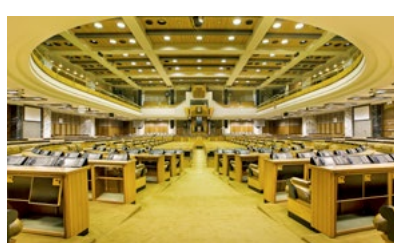




PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA



**ANNUAL
REPORT** | 2018/19



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA
ANNUAL REPORT 2018/19

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© Parliament of the Republic of South Africa

Tel: (021) 403 2911

Fax: (021) 403 8219

Email: info@parliament.gov.za

Postal Address: P O Box 15, Cape Town, 8000

Physical address: Parliament Street, Cape Town

Website: www.parliament.gov.za

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of South Africans and ensures enduring equality in our society.*





PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Hon. T. R. Modise, Speaker of the National Assembly and
Hon. A. N. Masedo, 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 2018/2019 financial year.

MS. PN TYAWA

Acting Secretary to Parliament

31/08/2019

Date of Submission

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EXECUTIVE AUTHORITY STATEMENT



The Mace of the NAACP

The Black Rod of the NCOP

1. EXECUTIVE AUTHORITY STATEMENT

At his last address to Parliament as President of the Republic in May 1999, former President Nelson Mandela declared “it has been a profound privilege to be accountable to this Parliament”. His sentiment was a testament to the centrality of Parliament in delivering the promise of freedom to improve the lives of all our citizens. In our Constitutional democracy with a democratically representative Parliament, the effectiveness and efficiency of the national legislature has a significant impact on achieving South Africa’s developmental goals. Parliament remains the bastion of our democracy, and the realisation of a government for the people, by the people under the Constitution.

The vision and mission of the 5th Democratic Parliament was to represent the people of South Africa and ensure that our government respects and adheres to all the constitutional injunctions that guide its work and service to the people. As the final year of the 5th parliamentary term, the 2018/19 financial year represented both the completion of outstanding matters, as well as the start of a fresh planning phase for the anticipated 2019 national election. This report is a reflection of the work of Members of Parliament in preparing for the end of the 5th Term and for a new mandate from the public.

The strategic policy priorities, which are aligned to the mandate of Parliament in this period, remained strengthening our oversight and law-making efforts, enhancing public engagement and international participation, ensuring co-operation across the three spheres of government, and building an administration that is capable and productive in its support of Members of Parliament in pursuing their constitutional mandate.

On oversight, both Houses of Parliament and their committees sought to hold the Executive accountable for budgets spent and programmes implemented. During this financial year in particular, Parliament elevated the quality of its oversight mandate by initiating in-depth inquiries, most notably into Eskom by the Portfolio Committee on Public Enterprises. The multiparty Portfolio Committee worked tirelessly in realising its mandate, and demonstrated to the public a Parliament that is committed to holding the Executive accountable. Parliament recommended numerous South Africans for appointment to critical positions in, amongst others, the Independent Electoral Commission (IEC), the Commission for Gender Equality (CGE), the Pan South African Language Board (PanSALB), and the South African Broadcasting Corporation (SABC) Board.

In addition, committees of both Houses held 1 507 meetings and 4 861 written and oral questions were put to Members of the Executive including the President and the Deputy President, demonstrating Parliament’s commitment to its oversight and accountability work.

Overall, the Houses and their delegated committees discussed, processed and passed 47 Bills, of which 25 were assented to. This is the highest volume of legislation to be processed through Parliament in the 5th Term. In addition to the Division of Revenue Bill, crucial legislation on

political party funding, audits of public expenditure, and critical infrastructure protection were attended to. Parliament has not only devoted its time and resources to passing legislation, but also to assessing the impact of legislation on the most vulnerable in our society through the extensive work done by the High Level Panel, chaired by Former President Kgalema Motlanthe. The prevailing challenge remains that of devising the means of weaving together all we learnt through that process into the daily work of Members of Parliament.

In the process of holding government accountable, and in its law-making capacity, Parliament is also tasked with being a platform for the public consideration of issues of national interest. In this regard, there are few issues of interest that evoke more emotions than South Africa's "Land Issue". The ownership of land has been on the national agenda since the dawn of our democracy, and its resolution presents an opportunity to build a South Africa that truly belongs to all who live in it. To this end, the Constitutional Review Committee conducted public hearings in all 9 provinces, listened to thousands of diverse views on the matter, and collected more than 630 000 written submissions.

Pursuant to the theme "following up on our commitments to the people", in 2018/19 the National Council of Provinces (NCOP) signature public participation programme, Taking Parliament to the People (TPTTP) went to Gauteng. The pre-visit was conducted to ensure that the most relevant issues were addressed, with the main event focusing on the impact of migration on policy development, integrated planning, budgeting and the regulatory environment. Being an activist Parliament requires consistent interaction with our citizens, and being responsive to their needs, and TPTTP presents a tangible, practical opportunity to do just that.

Parliament's oversight work and work done by, amongst others, the Auditor General, underscores that co-operative governance can enhance the work of public entities collaborating to ensure improved outcomes for our people. The Speakers' Forum remains an important structure for advancing the collective agenda of the legislative sector, and during this period several shared interests were advanced. Central to this agenda is a draft Legislative Sector Bill aimed at harmonising the sector and ensuring amplified impact of collaborative efforts.

The EU-SA parliamentary relations strengthened over the course of the 5th Term, with the EU expressing their support in 2018 for South Africa's bid for a non-permanent Member of the United Nations (UN) Security Council, which South Africa subsequently secured in June of the same year. Participation at the Inter-Parliamentary Union (IPU) also allowed for the sharing of best practices amongst Parliaments across the world and for a collective approach to dealing with matters of global importance. During this period, Parliament contributed significantly to the IPU's resolution on strengthening inter-parliamentary co-operation on migration and migration governance in view of the Global Compact for Safe, Orderly and Regular Migration, adopted by the 139th IPU Assembly in Geneva, Switzerland in October 2018. Closer to home on the regional front, progress in the transformation of the Southern African Development Community Parliamentary Forum (SADC-PF) into a regional Parliament has been welcomed. ensuring an integrated approach to shared legislation and oversight across the region

Given that 2018 marked the 100th Anniversary of the birth of two stalwarts of the liberation struggle, Nelson Mandela and Albertina Sisulu, Parliament used international platforms to honour them and share our pride with the world. Thus, while on a visit to the Parliament of the Republic of Chile in November 2018, the Chairperson of the National Council of Provinces, Thandi Modise, addressed a special sitting of the Chamber of Deputies, commemorating the Centenary celebrations. Additionally, the IPU's 139th Assembly held a special session to mark the 70th Anniversary of the UN Universal Declaration of Human Rights and celebrate the life of Nelson Mandela. The session featured a video message by the Speaker of the National Assembly, Baleka Mbete, followed by an interactive debate on human rights and the screening of a documentary on the life of Nelson Mandela. The session concluded with Parliaments recommitting to the principles of the Universal Declaration of Human Rights and the values embodied by Madiba. International relations have thus been about giving to and receiving from the international community. The Chairperson of the NCOP also attended and participated in the IPU Speakers' Summit in the context of the G20 Leaders' Summit, which took place from 31 October–3 November 2018 in Buenos Aires, Argentina. Alongside a working visit to the Federal Assembly of the Russian Federation, Ms Thandi Modise also participated in the International Conference on "The Role of Parliaments in Today's World. The Federation Council of the Federal Assembly of the Russian Federation – 25 Years on the Path of Multi-Dimensional Development". The Chairperson also led a delegation to the 62nd session of the Commission on the Status of Women (CSW) that took place at the United Nations headquarters in New York from 12 to 22 March 2018. Our Parliament will continue to nurture relationships with international bodies in pursuit of a more equal and prosperous South Africa and a democratic world order.

While much was done in this period, it does not lessen the magnitude of the task ahead. As Parliament prepares for a 6th Term, we take the successes, missteps, and lessons of this 5th Term with us into the new chapter. With the renewed mandate a truly activist Parliament that is responsive to the needs of its citizens.



Ms. Thandi Modise

Speaker: National Assembly



Mr. Amos Masondo

Chairperson: National Council of Provinces





**ACCOUNTING
OFFICER'S
STATEMENT**

2. ACCOUNTING OFFICER'S STATEMENT

The fulfilment of Parliament's constitutional mandate requires the professional, effective and efficient support for Members of Parliament. The role of the parliamentary administration in supporting the work of Members of Parliament is crucial to the realisation of our country's developmental goals. This report is a critical reflection of this work during the 2018/19 financial year as the last year of the 5th parliamentary term, as we prepare for renewed or reviewed policy priorities in the next term of Parliament. During the 5th Parliament there has been a steady improvement in efficiencies within the Administration. Not only has Parliament had clean audits for four consecutive years in this term, but overall performance has also improved. Of the 14 key indicators tracked, 11 targets were met, translating to 78,6% performance. This was achieved in the context of a rising budget deficit year on year, within a contracting global and national economic climate. Key highlights within Parliament's budget Programmes are presented below.

Programme 1 - strategic leadership and governance includes measures for the Parliamentary Budget Office (PBO), which provides technical, analytical and institutional support to parliamentary committees dealing with matters related to finance and appropriations. The PBO exceeded its 2018/19 annual target of 24 budget briefs by 12. This provided significantly enhanced support to finance and appropriations committees of both Houses. Programme 2 includes two indicators on sector co-ordination - the number of capacity building programmes implemented for Members of Parliament and the percentage follow up and implementation of resolutions of the Speakers' Forum and the Secretaries' Association of the Legislatures of South Africa (SALSA). All planned capacity-building programmes were implemented, and 100% of resolutions of the Speakers' Forum and SALSA were followed up. Programme 3 represents the bulk of core business, including the service charter for advisory, procedural, policy, legal, and other content support to the two Houses and their Committees. The service charter met its target of 93% of all content support provided on time. In addition, the targets for the percentage of the population having access to participate in parliamentary processes and those actually participating, met their targets of 10% and 6% respectively. Programme 4 for support services, had a mixed performance result. The two client satisfaction indicators did not meet their targets, with client satisfaction in facilities management and catering at 67,1% against a target of 75% and overall client satisfaction at 71,2%, just below the target of 72%. There was good performance in the areas of communications, with the percentage of the population being aware of Parliament rising to 27% and universal access to integrated information and communications technology (ICT) services for Members and staff increasing to 80,75%. In addition, the Talent Management Index increased by 9%, indicating an improvement in the availability of strategic competencies, talent and skills.

Programme 5 includes indicators to measure the turnaround time for the processing of payments and reimbursement of Members, payment to political parties within the applicable policy parameters and progress on the development of seamless integrated services to Members. Despite improvements in administrative processes for the reimbursements to Members of Parliament, the target of reimbursement in 2,4 days was marginally exceeded by 0.13 days. Timeframes for payments to political parties and progress with the implementation of seamless integrated services to Members met the respective targets set for the financial year.

Much of the Administration's efforts focused on prioritising activities critical to the delivery of Parliament's strategic goals and optimising the use of resources. During this period, an Integrated Planning, Budgeting and Reporting Framework was approved, ensuring a co-ordinated approach to strategic management. Additionally, key strategic initiatives such as the development and implementation of an Integrated Seamless Members' Services Model and the design, development and implementation of a Member-centric application (My Parliament App) sharpened administrative initiatives in direct support of Members of Parliament. Considerable emphasis was placed on modernising and professionalising the Parliamentary Administration so as to attract, motivate and retain knowledge workers that are a critical support to Members of Parliament.

