While this represents a decline in performance from 2016/17 (100%), the 2017/18 performance is well above the 2015/16 performance of 84,02%.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1c	Legal advice: % within 7 day average	100%	100% (34 of 34)	0%	

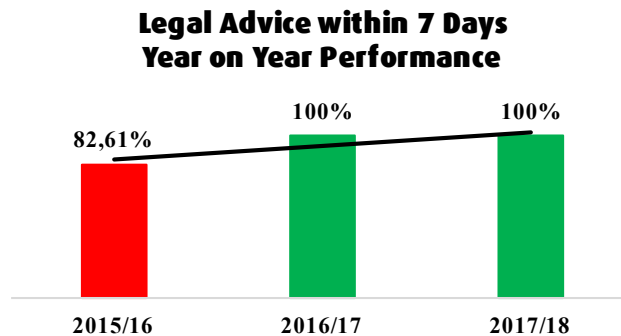
**Performance Trends:**

Performance was recorded at 100% for this indicator, maintaining momentum from 2016/17. While performance has improved over time, legal advice has declined by more than half over the last three (3) years.

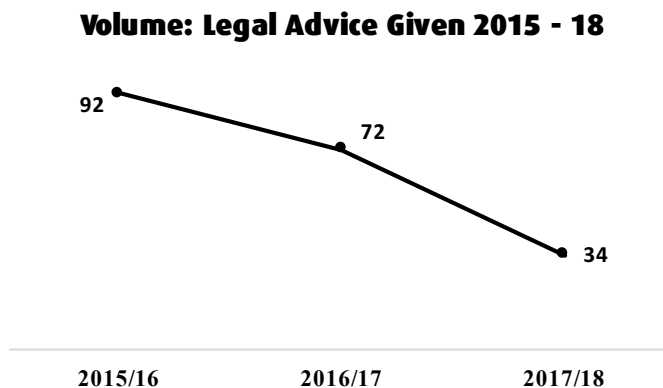
**Table 20: Legal Advice – Quarter on Quarter**

LEGAL ADVICE				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
Performance	100%	100%	100%	100%
Target	100%	100%	100%	100%
Volume	10	12	6	6

**Graph 17: Legal Advice within 7 Days – Year-on-Year**



**Graph 18: Volumes – Legal Advice Given 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1d	Policy advice: % within 7 day average	100%	43,86% (50 of 114)	-56,14%	Policy advice was produced, however in Q1 and Q2, the lack of tracking system meant the 7-day turnaround period could not be confirmed. A tracking system was developed by Q3.

#### Performance Trends:

Performance on this indicator has been inconsistent over the last three (3) financial years. Under-performance is linked to insufficient controls in measuring performance, and has not been linked to issues of capacity or increasing policy advice volumes. Immediate measures must be put in place to deal with performance information challenges experienced in this area.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1e	Research: % within time allocated	95%	99,74% (1138 of 1141)	+4,74	Management monitoring systems in place. Adequate time for completion of research as requested.

#### Performance Trends:

This indicator has maintained 100% performance over the last two (2) financial years – research paper volumes have, however, declined over the last three (3) reporting years.

**Table 21: Research – Quarter-On-Quarter**

RESEARCH WITHIN TIME ALLOCATED					
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18	
<b>Performance</b>	99%	100%	99,7%	100%	
<b>Target</b>	95%	95%	95%	95%	
<b>Volume</b>	309	259	299	274	

Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1f Information requests: % within time allocated	95%	97,77% (394 of 403)	+2,77%	Improved internal controls

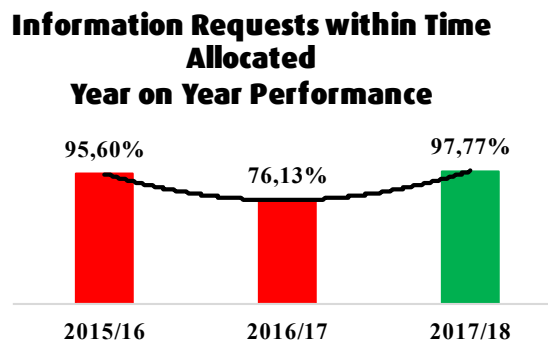
**Performance Trends:**

The indicator on information requests has improved both in the short term (4 quarters of 2017/18) as well as the medium term (3 financial years). The demand for services has, however, steadily declined on a year-on-year basis from 2015/2016 to 2017/2018. This could relate to technological advances in ICT affording Members and staff direct access to online information.

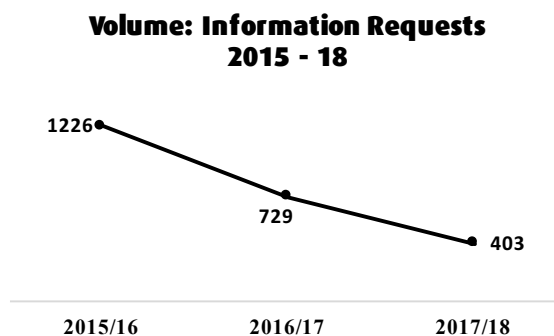
**Table 22: Information Requests – Quarter-On-Quarter**

INFORMATION REQUESTS				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	94%	99%	100%	100%
<b>Target</b>	95%	95%	95%	95%
<b>Volume</b>	136	98	74	95

**Graph 19: Information Requests within Time Allocated – Year-on-Year**



**Graph 20: Volumes – Information Requests 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1g	Minutes: % within 3 days	90%	95,84% (1591 of 1660)	+5,84%	Enhanced monitoring of performance against this target, where managers conduct daily reminders and actual confirmation of delivery have contributed to improvement.

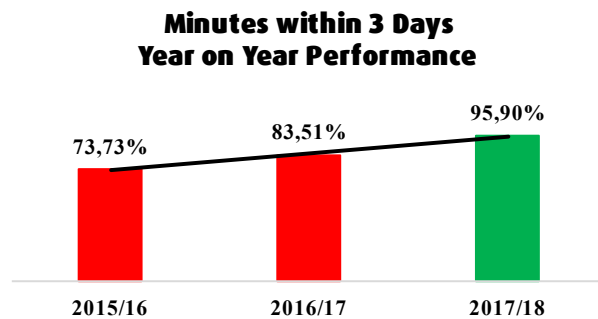
**Performance Trends:**

The target has been exceeded on the indicator measuring minutes on time. This improvement has happened even as the number of minutes have increased.

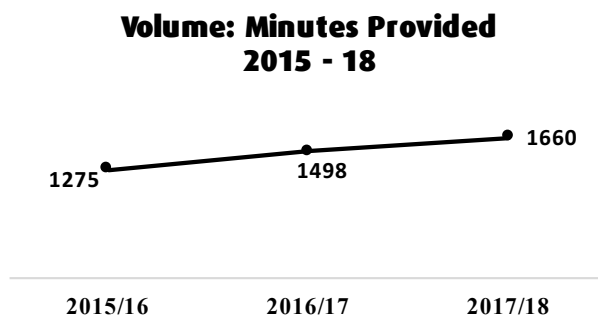
**Table 23: Minutes – Quarter-On-Quarter**

MINUTES				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
Performance	99%	94,8%	92,4%	97%
Target	90%	90%	90%	90%
Volume	502	253	567	338

**Graph 21: Minutes within 3 days – Year-on-Year**



**Graph 22: Volumes – Minutes Provided 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1h	Reports: % within 8 days	95%	91,91% (341 of 371)	-3,09%	Competing priorities and challenges as a result of vacancies resulted in underperformance. Recruitment processes are underway to address these.

**Performance Trends:**

The indicator for reports within 8 days has not met its target for 2017/18, while it experienced increased volumes during that time. This area has a number of frozen, unfunded vacancies due to overall budget cuts in Parliament’s budget. All funded vacancies are being filled. The need for equitable research support to the NCOP and the NA committees demands a review of the research model for Parliament to leverage the maximum utility of available subject expertise. This would be an important intervention in improving the support to Parliament’s oversight and accountability role.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1i	Official Report (Unrevised Hansard): % within 5 days	95%	100% (138 of 138)	+5%	The mechanism for allocation and re-allocation of takes and progress monitoring implemented and reviewed in order to meet APP target.

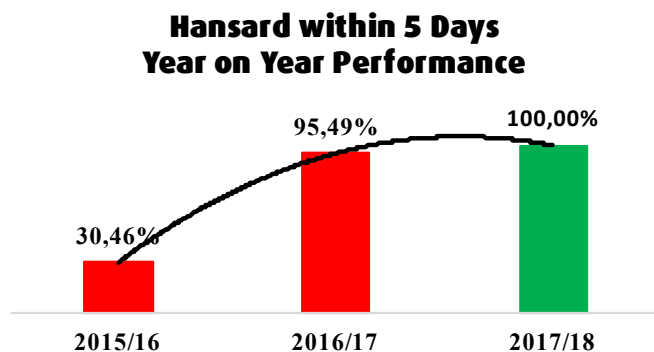
**Performance Trends:**

Performance on the indicator measuring unrevised Hansard within 5 days has experienced a dramatic improvement in the last three (3) years, exceeding its 95% target for the 2017/18 financial year. Improvement in management systems and process efficiencies have improved performance in this area. While the number of sittings has declined during the 2015/2016 and 2017/2018 reporting periods, this area has also experienced staff losses through resignations and reduction in demand therefore does not correlate with the increased performance. All funded vacancies are being filled.

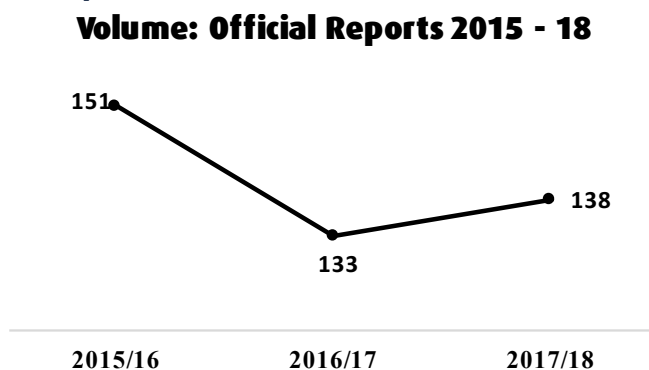
**Table 24: Official Report (Hansard) – Quarter-On-Quarter**

OFFICIAL REPORT - HANSARD				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	100%	100%	100%	100%
<b>Target</b>	95%	95%	95%	95%
<b>Volume</b>	66	15	40	17

**Graph 23: Hansard within 5 Days – Year-on-Year**



**Graph 24: Volumes – Official reports 2015 – 18**



Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1j Interpretation: % available	85%	56,74% (80 of 141)	-38,26%	Simultaneous sittings place constraints on capacity. Supervisory and management levels/ positions utilised to assist with operational shortfalls.

**Performance Trends:**

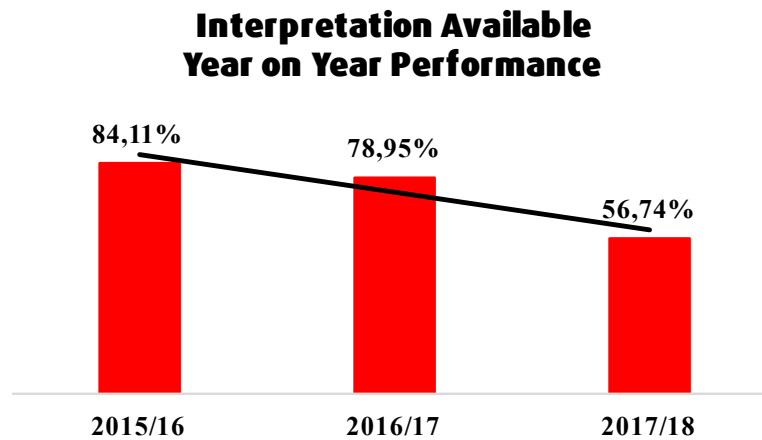
Interpretation services under-performed at 56,74% against a target of 85% in the 2017/18 financial year. It is important to note that under-performance in this area did not disrupt or overtly hinder the proceedings of the two Houses of Parliament. Under-performance is due mainly to the unavailability

of interpreters due to high staff turnover. All funded vacancies are being filled and contingencies to address increased demand during the period of mini-plenaries in the NA and concurrent sittings of the Houses are being considered in the planning and budgeting processes.

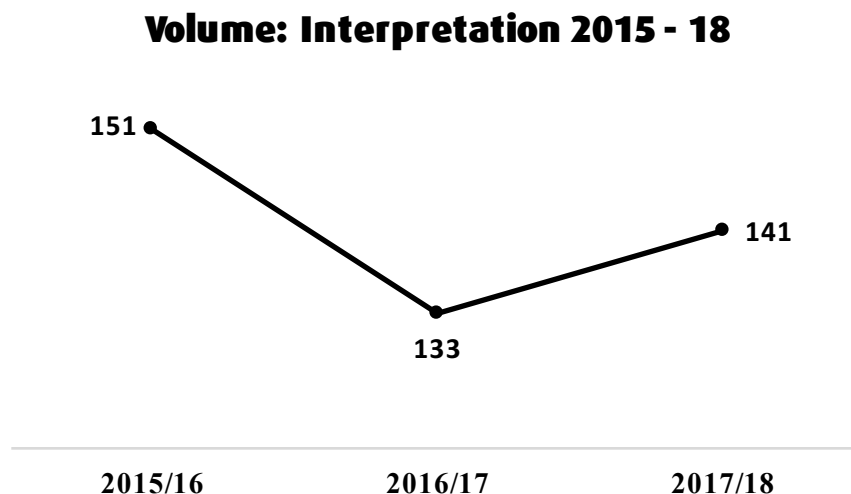
**Table 25: Interpretation – Quarter-On-Quarter**

INTERPRETATION				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
Performance	45%	93%	50%	85%
Target	85%	85%	85%	85%
Volume	67	14	40	20

**Graph 25: Interpretation Available – Year-on-Year**



**Graph 26: Volumes – Interpretation 2015 – 18**





Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1k	Translations: % within agreed time	95%	95,11% (6578 of 6916)	+0,33%	Refinement of mechanism of re-allocation of work and competing deadlines, and extension of deadline negotiated and agreed with client.

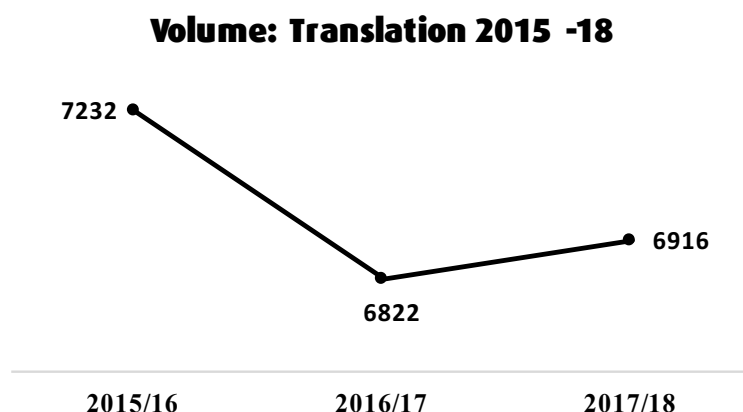
**Performance Trends:**

The indicator on translations met its target for 2017/18. While volumes decreased on a year-on-year comparison between 2015/2016 and 2017/2018, there is no linear correlation between the number of translation requests and performance, as the complexity and length of translations is a significant variable. All funded vacancies are being filled to increase capacity in this area.

**Table 26: Translations – Quarter-On-Quarter**

TRANSLATIONS				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	98,76%	100%	87%	98,4%
<b>Target</b>	95%	95%	95%	95%
<b>Volume</b>	2012	1882	2206	816

**Graph 27: Volumes – Translations 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1l	Documentation: % responses of PAIA requests within prescribed time	100%	100% (6 of 6)	0%	

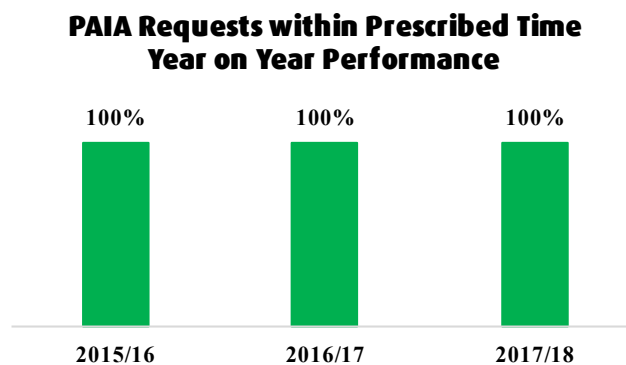
**Performance Trends:**

The indicator on responses to PAIA requests maintained consistent performance for the 2017/18 financial year, meeting its target of 100%. This is a statutory requirement, with low volumes in respect of requests, which has seen a slight increase in the 2017/2018 financial year.

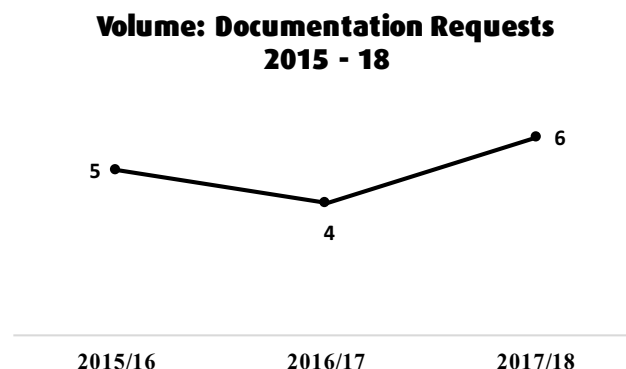
**Table 27: PAIA Requests – Quarter-On-Quarter**

PAIA REQUESTS				
	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	0%	100%	100%	100%
<b>Target</b>	100%	100%	100%	100%
<b>Volume</b>	0	4	1	1

**Graph 28: PAIA Requests within Prescribed Time – Year-on-Year**



**Graph 29: Volumes – Documentation Requests 2015 – 18**



Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1m	OLOGB tracking document: % published	100% (196)	0% (389 of 389)	0%	

**Performance Trends:**

The indicator on the publishing of the tracking document in the Office of the Leader of Government Business maintained a performance of 100% for the financial year, meeting its target.

**Table 28: OLOGB Tracking**

OLOGB TRACKING				
	Quarter 1	Quarter 2	Quarter 3 2017/18	Quarter 4 2017/18
<b>Volume</b>	234	46	58	51

<b>Strategic Objective (SO 3.1)</b>	Increase access and improve the quality of participation in the processes of Parliament through enhanced programmes to ensure participatory democracy.
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A public participation questionnaire was carried out on Wave 2 of The Khayabus Survey, which is an Omnibus (shared cost) survey that is conducted biannually by IPSOS South Africa. Wave 2 was conducted from 02 November 2017 to 07 December 2017. A total sample of 3,562 South Africans were interviewed who were selected via random probability sampling on a national level. The results were weighted and projected to represent the South African population aged 15 years and older.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1a	% Population having access to participate in parliamentary processes	10%	10%	0%	

**Performance Trends:**

For the indicator measuring the percentage (%) of the population having access to participate in parliamentary processes, the question *“Do you know how to participate in the processes of Parliament?”* was asked. Responses showed that 8 out of ten South Africans do not know how to participate in the processes of Parliament. Performance on this indicator is not measured against activities that support Parliament’s public education programme, but citizens’ experience with accessing and participating in Parliament’s processes. In 2016/17, the research question that was used to measure this was different to the current question, and was as follows: *“Do you have access to Parliament or contact with a Member of Parliament?”*.

Given the difference in the questions, the 2017/18 performance is incomparable to that of 2016/17 and must be interpreted independently and relative only to its set target. When the target for 2017/18 was set at 10%, which was lower than the 11.5% audited performance of 2016/17, the intention was not to measure the increase of year-on-year performance. While the change was made to improve Parliament’s understanding of citizens’ needs, there is an urgent need to balance the improvement of our research enquiry, and the need to accurately track progress. This area will benefit from more consistent measurement.

While this indicator met its target, the low levels of access to participation is worrying, and thus the focus should be on the implementation of Parliament’s stakeholder engagement strategy in the 2018/19 financial year.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1b	% Population participating in parliamentary processes	10%	6%	-4%	

**Performance Trends:**

The indicator on the percentage (%) of the population participating in parliamentary processes was measured by asking the question “Have you participated in any of the following activities of Parliament?”. There is an indication that participation is low for most parliamentary processes including Taking Parliament to the People (7%), Parliamentary Committee Programmes (6%), the State of the Nation Address (6%) and social media (5%). A large majority (74%) of respondents stated that they had not participated in the above mentioned activities of Parliament, and 10% did not know whether they had participated or not. It is important to note that the question asks whether the respondent has participated in these events, but does not define what this participation entails and was therefore left to the respondents’ personal interpretation.

## ***Programme 4: Support Services***

### **Purpose:**

The purpose of this programme is to provide services in respect of institutional communication, human resource management, information communication technology, institutional support and Members' support.

### **Strategic & Specific Objectives:**

The programme's objective is to improve the relationship with stakeholders by developing and implementing a stakeholder management plan and by increasing Members' satisfaction through an integrated and independent scientific survey by 2019, through the review of the service charter and by conducting an institutional survey.

Improve the communication of the business of Parliament in order to increase public involvement, by developing and implementing a comprehensive communication strategy by 2019:

- Comprehensive communication strategy developed and implemented

Leverage current, new and innovative technologies to meet the information and communication needs of Members and staff by increasing universal access of Integrated Information Services from 40% to 80% by 2019:

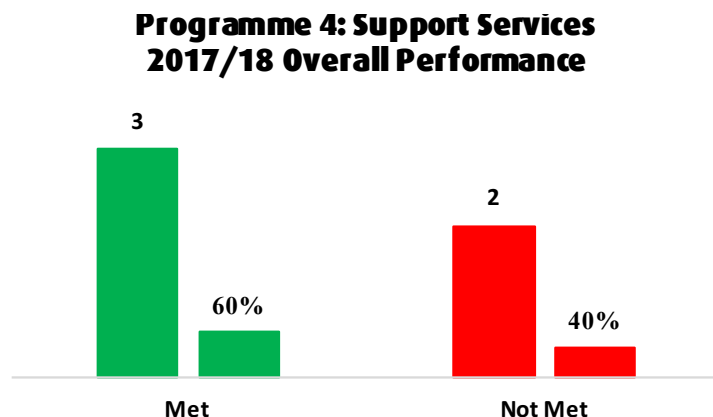
- Enabling technologies provided to Members to effectively discharge their responsibilities;
- Improved and effective business processes;
- Increased access to the public and key stakeholders in the parliamentary processes.

Optimise facilities' usage and provide adequate and appropriate functional space by creating a conducive working environment to increase the level of satisfaction, from 68% to 85% by 2019:

- Conducive physical and social environment created;
- Fleet management function and capacity established;
- Improved measures to safely secure Parliament and related facilities implemented.

Increase availability of strategic competencies, talent and skills by developing and increasing performance on the talent management index by 15% by 2019;

- Environment required to attract appropriate talent established;
- Leadership, management and development culture established;
- Organisational review of structures, systems and processes.

**Graph 30: Programme 4 – Support Services**

**Table 29: Programme 4 – Per Indicator Performance**

<b>ADMINISTRATION</b>		
Indicator	Performance	
	2016/17	2017/18
1.1 Client satisfaction level (% of clients satisfied with service levels)	71,5%	70%
1.5 % of population who are aware of the business of Parliament	9,75%	24%
1.4 % of universal access	63%	72,7%
1.6 Client satisfaction level (% of clients satisfied with service levels)	66,6%	69,7%
1.7 % increase in talent management index	6,4%	9%

<b>Strategic Objective (SO 1.1)</b>	Improve relationship with stakeholders by developing and implementing a stakeholder management plan and by increasing Members' satisfaction through an integrated and independent scientific survey by 2019
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Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.1 Client satisfaction level (% of clients satisfied with service levels)	73,5%	70%	-3,5%	The satisfaction level of 70% is above industry standard. The full implementation of the stakeholder management plan is expected to increase satisfaction level.

**Performance Trends**

The client satisfaction survey conducted was successfully concluded in March 2018. The internal survey that polled Members of Parliament as well as employees registered 70% satisfaction levels in respect of services rendered. The annual target fell short by 3.5%. Based on industry standards, the achievement of above 70% is more than acceptable.

The Stakeholder Satisfaction Index applied in 2017-18 was strengthened to ensure more scientific outcomes that can stand a more rigorous scrutiny with the commissioning of the Human Sciences Research Council (HSRC). As part of these refinements, a number of small, but critical, changes were effected which included the following:

1. Segmentation of the internal stakeholders further between Members of Parliament and staff;
2. Introduction of a neutrality option to the respondents to comply with requisite professional research standards, which invariably had some impact on the outcomes overall, an option not given in the earlier research;
3. Introduction of a new additional indicator for measuring the performance of Parliament beyond the coverage of the lawmaking and the oversight functions of Parliament, which is the promotion of citizen participation.

Considering stakeholder rating of Parliament’s performance in respect of two of the three mandates of Parliament, there is a noticeable improvement in the rating of Parliament, as follows:

1. 5,62% improvement in the rating of Parliament in respect of lawmaking;
2. 3,92% improvement in the rating of Parliament in respect of oversight; and
3. Establishment of a baseline of 22,8% on stakeholder rating of Parliament’s performance in respect of promotion of citizen participation.

Although there has been a small decline in overall satisfaction levels, Parliament’s performance remains at satisfactory levels, as any outcome of more than two-thirds, is good enough and should be maintained and worked on to further improve on it.

<b>Strategic Objective (SO 1.5)</b>		Improve the communication of the business of Parliament in order to increase public involvement, by developing and implementing a comprehensive communication strategy by 2019.			
<b>Performance Indicator</b>		<b>Annual Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
1.5	% of population who are aware of the business of Parliament	11,75%	24%	+12,25%	The implementation of the Comprehensive Communication Strategy focussing on the execution of improved qualitative and quantitative communication activities supporting the programme of Parliament.



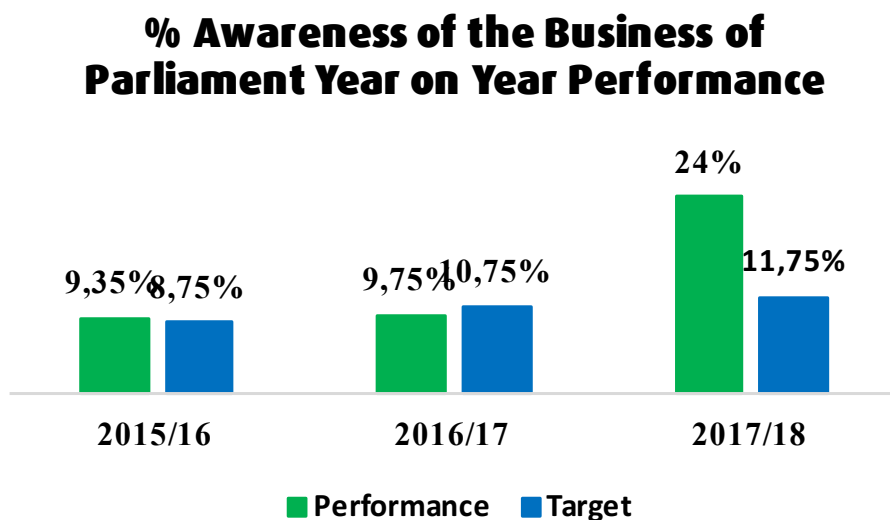
### Performance Trends

The survey showed a significant improvement in public awareness of Parliament, which increased from 9,35% in the previous cycle to 24% in 2017/18 financial year.

The Comprehensive Communication Strategy for the fifth term was developed and approved during this period. It outlined very clear deliverables for each phase of the strategy, as aligned to the Programme of Parliament. Its focus on the execution of improved qualitative and quantitative communication activities supporting the programme of Parliament resulted in numerous achievements. Among other things, media monitoring revealed greater impact in the effecting of the instantaneous turnaround strategy on media handling where media queries were responded to telephonically, and the proactive 'Crises Communication Strategy' designed to mitigate negative media relating to events that took place around SoNA showed significant improvement.

For the 2017/18 financial year, 1,142 media releases and statements were issued supporting the work of Parliament. Monitoring of media releases on specific issues indicated that these releases were widely used by print, broadcast as well as electronic media. Relations with the media were taken to a higher level, dousing emerging conflicts triggered by previous disagreements including alleged incidents of blockages of media in doing their work. To this end, two meetings with the South African National Editors Forum (SANEF) and three meetings with the leadership of the PGA were held. Communication support was provided to more than 1,600 Committee Meetings, more than 45 Committees on Oversight and more than 20 Public Hearings for the year.

**Graph 31: % Awareness of the Business of Parliament – Year-on-Year**



<b>Strategic Objective (SO 1.4)</b>	Leverage current, new and innovative technologies to meet the information and communication needs of Members and staff by increasing universal access of Integrated Information Services from 40% to 80% by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.4	% of universal access	70%	72,7%	+2,7%	Project implementation concluded earlier than projected

### Performance Trends

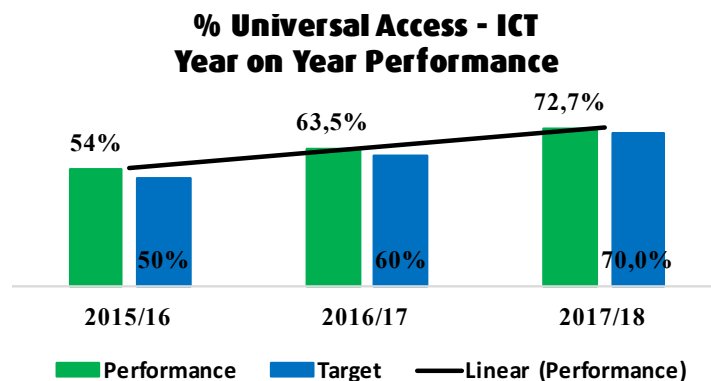
Performance on this indicator is measured against the percentage (%) of access to ICT provided to Members, improved efficacy of business, as well as the access to Parliamentary business. The following is a list of systems available via web and mobile platforms for Members as well as employees:

**Table 30: List of Systems Available via Web & Mobile Platforms**

SYSTEM		WEB PLATFORM	MOBILE PLATFORM
<b>1</b>	Website	yes	yes
<b>2</b>	Intranet	yes	yes
<b>3</b>	Chamber Systems (NA)	no	no
<b>4</b>	Chamber Systems (NCOP)	no	no
<b>5</b>	uVimba	yes	yes
<b>6</b>	ERP	yes	no
<b>7</b>	Broadcast Infrastructure (streaming to Website, Faranani & Youtube)	yes	yes
<b>8</b>	ICT Service Desk	yes	yes
<b>9</b>	E-mail	yes	yes
<b>10</b>	Bungeni	yes	no
<b>11</b>	My Parliament	yes	yes

Web accessibility is at 81,8% (9 of 11), while mobile access is at 63,6% (7 of 11), which brings total average web and mobile accessibility to 72.7%. This exceeds the 70% target set for the 2017/18 financial year, with quarterly progress as follows:

**Graph 32: % Universal ICT Access – Year-on-Year**



**ICT infrastructure and systems**

The ICT infrastructure and systems, which include the ICT network, email, internet, intranet, central document management (uVimba) and the Enterprise Resourcing Planning (ERP) system were 99.9% available to Members of Parliament and staff during this reporting period. These systems enabled Members of Parliament and staff:

- To communicate and collaborate via digital communication platforms (e.g. email, uVimba, Parliament’s official social media platforms such as Facebook, Twitter).
- To record, store, and retrieve information as well as to collaborate via Parliament’s central document management system (uVimba) and the reporting system.
- To perform electronic transactional processing such as payroll, on-line leave, invoice workflow, expense payments for Members of Parliament, iRecruitment, iAssets, etc. via the ERP.
- To enable efficient and effective process automation that seeks to improve service delivery in Parliament to improve services offered by business areas in Parliament.
- To connect to the World Wide Web (www) and social media (Members of Parliament and designated staff)

The initiatives that were implemented in 2017-18 financial year are as follows:

**Email platform migration:** Parliament successfully migrated its email platform from Novell GroupWise to Microsoft Exchange (MS Outlook). This is part of the institution’s technology improvement initiatives to ensure that Members of Parliament and the Administration receive better and easy to use services as well as responding to fitting technologies for the institution. With the introduction of the Microsoft email platform, Parliament can now take advantage of: (a) easier integration with existing and new technologies (b) bigger and more reliable mailboxes (c) keeping important data in one place (d) improved security management and authentication, thereby enabling better communication, easier access to information and increased mobility enabling users to ‘work anywhere’.

**Institutional Reporting system:** The reporting system is the ICT enabler for the automation of the reporting framework and process of Parliament. The Institutional Reporting System performs the

following basic functions:

- Captures the Key Performance Indicators per division per financial year.
- Sets performance targets and budgets against each Performance Indicator on an annual, quarterly and monthly basis
- Captures the actual performance, actual spend and deviation against each performance indicator on an annual, quarterly and monthly basis.
- Captures evidence for performance and deviations from performance in the central document management system.
- Renders reports as per the specification given by the Policy Management Unit.
- Manages user access to functionality within the system.