The core mandate of Parliament includes oversight and accountability, law-making, public involvement, co-operative governance and international relations. Products and services support to the core business of Parliament included administrative, advisory, policy, legal and procedural support to Members of Parliament individually, as well as to the Houses of Parliament and their committees. Knowledge, administrative and logistical support facilitated over 370 sittings of the Houses, during which more than 800 advisories on procedure were provided and almost 1 000 research papers were prepared for more than 1 500 committee meetings. Key committee activities in particular that required enhanced support were the parliamentary inquiry into Eskom and the extensive public hearings conducted by the Constitutional Review Committee on the issue of the appropriation of land. While the Eskom inquiry required a new set of skills related to forensic investigation, the public hearings required increased resources to accommodate the volume of information to be processed, analysed and considered. This has implications for the future human and financial resource planning, which must take into account the rise in the volume and complexity of the oversight and public involvement activities of Parliament.

Support services such as human resources, ICT, facilities management and catering, communications, and Member support are crucial to the efficiency and success of the core business activities of Parliament. Administrative improvements in this area included process optimisation efforts through technology, targeted communications efforts, the consistent readiness of facilities and institutional restructuring aimed at structural alignment of competencies for improved support to Members. Moreover, the development of seamless services will be central to co-ordinating all components of administrative support and providing Members with a one-stop shop for all their requirements.

Institutional performance has improved substantially over the 5th term and the lessons learnt during this period will inform strategies and plans for the 6th Parliament. A Member-centric, socially conscious and public service-oriented Parliamentary administration will ensure that the seeds planted in the 5th Parliament will break ground as we welcome the Members of the 6th Parliament.



Ms. PN Tyawa

Acting Secretary to Parliament

2018-19 PERFORMANCE

18 Bills Passed | **4861 Questions to Executive** | **5 Section 139 Interventions** | **96 SF & SALSA Resolutions Actioned**
40 Budget Recommendations | **18 Appointments Recommended** | **27 International Agreements Approved**
47 Bills Considered | **22 Executive Undertakings**



1507 COMMITTEE MEETINGS
37 OVERSIGHT VISITS



372
House papers



23
Legal opinions



822
Procedural Advice



519
Reports of Committees



1713
Minutes



984
Research & info Papers



36
Budget analyses



150
Hansard reports



2395
Translations



603
Info requests



62964
Travel Claims



228
Member Enrolments



532621
Twitter Followers
(Increase)



685650
Website unique Visitors



753417
Views




992
Public Submissions




74
Public Hearings



16153
Visitors



GENERAL INFORMATION



3. GENERAL INFORMATION

Parliament exists to represent the people and to ensure that government delivers on its promises and undertakings to the public. Parliament also provides a national forum for the public consideration of issues and the representation of provincial and local government interests in the national sphere. In so doing, Parliament must ensure meaningful public involvement in its processes. Parliament is guided in its work by its vision, mission and values.

3.1 VISION, MISSION & VALUES

3.1.1 VISION

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

3.1.2 Mission

Parliament aims to serve 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;
- Participation of South Africans 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 to fulfil their constitutional responsibilities.

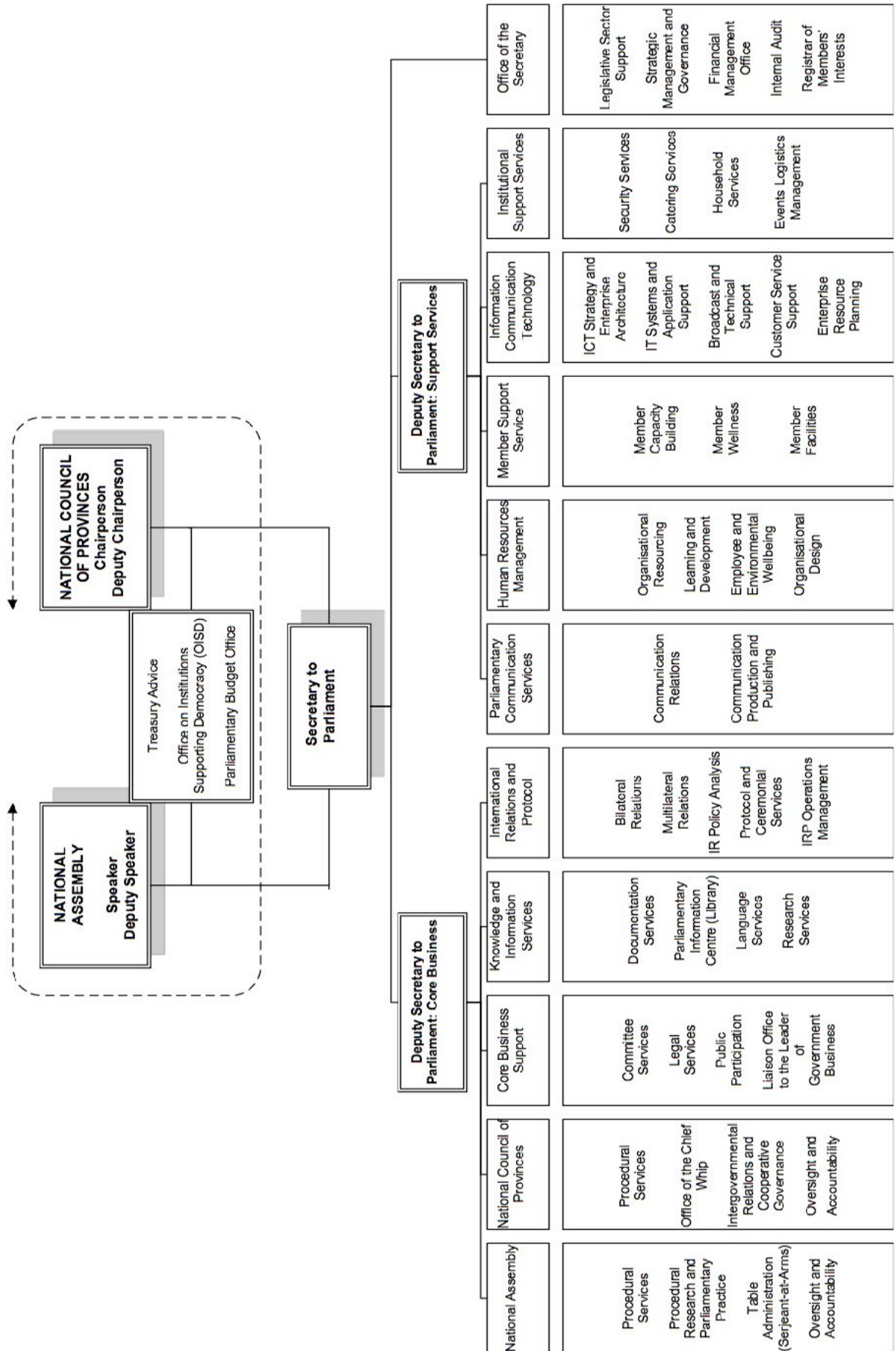
3.1.3 Values

In keeping with its vision and mission, Parliament has adopted the following values in carrying out its mandated work.

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

3.2 Organogram of the Parliamentary Administration

The parliamentary administration provides professional support services to the Houses of Parliament, committees and individual Members of Parliament. This primarily takes the form of information and advisory products and services and facilities management services, which capacitate and enable Members of Parliament to fulfil their constitutional obligations. The following Organogram depicts the operating model and organisational structure of the Parliamentary Administration.



3.3 Legislative and Other Mandates

Parliament is guided in its mandate by the key laws depicted in the table below:

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 and Related Matters Act, 2009 (Act No. 9 of 2009) as amended	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.

3.4 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/ Resolution	Nature of Business
Parliamentary Budget Office (PBO)	Money Bills and Related Matters Act, 2009 (Act No. 9 of 2009)	<p>To provide independent, objective and professional advice and analysis to Parliament on matters related to the National budget and other money Bills.</p> <p>To support the implementation of the Money Bills Act by undertaking research and analysis for the committees referred to in section 4 of the Act</p>
Office on Institutions Supporting Democracy (OISD)	National Assembly Resolution 21 of November 2008	<p>To facilitate and co-ordinate all engagements between Parliament and the constitutional Institutions Supporting Democracy (ISDs).</p> <p>To enhance and provide support to the National Assembly in discharging its constitutional obligations of oversight, accountability and support relevant to these institutions via the Speaker of the National Assembly.</p>



**HIGHLIGHTS OF
PARLIAMENT'S STRATEGIC
OUTCOME-ORIENTED
GOALS**



4. HIGHLIGHTS OF PARLIAMENT'S STRATEGIC OUTCOME-ORIENTED GOALS

4.1 Policy Priorities

The 5th Parliament identified the following five Policy Priorities as its strategic focus areas for the 2014-2019 term:

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

4.2 Strategic Outcome-Oriented Goals of Parliament

In aligning to these Policy Priorities, the parliamentary administration selected the following six strategic outcome-oriented goals as outlined in its Strategic Plan for the 2014-2019 term of Parliament:

- Enhance Parliament's oversight and accountability over the work of the Executive to ensure implementation of the objectives of the medium-term strategic framework (MTSF) 2014-2019;
- Enhance the ability of Parliament to exercise its legislative power through consolidation and implementation of integrated legislative processes by 2019 in order to fulfil its constitutional responsibility;
- Enhance public involvement in the processes of Parliament to realise participatory democracy through the implementation of the public involvement model by 2019;
- Co-operate and collaborate with other spheres of government on matters of common interest and ensure co-operative and sound intergovernmental relations;
- Enhance parliamentary international engagement and co-operation; and
- Build a capable and productive parliamentary service that delivers enhanced support to Members of Parliament in order that they may efficiently fulfil their constitutional functions.

The following section provides key highlights and achievements in the 2018/2019 financial year aligned to the strategic outcome-oriented goals of Parliament.

4.2.1 Strengthening Oversight & Accountability

One of the most important responsibilities of Parliament in ensuring service delivery to the citizens is to have oversight over government's implementation of policies and legislation and holding the government accountable. The key mechanisms used to accomplish this include plenary sittings of the National Assembly (NA) and the National Council of Provinces (NCOP), together with the work of parliamentary committees.

Questions to the Executive remain a key element of Parliament's oversight work and one of the means of holding the government accountable. During the period under review, Parliament's oversight activities included oral question and answer sessions with the President, Deputy President and Cabinet Ministers. During the 2018/2019 financial year 4 148 questions were put to the Executive in the NA, of which 3 715 were written and 433 were oral questions. 713 questions were put to the Executive in the NCOP, of which 540 were written and 173 were oral. The NA and NCOP Rules determine timelines within which questions must be replied to.

Moreover, in this reporting period, some of the questions put to the President and the Deputy President were centred around matters of national importance and included:

- The nature of private sector involvement in the Youth Employment Service;
- The implementation of lifestyle audits in the public sector;
- Government steps to restore local and global confidence in South Africa's State-Owned Enterprises (SOEs), and strengthening of their developmental role in national efforts to grow the economy;
- Conditions attached to the R33 billion loan secured for Eskom and the R4 billion for Transnet from the Chinese Development Bank. This included detailed loan servicing schedules, interest rate terms and legal conditions applicable to the loans.
- Government mechanisms to ensure provincial government strengthens financial controls and practises sound financial management to stem the tide of irregular and unauthorised expenditure;
- Details of how government intended dealing with the scourge of abuse against women and children; and
- Government programmes to combat poverty.

During the reporting period, there were 22 Executive undertakings in the NCOP mainly focused on the following ministries: Higher Education and Training, Home Affairs, Arts and Culture, Basic Education, Small Business Development and Military Veterans.