**iRecruitment system:** The automation of the recruitment process was identified as an area to be made effective and efficient and an area where the turnaround time needed to be improved drastically. During the reporting period, Parliament automated the recruitment application process, which improves accuracy, consistency and faster processing. Those applying for parliamentary jobs can now apply online, thereby allowing Parliament to more accurately match qualified candidates to positions.

**Intranet Platform migration:** The intranet platform has been migrated to a new platform - Technical development has been completed which will now allow users to access the intranet through web and mobile platforms, which increases office mobility. Members and the Administration will now be able to access the intranet on their mobile devices anywhere on the Parliamentary precinct where there is a network connection.

**Digital Recording & Transcription System:** This system seeks to improve services offered by Parliament's Language Services Section and will ensure that recording and transcribing is supported by reliable, state of the art technology and equipment. The system performs satisfactorily in terms of recording. However, additional functionality will be implemented in 2018 to enhance the transcription capabilities.

**iExpense:** Parliament implemented an automated electronic process to handle Members' claims (which was previously paper-based and/or done manually) in order to improve the administrative services rendered to Members. The automation now ensures the auditability (electronic trail) of pay-outs; it reduces the risk of incorrect and/or duplicate of expense claims, efficiently account for the impact of claims in terms Members' Income Tax, thereby improving the efficiency of supporting Members to report claims to the South African Revenue Services, which improves the turn-around time of claims processing.

<b>Strategic Objective (SO 1.6)</b>	Optimise facilities' usage and provide adequate and appropriate functional space by creating a conducive working environment to achieve an increased level of satisfaction, from 68% to 85% by 2019
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.6	Client satisfaction level (% clients satisfied with service levels)	70%	69,7%	-0,3%	While the variance is insignificant, initiatives in the areas of catering, SHE training and facilities management will improve performance

**Performance Trends**

The results of the survey on levels of satisfaction for the Institutional Support Services Division (ISSD) will be used to inform strategies of intervention in respect of facilities management, the provision of catering services, fleet management and Safety Health and Environment (SHE) management in order to improve these services. It should also be noted that the baseline results for this indicator are high, which means that ISSD is starting from a high trajectory.

<b>Strategic Objective (SO 1.7)</b>	Increase availability of strategic competencies, talent and skills by developing and increasing performance on the talent management index by 15% by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.7	% increase in talent management index	6%	9%	+3%	

**Performance Trends**

The Talent Management Index (TMI) was adopted as a multi-dimensional tool to measure the performance of the institution to ensure availability of the talent it requires to implement its strategic plan. The indicators in the TMI have been chosen after careful consideration of what would be ideal for the organisation. Based on the HR processes and systems that support an ideal talent management framework, this includes dimensions focusing on acquisition, growth, and retention (conducive environment). The following is an outline of how the index performed on its various dimensions.

### ***Talent Acquisition***

Recognising that employees are the most valuable and critical component in any organisation, the overriding business imperative is to ensure that the organisation is capacitated with the right skills and competencies to ensure the efficient delivery of the business' strategic objectives. It has been challenging to attract the right skills and expertise as applicants were reluctant to accept offers due to challenges created by the fixed term nature of employment contracts, the cost of living in Cape Town and the uncompetitive compensation at executive management level. The institution is looking at innovative ways to attract and retain the right skills and talent. In this vein, the process has started to review institutional human resources policies, systems and structures, which facilitate the response to the current and future skills and talent needs of the institution.

### ***Talent Growth***

Parliament offers learning and development opportunities as part of its integrated talent management strategy to maintain a competent, readily available workforce. There were several training interventions implemented during the year under review, which was aimed at improving the skills levels of employees. A total of 862 employees participated in these training programmes. The Executive and Management Coaching programme was launched in September 2017 as part of efforts to support the development and growth of managers. Sixty (60) managers are enrolled in the programme and have been through individual and team coaching sessions aimed at supporting various leadership teams to enhance their skills. Parliament offers bursaries in support of staff wanting to improve their academic qualifications. In the 2017/18 financial year, 23 employees were awarded bursaries for post-graduate studies, which included Honours and Masters degrees as well as B.Tech degrees, national diplomas and national certificates.

### ***Talent Retention***

Over the years, Parliament has built itself a strong brand that appeals to its employees. The positive employee value proposition and the good working environment contributed immensely to the low staff turnover. Some of the benefits that contributed to the low turnover rate included subsidised retirement benefits; subsidised medical aid benefits; performance bonuses and notch progression; generous leave allocation; bursary opportunities and study leave; training and development short courses; conferences, seminars and symposiums; local and international travel opportunities; recognition of long service; enabling tools of trade and employee wellness initiatives aimed at achieving work life balance. However, in the past few years many professional staff have resigned from Parliament citing various reasons which are, in the main, the fixed-term contracts of employment; expensive accommodation in Cape Town; working environment; and working conditions. The total number of resignations to date stand at 34. This represents a turnover rate of 2.64% cumulatively to date.

### ***Harmonious Work Environment***

A comprehensive review of the Labour Relations system was initiated in an attempt to build a harmonious working environment that is conducive for employees to perform their duties. The review included a diagnostic analysis of the labour/management relationship. Recommendations emanating from the report were systematically implemented and include building workplace relationship workshops, formalisation of engagements, clearance of outstanding and unresolved issues and a comprehensive employee relations strategy. The above activities/initiatives are contributing to a stable, harmonious and conducive working environment.

In as far as disputes and workplace conflict resolution is concerned, eight (8) cases were referred to the CCMA this year which is a 57% reduction from nineteen (19) cases reported in 2016/17. This is an encouraging sign as the low number of disputes is indicative of a stable environment.

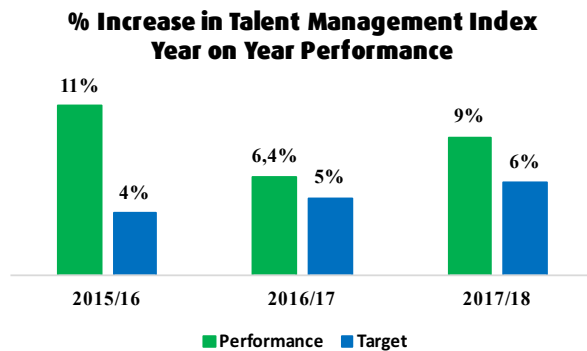
**Comprehensive Review of the Effectiveness of Parliamentary Services, Structures and Systems**

The Organisational Re-alignment Project was established to address the overall service challenges to Members of Parliament. It aims to review existing inefficiencies within the Parliamentary Service and the creation of capacity to address service demands in areas of Oversight, Public Involvement, International Engagement and Institutional Governance. Phase 1 of the project has been completed and entailed the following milestones:

- Stage 1: An objective diagnosis of the existing operational gaps that affect service delivery
- Stage 2: An operational model that is aligned to the mission and strategic plan of Parliament
- Stage 3: Macro and Micro Structures that will enable the institution to achieve its objectives
- Stage 4: A Culture Framework that will ensure service excellence becomes a way of life in the institution.

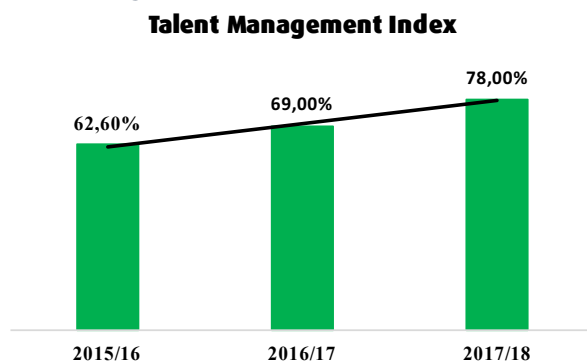
Performance in the 2017/18 financial year is an improvement from the 2016/17 and 2015/16 performance cycles. Year-on-Year performance on the TMI is provided below:

**Graph 33: % Increase in Talent Management Index – Year-on-Year**



The following graph shows the actual percentage Talent Management Index over the same period:

**Graph 34: % Talent Management Index – Year-on-Year**



## Programme 5: Associated Services

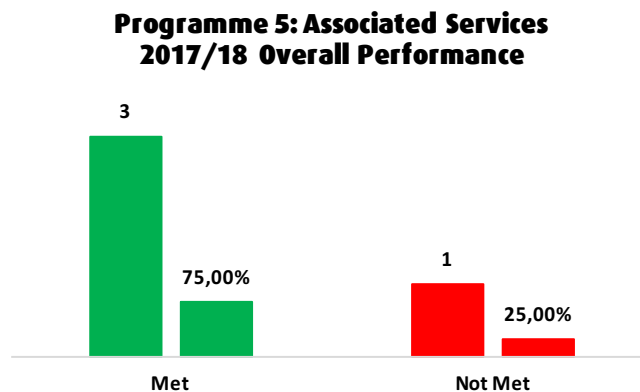
### Purpose:

The purpose of this programme is to provide travel, communication and other facilities for Members of Parliament to fulfil their duties as elected public representatives. The programme is also aimed at providing financial support to political parties represented in Parliament, their leaders and constituency offices.

### Strategic & Specific Objectives:

- a) Ensure greater effectiveness of Members in fulfilling their functions by reviewing the facilities needs of Members and by integrating services into a seamless support service by 2019.
- b) Reduce average turnaround time for the processing and payment of reimbursements to Members from 3 to 2.5 working days by 2019.
- c) Ensuring effective financial management by improving payment and compliance of transfer payments by 2019.

**Graph 35: Programme 5 – Associated Services**



**Table 31: Programme 5 – Per Indicator Performance**

ASSOCIATED SERVICES		
Indicator	Performance	
	2016/17	2017/18
4.1a Phase of integrated services strategy implementation	Met	Not Met
4.1b Handbook published by 31 Oct	Met	Met
4.2 Average number of days to reimburse Members	2,44	2,37
5.1 % of payments made compliant to policy	100%	100%



<b>Strategic Objective (SO 4.1)</b>	Ensure greater effectiveness of Members in fulfilling their functions by reviewing the facilities needs of Members and by integrating services into a seamless support service by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
4.1a	Phase of integrated services strategy implementation	Defined services per Seamless Service Project	Milestones partially achieved	Not Met	

### Performance Trends

The physical space which was allocated late in the 2017/18 financial year to the service centre, will offer a professional and well-equipped environment to serve as a physical hub for the provision of enhanced seamless services to members. The stabilisation of human resource capacity in the support environment allows further effort in innovation to reduce the administrative burden in the provision of facilities to members. The following table details milestones planned and the achievement status for the 2017/18 financial year:

**Table 32: Seamless Project Milestones Achieved**

PERFORMANCE ON MILESTONES	
Milestone	Status
Integrated Service Framework	Completed
Members' Service Charter	Completed
Members' Service Catalogue	Completed
Enhanced and refurbished Members' Service – Physical Space	Partially Completed
HR Capacity requirements assessed and implemented	Completed
Business Requirement Specifications completed	Completed
Governance mechanism established	Completed

Based on the set targets for this indicator, not all milestones were achieved. While this renders this indicator not achieved for the 2017/18 financial year, it is worth noting that the majority of milestones were completed, and the indicator would benefit from more precise targets.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategie
4.1b	Handbook published by 31 Oct	Published by 31 Oct 2017	Handbook published	Achieved	

**Performance Trends**

The review of facilities, as defined in the handbook, was subject to a comprehensive review in 2017/18 to ensure that facilities are provided in order to appropriately support the changing needs of members. Consultation, approval and implementation will take place in the 2018/19 financial year.

<b>Strategic Objective (SO 4.2)</b>	Reduce average turnaround time for the processing and payment of reimbursements to Members from 3 to 2.5 working days by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
4.2	Average number of days to reimburse Members	2.7 days	2,37 days	+0,33 days	Improved management supervision and improved rate of absenteeism amongst staff

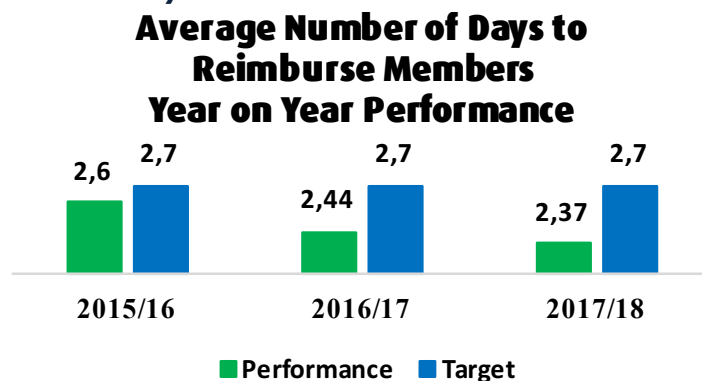
**Performance Trends**

This indicator has performed consistently and exceeded the target over the last three financial years.

**Table 33: Reimbursement Average Turnaround Time – Quarter-On-Quarter**

	Quarter 1 2017/18	Quarter 2 2017/18	Quarter 3 2017/18	Quarter 4 2017/18
<b>Performance</b>	2,5	2,57	2,23	1,94
<b>Target</b>	2,7	2,7	2,7	2,7

**Graph 36: Average Number of Days to Reimburse Members – Year-on-Year**



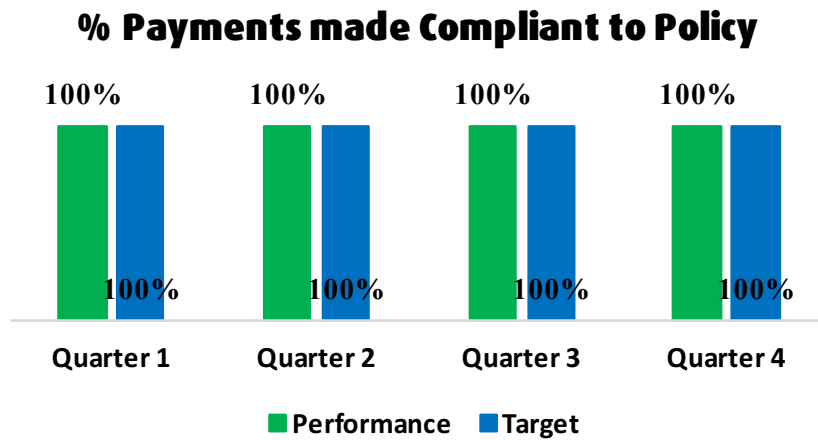
**Strategic Objective (SO 5.1)** Ensuring effective financial management by improving payment and compliance of transfer payments by 2019.

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
5.1	% of payments made compliant to policy	100%	100% (65 of 65)	0%	

**Performance Trends**

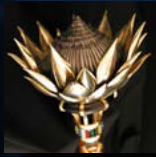
Performance in respect of payments to political parties has maintained its target during the 2017/18 financial year.

**Graph 37: % Payments made Compliant to Policy – Quarter-On-Quarter**





# ANNUAL FINANCIAL STATEMENTS



# ANNUAL FINANCIAL STATEMENTS

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Postal address</b>	P O Box 15 Cape Town 8000
<b>Bankers</b>	Nedbank
<b>Auditors</b>	Auditor General of South Africa Registered Auditors
<b>Acting Secretary to Parliament</b>	P N Tyawa

### Reporting on Parliament's mandate

The Parliament of the Republic of South Africa is a legislature and established in terms of Chapter 4 of the Constitution of the Republic of South Africa, 1996.

The principal activities of the Parliament are to:

- Pass laws (legislation);
- Oversee and scrutinize Executive (Oversight)
- Promote public participation

Parliament's operations are governed by the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).

## **Parliament of the Republic of South Africa**

Financial Statements for the year ended 31 March 2018

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Accounting Officer's Report

Statement of Financial Position

Statement of Financial Performance

Statement of Changes in Net Assets

Cash Flow Statement

Statement of Comparison of Budget and Actual Amounts

Accounting Policies

Notes to the Financial Statements

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Accounting Officer's Report



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

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

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

The Accounting Officer acknowledges that she is ultimately responsible for the system of internal financial control established by Parliament and places considerable importance on maintaining a strong control environment. To enable the Accounting Officer to meet these responsibilities, management sets standards for internal controls aimed at reducing the risk of error or deficit in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the year and all employees are required to maintain the highest ethical standards in ensuring the Parliament's business is conducted in a manner that in all reasonable circumstances, is above reproach. The focus of risk management in Parliament is on identifying, assessing, managing and monitoring all known forms of risk across the entity. While operating risk cannot be fully eliminated, Parliament endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The Accounting Officer has reviewed Parliament's cash flow forecast for the year ended 31 March 2019 and in the light of this review, is satisfied that Parliament has or has access to adequate resources to continue in operational existence for the foreseeable future. Although the statement of financial position indicates a net deficit which is mostly due to the provision made for the post-retirement medical benefits for current and former members of Parliament and Provincial Legislatures, Parliament has sufficient budgeted amount to make the contributions for the qualifying former members.