Members of Cabinet are not the only people that Parliament can call to account. The Constitution grants a parliamentary committee wide powers to summon 'any person' to appear before it. In the year under review this power to summon was used effectively by a number of parliamentary committees, particularly those dealing with inquiries.

Parliamentary committees continue to be the ‘engine room of Parliament’, conducting the majority of oversight work. During the financial year, 37 oversight visits and 1 507 committee meetings were conducted. Committee engagements in this period included the usual deliberations on the quarterly financial statements and performance reports of government departments and entities, as well as ad hoc matters of significant public interest. Committees dealt with a number of key pieces of legislation such as the Public Audit Amendment Bill which, inter alia, grants the Auditor-General (AG) greater powers to act against financial mismanagement and misconduct, and the Political Party Funding Bill, which aims to regulate both the public and private funding of political parties. The Basic Conditions of Employment Act was amended by Parliament to make provision for new forms of leave in the South African labour system. Parental leave, adoption leave and commissioning parental leave are now available to employees under prescribed conditions.

4.2.2 Strengthening Legislative Capacity (Law-making)

Law-making continues to be a key strategic outcome for Parliament, consistent with the national legislative powers vested in Parliament by the Constitution. The Constitution places the obligation on Parliament to involve the public in its legislative processes in keeping with the principles of an open and democratic society.

In the 2018/19 financial year, 47 Bills were considered by the Houses of Parliament and the following 25 Bills were assented to by the President:

- Division of Revenue Bill [B2-2018 (s76)] (Sesotho) (assented to 30 May 2018; GG 41678)
- Extension of Security of Tenure Amendment Bill [B24B-2015 (s75)] (Afr) (assented to 18 November 2018; GG 42046)
- Appropriation Bill [B3-2018 (s77)] (Sepedi) (assented to 31 July 2018; GG 41816)
- Public Audit Amendment Bill [B13-2018 (s75)] (Afr) (assented to 18 November 2018; GG 42045)
- Political Party Funding Bill [B33-2017 (s75)] (Sesotho) (assented to 21 January 2019; GG 42188)
- Basic Conditions of Employment Amendment Bill [B30B-2017 (s75)] (Afr) (assented to 23 November 2018; GG 42059)
- Labour Relations Amendment Bill [B32B-2017 (s75)] (Afr) (assented to 23 November 2018; GG 42061)
- National Minimum Wage Bill [B31B-2017 (s75)] (Tshivenda) (assented to 23 November 2018; GG 42060)
- Labour Laws Amendment Bill [B29-2017 (s75)] (Afr/Tshivenda) (assented to 23 November 2018; GG 42062)
- Plant Improvement Bill [B8D-2015 (s76)] (isiXhosa) (assented to 27 March 2019; GG 42348)
- Plant Breeders’ Rights Bill [B11D-2015 (s76)] (Tshivenda) (assented to 27 March 2019; GG 42347)

- Money Bills Amendment Procedure and Related Matters Amendment Bill [B28-2018 (s75)] (Tshivenda) (assented to 16 January 2019; GG 42170)
- Division of Revenue Amendment Bill [B34-2018 (s76)] (Sesotho) (assented to 16 January 2019; GG 42166)
- Special Appropriation Bill [B36-2018 (s77)] (Setswana) (assented to 16 January 2019; GG 42167)
- Marine Spatial Planning Bill [B9D-2017 (s76)] (IsiZulu) (assented to 29 April 2019; GG 42444)
- Adjustments Appropriation Bill [B35-2018 (s77)] (Sepedi) (assented to 16 January 2019; GG 42168)
- Competition Amendment Bill [B23B-2018 (s75)] (Afr) (assented to 13 February 2019; GG 42231)
- National Research Foundation Amendment Bill [B23B-2017 (s75)] (Afr) (assented to 29 April 2019; GG 42441)
- Rates and Monetary Amounts and Division of Revenue Laws Bill [B37-2018 (s77)] (Afr) (assented to 16 January 2019; GG 42171)
- Tax Administration Laws Amendment Bill [B39B-2018 (s75)] (Afr) (assented to 16 January 2019; GG 42169)
- Taxation Laws Amendment Bill [B38-2018 (s77)] (Afr) (assented to 16 January 2019; GG 42172)
- Electoral Laws Amendment Bill [B33B-2018 (s75)] (Afr) (assented to 21 January 2019; GG 42176)
- National Health Laboratory Service Amendment Bill [B15D-2017 (s76)] (Sepedi) (assented to 29 April 2019; GG 42442)
- Powers, Privileges and Immunities of Parliament and Provincial Legislatures Amendment Bill [B18-2018 (s75)] (Afr) (assented to 29 April 2019; GG 42443)
- Division of Revenue Bill [B5-2019 (s76)] (Setswana) (assented to 29 April 2019; GG 42439)

Parliamentary committees also play a key role in assessing and ensuring that legislation passed is effective and has a positive impact on the lives of the most vulnerable in society, recommending changes where necessary to their respective House of Parliament.

4.2.3 Enhancing Public Involvement

The Constitution compels Parliament to facilitate public involvement in its legislative and other processes. Key mechanisms utilised by Parliament to facilitate public participation and involvement include the involvement of the public in committee processes, sectoral Parliaments, Petitions and Taking Parliament to the People. The Public Participation Model adopted by Parliament (Figure 1) strives to increase the involvement and access of all South African citizens in Parliament's processes through public education and provision of information through improved communication support of the business of Parliament.

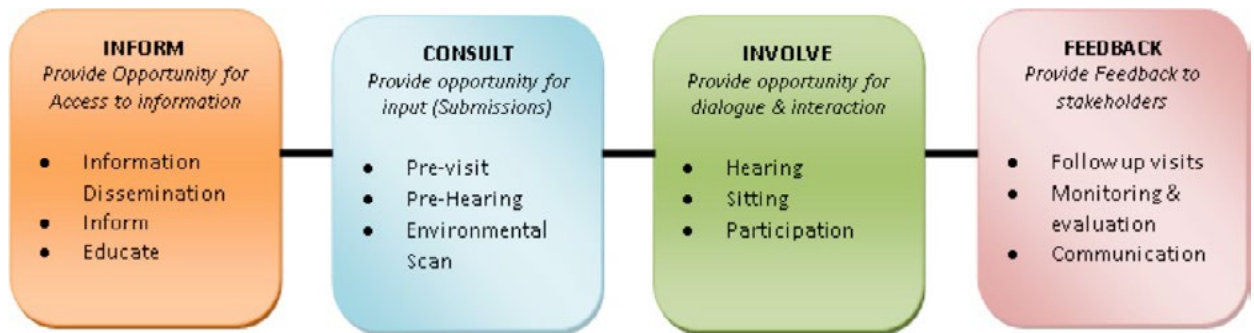


Figure 1: Key elements of Parliament's Public Participation Model

In the 2018/2019 financial year, the work done by the Constitutional Review Committee (CRC) was arguably Parliament's most visible work. This large-scale public participation project involved a process of oral submissions in Parliament, listening to several organisations and academics, as well as an extensive public hearing programme across the country. The platforms provided an opportunity for diverse groups of people to have their say in the development of policies and strategies to resolve the long-standing "Land Question". A report was adopted which recommended that Section 25 of the Constitution be amended to make explicit that which is implicit in the Constitution with regards to expropriation of land without compensation, as a legitimate option for land reform.

Highlights of the NCOP's flagship programme, Taking Parliament to the People (TPTTP), included the following interventions in the provinces for the reporting period:

FREE STATE:

This was a revisit and report-back on commitments made during the 2017 TPTTP programme. Numerous sites and projects in the Mangaung Metropolitan and Xhariep District Municipalities were visited by a multidisciplinary delegation in order to assess progress on previous issues identified and commitments made during the 2017 TPTTP visit. The visits were primarily focused on health care facilities and related infrastructure. One of the key outcomes was the progress in addressing the challenges previously identified at the Pelonomi Tertiary Hospital in Mangaung. The hospital had been experiencing major service delivery gaps at the time of the 2017 visit, which included high levels of maternal and neonatal deaths and pneumonia-related deaths of children under the age of five. Report backs at public meetings were held at six venues across the two municipalities.

GAUTENG:

The TPTTP Pre-Visit to Gauteng took place between 17 and 21 September 2018. This visit focused primarily on the impact that migration has on service delivery of key sectors in the economy. This was done through site visits and public meetings in the following municipalities: City of Johannesburg, City of Ekurhuleni, West Rand District Municipality and the City of Tshwane Metropolitan Municipality.

The main programme in Gauteng, which took place from 19 to 22 November 2018, focused on the impact of migration on policy development, integrated planning, budgeting and the regulatory environment. The main visit included public hearings and concurrent site visits, with each public hearing having its own sub-theme. The NCOP produced and debated a detailed report on the TPTTP Main Visit to the Gauteng Province.

To facilitate meaningful public participation, during the reporting period, efforts to improve communication support to the business of Parliament included a comprehensive communication strategy across a variety of media channels, which resulted in:

- The release and circulation of 1 187 media statements to over 9 300 media representatives,
- More than 1 000 interviews secured on SABC (radio and television), eNCA and national, provincial and local community media,
- 685 650 users for the year on Parliament's website,
- 532 621 followers on Parliament's Twitter account,
- 753 417 views on Parliament's YouTube channel and
- 61 058 likes by the end of the year on Parliament's Facebook page.

4.2.4 Strengthening Co-operative Government

The NCOP plays a key role in the facilitation of effective intergovernmental relations and co-operative government, ensuring that provincial interests are considered in the national sphere of government. Through committee meetings, the NCOP, provincial legislatures and South African Local Government Association (SALGA) share information on matters of common interest, furthering the principles of co-operative government as contained in section 41 of the Constitution. To achieve this, synchronised programmes amongst the NCOP, Provincial Parliaments and SALGA are co-ordinated. This assists the relationship between the provincial legislatures and organised local government.

For the 2018/19 financial year, several engagements at the legislative sector level were facilitated in order to promote legislative co-ordination. These included meetings of the Speakers' Forum, the Secretaries' Association of the Legislatures of South Africa (SALSA) and subject matter cluster task teams. These engagements collectively advanced the goals of the legislative sector by providing opportunities for collaboration and learning. Some critical discussions at the Speakers' Forum meetings included:

- The processing of the High Level Panel Report by all Legislatures,
- Collective bargaining for the Legislative Sector,
- Preparations for the establishment of the 6th Parliament and Legislatures,
- Legacy reports for the Legislative Sector.

One of the key developments of the Legislative Sector engagements has was the development of Legislature oversight strategies. The National Development Plan (NDP) tracking template was developed and adopted. This integrates Provincial Development Plans (PDPs), local government Integrated Development Plans (IDPs) and the NDP. NDP oversight priorities for the Legislative Sector cover issues of land, housing, water and sanitation, youth unemployment, basic education, primary health care and infrastructure.

4.2.5 Deepening Engagement in International Fora

One of the strategic priorities of the 5th Parliament is focused on deepening and enhancing parliamentary international engagement and co-operation. Parliament’s strategic plan places emphasis on increasing its capacity to represent the interests of South Africa in the international arena. It seeks to promote and facilitate the transformation of undemocratic multilateral governance structures and processes through building strategic partnerships around mutual interests and solidarity. The strategic objectives related to international engagements contained in the 2014-2019 Strategic Plan of the 5th Parliament included the following:

- Increase capacity to represent the interests of South Africa in the international arena;
- Promote and facilitate the transformation of undemocratic governance structures and processes;
- Build strategic partnerships around mutual interests and solidarity;
- Prioritise focus towards promoting the African Agenda, broadly focusing on regional and continental integration, with specific emphasis on SADC Parliament and the Pan-African Parliament; and
- Strengthen mechanisms for negotiation and ratification of international agreements, and establish mechanisms to monitor South Africa’s international obligations.

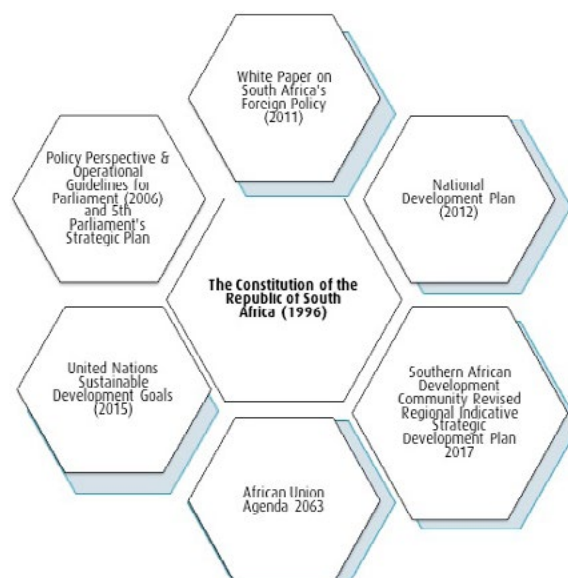


Figure 2: Policy framework informing Parliament’s international relations strategy

During the reporting period, international relations activities in both Houses of Parliament included debates on draft resolutions to launch the South African Chapter of the Global Tuberculosis (TB) Caucus of Parliamentarians. This is a network, which galvanizes parliamentarians to become champions in the fight against tuberculosis. Another highlight was the approval of the agreement establishing a Tripartite Free Trade Area for the Common Market for Eastern and Southern Africa (Comesa), the East African Community (EAC) and the Southern African Development Community (SADC).

The Speaker of the NA, Ms. Baleka Mbete led a multiparty delegation of eight Members of Parliament on an official parliamentary visit to the Republic of Cuba. Meetings were conducted with the President of the National Assembly of People's Power, Mr Esteban Lazo Hernández, the Federation of Cuban Women, the Ministries of Foreign Affairs and Public Health, the Genetic Engineering Biotechnology Centre and the Latin American School of Medicine.

The Speaker of the NA attended the 73rd Session of the UN General Assembly, held under the theme: "Making the United Nations Relevant to All People: Global Leadership and Shared Responsibilities for Peaceful, Equitable and Sustainable Societies." During the session, delegates attended the Nelson Mandela Peace Summit and the unveiling of a statue of President Nelson Mandela at the UN headquarters.

In November 2018, by invitation of the Chilean Parliament, the Chairperson of the National Council of Provinces (Ms. Thandi Modise) addressed a special sitting of the Chamber of Deputies (one of the two Houses of the Parliament of the Republic of Chile). Ms. Modise's address was in commemoration of Madiba's centenary birthday.

South Africa's bid to become a non-permanent member of the UN Security Council was supported by the European Union (EU) Delegation at the Inter-Parliamentary Meeting (IPM) in April 2018. Subsequently, on 8 June 2018 South Africa was voted as a non-permanent UN Security Council member.

Parliament hosted the fourth BRICS (Brazil, Russia, India, China and South Africa) parliamentary meeting, due to South Africa assuming the rotational Chairpersonship of BRICS from 1 January to 31 December 2018. One of the successes that emerged from this meeting included the BRICS Presiding Officers of all the Chambers represented agreeing to consider the Draft Protocol on BRICS Parliamentary Forum that the South African Parliament prepared and circulated.

4.2.6 Building a Capable and Productive Parliamentary Service

A central theme for building a capable and efficient parliamentary service over the 2018/19 period was a renewed focus on the administration being more Member-centric. There has also been a significant drive to modernise and professionalise the administration to attract, motivate and retain knowledge workers. As a continuation of strategic objectives set at the beginning of the 5th Term, the Parliamentary administration continued to improve processes to accelerate the provision of quality support services to Members of Parliament, with some key achievements in 2018/2019 shown below:

- A significant improvement in the timely provision of information and advisory services to the Houses of Parliament, committees and individual Members of Parliament;
- The development of an Integrated Strategic Management Framework for Parliament;
- Management capability bolstered through a successful Executive Development Programme run by the University of Stellenbosch Business School;
- The launch of a Women in Leadership Programme;
- The development of a Business Continuity Plan for Parliament;
- The consolidation of a Members’ Facilities hub;
- The release of an automated recruitment system called iRecruit;
- Review and modernisation of administrative policies governing the institution;
- Improved levels of public awareness, as evidenced by surveys, due to a comprehensive communications strategy and public education efforts.

The institutional performance of the administration has steadily increased over the financial years from 45,87% during the 2015/16 financial year to 78,6% for the 2018/19 financial year, despite the fact that Parliament’s operational budget has declined over the same period. This, together with the five clean audits obtained over the term of the 5th Parliament, indicates a marked improvement in the governance of Parliament.

Improved Institutional Performance



Consecutive Clean Audits



INFORMATION ON THE PARLIAMENTARY ADMINISTRATION

FREEDOM AND DEMOCRACY

EQUALITY AND DIVERSITY

UNITY AND RECONCILIATION

OPENNESS AND PARTICIPATION

OVERSIGHT AND ACCOUNTABILITY

RECONSTRUCTION AND DEVELOPMENT

COOPERATIVE GOVERNANCE

5. INFORMATION ON THE PARLIAMENTARY ADMINISTRATION

5.1 Purpose of the Parliamentary Administration

The purpose of the Administration is to provide the support services required by Parliament to fulfil its constitutional mandate. It does this by providing facilities management, information and advisory services and products to the Houses of Parliament, committees, political parties represented in Parliament and individual Members of Parliament.

5.2 Overview of the Organisational Environment

Whilst Parliament continues to operate under increasing budgetary constraints, there was a steady improvement in the delivery of services and products to MPs, as evidenced by improved performance levels recorded over the 5th Parliament. Refinement of the Oversight and Accountability Model, improvements in the deployment of the Public Participation Model, as well as a focus on the effectiveness of delivery to Members of Parliament through an integrated seamless services model, are all efforts to advance the service delivery environment.

In an effort to mitigate financial and human resources constraints, an organisational realignment project was initiated to improve the efficient and effective use of human resources in service delivery through an improved operating model. An emphasis on a member-centric administration refocused the institution on the satisfaction of Members and the quality of services and products rendered by the administration. These interventions provide a firm foundation to build on.

5.3 Key Policy Developments and Legislative Changes

At the Legislative Sector level, there were continued efforts at alignment and coordination, with several draft Bills and regulations being referred to Parliament for processing including the draft Sector Bill, the FMPPLA Amendment Bill, and the consolidated S65 FMPPLA regulations. The implementation of the Sector Oversight Model and the Sector Public Participation Framework in legislatures was pursued in earnest.

A Governance and Funding Model for a parliamentary institute that is focussed on Member capacitation was developed for consideration by the Speakers' Forum and will be implemented in the 6th Parliament.

It is clear that going into the new term, the Sector Bill has to be passed by both Houses so that the sector becomes a legislative entity that can pursue well-defined sector programmes and structure its budget processes including treasury regulations as an Arm of State.

5.4 Parliament's Revenue, Expenditure and Transfer Payments

5.4.1 Revenue

Parliament's main revenue is tax revenue relating to funds appropriated and direct charges. Parliament is not required to return to the National Revenue Fund (NRF) any money appropriated for a particular financial year but not spent in that year in terms of section 23(1) of the FMPPLA. Section 23(4) of the FMPPLA provides that Parliament must surrender to the National Treasury for depositing into the NRF, funds that are a direct charge against the NRF for any requirements related to Parliament in terms of any legislation for a particular financial year, but not spent in that year.

5.4.2 Expenditure trends

Parliament's planned expenditure in terms of the Annual Performance Plan (APP) for the year was more than the amount appropriated, which resulted in some planned activities being cancelled or postponed.

5.4.3 Transfer Payments

Parliament makes transfer payments to political parties represented in Parliament in proportion to their representation, to enable the parties to effectively perform their functions in terms of section 57 of the Constitution of the Republic of South Africa and section 35 of the FMPPLA. Political parties must annually prepare and submit to Parliament annual financial statements which must detail how the allowances received in the previous financial year were expended and be audited by a registered accountant and auditor who is subject to the Public Accountants' and Auditors' Board.

5.5 Capital Investment, Maintenance and Asset Management Plan

Capital investment: Parliament occupies buildings owned by the Department of Public Works (DPW), which is also responsible for maintenance thereof.

Asset Management: Parliament has the following fixed movable assets under its control:

- Furniture;
- Motor vehicles;
- Office equipment; and
- Computer equipment.

Maintenance: While the DPW owns the buildings occupied by Parliament, Parliament makes minor repairs and maintenance of the buildings.

5.6 Strategic Initiatives and Institutional Projects

Following the adoption of the strategic plan of Parliament and approval of the APP, Parliament embarked on a process of identifying and prioritising initiatives and projects necessary for successful strategy execution. The following strategic initiatives and projects were facilitated and implemented during the 2018/19 financial year:

5.6.1 Development and Implementation of an Integrated Seamless Members' Services Model

The objective of this project was to develop and implement an integrated service model for Members' services by which service offerings are integrated, resulting in increased access and ease of use by Members of Parliament.

The following milestones were achieved during the reporting period:

- The design of a Members Services framework;
- Development of a Member's Service Charter;
- Member's Service Standards and Catalogue;
- The finalisation of service level agreements; and
- Identification and refurbishment of physical space to create a Members services hub.

5.6.2 Oversight Monitoring & Tracking System

The purpose of this project was to enhance oversight by providing a system to enable the monitoring, tracking and feedback mechanisms from accountable parties to Members of Parliament, through the monitoring and tracking of the progress of House resolutions and questions. The system is yet to be refined for effective efficiency.

5.6.3 My Parliament Application (App) Project

The objective of the My Parliament Application (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. The information provided through the App leverages off existing systems and e-repositories. The My Parliament App enhances the way Members of Parliament perform their day-to-day duties and responsibilities. The App will be rolled out to Members of the sixth democratic Parliament. By the end of March 2018, 302 Members of Parliament had the App installed on their mobile devices and were trained in its use. It is envisaged that the App will again be installed for all Members.

5.6.4 Organisational Realignment Project

The organisational realignment project was initiated in June 2017 to revisit the current organisational design of the institution in order to ensure that the parliamentary administration is able to meet current and future needs of the Members of Parliament. In the 2018/2019 financial year, a new Macro Functional Design was approved, after which divisional presentations were conducted to share the approved Design with all stakeholders. Future processes, which will inform the design of the new roles and micro structure, will be mapped during the 6th Parliament.

5.6.5 Development of Business Continuity Plan (BCP) for Parliament Project

The objective of the Development of the Business Continuity Plan project was to develop a Business Continuity (BC) framework for Parliament, which included:

- A Business Impact Analysis (BIA), that identified the critical operational functions and processes in Parliament (Parliament's recovery requirements), which must be planned for in order to be resolved in the event of a disaster;
- Develop a recovery strategy by identifying applicable approaches in order for Parliament to meet the recovery requirements;
- Design and develop business specific BC plans, that provide for recovery of the business within the "Recovery Time Objectives" in line with the agreed recovery strategy; and
- Test and validate the related procedure, in order to establish sound working knowledge, including roles and responsibilities of the BCP throughout the institution.