Parliament is wholly dependent on National Treasury for the continued funding of operations. The financial statements are prepared on the basis that the entity is a going concern and that Parliament has neither the intention nor the need to liquidate or curtail materially the scale of the entity.

Although the Accounting Officer is primarily responsible for the financial affairs of Parliament, and is supported by the internal auditors who are responsible for independent reviewing and reporting on Parliament's financial statements.

Ms. P N Tyawa  
Acting Secretary to Parliament



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Statement of Financial Position as at 31 March 2018

	Note(s)	2018 R '000	2017 Restated* R '000
<b>Assets</b>			
<b>Current Assets</b>			
Inventories	2	885	635
Receivables from non-exchange transactions	3	1 681	2 343
Receivables from exchange transactions	4	3 290	3 264
VAT receivable		20	-
Prepayments	5	14 032	7 542
Assets held for sale		-	43
Cash and cash equivalents	6	282 258	311 777
		<b>302 166</b>	<b>325 604</b>
<b>Non-Current Assets</b>			
Property, plant and equipment	7	73 612	93 678
Intangible assets	8	9 583	15 186
Heritage assets	9	55 272	55 251
		<b>138 467</b>	<b>164 115</b>
<b>Total Assets</b>		<b>440 633</b>	<b>489 719</b>
<b>Liabilities</b>			
<b>Current Liabilities</b>			
Finance lease obligation	10	529	270
Payables from exchange transactions	11	70 080	66 128
Payable from non-exchange transactions	12	1 432	10
VAT payable		-	5
Unspent Statutory appropriation	13	100 768	93 310
Current employee benefits	14	74 626	55 172
Provisions	15	3 384	-
		<b>250 819</b>	<b>214 895</b>
<b>Non-Current Liabilities</b>			
Finance lease obligation	10	65	227
Employee benefit obligation	16	1 433 224	1 240 629
		<b>1 433 289</b>	<b>1 240 856</b>
<b>Total Liabilities</b>		<b>1 684 108</b>	<b>1 455 751</b>
<b>Net Asset (Liability)</b>		<b>(1 243 475)</b>	<b>(966 032)</b>
Accumulated surplus (Deficit)		(1 243 475)	(966 032)

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Statement of Financial Performance

	Note(s)	2018 R '000	2017 Restated* R '000
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Bad debts recovered		167	24
Commissions received		425	407
Interest earned	17	23 310	25 777
Other revenue		80	320
Sale of goods	18	5 036	3 625
<b>Total revenue from exchange transactions</b>		<b>29 018</b>	<b>30 153</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Annual appropriation	19	1 711 947	1 659 631
Statutory appropriation	20	455 520	436 488
Service in kind rental	35	107 542	98 662
<b>Transfer revenue</b>			
Public contributions and donations	21	52 308	164
Other revenue		146	2 613
<b>Total revenue from non-exchange transactions</b>		<b>2 327 463</b>	<b>2 197 558</b>
<b>Total revenue</b>		<b>2 356 481</b>	<b>2 227 711</b>
<b>Expenditure</b>			
Compensation of employees and Members	22	(1 497 342)	(1 511 221)
Depreciation and amortisation	23	(37 261)	(37 123)
Impairment loss/ Reversal of impairments	23	-	(699)
Finance costs	24	(65)	(65)
Debt Impairment	25	(55)	(167)
Debt written off (No work no pay)	26	-	(18 494)
Transfers to non-profit institutions	27	(436 530)	(405 958)
Repairs and maintenance	28	(4 197)	(6 681)
Cost of sales	29	(5 557)	(5 025)
General Expenses	30	(568 207)	(522 280)
<b>Total expenditure</b>		<b>(2 549 214)</b>	<b>(2 507 713)</b>
<b>Operating deficit</b>		<b>(192 733)</b>	<b>(280 002)</b>
Loss on disposal of assets		(308)	(577)
Gain/(Losses) on foreign exchange		-	3
Actuarial gains/(losses)	16	(72 482)	291 797
Gain/(Losses): Change in accounting estimates		-	(120)
<b>Other comprehensive incomes/(Losses)</b>		<b>(72 790)</b>	<b>291 103</b>
<b>(Deficit) surplus for the year</b>		<b>(265 523)</b>	<b>11 101</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Statement of Changes in Net Assets

	Accumulated surplus (Deficit) R '000	Total net assets R '000
<b>Balance at 01 April 2016</b>	<b>(976 343)</b>	<b>(976 343)</b>
Changes in net assets		
Surplus for the year	11 101	11 101
Other Adjustments	(791)	(791)
<b>Total changes</b>	<b>10 310</b>	<b>10 310</b>
Opening balance as previously reported	(855 062)	(855 062)
Adjustments		
Prior year adjustments (Note 41)	(110 970)	(110 970)
<b>Restated balance at 01 April 2017</b>	<b>(966 032)</b>	<b>(966 032)</b>
Changes in net assets		
Surplus for the year	(265 523)	(265 523)
Adjustment in opening balances	(11 920)	(11 920)
<b>Total changes</b>	<b>(277 443)</b>	<b>(277 443)</b>
<b>Balance at 31 March 2018</b>	<b>(1 243 475)</b>	<b>(1 243 475)</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Cash Flow Statement

	Note(s)	2018 R '000	2017 Restated* R '000
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Annual appropriation		1 711 947	1 659 631
Statutory appropriation		556 288	529 798
Departmental revenue		5 688	4 434
Interest received		23 961	24 581
		<b>2 297 884</b>	<b>2 218 444</b>
<b>Payments</b>			
Employee costs		(1 285 302)	(1 315 314)
Suppliers		(489 220)	(430 596)
Finance costs		(65)	(65)
Statutory appropriation surrendered to National Revenue Fund		(93 310)	(62 836)
Transfer to non-profit institutions		(435 098)	(403 264)
		<b>(2 302 995)</b>	<b>(2 212 075)</b>
<b>Net cash flows from operating activities</b>	<b>33</b>	<b>(5 111)</b>	<b>6 369</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(23 699)	(24 159)
Proceeds from sale of property, plant and equipment	7	83	181
Purchase of intangible assets	8	(105)	(2 004)
Purchases of heritage assets	9	(21)	(8)
<b>Net cash flows from investing activities</b>		<b>(23 742)</b>	<b>(25 990)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(494)	(619)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(29 347)</b>	<b>(20 240)</b>
Cash and cash equivalents at the beginning of the year		311 605	332 017
<b>Cash and cash equivalents at the end of the year</b>	<b>6</b>	<b>282 258</b>	<b>311 777</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Statement of Comparison of Budget and Actual Amounts

#### Budget on Cash Basis

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

#### Cash Flow Statement

##### Cash flows from operating activities

##### Revenue

Annual appropriation	1 711 947	-	1 711 947	1 711 947	-	
Statutory appropriation	556 288	-	556 288	556 288	-	
	<b>2 268 235</b>	<b>-</b>	<b>2 268 235</b>	<b>2 268 235</b>	<b>-</b>	

##### Expenses

Compensation of employees	(785 503)	-	(785 503)	(829 782)	(44 279)	39.1
Compensation of Members	(556 288)	-	(556 288)	(455 520)	100 768	39.2
Goods and services	(507 848)	2 641	(505 207)	(489 220)	15 987	
Transfer to non-profit institutions	(414 690)	(2 641)	(417 331)	(435 098)	(17 767)	
	<b>(2 264 329)</b>	<b>-</b>	<b>(2 264 329)</b>	<b>(2 209 620)</b>	<b>54 709</b>	

<b>Net cash flows from operating activities</b>	<b>3 906</b>	<b>-</b>	<b>3 906</b>	<b>58 615</b>	<b>54 709</b>	
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##### Cash flows from investing activities

Acquisition of property, plant and equipment	(3 906)	-	(3 906)	(23 699)	(19 793)	39.3
Proceeds from sale of property, plant and equipment	-	-	-	83	83	
Purchase of heritage assets	-	-	-	(21)	(21)	39.3
Purchase of intangible assets	-	-	-	(105)	(105)	39.3
<b>Net cash flows from investing activities</b>	<b>(3 906)</b>	<b>-</b>	<b>(3 906)</b>	<b>(23 742)</b>	<b>(19 836)</b>	

Net increase/(decrease) in cash and cash equivalents	-	-	-	34 873	34 873	
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<b>Cash and cash equivalents at the end of the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34 873</b>	<b>34 873</b>	
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#### Reconciliation

##### Net cash from (used) operating

##### Basis difference

Interest paid	(65)
Statutory funds surrendered	(93 310)
Departmental revenue	5 688
Interest received	23 961

##### Net cash from (used) financing

##### Basis difference

Finance lease payments	(494)
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<b>Actual Amount in the Cash flow statement</b>	<b>(29 347)</b>
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# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1. Basis of presentation

The financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice ( SA Standards of GRAP) , issued by the Accounting Standards Board in accordance with Section 56 of the Financial Management of Parliament and Provincial Legislatures Act

The accounting policies applied are consistent with those that were applied in the previous year, except where indicated otherwise. Management has used assessment and estimates in preparing the annual financial statements. The estimates used were the best information available at the time of preparing the financial statements.

#### 1.1 Significant judgements

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

##### Impairment of trade receivables

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

##### Employee benefits, provisions and contingent liabilities

Management's judgment is required when recognising and measuring employee benefits, provision and contingent liabilities, as set out in Notes 14, 15 and 34 respectively. Employee benefits are discounted where the effect of discounting is material using actuarial valuations.

##### Going concern assumption

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

##### Post- retirement benefits

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

##### Property, plant and equipment

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

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.2 Hierarchy of standards used

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

#### Adoption of new and revised standards

In the current financial year Parliament has adopted the revised standards and interpretations issued by the Accounting Standards Board (ASB) as set out in Directive 5 that are relevant to its operations, and effective. The adoption of these revised standards and interpretations did not result in the changes to the accounting policies. Parliament has not adopted any SA Standards of GRAP that are not yet effective, except GRAP 20 that had been earlier adopted in the 2014 reporting period.

At the date of submission of these annual financial statements for the year ended 31 March 2018, the following standards were approved and not yet effective.

- GRAP 32 - Service concession arrangements: Grantor
- GRAP 108 - Statutory receivables
- GRAP 34 - Separate financial statements
- GRAP 35 - Consolidated financial statements
- GRAP 36 - Investments in associates and joint ventures
- GRAP 37 - Joint arrangements
- GRAP 38 - Disclosure of interest in other entities
- GRAP 109 - Accounting by principals and agents
- GRAP 110 - Living and non living resources

All the above standards where applicable will be complied with in preparation of the financial statements, once the effective date has been set. Preliminary investigations indicated that the impact of these standards on Parliament will be minimal.

### 1.3 Comparative figures

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

### 1.4 Revenue from exchange transactions

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.4 Revenue from exchange transactions (continued)

#### Recognition

Sale of goods

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

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

#### Rendering of services

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

Interest

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.

Measurement

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

### 1.5 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions that are not exchange transactions. In non-exchange transaction, Parliament receives value from another entity without directly giving approximately equal value in exchange.

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

- Statutory appropriation
- Grants, sponsorship and donation
- Annual appropriation
- Service in kind rental .

#### Recognition

Revenue from non-exchange transactions is generally recognised to the extent that the related receipt or receivable qualifies for recognition as an asset and there is no liability to repay the amount in the event of non-performance.

Revenue from the recovery of unauthorised, irregular and fruitless and wasteful expenditure is based on legislated procedures, including those set out in the FMPPLA and is recognised when the amount is recoverable and can be reliably measured.



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Accounting Policies

#### 1.5 Revenue from non-exchange transactions (continued)

##### Measurement

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

#### 1.6 Grants, sponsorship and donations

Grants, sponsorships and donations received or receivable are recognised when the resources that have been transferred meet the criteria for recognition as an asset. A corresponding liability is raised to the extent that the grant, sponsorship or donation is conditional. The liability is transferred to revenue as and when the condition attached to the grant are met. Grants without any conditions attached are recognised as revenue when the asset is recognised.

#### 1.7 Property, plant and equipment

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

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

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

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

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

Item	Depreciation method	Average useful life
Furniture	Straight line	5 to 15 years
Motor vehicles	Straight line	5 to 14 years
Office equipment	Straight line	5 to 15 years
Computer equipment	Straight line	3 to 15 years
Library books	Straight line	5 years
Finance assets - cell phones and modems	Straight line	2 years

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Accounting Policies

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#### 1.7 Property, plant and equipment (continued)

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

Parliament assess at each reporting date whether there is any indication that the expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, Parliament revise the expected useful life and/or residual value accordingly. The changes are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP 3.

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

#### 1.8 Heritage assets

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

##### Recognition

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

##### Initial measurement

A heritage asset that qualifies for recognition as an asset shall be measured at its cost.

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

##### Subsequent measurement

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

##### Transfers

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

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

##### Depreciation

Heritage assets are not depreciated, since their long economic life and high residual value mean that any depreciation will be immaterial. However, they are assessed at each reporting period to determine whether there is any indication of impairment.

#### 1.9 Intangible assets

##### Recognition

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Accounting Policies

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#### 1.9 Intangible assets (continued)

##### Measurement

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

##### Amortisation

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

Item	Useful life
Computer software, other	3 to 9 years

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

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

#### 1.10 Impairment of assets

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

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

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

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

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

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

#### 1.11 Inventories

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

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

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.11 Inventories (continued)

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

### 1.12 Financial instruments

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

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

All financial assets measured at amortised cost are subject to an impairment review.

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

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

#### - Trade and other receivables

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

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

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

#### - Cash and cash equivalents

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

#### -Trade and other payables

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

### 1.13 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.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Accounting Policies

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#### 1.13 Provisions (continued)

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

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

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

#### 1.14 Leases

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

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

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

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

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.

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.15 Employee benefits

#### Short-term employee benefits

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

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

Parliament recognises the expected cost of the performance bonus, the staff salary saving, leave entitlements, overtime, salaries and members gratuities at undiscounted amounts in exchange for services that were rendered. A liability is recognised (accrued expense) after deducting any amount already paid. Parliament has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made.

If the amount already paid exceeds the undiscounted amount of the benefits, Parliament recognises excess as an asset, that will need to be recovered from the employee.

#### Post-employment benefits: Defined contribution plan

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

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

#### Post-employment benefits: Defined benefit plans

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

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

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

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

#### Defined benefit plans

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

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.16 Assets held for sale

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

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

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

### Initial recognition

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

### Subsequent measurement

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

### 1.17 Commitments

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

### 1.18 Contingent liabilities

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

### 1.19 Related parties

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

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

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed

### 1.20 Prepayments

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



# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Accounting Policies

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### 1.21 Unauthorised expenditure

The FMPPLA 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; and (c) any expenditure of donor funds for a purpose not specified in the agreement with the donor.

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

### 1.22 Irregular expenditure

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

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

### 1.23 Fruitless and wasteful expenditure

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

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

### 1.24 Budget information

The statement of financial performance is prepared on accrual basis, while the budget is prepared on cash basis. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis. The variance between budget and the actual amounts of five per cent are regarded as material and the variances are explained in Note 39.

### 1.25 Presentation currency

These 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).

### 1.26 Offsetting

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



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>2. Inventories</b>		
Food and beverage	885	635
<b>Catering stock</b>		
Opening balance	635	969
Additions	5 777	4 694
Cost of sales	(5 557)	(5 028)
	<b>855</b>	<b>635</b>
<b>3. Receivables from non-exchange transactions</b>		
Staff and Members debt	2 260	3 126
Control: Members- Pension Fund	70	70
Provision for doubtful debts	(649)	(853)
	<b>1 681</b>	<b>2 343</b>
<b>Reconciliation of the doubtful debt provision</b>		
Opening balance	853	721
Contribution to provision	44	153
Reversal of provision	(167)	(21)
Amounts written off as unelectable	(81)	-
	<b>649</b>	<b>853</b>
<b>4. Receivables from exchange transactions</b>		
Government organisations	8	100
Other receivables from exchange transactions	1 183	441
Provision for doubtful debts (exchange transaction)	(66)	(93)
Accrued Income	2 165	2 816
	<b>3 290</b>	<b>3 264</b>
<b>Reconciliation of doubtful debt provision</b>		
Opening balance	93	80
Provision for impairment	11	13
Amounts written off as uncollectible	(38)	-
	<b>66</b>	<b>93</b>

The receivables from exchange transactions over 90 days and where there is no arrangement for payment were impaired.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>5. Prepayments</b>		
Prepayments balances	14 032	7 542
*Prepayments to DIRCO	7 324	1 569
**Prepaid expenses	6 554	5 743
Advances - short term	144	132
S&T advances	10	98
	<b>14 032</b>	<b>7 542</b>

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

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

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	(34)	373
Bank balances	114 308	135 756
Short-term deposits	167 984	175 648
	<b>282 258</b>	<b>311 777</b>

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 of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>5. Prepayments</b>		
Prepayments balances	14 032	7 542
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## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

Figures in thousand

#### 7. Property, plant and equipment

	2018		2017			
	Cost / Valuation	Accumulated depreciation and impairment	Carrying value	Cost / Valuation	Accumulated depreciation and impairment	Carrying value
Furniture	46 344	(38 959)	7 385	44 317	(36 824)	7 493
Motor vehicles	8 570	(6 952)	1 618	8 569	(6 497)	2 072
Office equipment	118 870	(78 601)	40 269	114 993	(58 282)	56 711
Computer equipment	85 993	(62 811)	23 182	82 860	(56 379)	26 481
Library books	31 568	(30 410)	1 158	31 149	(30 228)	921
<b>Total</b>	<b>291 345</b>	<b>(217 733)</b>	<b>73 612</b>	<b>281 888</b>	<b>(188 210)</b>	<b>93 678</b>

#### Reconciliation of property, plant and equipment - 31 March 2018

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture	7 493	2 191	(21)	(2 278)	7 385
Motor vehicles	2 072	-	-	(454)	1 618
Office equipment	56 711	3 921	(7)	(20 356)	40 269
Computer equipment	26 481	5 318	(321)	(8 296)	23 182
Library books	921	404	-	(167)	1 158
	<b>93 678</b>	<b>11 834</b>	<b>(349)</b>	<b>(31 551)</b>	<b>73 612</b>

Included in property, plant and equipment are leased assets with a carrying value of R588 000 (31 March 2017: R291 000).

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

Figures in thousand

#### 7. Property, plant and equipment (continued)

##### Reconciliation of property, plant and equipment - 31 March 2017

	Opening balance	Additions	Re-instatements	Disposals	Depreciation	Impairment loss	Total
Furniture	10 353	737	28	(48)	(3 577)	-	7 493
Motor vehicles	1 175	1 234	-	(45)	(292)	-	2 072
Office equipment	72 979	4 451	62	(44)	(20 038)	(699)	56 711
Computer equipment	20 869	15 473	296	(308)	(9 849)	-	26 481
Library books	816	217	-	-	(112)	-	921
	<b>106 192</b>	<b>22 112</b>	<b>386</b>	<b>(445)</b>	<b>(33 868)</b>	<b>(699)</b>	<b>93 678</b>

Included in property, plant and equipment are leased assets with a carrying value of R291 000 (31 March 2016: R524 000).

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
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#### 8. Intangible assets

	2018			2017		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	24 444	(14 861)	9 583	24 339	(9 153)	15 186

#### Reconciliation of intangible assets - 31 March 2018

	Opening balance	Additions	Amortisation	Total
Computer software, other	15 186	105	(5 708)	9 583

#### Reconciliation of intangible assets - 31 March 2017

	Opening balance	Additions	Amortisation	Total
Computer software, other	16 413	2 004	(3 231)	15 186

#### 9. Heritage assets

	2018			2017		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	55 272	-	55 272	55 251	-	55 251

#### Reconciliation of heritage assets - 31 March 2018

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	55 251	21	55 272

#### Reconciliation of heritage assets - 31 March 2017

	Opening balance	Additions	Re-instatement	Total
Art Collections, antiquities and exhibits	55 226	8	17	55 251

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>10. Finance lease obligation</b>		
<b>Minimum lease payments due</b>		
- within one year	564	299
- in second to fifth year inclusive	67	239
	631	538
less: future finance charges	(37)	(41)
<b>Present value of minimum lease payments</b>	<b>594</b>	<b>497</b>
Non-current liabilities	65	227
Current liabilities	529	270
	<b>594</b>	<b>497</b>

The average lease term is 2 years for cell phones, modems and tablets. The average effective borrowing rate is prime interest rate.

Leases have fixed monthly payments. However, lease payments vary due to contingent rentals (airtime, data-packages, etc). Transfer of ownership and risk takes place at the end of the lease term.

### 11. Payables from exchange transactions

Trade payables	23 364	18 882
Accrued expense	46 716	47 246
	<b>70 080</b>	<b>66 128</b>

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

Standard credit terms of 30 days apply.

### 12. Payables from non-exchange transactions

Unspent aid assistant	-	10
Disability support	1 432	-
	<b>1 432</b>	<b>10</b>

### 13. Unspent Statutory appropriation

#### Reconciliation of unspent statutory appropriation

Amount received	556 288	529 798
Utilised	(455 520)	(436 488)
	<b>100 768</b>	<b>93 310</b>

Unspent statutory appropriation must be surrendered to National Revenue Fund (NRF) in terms of section 23 (4) of the FMPPLA.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
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#### 14. Current employee benefits

##### Reconciliation of employee benefits - 31 March 2018

	Opening Balance	Additions	Utilised during the year	Total
Leave liability	46 229	4 102	(2 738)	47 593
Staff salary savings	3 190	5 802	(3 190)	5 802
Member's gratuities	747	2 078	(10)	2 815
No work no pay refunds	2 657	-	(2 657)	-
Overtime	1 519	1 037	(1 519)	1 037
Performance bonus	82	15 433	(82)	15 433
Danger allowance	30	-	(30)	-
Shift and Stand in Allowance	26	-	(26)	-
Other	692	1 946	(692)	1 946
	<b>55 172</b>	<b>30 398</b>	<b>(10 944)</b>	<b>74 626</b>

##### Reconciliation of employee benefits -31 March 2017

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave Liability	35 052	14 538	(3 361)	-	46 229
Staff salary savings	8 545	3 190	(8 545)	-	3 190
Member's gratuities	54	3 850	(3 157)	-	747
No work no pay refunds	-	2 657	-	-	2 657
Overtime	-	1 519	-	-	1 519
Performance bonus	21 298	82	-	(21 298)	82
Danger allowance	-	30	-	-	30
Shift and stand in allowance	-	26	-	-	26
Other	(76)	844	(76)	-	692
	<b>64 873</b>	<b>26 736</b>	<b>(15 139)</b>	<b>(21 298)</b>	<b>55 172</b>

#### Performance Bonus

The performance bonuses were calculated on 2% of the total package of employees who completed 12 month service as at 31 March 2018. The performance bonus provided for the 2016 financial year was reversed in 2017 financial year, in terms of the agreement between management and NEHAWU.

#### 15. Provisions

Provisions: Other	3 384	-
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The provision relates to the legal cases where Parliament is liable to pay costs however the bill of costs have not yet been granted. The amount is estimated based on Parliament experience regarding the cost normally paid for the same matters.



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>16. Non-current employee benefits</b>		
<b>The Government Employees Pension Fund (GEPF)</b>		
Retirement benefits are provided by membership to GEPF which is a defined benefit fund. Parliament's responsibility is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the NRF and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.		
Contributions to the GEPF for the reporting period	51 145	49 076
<b>Pension Scheme for Officers of Parliament (PSOP) and Political Office Bears - Pension Fund (POBF)</b>		
The PSOP is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund and Parliament does not make any contributions. This responsibility is governed by the General Pensions, Act 29 of 1979.		
The Political Office - Bearers Pension Fund ( POBF)		
Retirement benefits are provided by membership to POBF which is a defined contribution fund. Parliament's responsibility is limited to the current contributions made on behalf of its Members of Parliament. The obligation of the fund is guaranteed by the NRF. This responsibility is governed by the Pension Scheme Act, 1984 ( Act No. 112 of 1984)		
Contributions to the POBF for the reporting period	60 468	58 137
<b>Post- retirement medical aid plan</b>		
In terms of existing practice, Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for retired Members of Parliament ( for before and post 1994) and Provincial Legislatures Members (post 1994). This defined benefit liability for potential post-retirement medical aid costs in respect of existing employees has been actuarially valued as at 31 March 2018.		
Post-Retirement Medical provisions	1 143 737	1 010 304
<b>Reconciliation of movement in liability</b>		
Opening balance	1 010 304	1 219 332
Current service cost	28 290	40 635
Interest cost	91 473	89 164
Benefits paid	(56 726)	(52 009)
Actuarial (gain)/loss	70 396	(286 818)
	<b>1 143 737</b>	<b>1 010 304</b>

The interest cost is based on the discount rate assumption for the current valuation which is based on the zero-coupon bond yield curve of South Africa as at 31 March 2018 and the liability accrued as at 31 March 2018.

The annual average contribution for the post retirement medical aid amounts to R 57 million and is funded by National Treasury. The provision of R 1.143 billion is in terms of actuarial valuations for contributions to be made until the former Members of Parliament and Provincial Legislatures and/or their spouses passes away, children until their are 21 years or 26 years if they are still studying and children with disabilities until they passes away.

#### Member's gratuity

This provision is calculated for all current Members of Parliament with service of five years and more, 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.

Liability has also been raised for member's who have not completed five years of service. There is a probability that 58 per cent of these Members will complete five years of service based on the past five year's termination rate.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>16. Non-current employee benefits (continued)</b>		
The liability is not discounted due to the fact that the salary increase rate will be the same as the inflation rate or the difference would be minimal		
Provisions: Members' Gratuity	127 150	114 438
<b>Reconciliation of Member's gratuity</b>		
Opening Balance	114 438	106 971
Contributions during the year	19 444	11 620
Utilised during the year	(6 732)	(4 153)
	<b>127 150</b>	<b>114 438</b>

#### Exit gratuity

The exit gratuity is payable to relevant eligible Members of Parliament who are Members of Political Office Bearers Pension Fund and who exist the fund before or as a consequence of the 2019 general elections due to amendments made in rules in terms of the Proclamation 48 of 21 July 2016. The gratuity liability is calculated at reporting date and compared to the benefit that would have been payable to each Member under the old fund benefits rules.

Provisions: Exit Gratuity	162 337	115 887
<b>Reconciliation of exit gratuity</b>		
Opening balance	115 887	85 519
Current service costs	31 881	25 472
Interest cost	13 264	11 223
Utilised during the year	(782)	-
Net transfers	-	(1 348)
Actuarial (gain)/loss	2 087	(4 979)
	<b>162 337</b>	<b>115 887</b>

The amounts recognised in the statement of financial position are as follows:

<b>Carrying value</b>		
Post-retirement medical aid plan	(1 143 737)	(1 010 304)
Member's gratuity	(127 150)	(114 438)
Exit gratuity	(162 337)	(115 887)
	<b>(1 433 224)</b>	<b>(1 240 629)</b>

#### Principal actuarial assumptions

##### Sensitivity results

The present value of post-retirement medical aid obligations of Parliament was recalculated to show the effect of:

A one per cent change in the Discount rate, with all other assumptions remaining unchanged; A one per cent change in the Health Care inflation rate, with all other assumptions remaining unchanged. An average benefit commencement age of one year younger than the assumed average retirement age, with all other assumptions remaining unchanged.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
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#### 16. Non-current employee benefits (continued)

##### Key Financial Assumptions

Assumptions	Value p.a
Discount rate	8,65%
Health care cost inflation rate	7,14%
Net effective discount rate	1.41%

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 2018	Discount rate Base Assumptions X%	-1.0%	+1.0%
Accrued Contribution Liability ( R' million)	1 143.74	1 290.90	1 022.92
	Health Care	13%	-11%
	Inflation		
31 March 2018	Base Assumptions		
Accrued Contribution Liability ( R' million)	1 143.74	1 022.70	1 288.71
% Change	- %	-11%	13%

31 March 2018	Average commencement age Base Assumptions 62 years	-1yr	
Accrued Contribution Liability ( R' million)	1 143.74	1 168.53	
% Change		2%	

31 March 2018	Continuation of membership at cessation of service base assumptions	-3%
Accrued Contribution Liability ( R' million)	1 143.74	1 101.23

31 March 2017	Discount rate Base Assumption X%	-1.0 %	+1.0 %
% Change	- %	-12.83%	16.06%

#### 17. Interest earned

Interest Received	23 310	25 777
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Parliament earns interest on the short term deposits and current accounts.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>18. Sale of goods</b>		
Catering sales	5 036	3 625

Sale of goods refers mainly to catering sales made at Parliamentary restaurants.

### 19. Annual Appropriation

#### Programmes

Strategic Leadership & Governance	71 193	72 801
Administration	116 192	115 991
Core Business	549 166	525 983
Support Services	305 852	318 139
Associated Services	669 544	626 717
	<b>1 711 947</b>	<b>1 659 631</b>

Voted funds are the amounts appropriated to Parliament in accordance with the final budget known as Adjusted Estimates.

Unexpended voted funds are not surrendered to the NRF and are available to Parliament for future utilisation in terms of section 23 (1) of the FMPPLA.

### 20. Statutory Appropriation

#### Amount utilised

Statutory funds	455 520	436 488
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Amount forming a direct charge on the NRF in respect of salaries, allowances and other benefits of Members of the National Assembly and the National Council of Provinces - in terms of the Payment of Members of Parliament Act (Act No.6 of 1994).

Unexpended Statutory Appropriation is surrendered to the NRF in terms of section 23 (4) of the FMPPLA.

### 21. Public contributions and donations

*European Union	52 308	-
Library books donations	-	164
	<b>52 308</b>	<b>164</b>

\*This relates to donor funding received from European for Deepening Public Participation and Representation, strengthening capacity in law making and oversight, building an effective and effective legislative sector and to strengthen the sector's capacity to engage, participate in, and oversee international relations. The only condition attached to these funds is the fact that they cannot be used for any other Parliament business.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>22. Compensation of employees and Members</b>		
<b>Compensation of employees</b>		
Basic remuneration	791 554	762 012
Performance awards	15 433	(21 298)
Annual leave	2 712	13 709
Contributions to Pension Funds	51 145	49 076
Cell phone allowance	721	745
Compensative/circumstantial	11 037	10 887
Contribution to UIF	2 306	2 416
Settlement benefit	998	-
	<b>875 906</b>	<b>817 547</b>
<b>Compensation of Members</b>		
Basic remuneration	276 979	264 063
Contributions to Pension Funds	60 468	58 137
Loss of office gratuity	7 833	11 621
Medical aid contribution	119 764	129 798
Other non-pensionable allowances	110 558	108 442
Exit gratuity	45 834	121 613
	<b>621 436</b>	<b>693 674</b>
<b>Reconciliation of medical aid contributions</b>		
Post -Retirement medical aid contributions	56 727	52 009
Movement in long-term employee benefits	63 037	77 789
<b>Total</b>	<b>119 764</b>	<b>129 798</b>
<b>Total Compensation of employees and Members</b>		
Compensation of employees	875 906	817 547
Compensation of Members	621 436	693 674
	<b>1 497 342</b>	<b>1 511 221</b>
<b>Average number of employees and Members</b>		
Average number of employees	1 117	1 352
Average number of Members	380	382
	<b>1 497</b>	<b>1 734</b>
<b>23. Impairment, depreciation and amortisation</b>		
<b>Impairments</b>		
Property, plant and equipment	-	699
Office Equipment that were partial damaged due to water.		
<b>Depreciation</b>		
Motor vehicles	455	292
Computer equipment	8 296	9 873
Office equipment	20 356	20 039
Library books	167	112
Furniture	2 279	3 576
<b>Amortisation</b>		
Intangible assets	5 708	3 231
	<b>37 261</b>	<b>37 123</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>24. Finance costs</b>		
Finance leases	65	65
<b>25. Debt impairment contribution</b>		
Bad debt written off	(1)	-
Contributions to provision for bad debts	(54)	(167)
	<b>55</b>	<b>167</b>
<b>26. Debt written off (No work no pay)</b>		
Debt written off ( No work no pay)	-	18 494
<p>The debt in respect of no work no pay was written off in prior year, in terms of the agreement between management and NEHAWU.</p>		
<b>27. Transfers to non-profit institutions</b>		
Party Leadership Support	10 860	9 766
Party Support Allowance	113 718	104 242
Constituency Allowance	309 311	284 421
Disability Support	1 432	1 008
Transfers to Provincial Legislatures	1 209	6 521
	<b>436 530</b>	<b>405 958</b>
<ul style="list-style-type: none"> <li>• Party Leadership Support, Party Support Allowance and Constituency Allowance are transferred to political parties represented in Parliament in terms of section 34 of the FMPPLA.</li> <li>• The Disability Support is transferred to political parties represented in Parliament which have Members with special needs in terms of the policy on facilities for Members with special needs.</li> </ul> <p>Transfer to Provincial Legislatures were made to Provincial Legislatures as reimbursement for the cost of expenses related to accommodation and travelling to the International women conference in terms of approvals by the Executive Authority ( as Treasuries of the South African Legislatures dated the 17 July 2017).</p>		
<b>28. Repairs and maintenance</b>		
Repairs and maintenance - Motor vehicle	1	21
Repairs and maintenance - Furniture	8	1
Repairs and maintenance - Computer equipment	65	171
Repairs and maintenance - Heritage assets	81	66
Repairs and maintenance - Office equipments	3 537	3 498
Repairs and maintenance - Buildings	505	2 924
	<b>4 197</b>	<b>6 681</b>
<b>29. Cost of sales</b>		
Cost of goods sold	5 557	5 025