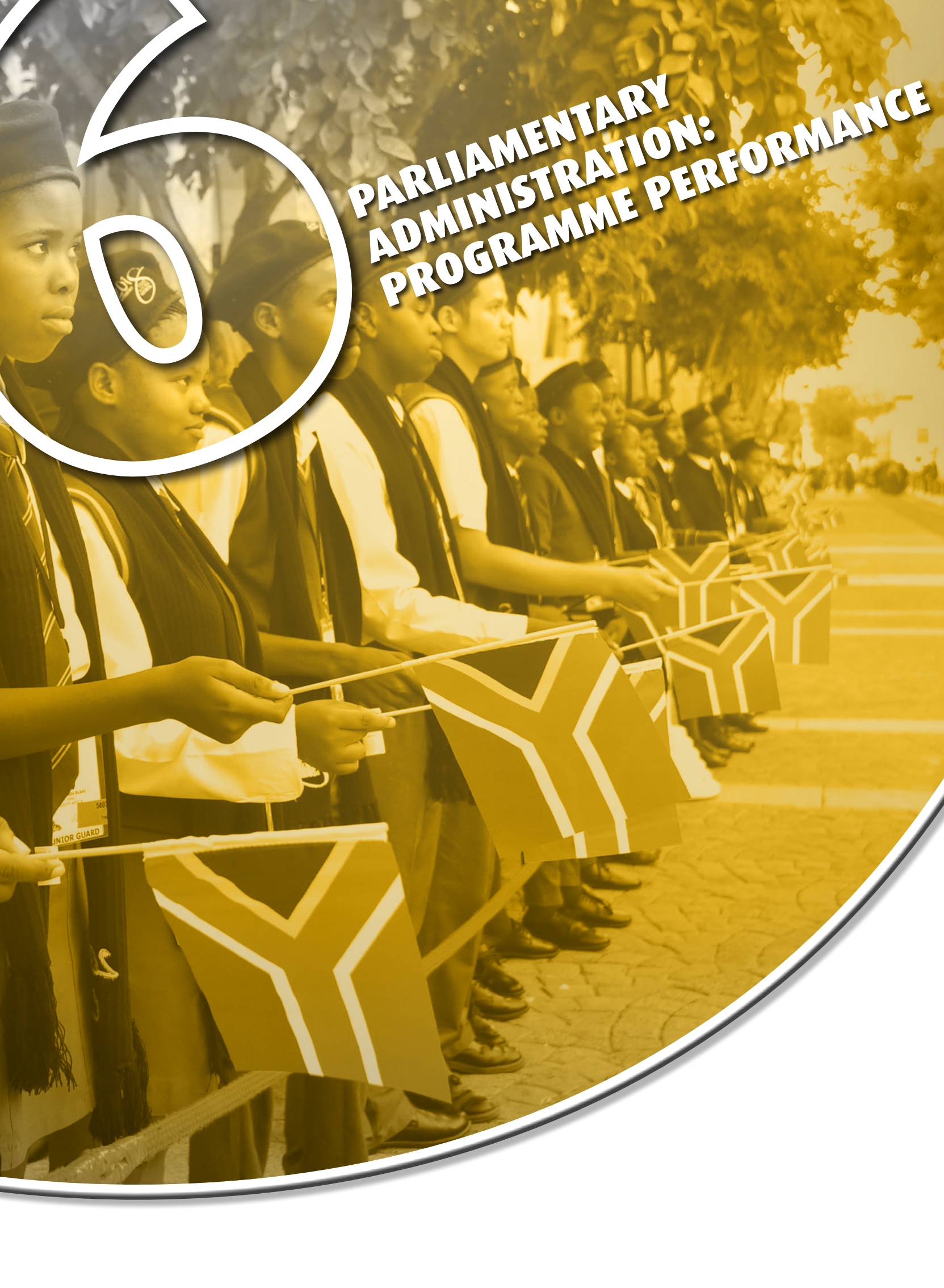
5.6.6 Programme to Honour Nelson Mandela and Albertina Sisulu's Legacies

Parliament launched a year-long programme that celebrated and acknowledged the contributions of Mr Mandela and Mrs Sisulu to the struggle for democracy and a better life for all. Some of the highlights of this Programme included:

- A Children and Youth Summit that was held between 10-12 July 2018, as a joint initiative between Parliament and the Nelson Mandela Children's fund;
- A Students' Parliament event that took place on 26 July 2018 at the National Assembly, as approved by the Speaker of the NA;
- A Women's Parliament event that took place at Parliament on 20 August 2018 under the theme "Assessing progress for women since the adoption of the 1954 Women's Charter and the 1994 Women's Charter for Effective Equality";

- A successful roundtable discussion on the 4th Industrial Revolution that was held on 31 May 2018 and hosted by Parliament;
- A production and launch by Parliament of the two books titled Madiba and MaSisulu Speak and Madiba and MaSisulu Legacy respectively; and
- The unveiling of constitutional inscriptions that took place on 19 March 2019 at the Queen's Hall in Parliament, as a culmination of the year-long commemoration.

PARLIAMENTARY ADMINISTRATION: PROGRAMME PERFORMANCE



JUNIOR GUARD

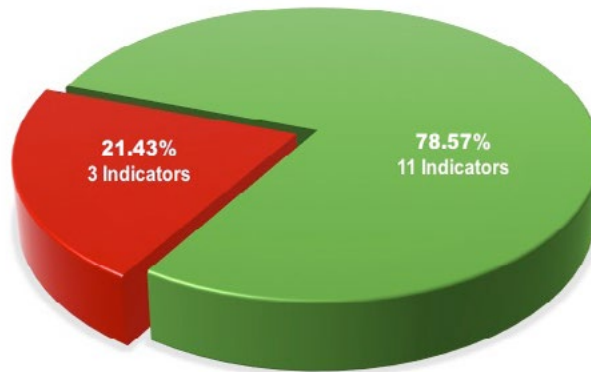
6. PARLIAMENTARY ADMINISTRATION: PROGRAMME PERFORMANCE

In support of the work of Members of Parliament, the administration continued to deliver products and services aligned to the policy priorities, the strategic plan and the APP.

6.1 Overall Performance

This section highlights performance on fourteen (14) key indicators, and outlines levels of achievement over the 5th parliamentary term. For the 2018/19 financial year, Parliament achieved eleven (11) of the targets it set, and missed targets for three (3) indicators. The table below lists individual indicators and indicates their performance status.

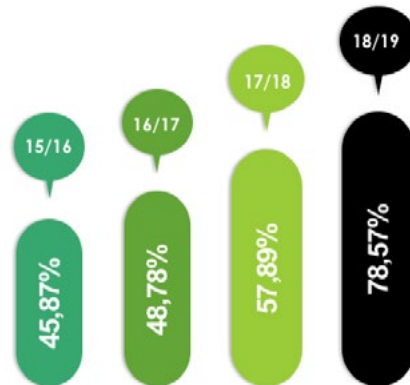
Overall Annual Performance 2018/19



PERFORMANCE BY STRATEGIC OBJECTIVE (SO) & INDICATOR		
SO 2.2	Number of analytical reports per year	Green
SO 1.3	Number of programmes implemented	Green
SO 1.2	% of Speakers' Forum and SALSA resolutions followed up and actioned	Green
SO 2.1	% of service provision as per Service Charter	Green
SO 3.1	% Population having access to participate in parliamentary processes	Green
	% Population participating in parliamentary processes	Green
SO 1.1	Client satisfaction level (% of clients satisfied with service levels)	Red
SO 1.5	% of population who are aware of the business of Parliament	Green
SO 1.4	% of universal access	Green
SO 1.6	Client satisfaction level (% clients satisfied with service levels)	Red
SO 1.7	% increase in talent management index	Green
SO 4.1	Phase of integrated services strategy implementation	Green
SO 4.2	Average number of days to reimburse Members	Red
SO 5.1	% of payments made compliant to policy	Green

Institutional performance increased steadily over the years from 45,87% in the 2015/16 financial year to 78,57% in the current reporting period, as depicted in the graph below. This increase in performance is attributable to a number of factors including inter alia process improvements in the delivery of products and services provided by the parliamentary administration and the methods used to measure administrative activities and outputs. There were also improvements in the collection, collation and recording of evidence supporting performance information.

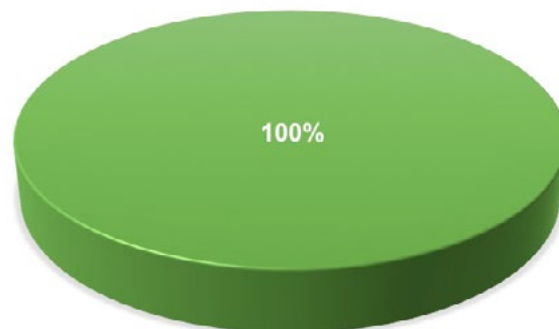
Overall Performance Year on Year Improvements



6.2 Programme 1: Strategic Leadership and Governance

The purpose of this programme is to provide analytical and institutional support to Committees of Parliament, and consists of the Parliamentary Budget Office (PBO). The Money Bills and Related Matters Act, No 9 of 2009 (Money Bills Act), gives effect to the strategic objective of strengthening the oversight role of Parliament, providing a procedure for the amendment of money Bills. The PBO was established in terms of the Money Bills and Related Matters Act, No 9 of 2009. The main objective of the PBO is to provide independent, objective and professional advice and analysis to Parliament on matters related to the budget and other money Bills. The analytical reports presented to the committees on finance and appropriations include budget analysis; economic, policy and fiscal briefs; reports related to Money Bills and forecast robustness audit reports.

**Programme 1
2018/19 Performance**

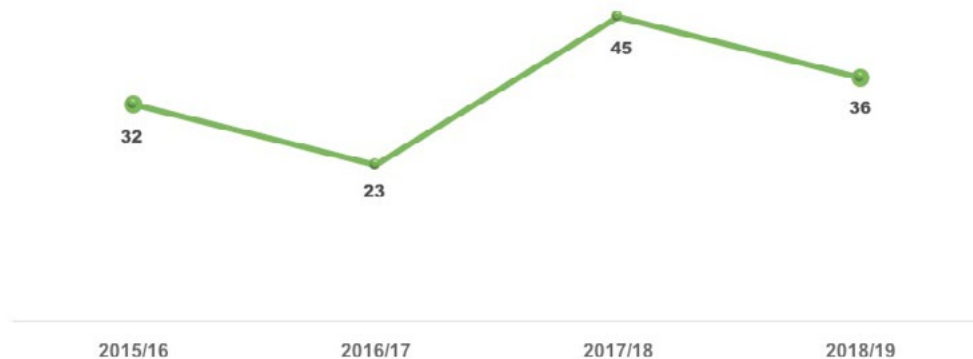


The strategic objective for the PBO for the 5th Parliament was to improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019. As can be seen below, the number of analytical reports increased from 32 in 2015/16, to 36

in the 2018/19 financial year. This performance far exceeded the 2019 indicative target of 24 analytical reports. To provide technical support to parliamentary committees, the PBO is required to have timely access to information and data to analyse and advise Parliament to make informed recommendations on public finance oversight matters.

ADMINISTRATION				
Indicator	Performance			
	2015/16	2016/17	2017/18	2018/19
2.2 Number of analytical reports per year	32	23	45	36

Budget Related Advisory & Analytical Reports 2015 - 2019



The supporting initiative is aimed at capacitating the PBO to provide evidence-based analysis and advice to relevant parliamentary committees. While it has not been possible to extend services to all committees of Parliament, demand for budget-related support has been uneven but growing.