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>30. General expenses</b>		
Advertising	17 886	19 654
Auditors fees	3 732	4 259
Bank charges	70	126
Bereavement support	193	168
Bursaries	1 212	2 547
Catering	13 785	13 766
Communications	32 614	28 324
Consultants, contractors and special services	26 659	16 708
Consulting and professional fees	15 462	7 996
Consumables	1 201	1 729
Entertainment	322	433
Flowers and other decorations	1 613	2 227
Insurance	3 351	4 857
Service in kind rental expense	107 542	98 662
Motor vehicle expenses	438	794
Operating lease rentals	6 881	11 744
Personnel agency fees	2 370	578
Postage and courier	564	714
Printing and stationery	15 094	14 450
Protective clothing	1 209	716
Re-settlement costs	1 586	2 039
Registration and membership fees	3 754	3 737
Sports materials	80	34
Subscriptions	18 728	16 684
Training and development	12 534	4 936
Translations and transcriptions	788	657
Transport costs	3 260	3 152
Travel - local	226 630	220 808
Travel - overseas	47 667	37 169
Venue expenses	982	2 612
	<b>568 207</b>	<b>522 280</b>
<b>31. Irregular expenditure</b>		
Opening balance	2 443	15 031
Add: Irregular expenditure - current year	339	528
Less: Amounts condoned	(2 446)	(13 116)
	<b>336</b>	<b>2 443</b>
<b>Details of irregular expenditure</b>		
Tax certificate not provided	-	164
Supply chain management process not followed	-	1 756
Awarded to Member of Parliament	20	20
Local content not specified	316	503
	<b>336</b>	<b>2 443</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>32. Fruitless and wasteful expenditure</b>		
Opening balance	1 067	830
Fruitless and wasteful expenditure - incurred in current period	257	255
Less: Amounts written off	(1 053)	(18)
	<b>271</b>	<b>1 067</b>
<b>Incidents</b>		
Cancellation fees - under investigation	28	206
Interest on late payments	-	218
Damaged/lost hired goods	192	207
Unaccredited course	-	116
Traffic fine admin fees	2	14
Backlog due to unavailability of Parliament staff	-	257
Other	49	49
	<b>271</b>	<b>1 067</b>
<b>33. Cash (used in) generated from operations</b>		
(Deficit) surplus	(265 523)	11 101
<b>Adjustments for:</b>		
Depreciation and amortisation	37 261	37 123
Loss on sale of assets and liabilities	308	577
Gain/(Losses) on foreign exchange	-	(3)
(Gains)/losses in changes in estimate	-	120
Interest received	23 961	24 582
Finance costs	65	65
Impairment loss	-	699
Debt impairment contribution	55	167
Movements in non current employee benefits	192 595	(83 674)
Movements in current employee benefits	19 455	(9 700)
Interest earned	(23 310)	(25 777)
Interest paid	(65)	(59)
<b>Changes in working capital:</b>		
Inventories	(250)	334
Receivables from non-exchange transactions	662	16 023
Receivables from exchange transactions	(26)	(1 495)
Prepayments	(6 490)	(829)
Payables from exchange transactions	3 952	6 666
VAT payable	(25)	(22)
Payable from non exchange transactions	1 422	(3)
Unspent Statutory appropriation	7 458	30 474
Provisions	3 384	-
	<b>(5 111)</b>	<b>6 369</b>
<b>34. Contingent liabilities</b>		
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 outflows.		
<b>Staff litigation</b>		
Labour - related disputes and claims by current and former employees	5 000	48 481
<b>Other litigation</b>		
Ongoing litigation in which Parliament could be liable either ex parte or as a respondent in civil action	12 250	9 584



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>35. Related parties</b>		
<p>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.</p> <p>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 an individual entity or person in the same circumstances. Transactions with these entities occur within terms and conditions within the normal operating parameters established by Parliament.</p>		
<b>Services and goods provided by Departments</b>		
<p>Parliament owes the Departments and other government entities as at 31 March 2018 for various services that were rendered to Parliament and not paid for.</p>		
<b>Catering Services</b>		
<p>Departments and Government entities uses the catering services of Parliament. The balances disclosed below are for the catering services that were provided to the Departments and entities and did not pay yet as at 31 March 2018.</p>		
<b>Related party balances</b>		
<b>Amounts included in trade receivables</b>		
<b>Intergovernmental receivables</b>		
Government Communication and Information System	8	-
Social Development - Ministry	-	3
Co-Operative Governance and Traditional Affairs	-	97
	<b>8</b>	<b>100</b>
<b>Amounts included in trade payables</b>		
<b>Intergovernmental payables - Departments</b>		
Justice	6 050	1 284
Public Works	2 038	2 026
South African Police	248	2 196
	<b>8 336</b>	<b>5 506</b>
<b>Other government entities</b>		
government Motor Transport	130	113
government Printing Works	3	22
National School of Government (PALAMA)	-	318
	<b>133</b>	<b>453</b>
<b>Services in kind</b>		
<p>Parliament occupies buildings which are owned by Department of Public Works (DPW). Parliament occupies these buildings which are significant to its operations for free and does not pay any rental costs to DPW. These buildings were occupied for the entire year ended 31 March 2018.</p> <p>Parliament is provided with the protection services by the South African Police Services for free and these services were made available for the entire year ended 31 March 2018.</p>		
<b>Services in kind revenue</b>		
Service in kind rental benefit	107 542	98 662

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
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#### 36. Remuneration of management

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

##### Executive Authority

##### 31 March 2018

	Basic Salary	Post employment benefits	Other short- term benefits	Total
Hon. B. Mbete -Speaker of the National Assembly	1 695	381	749	2 825
Hon. T R Modise - Chairperson of the National Council of Provinces	1 695	381	749	2 825
Hon. L. Tsenoli - Deputy Speaker of the National Assembly	1 187	267	524	1 978
Hon. R. Tau - Deputy Chairperson of the National Council of Provinces	1 187	267	524	1 978
	<b>5 764</b>	<b>1 296</b>	<b>2 546</b>	<b>9 606</b>

##### 31 March 2017

	Basic Salary	Other short- term benefits	Post employee benefits	Total
Hon. B Mbete - Speaker of the National Assembly	1 630	720	367	2 717
Hon. T R Modise - Chairperson of the National Council of Provinces	1 630	720	367	2 717
Hon. L Tsenoli - Deputy Speaker of the National Assembly	1 141	504	257	1 902
Hon. R Tau -Deputy Chairperson of the National Council of Provinces	1 141	504	257	1 902
	<b>5 542</b>	<b>2 448</b>	<b>1 248</b>	<b>9 238</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000		
<b>36. Remuneration of management (continued)</b>				
<b>Senior Management</b>				
<b>31 March 2018</b>				
	Basic Salary	Post employment benefit	Performance bonus	Total
Mr G Mgidlana - Secretary to Parliament	2 815	18	56	2 889
*Ms P N Tyawa - Acting Secretary to Parliament	2 445	12	38	2 495
Adv M Phindela - Acting Deputy Secretary to Parliament: Core Business	1 819	189	33	2 041
Mr M Xaso - Secretary to the National Assembly	1 699	157	33	1 889
Mr M Manenzhe - Chief Financial Officer	1 635	11	31	1 677
	-	-	-	-
	-	-	-	-
	<b>10 413</b>	<b>387</b>	<b>191</b>	<b>10 991</b>

\*Ms PN Tyawa -Deputy Secretary to Parliament: Support Services is acting Secretary to Parliament from June 2017 after Mr G Mgidlana was suspended.

#### 31 March 2017

	Basic Salary	Post employment benefits	Total
Mr G Mgidlana - Secretary to Parliament	2 815	2	2 817
Ms P N Tyawa - Deputy Secretary to Parliament : Support Services	1 904	2	1 906
Adv M Phindela - Acting Deputy Secretary to Parliament : Core Services	1 845	167	2 012
Mr M Xaso - Secretary to the National Assembly	1 595	138	1 733
Mr M Manenzhe - Chief Financial Officer	1 535	2	1 537
	<b>9 694</b>	<b>311</b>	<b>10 005</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000		
<b>36. Remuneration of management (continued)</b>				
<b>Divisional Managers</b>				
<b>31 March 2018</b>				
	Basic Salary	Post employment benefits	Performance bonus	Total
Ms M Zungu - Institutional Support Services	1 597	171	33	1 801
Adv Z Adhikarie - Legal Services	1 638	176	31	1 845
Ms S Schalk - Legislative Support Programme	1 719	11	31	1 761
Ms RK Begg - Core Business Support	1 625	171	33	1 829
Mr S Nyenyiso - Chief Audit Executive	1 334	144	30	1 508
Mr. MK Mothapo - Parliamentary Communications	1 757	12	33	1 802
Mr DJ Sithole - International Relations & Protocol	1 592	171	33	1 796
Ms. U Mtya - Chief Information Officer	1 750	12	33	1 795
Mr K Zweni - Office of Institutions Supporting Democracy	1 486	160	31	1 677
Dr LK Gabriel - Knowledge and information Systems	1 597	171	33	1 801
**Ms ML Brandt - Head Office of the Speaker	1 124	118	-	1 242
Mr LH Makele - Human Resource Executive	1 677	180	33	1 890
Professor M Jahed- Director Parliamentary Budget Office	2 297	15	36	2 348
*Ms MS Mangqalaza - Head Office of the Chairperson	1 152	110	-	1 262
Mr RD Moodley - Strategy and Governance	1 757	12	33	1 802
Mr. VGM Mavuso - Members Support Services	1 597	171	33	1 801
**Ms NF Nojozi - Head Office of the Speaker	406	6	-	412
*Mr PM Sebegoe - Head of the Chairperson	249	31	24	304
	<b>26 354</b>	<b>1 842</b>	<b>480</b>	<b>28 676</b>

\*Ms MS Mangqalaza - Head Office of the Chairperson resigned in December 2017 and was replaced by Mr PM Sebegoe in February 2018.

\*\*Ms ML Brandt - Head Office of the Speaker resigned in December 2017 and was replaced by Ms NF Nojozi in January 2018.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000	
<b>36. Remuneration of management (continued)</b>			
<b>31 March 2017</b>			
	Basic Salary	Post employment benefits	Total
Mr L Jacobs - Spokesperson	1 259	287	1 546
Ms M Zungu - Institutional Support Services	1 499	152	1 651
Adv Z Adhikarie - Legal Services	1 538	156	1 694
Ms S Schalk - Legislative Support Programme	1 612	2	1 614
Ms RK Begg - Core Business Support	1 415	152	1 567
Mr S Nyenyiso - Chief Audit Executive	1 235	125	1 360
Mr. MK Mothapo - Parliamentary Communications	206	-	206
*Ms N Sonjica - Acting International Relations & Protocol	1 252	79	1 331
*Mr DJ Sithole - International Relations & Protocol	333	35	368
**Mr R Poliah - Acting Chief Information Officer	494	37	531
**Ms. U Mtya - Chief Information Officer	1 100	1	1 101
Mr K Zweni - Office of Institutions Supporting Democracy	1 393	141	1 534
Dr LK Gabriel - Knowledge and information Systems	1 499	152	1 651
Ms ML Brandt - Head Office of the Speaker	1 499	152	1 651
Mr LH Makele - Human Resource Executive	1 574	159	1 733
Professor M Jahed- Director Parliamentary Budget Office	2 297	2	2 299
Ms MS Mangqalaza - Office of the Chairperson	1 395	141	1 536
***Mr RD Moodley - Strategy and Governance	550	-	550
****Mr. VGM Mavuso - Members Support Services	499	51	550
	<b>22 649</b>	<b>1 824</b>	<b>24 473</b>

\*\*Mr R Polia was acting Chief Information Officer until July 2016 and Ms U Mtya was appointed to the position in August 2016.

\*Ms. N Sonjica was acting Division Manager International Relations & Protocol until 10 January 2017 and Mr. DJ Sithole was appointed to the position on 11 January 2017.

\*\*\*Mr RD Moodley was appointed in December 2016 and nobody was acting on the position.

\*\*\*\*Mr VGM Mavuso was appointed in December 2016 and nobody was acting on the position.

### 37. Risk management

#### Liquidity risk

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

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

The maturity dates of Parliaments's liabilities are set out below as undiscounted cash flows.

#### Payables from exchange transactions

Payable within 1 year	70 080	65 297
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#### Finance leases

Payable within 1 year	529	270
Payable within 2- 5 years	65	227
	<b>594</b>	<b>497</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>37. Risk management (continued)</b>		
<b>Credit and interest rate risks</b>		
Credit risk arises from the risk that a counter-party may default or not meet its obligation timeously.		
Credit risk consists mainly of cash deposits, cash equivalents and receivables. Parliament only deposits cash with major bank with high quality credit standing.		
Receivables mainly comprises of related parties which lowers the counter-party risk.		
Interest rate risk results from the cash inflows due to uncertainty arising from the interest rate fluctuations.		
Financial assets exposed to credit and interest risk as at 31 March 2018 are as follows:		
<b>Financial instruments</b>		
Bank balances	114 308	135 756
Short-term deposits	167 984	175 648
Receivables from non-exchange transactions	1 681	2 343
Receivables from exchange transactions	3 290	3 264
	<b>287 263</b>	<b>317 011</b>

### 38. Commitments

#### Commitments in respect of capital expenditure

##### Already contracted for but not provided for

• Capital Assets	3 829	6 977
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##### Not yet contracted for and authorised by members

• Property, plant and equipment	3 059	6 977
• Intangible assets	770	-
	<b>3 829</b>	<b>6 977</b>

##### Total capital commitments

Already contracted for but not provided for	3 829	6 977
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This committed expenditure will be financed by existing cash resources.

#### Operating leases - as lessee (expense)

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

##### Minimum lease payments due

- within one year	3 071	1 506
- in second to fifth year inclusive	5 527	335
	<b>8 598</b>	<b>1 841</b>

Operating lease payments represent rentals payable by Parliament for office equipment, rental of Parliamentary Democracy Offices (PDO) and rental of residential property in Windhoek. Leases of equipment are negotiated for an average term of three years and rentals are fixed for the entire lease term. The contract for the lease of PDO's expired and Parliament still uses these offices on a month to month basis. These leases (expired) do not have any commitment as they can be terminated at any time.

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
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#### 39. Budget differences

##### Material differences between budget and actual amounts

Parliament's budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 April 2017 to 31 March 2018. The comparison of Parliament's actual performance with the budget is set out in the statement of comparison of budget and actual amounts on page 8.

##### Differences between budget and actual amounts basis of preparation and presentation

The budget and the accounting basis differ. The financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis. The budget for transfers in respect of disability support and international women's conference were under goods and services. The budget had to be moved to transfers to non-profit institutions as a consequence of re-allocation of the expenditure. The variance of five per cent and above between budget and the actual amounts prepared on a cash basis is regarded as material and is explained below:

##### 39.1 Compensation of employees

Parliament's budget for compensation of employees has always been less than the value of the filled positions and the short fall is funded from unspent funds of the previous years which are not surrendered to the NRF, in terms of section 23(1) of the FMPPLA.

##### 39.2 Compensation of Members

The base line for the compensation of members is historically overstated since the 2009/10 financial year, where many Members of Parliament were paid the loss of office gratuity after they lost their seats after the general elections. The underspending will be surrendered to the NRF in terms of section 23(4) of the FMPPLA.

##### 39.3 Acquisition of property, plant and equipment, heritage assets and intangible assets

The budget for property, plant and equipment for the financial year was less than the required funds for capital expenditure. The shortfall had to be funded from the unspent funds as indicated under paragraph 39.1 above.

#### 40. Presentation and reclassifications

**40.1** Parliament separately disclosed the expenditure incurred to repairs and maintenance property plant and equipment in order to meet the requirements of GRAP 17 paragraph 88. This resulted in reclassification of the prior year comparative figures from general expense amounting to R6 681 000.

**40.2** Administrative expenses has been reclassified to debt written off as this related to deductions made in March 2016 in respect of no work no pay which were refunded to the respective employees in terms of the agreement reached between management and NEHAWU.

# Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

## Notes to the Financial Statements

	2018 R '000	2017 R '000
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### 41. Prior period errors

#### 41.1 Compensation of Members and Employees, employee benefits and non exchange payables.

The compensation of Members and non-current employee benefits obligations (Loss of office Gratuity) decreased by R5 805 000 due to incorrect application of the assumption used to determine the Members gratuity liability for Members of Parliament who did not complete five years of service as detailed in note 15 above. The total termination of Members over total number of Members was used to calculate the probability instead of using the terminated Members who did not qualify over total Members who did not qualify. This resulted in change in the percentage of the qualifying Members from 82.17 percent to 58 percent. Gain on foreign exchange increased by R3 000 and non exchange payable decreased by same amount due to the favourable spot rate at date of payment.

#### 41.2 General expenses

The general expenses were understated by R98 909 due to:

- An amount of (R901 000) relating to international travel expenses that were accrued for when trips occurred and invoice received were less and local travel accrued for subsequently received the credit notes.
- An amount of R4 000 relating to subsistence allowance expense that was not accounted for (advance was provided to employee) and prepayments decreased by same amount.
- An amount of R191 000 due to membership fees not accrued and accumulated deficit understated by the same amount.
- An amount of R84 000 in respect of expenses that were incurred in the garage cards and not recognised.
- An amount of R150 000 in respect of petty cash expenses that were not accrued for. Cash and cash equivalents were overstated by the same amount.
- Amount of (R84 000) in respect of travel expenses refunded and not allocated. Cash and cash equivalents were understated by the same amount.
- An amount of (R29 000) in respect of lease payments that were allocated to general expenses.
- Bursary expenses were incorrectly recognised in the incorrect period and resulted in understatement of general expenses and exchange payables by R832 000.
- An amount of R98 662 349 in respect of the rental expense relating to provision of free occupation of the Department of Public Works (DPW) buildings which was not recognised.

#### 41.3 Payables from exchange transactions

Payables from exchange transactions were overstated by R719 000 due to international travel expenses that were accrued for when trips occurred and invoice received were less and local travel accrued for subsequently received the credit notes. Also understated by R832 000 due to bursary expenses that were not recognised.

#### 41.4 Heritage Assets

Heritage assets were understated by R17 000 due to a heritage asset that was not accounted for.

#### 41.5 Cost of sales and non exchange payables

Cost of sales was overstated by R3 000 and non exchange payables due to incorrect accrual of purchases made.

#### 41.6 Revenue and receivables

The revenue was understated by R238 000 due to rebates received that were not accrued for and cash and cash equivalents understated by the same amount. Accumulated deficit and receivables from non exchange transactions were overstated by R104 000 due to no work no pay that was disputed. Receivables from exchange transactions was overstated



## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>41. Prior period errors (continued)</b>		
by R84 000 and general expenses understated by same amount due expenses that were incurred in the garage cards that were not recognised.		
Revenue from non exchange transactions was understated by R98 662 349 due to the receipt of free services relating to the occupation of the Department of Public Works (DPW) buildings which was not recognised.		
<b>41.7 Property plant and equipment.</b>		
Property plant and equipment was understated by R386 000 due to assets that were found on the floor during the asset verification which were not on the asset register and lease assets which were not recognised. Depreciation increased by R25 000 and interest relating to leased assets increased by R6 000.		
The loss on sale of assets decreased by R125 000 due to the assets that were disposed off and subsequently found and reinstated.		
<b>41.8 Operating leases commitments</b>		
Operating leases commitments were understated by R330 000 due to the rental for the remainder of the lease period which was not disclosed in respect of residential property in Windhoek.		
<b>41.9 Current employee benefits</b>		
The current employee benefits for short term services that were rendered by employees to Parliament, were incorrectly classified as non exchange payables, as a result the current employee benefits were understated and non exchange payables overstated by R55 172 000.		
The compensation and current employee benefits decreased by R70 000 due to reversal of salary overpayment. Current employee benefits and compensation of Members were understated by R747 000 due to the exit gratuity payable to qualifying Members that was not recognised..		
The compensation of the employees accumulated deficit and current employee benefits increased by R197 000 due to overtime and stand-in allowances that were not recognised. The accumulated deficit and current employee benefits increased by R26 000 due to standing allowances relating to prior year not accrued.		
<b>Statement of financial position</b>		
Increase in heritage assets	-	17
Decrease in receivables from exchange transactions	-	(84)
Decrease in receivables from exchange transactions	-	(104)
Increase in non current employee benefit obligation (Gratuity)	-	(110 081)
Decrease in payables from non-exchange translations	-	3
Decrease in prepayments	-	(4)
Increase in cash and cash equivalents	-	172
Increase in payables from exchange translations	-	(112)
Increase in property, plant and equipments	-	386
Increase in current lease obligation	-	(86)
Increase in non current lease obligation	-	(177)
Increase in current employee benefits	-	(55 172)
<b>Total</b>	-	110 970
	-	-
	-	-
<b>Statement of Changes in Net Asset</b>		
(Increase)/Decrease in accumulated deficit	-	110 970

## Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2018

### Notes to the Financial Statements

	2018 R '000	2017 R '000
<b>41. Prior period errors (continued)</b>		
<b>Statement of Financial Performance</b>		
Increase in general expenses	-	(98 909)
Increase in exchange revenue	-	238
Increase in compensation of employees and Members	-	(115 935)
Increase in depreciation	-	(25)
Increase in finance costs	-	(6)
Increase in revenue from non exchange transactions	-	98 662
Decrease of cost of sales	-	3
Increase gain on foreign exchange	-	3
Decrease in loss on sale of assets	-	125
Increase in actuarial gain	-	4 979
<b>Total</b>	<b>-</b>	<b>(110 865)</b>

#### 42. Events after the reporting date

At the time of preparing and submitting these year end financial statements, Parliament reached a settlement with former head of Parliamentary Protection Services Ms Zelda Holtzman to part ways cordially. The settlement involves Ms Holtzman's withdrawal of her dispute that was lodged with the Commission for Conciliation, Mediation and Arbitration (CCMA) before the reporting date. In terms of the settlement Ms Holtzman will be paid her gross salary equivalent to a period of eight months. As a result of this settlement the contingent liability that existed at year end was reversed and recognised the liability for the eight months salary payable amounting to R997 811.

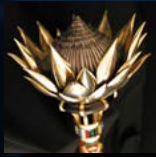
The Researcher case against Parliament (case no C646/16) which was at Labour court at time of submitting the financial statement for audit was subsequently dismissed by Labour court, as a result the contingent liability of R38 million in this regard has been cleared.

The Democratic Alliance case versus the President and the Speaker with regards deployment of members of South African Defence Force within the Parliament precincts for non-ceremonial reasons was dismissed and related contingent liability of R500 000 has been cleared and recognised the provision for the legal costs to be paid.

The Executive Authority condoned irregular expenditure amounting to R2 445 435 and approved the write off of fruitless and wasteful expenditure amounting to R1 053 645. As a result the irregular expenditure and fruitless and wasteful expenditure note disclosures were updated accordingly.

Parliament is not aware of any other non- adjusting events after the reporting date, other than the ones disclosed.

# GOVERNANCE REPORT



# GOVERNANCE REPORT

## Report of the auditor-general to Parliament on vote no. 2: Parliament of the Republic of South Africa.

### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Parliament of the Republic of South Africa set out on pages 4 to 46, which comprise the statement of financial position as at 31 March 2018, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Parliament of the Republic of South Africa as at 31 March 2018, and its financial performance and cash flows for the year then ended in accordance with the South African Standards on Generally Recognised Accounting Practices (SA Standards on GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No.10 of 2009) (FMPPLA).

#### Basis for opinion

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

#### Emphasis of matter

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

#### Restatement of corresponding figures

7. As disclosed in note 41 to the financial statements, the corresponding figures at 31 March 2017 have been restated as a result of errors in the financial statements of Parliament of Republic of South Africa at, and for the year ended 31 March 2018.

## **Responsibilities of accounting officer for the financial statements**

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the Parliament of the Republic of South Africa's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the accounting officer either intends to liquidate the Parliament of the Republic of South Africa or to cease operations, or has no realistic alternative but to do so.

## **Auditor-general's responsibilities for the audit of the financial statements**

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

## **Report on the audit of the annual performance report**

### **Introduction and scope**

12. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
13. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Parliament of the Republic of South Africa. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.

14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Parliament of the Republic for the year ended 31 March 2018:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 3 – Core Business	42 – 57
Programme 5 – Associated Services	69– 72

15. I performed procedures to determine whether the reported performance information was properly presented and whether performance was consistent with the approved performance planning documents. I performed further procedures to determine whether the indicators and related targets were measurable and relevant, and assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.

16. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 3 – core business
- Programme 5 – associated services.

**Other matter**

17. I draw attention to the matter below.

**Achievement of planned targets**

18. Refer to the annual performance report on pages 31 to 72 for information on the achievement of planned targets for the year and explanations provided for the under/ over achievement of a number of targets.

**Report on the audit of compliance with legislation**

**Introduction and scope**

19. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the compliance of the Parliament of the Republic of South Africa with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.

20. I did not raise material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

### Other information

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

### Internal control deficiencies

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

### Other reports

26. I draw attention to the following engagement conducted by various parties that had, or could have, an impact on the matters reported in the Parliament's financial statements, reported performance information, compliance with applicable legislation and other related matters. These reports did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.

27. The audit committee investigated allegations of possible maladministration levelled against the Secretary to Parliament at the request of Parliament, which covered the period 2014-15 to 2016-17. The investigation concluded on 27 October 2017 and resulted in disciplinary action against the Secretary to Parliament. These proceedings are currently in progress

Auditor-General

Auditor-General

Cape Town

31 July 2018



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*



## Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements, and the procedures performed on reported performance information for selected programmes and on the Parliament’s compliance with respect to the selected subject matters.

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, related safeguards.

## REPORT OF THE AUDIT COMMITTEE

The 2017/18 financial year is the last year of the current Audit Committee (the Committee), whose term was extended until 31 August 2018. Overall, the Committee operated in terms of its mandate as set out in the Audit Committee Charter and in accordance with the provisions of the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA).

The institutional governance has continued to mature during the period under review, as Parliament received its fourth consecutive clean audit opinion from the Auditor-General of South Africa (AGSA). Thus, the current Committee hands over an institution with established governance processes. We wish the new Committee well in sustaining these governance processes.

### Audit Committee Members and Attendance

The Committee comprised five independent non-executive members as per the provisions of section 47(3) of the FMPPLA. The FMPPLA requires the Committee to meet often as required to perform its functions, but at least four times a year. During the period under review, the Committee held six meetings as outlined in the table below.

Name of Member	No. of Meetings Attended
Ms. K.T Mdlulwa (Chairperson)	5
Mr. C. de Kock	4
Mr. G. Harris	6
Mr. L. Nevondwe	6
Ms. P.N Sibiyi	5

### Audit Committee Responsibility

The Committee executed its mandate and diligently discharged its responsibilities independently and objectively, and within the provisions of sections 48 of the FMPPLA and the Audit Committee Charter.

### The effectiveness of Internal Controls

Based on management reports, internal audit assurance and the report of the AGSA, overall, key controls were implemented. The Committee is satisfied with the improvement of internal controls over the supply chain management, fraud risk management and legislative compliance as well as the restoration of labour harmony. This signifies institutional commitment to good governance and anti-fraud and corruption culture, thus enhancing integrity management. The Committee is also encouraged by ongoing efforts to address internal control deficiencies identified by the audit process. Notwithstanding these improvement, the following remaining challenges should be addressed:

- Budget constraints, which may potentially impact on Parliament’s ability to deliver on its mandate.

- Key controls over institutional performance management, including frameworks and systems require management attention, to further enhance the quality of reporting.

### **The quality of in-year management and quarterly reports**

The Committee reviewed quarterly the quality and the contents of the in-year monitoring reports, including financial and non-financial performance. While the quality of reports was maintained, there are still opportunities for further improvement of quality control over non-financial performance reporting and timeous tabling of reports. Thus, a robust monitoring and evaluation process is required to ensure the quality of institutional performance reporting process and compliance with the relevant legislation.

### **Quality of audited Annual Financial Statements**

The annual financial statements were prepared in accordance with generally recognised accounting practice, and in compliance with the FMPPLA. The following has been reviewed by the Committee, and discussed with both management and the AGSA:

- the annual financial statements prior to submission for auditing;
- the AGSA's management report and management's responses;
- the audit opinion of the AGSA;
- changes in accounting policies and practices; and
- adjustments resulting from the audit.

The Committee is pleased to conclude its term of office with another clean audit opinion for a fourth consecutive year. This indicates that no material deficiencies were identified in the systems of financial management, reporting on performance objectives and compliance with laws and regulations, a reflection of maturing governance processes.

### **Effectiveness of Risk Management**

The Risk Management Committee which comprises senior members of management was in place and reported quarterly to the Committee.

More efforts are required to further mature risk management processes within Parliament. In particular, the Committee is hopeful that the reengineering process underway will propose an adequate resourcing model for the risk management office, which will need to be supported by a more rigorous management involvement in risk identification and risk mitigation. The new Committee should continue to monitor the risk management maturity as part of its oversight responsibility.

### **Effectiveness of the Internal Audit function**

In line with the provisions of section 50 of the FMPPLA, the internal audit function developed and presented the annual audit plan for approval by the Committee and reported against the approved plan, quarterly. The Committee is satisfied that the function operated effectively in terms of the approved Internal Audit Charter, and has addressed pertinent risks in its audits.

Opportunities for further improvement were also identified, including the filling of vacant positions, increased audit coverage and effective coordination with other assurance providers. The new Committee should continue to provide oversight, guidance and optimal support for the function to sustain its effectiveness.

### **Audit Committee Evaluation**

The Committee concludes that it has delivered on its mandate and effectively operated during the reporting period and that key processes operated effectively. The new Committee should leverage on the current processes to further strengthen its oversight role.

### **Special Assignment**

The Committee was mandated by the Executive Authority to investigate allegations of maladministration, amongst others, against the Secretary to Parliament. The investigation was concluded and the report was issued to the Executive Authority on 27 October 2017. Subsequently, a disciplinary action was instituted against the Secretary to Parliament, which is still in progress.

### **Conclusion**

We would like to take this opportunity to express our gratitude for the opportunity provided by the Executive Authority of Parliament. We would like to thank the Accounting Officer, management and parliamentary team for their hard work, determination and support. It is our view that management's commitment to excellence will further enhance delivery and accountability, thus ensuring good governance and maintaining clean audits. Lastly, we would like to express our gratitude to the AGSA and the internal audit team for their professionalism and support in our oversight role.