Strategic Objective (SO 2.2)	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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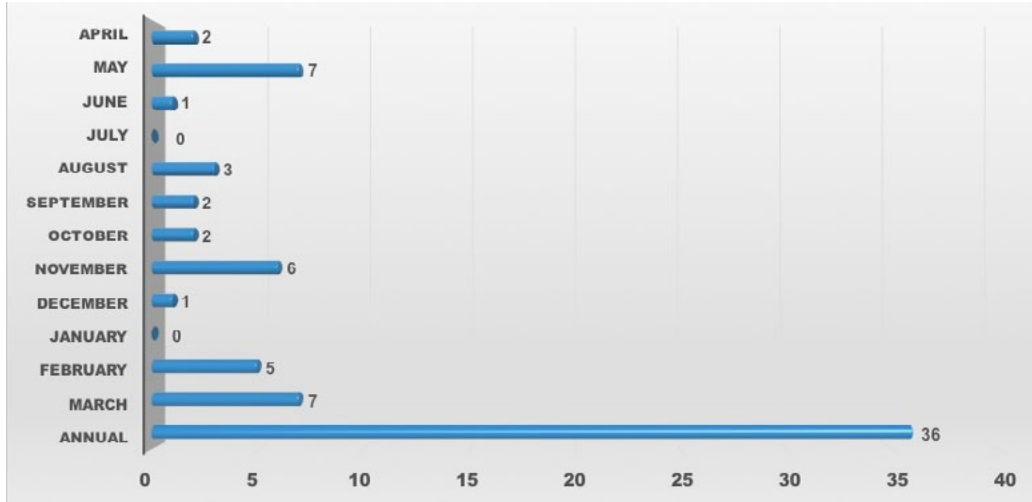
Performance Indicators	Annual Target	Actual performance	Variance	Reasons for variance & mitigation factors
2.2 Number of analytical reports per year	24	36	+12	The positive variance was largely demand-driven

PERFORMANCE TRENDS: PARLIAMENTARY BUDGET OFFICE

The PBO optimised and maximised its operational efficiency and service delivery throughput through a matrix organisational configuration of its workforce—this approach was aimed at providing timely and scientifically credible public finance technical analysis and advice to Parliament. Aggregate output performance during the reporting period resulted in the production

of 36 performance outputs against 24 performance targets, which were originally set by the Office. This resulted in over performance by 12 outputs. Monthly performance was as follows herein:

**Monthly Performance: Number of Analytical Reports
Parliamentary Budget Office 2018/19**



Parliament is constitutionally mandated to exercise public finance oversight over the Executive. The performance outputs produced by the PBO throughout the course of the term of the 5th Parliament provided evidence-based analysis required for decision-making by Parliament.

Whilst the number of reports is the measure being tracked, the PBO’s presentations of the analysis provided Members of Parliament and the relevant parliamentary committees with the opportunity to discuss and clarify public finance related matters for further deliberations with the Executive. The support provided by the PBO thus enabled Members of Parliament to discharge their constitutional and legislated mandate efficiently and effectively.

Performance indicators Products & Services

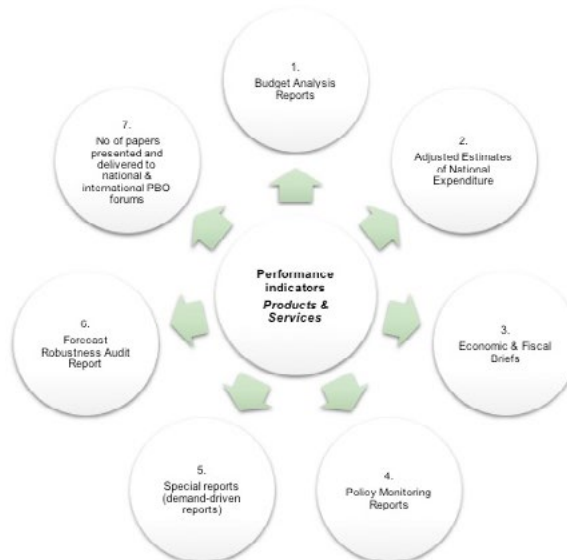


Figure 3: Performance indicators: products and services provided to parliamentary committees

Below is a quarterly account of reports provided.

Quarterly Performance 2018/19



In addition to support provided to Members of Parliament through committees, strategic stakeholder relations at a national, continental and international level have been forged and maintained by the PBO since the establishment of the PBO in 2013. These relations, amongst others, serve as an important source of information and data assimilation repository, which acts as a catalyst that further strengthens the technical capacity of the PBO. The stakeholder relations enable the PBO to learn and exchange best technical and organisational practices from sister offices and a wide variety of multilateral forums, institutions and organisations with which the PBO has relations.

At a continental level, the African Network of Parliamentary Budget Offices (AN-PBO) serves as an important continental body, which brings together PBOs from the African continent under a single roof, to share best practices with one another and from other international offices and organisations. The first three AN-PBO conferences, all of which were hosted by the South African Parliament since 2016, have laid a strong foundation for the exchange of best practices by African PBOs to enhance Africa’s public finance oversight & accountability domain. During the 2018/19 financial year, the South African Parliament hosted a successful 3rd AN-PBO conference. The conference brought together delegates from provincial legislatures, Members of Parliament as well as continental and international delegates.

At an international level, strong and enduring relations have been established and sustained by the PBO with the World Bank Global Network for Parliamentary Budget Officials (GN-PBO) and the OECD Network for Parliamentary Budget Officials (PBOs) and Independent Fiscal Institutions (IFIs). These networks are an important international platform, which serves as a critical capacity-building medium as well as a platform for the assimilation of best practices. Within the Republic, strong relations have been established with key government departments—these relations enable the PBO to source information and data, which the Office utilises in its technical analysis. The establishment of domestic, continental and international stakeholder relations forms an integral constituent part of the PBO performance and organisational environment.

6.3 Programme 2: Administration

The purpose of this programme is to provide development programmes for Members, as well as the coordination of the Legislative Sector, and consists of the Legislative Sector Support Programme.

Programme 2 2018/19 Performance

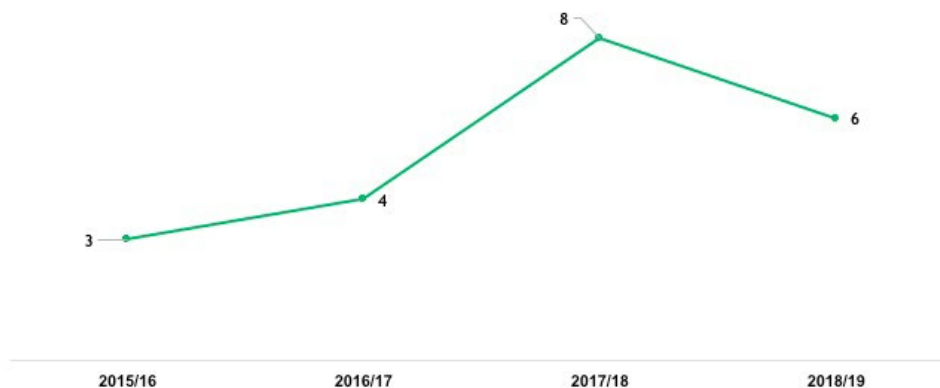


The capacity building programme for Members of Parliament is measured by the number of programmes implemented over the financial year, while the coordination of the sector is measured by the percentage (%) of resolutions followed up and actioned from meetings of the Speakers’ Forum as well as the Secretaries’ Association of the Legislatures of South Africa (SALSA). Both targets have been consistently met during the 5th parliamentary term

The strategic objective is to improve the present development programmes provided to Members of Parliament by increasing the usefulness, relevance and accessibility of programmes and this is accomplished through ensuring integrated capacity building programmes that meet the needs of Members of Parliament.

ADMINISTRATION				
Indicator	Performance			
	2015/16	2016/17	2017/18	2018/19
1.3 Number of programmes implemented	100% (3 of 3)	100% (4 of 4)	100% (8 of 8)	100% (6 of 6)
1.2 % of Speakers’ Forum and SALSA resolutions followed up and actioned	100% (109 of 109)	100% (78 of 78)	100% (98 of 98)	100% (96 of 96)

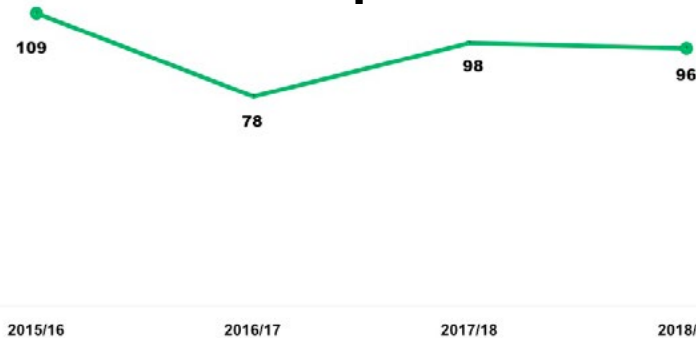
Capacity Building Programmes Implemented 2015 - 2019



As seen in the graph above, capacity building programmes for Members of Parliament increased from three in 2015/2016 to eight in 2017/2018. In 2018/2019, these were consolidated into six more cost effective programmes.

The percentage of Speakers’ Forum and Secretaries Association of the Legislatures of South Africa (SALSA) resolutions followed up and actioned has consistently remained at 100% over the 5th term of Parliament.

Resolutions Followed Up and Actioned 2015 - 2019



Strategic Objective (SO 1.3)	Improve usefulness, relevance and accessibility of integrated development programmes for Members by developing and implementing a Members’ Capacity-Building and Development strategy by 2019.
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Performance Indicators		Annual Target	Actual performance	Variance	Reasons for variance & mitigation factors
1.3	Number of programmes implemented	6	6	0	

PERFORMANCE TRENDS: CAPACITY BUILDING PROGRAMMES

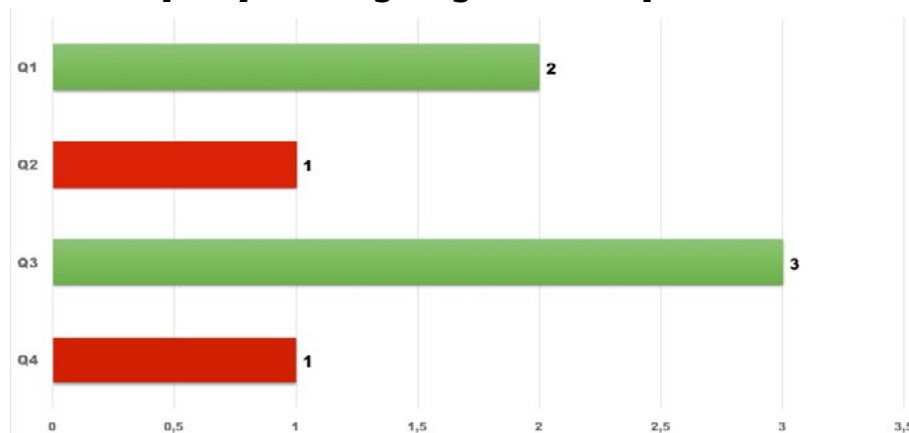
Six capacity building programmes, aimed at Members of Parliament and Provincial Legislatures, were conducted in the 2018/2019 financial year. These programmes aid Members in fulfilling their constitutional responsibilities and progress academically. These were implemented in partnership with local and foreign higher learning institutions. 228 Members participated in these programmes in 2018/2019.

Number of Programmes 2015/16 - 2018/19



The quarterly breakdown is given below, noting that some programmes carried over more than one (1) quarter, thus the total number of programmes is not cumulative.

Capacity Building Programmes Implemented



The following capacity building programmes were implemented for 2018/19:

- A Postgraduate Diploma in Public Policy and African Affairs was delivered by the University of Johannesburg to Members;
- A Postgraduate Diploma in Governance and Leadership and Master’s Programme facilitated by the University of Witwatersrand were also delivered, including a few Members who were completing their Master’s degree in the 2018 academic year.
- Two programmes were delivered to Members of Parliament in Cape Town, namely the Certificate in Human Settlement and Postgraduate Programmes delivered to Members of Parliament only by the Nelson Mandela Metropolitan University and the University of London respectively.
- Two programmes delivered for officials of the Northern Cape Provincial Legislature in oversight and accountability as well as on public participation in order to support and train Members to implement SOM and Public Participation Framework developed for the Legislative Sector.
- Lastly, LSS facilitated and co-ordinated the participation of Members and officials of the Legislative Sector in the National Conference of State Legislatures (NCSL) Summit that took place in Los Angeles, USA in August 2018. The NCSL is an annual professional development seminar for state legislatures whose purpose is to provide participants with tools, information and resources to design the best solutions to difficult problems in Legislatures across the globe. Participants from all Legislatures, excluding Parliament and the Northern Cape Provincial Legislature, attended the summit.

The programmes implemented improved the quality of oversight and enhanced skills of Members to scrutinize government plans and the implementation of strategies. The quality and relevance of programmes and their accessibility to Members over the past five years have significantly improved. This has resulted in capacitating Members with the appropriate and relevant skills required of legislators. Many Members of Parliament have received academic qualifications through this programme. Members with previous experience in The Legislative Sector will assist with the induction of new Members of the 6th Parliamentary Term.

Strategic Objective (SO 1.2)		Improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures by implementing a revised Sector Strategy by 2019.			
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% (96 of 96) Speakers' Forum (39 of 39) SALSA (57 of 57)	0%	

PERFORMANCE TRENDS: SPEAKERS' FORUM AND SALSA RESOLUTIONS

In total one hundred percent (100%) of Speakers' Forum and SALSA resolutions were followed up and actioned. The support given to the Speakers' Forum by the Legislative Support Sector (LSS) provided for efficient decision-making in facilitating better sector alignment.

Speakers' Forum & SALSA Resolutions Followed Up 2015/16 - 2018/19



On governance and administration as well as Sector Coordination, a noteworthy achievement has been the formalisation of the Sector through legislation. The final draft of the SA Legislative Sector Bill was endorsed by the Speakers' Forum and then referred to Parliament during 2018/19 for introduction into the formal legislative process as a Section 76 Bill. In addition, the FMPPLA Amendment Bill and Consolidated S65 Regulations were developed and tabled at the Speakers' Forum for adoption.

The further processing of the Bill was deferred to the 6th parliamentary term. LSS provided key management and technical support and coordinated the legislative sector projects and programmes. This included the campaign around celebrating the centenary birthdays of Nelson Mandela and Albertina Sisulu.

During the 2018/19 period, Parliament and Provincial Legislatures continued to strengthen the Legislative Sector collaboration and co-ordination through the system of joint sector structures and programmes. Progress was 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.

Volumes: Speakers Forum & SALSA Resolutions Followed Up 2018/19



On the development of the draft integrated oversight strategy for improved oversight strategies implemented in all Legislatures, the following can be reported: The NDP Oversight template/ tool was revised to show alignment with regional, continental and global instruments, and integration of Provincial Growth and Development Plans (PGDPs) with local government Integrated Development Plans (IDPs). The template further reflects NDP pillars derived from outcome priorities of the Medium Term Strategic Framework (MTSF), to drive the development agenda. A guiding document for NDP oversight is currently being developed.

Proposed NDP oversight priorities were issues of land, housing, water and sanitation, youth unemployment, basic education, primary health care and infrastructure. A gender perspective will cut across priorities. The Speakers’ Forum adopted the detailed work, which forms part of the legacy of the 5th parliamentary term. Work done on NDP Oversight, as mandated by the Speakers’ Forum, was presented at a cluster level for further input. The Oversight – NDP & HLP Workshop was held, wherein groups applied the Template/Tool by populating 10 strategic outcomes to guide the processes of consideration of HLP reports by Parliament and legislatures.

The consolidated HLP report was presented to the Speakers’ Forum of 5-6 April 2018, highlighting oversight and law-making imperatives that have been completed. The proposed process for dealing with the HLP report in Parliament was prepared, with Provincial Legislatures to devise their own process in line with their own conditions. The Core Business Cluster: Oversight – NDP & HLP Workshop was held on 14 June to deal with the application of the HLP Template to process recommendations of the HLP.

Further, Parliament extracted issues from the report per portfolio, also focusing on issues relating to Parliament and legislatures. The report is available on Parliament’s website. Legislatures are to engage with the report and tabling thereof at each legislature. A report was presented to

the Speakers’ Forum of 21 June 2018 on the progress made with the processing of the HLP report. A resolution was made that recommendations must be handed over to the 6th Term for processing. On 20 September 2018, the HLP Report containing research on an assessment of key legislation and serves as a reference point for Parliament and Provincial Legislatures to deal with the key issues at hand and work towards improving quality of law-making, was discussed at the Speakers’ Forum.

6.4 Programme 3: Core Business

The purpose of this programme is to provide procedural and legal advice, analysis, information and research, language, content, secretarial and legislative drafting services for meetings of the NA, NCOP and their committees.; provide public education, information and access to support public participation.; and provide analysis, advice and content support for parliamentary international engagements.

**Programme 3
2018/19 Performance**

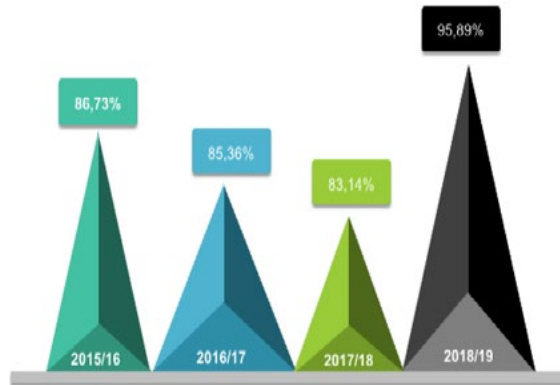


The Services Charter consists of information and advisory services provided to Members of Parliament for the purposes of improving decision-making on key policy issues. These include products and services in support of the oversight, law-making, co-operative governance, public participation and international relations strategic goals of Parliament. In order to determine the results of Parliament’s public participation efforts, independent survey outcomes on the percentage of the population having access to participate and actually participating in parliamentary processes were also measured. All three indicators met their targets for the 2018/19 financial year, as shown in the table below.

CORE BUSINESS			
Indicator	Performance		
	2016/17	2017/18	2018/19
2.1 % of service provision as per Service Charter	85,39%	83,64%	95,89%
3.1a % Population having access to participate in parliamentary processes	11,5%	10%	15%
3.1b % Population participating in parliamentary processes	8,7%	6%	6,6%

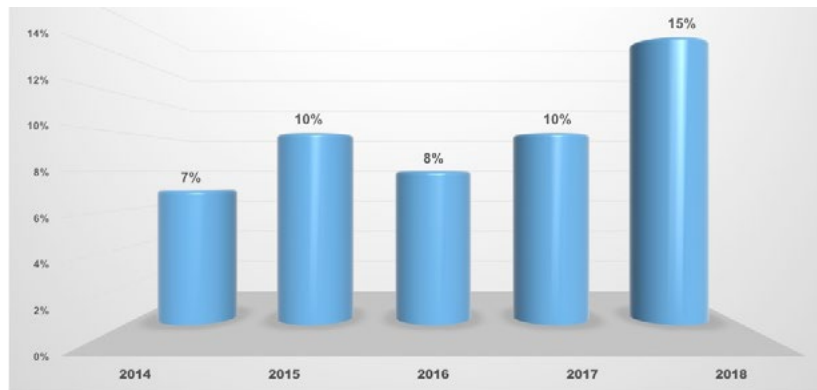
In the 2015/16 financial year about 87% of information and advisory products and services were being provided within the timeframes prescribed by the Service Charter. For the current year, this increased to 95,89% of services delivered within the prescribed time.

Service Charter Performance 2015/16 - 2018/19



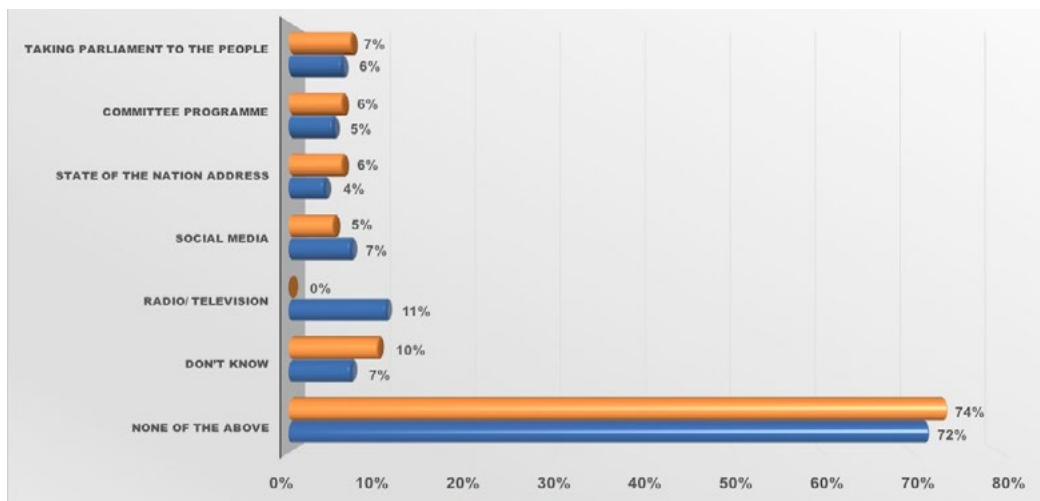
Improvements can be seen in the percentage of South Africans who know how to participate in the processes of Parliament, particularly in as far as access is concerned. This increase is partially due to an extensive public education drive by Parliament and a broad communications strategy. This progress is illustrated below:

Do you know how to participate in the processes of Parliament



Noteworthy trends with regards to the percentage of the population actually participating in parliamentary processes, include an increase in citizen participation via social media platforms and a decline of citizen participation in events. Citizen participation in the various activities of Parliament is depicted in the graph below.

Have you participated in any of the following activities of parliament?

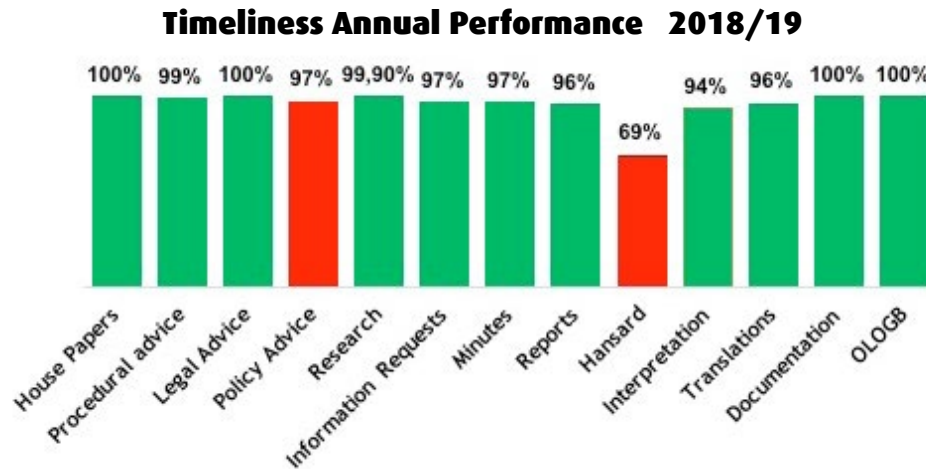


Strategic Objective (SO 2.1)	Improve the timeliness and quality of advisory and information services and products from 93% to 95%, by reducing the average turnaround time for the provision of procedural advice, content advice, research products, minutes and reports by 2019.
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Performance 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	93%	95,89%	+2,89%	The Service Charter performed marginally above target partially due to lower than expected volumes in the 4 th quarter.