.....  
**Ms. K.T Mdluwa**  
**Chairperson of the Audit Committee**

**Date: 31 July 2018**

## HUMAN RESOURCE MANAGEMENT

Human resource information are provided as follows:

<b>PERSONNEL COST BY PROGRAMME FOR THE PERIOD: 2017 / 2018</b>			
<b>PROGRAMME</b>	<b>Personnel Expenditure</b>	<b>Total Employees</b>	<b>Average Personnel Cost per Employee</b>
Strategic Leadership and Governance (Programme 1)	R86 401 488.02	87	R993 120.55
Administration (Programme 2)	R101 930 748.44	130	R784 082.68
Core Business (Programme 3)	R427 018 253.15	634	R673 530.37
Support Services (Programme 4)	R260 555 405.56	479	R543 957.01
Associated Services (Programme 5)	0	0	0
<b>Grand Total</b>	<b>R875 905 895.17</b>	<b>1330</b>	<b>R658 575.86</b>

<b>PERSONNEL COST BY SALARY BAND FOR THE PERIOD: 2017 / 2018</b>				
<b>SALARY BAND</b>	<b>Personnel Expenditure</b>	<b>% of Total Personnel Cost</b>	<b>Total Employees</b>	<b>Average Personnel Cost Per Employee</b>
Lower Skilled (Level A)	R37 949 697.64	4.15%	118	321 569.66
Skilled (Level B)	R102 083 686.98	11.33%	263	388 112.95
Highly Skilled Production (Level C)	R436 253 733.10	49.65%	712	612 677.97
Highly Skilled Supervision (Level D)	R254 168 799.12	29.54%	211	1 204 553.52
Senior Management (Level E)	R40 730 477.30	4.76%	24	1 697 065.27
Top Management (Level F)	R4 719 501.00	0.56%	2	2 359 750.50
<b>Grand Total</b>	<b>R875 905 895.17</b>	<b>100.00%</b>	<b>1330</b>	<b>R658 575.86</b>

**SALARIES AND OVERTIME BY PROGRAMME FOR THE PERIOD: 2017 / 2018**

PROGRAMME	SALARIES		OVERTIME	
	Amount	Salaries as a % of Personnel Expenditure	Amount	Overtime as a % of Personnel Expenditure
Strategic Leadership and Governance (Programme 1)	R86 401 488.02	9.86.00%	R115 204.87	0.13%
Administration (Programme 2)	R101 930 748.44	11.64%	R379 874.68	0.37%
Core Business (Programme 3)	R427 018 253.15	48.75%	R3 829 096.81	30.90%
Support Services (Programme 4)	R260 555 405.56	29.75%	R6 941 931.88	2.66%
Associated Services (Programme 5)	0	0.00%	R0.00	0.00%
<b>Total</b>	<b>R875 905 895.17</b>	<b>100.00%</b>	<b>R 11 266 108.24</b>	<b>1.29%</b>

**SALARIES AND OVERTIME BY SALARY BAND FOR THE PERIOD: 2017 / 2018**

SALARY BAND	SALARIES		OVERTIME	
	Amount	Salaries as a % of Personnel Expenditure	Amount	Overtime as a % of Personnel Expenditure
Lower Skilled (Level A)	R37 949 697.64	4.33%	R654 299.74	1.72%
Skilled (Level B)	R102 083 686.98	11.65%	R3 863 265.81	3.78%
Highly Skilled Production (Level C)	R436 253 733.10	49.89%	R6 748 542.69	1.55%
Highly Skilled Supervision (Level D)	R254 168 799.12	29.02%	R0.00	0.00%
Senior Management (Level E)	R40 730 477.30	4.65%	R0.00	0.00%
Top Management (Level F)	R4 719 501.00	0.54%	R0.00	0.00%
<b>TOTAL</b>	<b>R875 905 895.17</b>	<b>100.00%</b>	<b>R 11 266 108.24</b>	<b>1.29%</b>

**EMPLOYMENT AND VACANCIES BY PROGRAMME FOR THE PERIOD: 2017 / 2018**

<b>Programme</b>	<b>Number of Posts</b>	<b>Number of Posts Filled</b>	<b>Active Vacant</b>	<b>Vacancy Rate</b>
Strategic Leadership and Governance (Programme 1)	89	81	8	0.6%
Administration (Programme 2)	137	122	15	1.1%
Core Business (Programme 3)	675	612	63	4.5%
Support Services (Programme 4)	513	459	54	3.8%
Associated Services (Programme 5)	0	0	0	0.0%
<b>Grand Total</b>	<b>1414</b>	<b>1274</b>	<b>140</b>	<b>9.9%</b>

**EMPLOYMENT AND VACANCIES BY SALARY BAND FOR THE PERIOD: 2017 / 2018**

<b>SALARY BAND</b>	<b>Number of Posts</b>	<b>Number of Posts Filled</b>	<b>Active Vacant</b>	<b>Vacancy Rate</b>
Lower Skilled (Level A)	127	109	18	<b>1.27%</b>
Skilled (Level B)	285	260	25	<b>1.77%</b>
Highly Skilled Production (Level C)	746	677	69	<b>4.88%</b>
Highly Skilled Supervision (Level D)	231	204	27	<b>1.91%</b>
Senior Management (Level E)	23	22	1	<b>0.07%</b>
Top Management (Level F)	2	2	0	<b>0.00%</b>
<b>Grand Total</b>	<b>1414</b>	<b>1274</b>	<b>140</b>	<b>9.90%</b>

**PROFILES OF EMPLOYEES WHOSE SALARY POSITIONS CHANGED AS A RESULT OF JOB GRADED FOR THE PERIOD: 2017 / 2018**

<b>Beneficiaries</b>	<b>African</b>	<b>Coloured</b>	<b>Indian</b>	<b>White</b>	<b>Grand Total</b>
Female	None	None	None	None	None
Male	None	None	None	None	None
<b>Grand Total</b>	None	None	None	None	None
<b>Employees with Disabilities</b>	None	None	None	None	None

**ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD: 2017 / 2018**

<b>SALARY BAND</b>	<b>Number of Employees per band as on 1 Apr 2017</b>	<b>Appointments</b>	<b>Terminations</b>	<b>Turnover Rate</b>
Lower Skilled (Level A)	118	0	9	0.68%
Skilled (Level B)	266	2	3	0.23%
Highly Skilled Production (Level C)	700	6	38	2.88%
Highly Skilled Supervision (Level D)	210	4	8	0.61%
Senior Management (Level E)	22	1	2	0.15%
Top Management (Level F)	2	0	0	0.00%
<b>Grand Total</b>	<b>1318</b>	<b>13</b>	<b>60</b>	<b>4.55%</b>

**ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD: 2017 / 2018  
[RESIGNATIONS ONLY]**

<b>SALARY BAND</b>	<b>Number of Employees per band as on 1 Apr 2017</b>	<b>Resignations</b>	<b>Turnover Rate</b>
Lower Skilled (Level A)	118	0	0.00%
Skilled (Level B)	266	1	0.08%
Highly Skilled Production (Level C)	700	27	2.05%
Highly Skilled Supervision (Level D)	210	5	0.38%
Senior Management (Level E)	22	2	0.15%
Top Management (Level F)	2	0	0.00%
<b>Grand Total</b>	<b>1318</b>	<b>35</b>	<b>2.66%</b>



**CATEGORIES OF TERMINATIONS FOR THE PERIOD: 2017 / 2018**

<b>Termination Type</b>	<b>Number of Terminations</b>	<b>% of Total</b>
Deceased	3	5.08%
Dismissal		3.39%
End of Contract	1	1.69%
End of Political Term	0	0.00%
Resignation	35	59.32%
Retirement	6	10.17%
Retirement Early	7	11.86%
Retirement: Due to Ill Health	5	8.47%
<b>Grand Total</b>	<b>60</b>	<b>100.00%</b>

**PROMOTIONS BY SALARY BAND FOR THE PERIOD: 2017 / 2018**

<b>SALARY BAND</b>	<b>Number of Employees per band as on 1 Apr 2017</b>	<b>Promotion to another Salary level [Promotion by Appointment]</b>	<b>Salary level promotion as a % of employees by occupation [Salary Band]</b>	<b>Progression to another notch within a salary level [Notch Progression]</b>	<b>Notch progression as a % of employees by salary band</b>
Lower Skilled (Level A)	118	3	2.54%	0	0.00%
Skilled (Level B)	266	7	2.63%	0	0.00%
Highly Skilled Production (Level C)	700	13	1.86%	0	0.00%
Highly Skilled Supervision (Level D)	210	3	1.43%	0	0.00%
Senior Management (Level E)	22	0	0.00%	0	0.00%
Top Management (Level F)	2	0	0.00%	0	0.00%
<b>Grand Total</b>	<b>1318</b>	<b>26</b>	<b>1.97%</b>		

**TOTAL NUMBER OF EMPLOYEES [INCLUDING EMPLOYEES WITH DISABILITIES] IN EACH OF THE FOLLOWING SALARY BANDS AS ON 1 APRIL 2017**

SALARY BAND	Female					Male					Grand Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured		Indian	White
	Lower Skilled (Level A)	22	46	0	11	4	31	0	4	4		0	0
Skilled (Level B)	84	45	3	4	54	59	4	13	13	4	13	266	
Highly Skilled Production (Level C)	246	111	4	36	206	68	8	21	21	8	21	700	
Highly Skilled Supervision (Level D)	52	19	8	15	81	13	8	14	14	8	14	210	
Senior Management (Level E)	4	2	1	0	11	0	3	1	1	0	1	22	
Top Management (Level F)	1	0	0	0	1	0	0	0	0	0	0	2	
<b>Grand Total</b>	<b>409</b>	<b>223</b>	<b>16</b>	<b>66</b>	<b>357</b>	<b>171</b>	<b>23</b>	<b>53</b>	<b>53</b>	<b>23</b>	<b>53</b>	<b>1318</b>	
Employees with Disability	0	1	0	1	4	1	1	1	1	1	1	9	

**RECRUITMENT / APPOINTMENTS FOR THE PERIOD: 2017 / 2018**

Salary Band	Female					Male					Grand Total		
	African	Coloured	Indian	White	African	Coloured	Indian	White	African	Coloured		Indian	White
	Lower Skilled (Level A)	0	0	0	0	0	0	0	0	0		0	0
Skilled (Level B)	1	0	0	0	1	0	0	0	0	0	0	2	
Highly Skilled Production (Level C)	6	0	0	0	0	0	0	0	0	0	0	6	
Highly Skilled Supervision (Level D)	1	1	0	0	1	1	0	0	0	0	0	4	
Senior Management (Level E)	1	0	0	0	0	0	0	0	0	0	0	1	
Top Management (Level F)	0	0	0	0	0	0	0	0	0	0	0	0	
<b>Grand Total</b>	<b>9</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>13</b>	
Employees with Disability	0	0	0	0	0	0	0	0	0	0	0	0	

**PROMOTIONS FOR THE PERIOD: 2017 / 2018**

Salary Band	Female			Male			Grand Total		
	African	Coloured	Indian	White	African	Coloured		Indian	White
	Lower Skilled (Level A)	2	0	0	0	0		1	0
Skilled (Level B)	6	1	0	0	0	0	0	0	7
Highly Skilled Production (Level C)	7	1	0	0	5	0	0	0	13
Highly Skilled Supervision (Level D)	0	0	0	1	2	0	0	0	3
Senior Management (Level E)	0	0	0	0	0	0	0	0	0
Top Management (Level F)	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>15</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>26</b>
Employees with Disability	0	0	0	0	0	0	0	0	0

**PERFORMANCE REWARDS [NOTCH PROGRESSION] BY RACE, GENDER & DISABILITY FOR THE PERIOD: 2017 / 2018**

Gender and Race	Beneficiary Profile	Cost		
		Cost (R'000)	Avg Cost per Employee	
<b>Number of Beneficiaries</b>	<b>Total Employment [Number of Beneficiaries]</b>	<b>% of Total Employment</b>	<b>Cost (R'000)</b>	<b>Avg Cost per Employee</b>
<b>African</b>	Female	None	None	None
	Male	None	None	None
<b>Coloured</b>	Female	None	None	None
	Male	None	None	None
<b>Indian</b>	Female	None	None	None
	Male	None	None	None
<b>White</b>	Female	None	None	None
	Male	None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>
<b>Employees with Disability</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

<b>PERFORMANCE REWARDS [PERFORMANCE BONUS] BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT [LEVEL E] FOR THE PERIOD: 2017 / 2018</b>							
<b>Salary Bands</b>	<b>Number of Beneficiaries</b>	<b>Beneficiary Profile</b>	<b>Cost</b>	<b>Cost</b>	<b>Cost</b>	<b>Cost</b>	
	<b>Number of Beneficiaries</b>	<b>Number of Employees</b>	<b>% of Total within Salary Band</b>	<b>Total Cost</b>	<b>Avg Cost Per Employee</b>	<b>Total Personnel Expenditure [Variable Cost]</b>	<b>Total Cost as a % of the total personnel expenditure</b>
Lower Skilled (Level A)	None	None	None	None	None	None	None
Skilled (Level B)	None	None	None	None	None	None	None
Highly Skilled Production (Level C)	None	None	None	None	None	None	None
Highly Skilled Supervision (Level D)	None	None	None	None	None	None	None
<b>Grand Total</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

**PERFORMANCE REWARDS [NOTCH PROGRESSION] BY SALARY BAND FOR PERSONNEL BELOW SENIOR MANAGEMENT [LEVEL E] FOR THE PERIOD: 2017 / 2018**

Salary Bands	-	-	-	-	-	-	-	-
	Number of Beneficiaries	Beneficiary Profile	Beneficiary Profile	% of Total within Salary Band	Total Cost	Avg Cost Per Employee	Total Personnel Expenditure [Variable Cost]	Total Cost as a % of the total personnel expenditure
Lower Skilled (Level A)	None	None	None	None	None	None	None	None
Skilled (Level B)	None	None	None	None	None	None	None	None
Highly Skilled Production (Level C)	None	None	None	None	None	None	None	None
Highly Skilled Supervision (Level D)	None	None	None	None	None	None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

**PERFORMANCE REWARDS [NOTCH PROGRESSION] BY SALARY BAND FOR SENIOR & TOP MANAGEMENT FOR THE PERIOD: 2017 / 2018**

Salary Bands	-	-	-	-	-	-	-	-
	Number of Beneficiaries	Beneficiary Profile	Beneficiary Profile	% of Total within Salary Band	Total Cost	Avg Cost Per Employee	Total Personnel Expenditure	Total Cost as a % of the total personnel expenditure
Senior Management (Level E)	None	None	None	None	None	None	None	None
Top Management (Level F)	None	None	None	None	None	None	None	None
<b>TOTAL</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>	<b>None</b>

<b>SICK LEAVE FOR THE PERIOD: 1 APRIL 2017 TO 31 MARCH 2018</b>										
<b>SALARY BAND</b>	<b>Total Days Taken</b>	<b>Days With Medical Certificate</b>	<b>% Days With Medical Certificate</b>	<b>Number of Employees Using Sick Leave</b>	<b>% of Employees using Sick Leave</b>	<b>Average Days Per Employee</b>	<b>Total Package Value</b>	<b>Average Package</b>	<b>Average Daily Rate</b>	<b>Estimated Cost</b>
Lower Skilled (Level A)	966	473	48.96%	101	9.89%	9.56	R31 359 811.00	R 310 493.18	R 1 189.63	R 11 378.04
Skilled (Level B)	1865	958	51.37%	236	23.11%	7.90	R86 487 546.00	R 366 472.65	R 1 404.11	R 11 096.04
Highly Skilled Production (Level C)	3928	1833	46.66%	530	51.91%	7.41	R317 781 078.00	R 599 586.94	R 2 297.27	R 17 025.79
Highly Skilled Supervision (Level D)	878	411	46.81%	146	14.30%	6.01	R175 916 885.00	R 1 204 910.17	R 4 616.51	R 27 762.32
Senior Management (Level E)	26	16	61.54%	8	0.78%	3.25	R14 813 822.00	R 1 851 727.75	R 7 094.74	R 23 057.91
Top Management (Level F)	0	0	0.00%	0	0.00%	0.00	R0.00	R 0.00	R 0.00	R 0.00
<b>Grand Total</b>	<b>7663</b>	<b>3691</b>	<b>48.17%</b>	<b>1021</b>	<b>100.00%</b>	<b>7.51</b>	<b>R 626 359 142.00</b>	<b>R 613 476.14</b>	<b>R 2 350.48</b>	<b>R 17 641.29</b>

<b>ANNUAL LEAVE FOR THE PERIOD: 1 APRIL 2017 TO 31 MARCH 2018</b>					
<b>Salary Band</b>	<b>Number of Employee That applied for Annual Leave</b>	<b>Total Days Taken</b>	<b>Average Per Employee</b>		
Lower Skilled (Level A)	118	3544	30.03		
Skilled (Level B)	263	6981	26.54		
Highly Skilled Production (Level C)	708	18457	26.07		
Highly Skilled Supervision (Level D)	209	5336	25.53		
Senior Management (Level E)	23	423	18.39		
Top Management (Level F)	2	26	13.00		
<b>Grand Total</b>	<b>1323</b>	<b>34767</b>	<b>26.28</b>		

<b>CAPPED LEAVE FOR THE PERIOD: 1 APRIL 2017 TO 31 MARCH 2018</b>						
<b>SALARY BAND</b>	<b>Number of Employees with Capped Leave</b>	<b>Total Days of Capped Leave as at 1 APR</b>	<b>Number of Days Taken</b>	<b>Total Days of Capped Leave as at 31 MAR</b>	<b>Average Number of Days Taken per Employee</b>	<b>Average Capped Leave Per Employee as at 31 MAR</b>
Lower Skilled (Level A)	91	1252.380	39.870	1212.510	2.28	13.32
Skilled (Level B)	102	1082.910	29.720	1053.190	3.43	10.33
Highly Skilled Production (Level C)	124	1522.570	54.280	1468.290	2.28	11.84
Highly Skilled Supervision (Level D)	21	257.250	2.490	254.760	8.43	12.13
Senior Management (Level E)	1	0.140	0.000	0.140	0.00	0.14
Top Management (Level F)	0	0.000	0.000	0.000	0.00	0.00
<b>Grand Total</b>	<b>339</b>	<b>4115.250</b>	<b>126.360</b>	<b>3988.890</b>	<b>2.68</b>	<b>11.77</b>

<b>LEAVE PAYOUTS FOR THE PERIOD: 1 APRIL 2017 TO 31 MARCH 2018</b>			
<b>Reason</b>	<b>Total Amount (R'000)</b>	<b>Number of employee</b>	<b>Average payment per employee</b>
Capped leave payouts on termination of service for	R53 331.89	5	R10 666.38
Current leave payouts on termination of service for	R833 765.87	23	R36 250.69
<b>Total</b>	<b>R887 097.76</b>	<b>28</b>	<b>R31 682.06</b>









**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