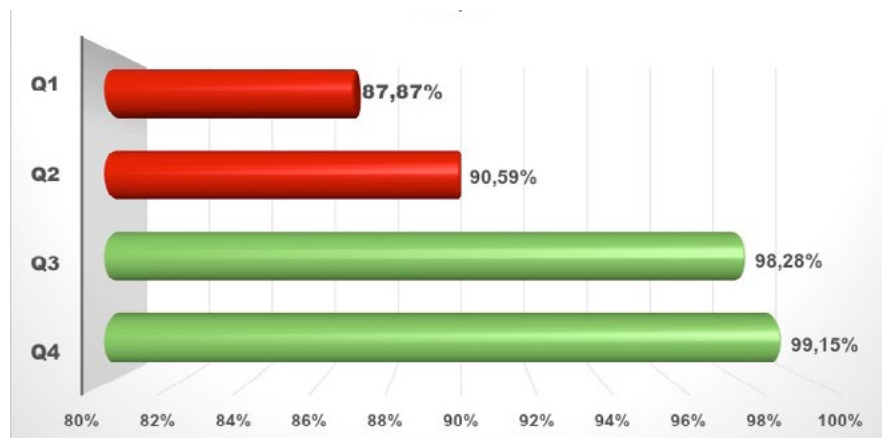
PERFORMANCE TRENDS: SERVICE CHARTER

For the first time in the 5th Parliament the service charter target was met. Two sub-indicators of the service charter underperformed to varying degrees, whilst eleven indicators either met or exceeded the targets set, as seen below:



The quarterly performance breakdown below indicates that while performance was below the required levels in the 1st and 2nd quarters, it recovered substantially in the 3rd and 4th quarters.

Graph: Quarterly Performance Service Charter 2018/19



The table below depicts the quarterly and annual performance of each sub-indicator of the service charter for the financial year.

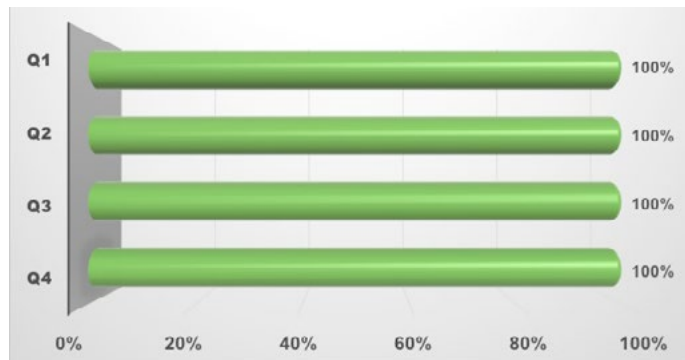
2.1a House Papers – 100% Available on Sitting Days

The timeous availability of House Papers enables the smooth running of the two Houses and committees of Parliament. Announcements Tabling Committees (ATCs) ensure that all committee reports feeding into the business of Parliament were available for debate in the Houses. The availability of Order Papers in advance helps to make Members aware of the business before the House. The timeous availability of the Question Paper gives Members and the public advance notice of the questions due for reply.

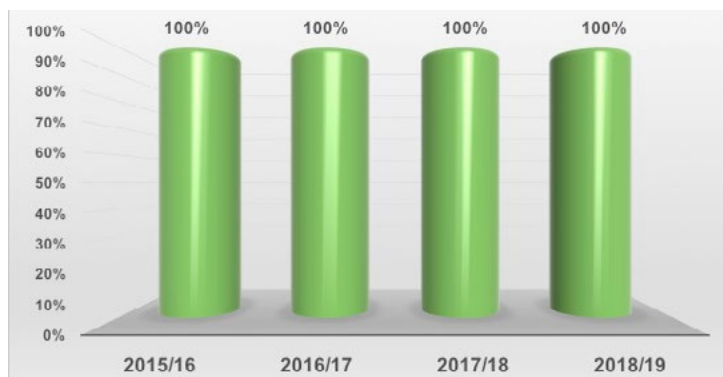
Below are detailed tables and graphs of performance for the 2018/19 financial year.

HOUSE PAPERS	
Annual Performance	100%
Target	100%
Volume	372/372

House Papers Available 2018/19



House Papers Available 2015/16 - 2018/19



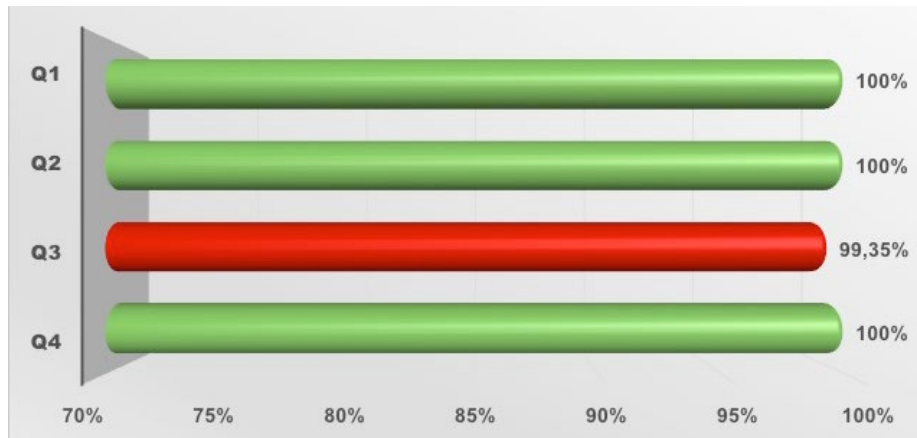
Performance over the 5th Parliament has been consistently at 100% with regard to the provision of information on House proceedings despite the increase in volumes over the same period.

2.1b Procedural Advice – 100% within a 7-day Average

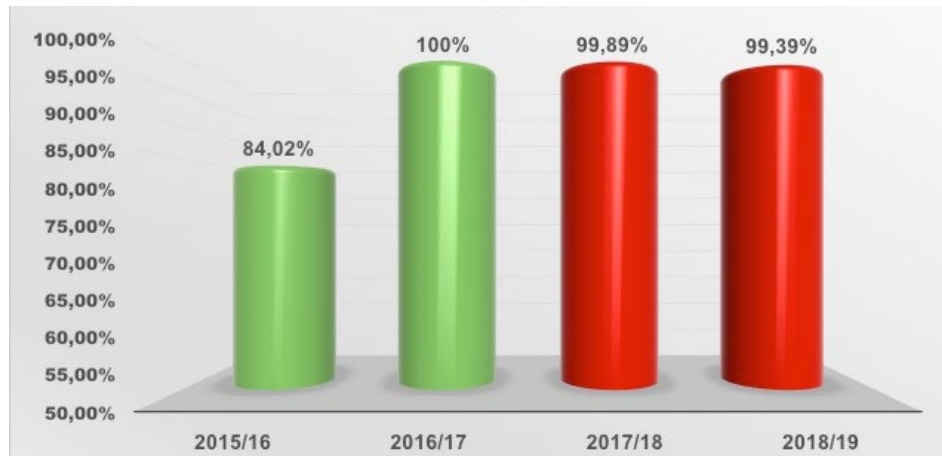
Procedural advice assisted Members of Parliament in the interpretation of Rules and in bringing certainty in their application. The timeous provision of services has implications for adequate oversight by Parliament. Below are detailed tables and graphs of performance for the 2018/19 financial year.

PROCEDURAL ADVICE	
Annual Performance	99,39%
Target	100%
Volume	817/822

Procedural Advice Within 7 Days 2018/19



Procedural Advice 2015/16 - 2018/19



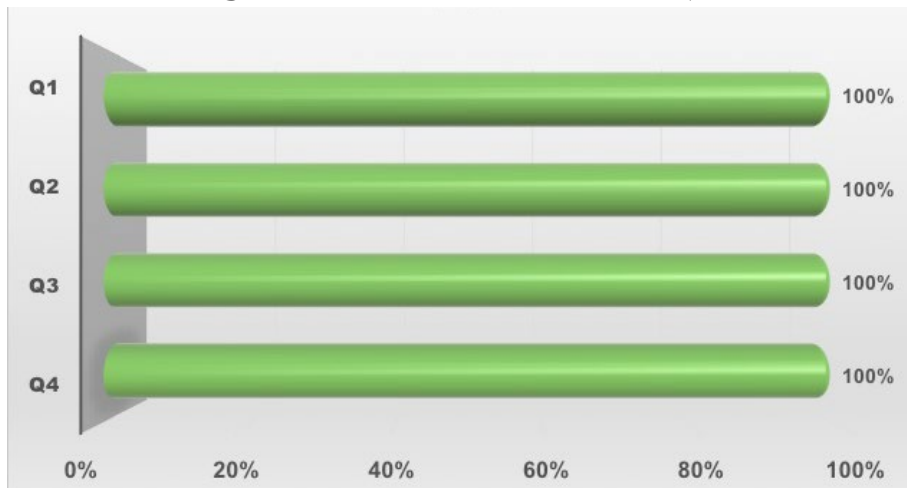
Despite performing slightly below the required 100% target, performance trends on the provision of procedural advice have improved since the 2015/16 financial year.

2.1c Legal Advice – 100% within 7-days Average

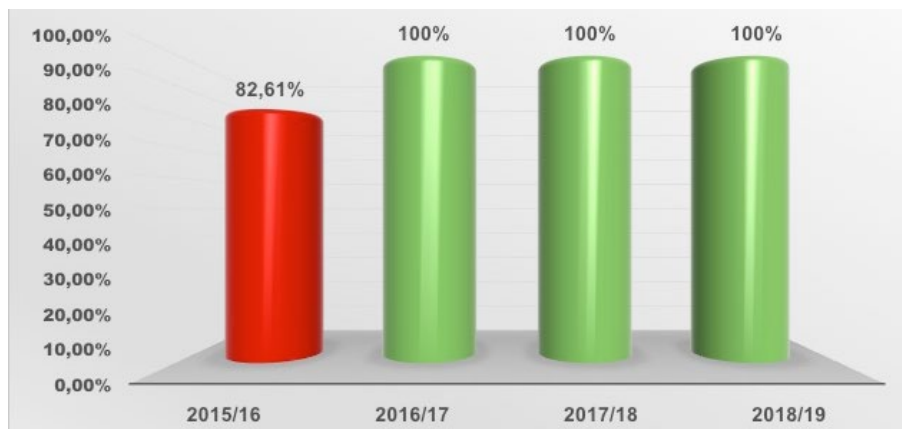
Legal advice is provided to committees in support of oversight activities and to the parliamentary administration, thereby ensuring legally sound parliamentary practices. Below are detailed tables and graphs of performance for the 2018/19 financial year.

LEGAL ADVICE	
Annual Performance	100%
Target	100%
Volume	23/23

Legal Advice within 7 Days 2018/19



Legal Advice 2015/16 - 2018/19



The provision of legal advice within the timeframe required has improved from 83% in 2015/16 to 100% in 2018/19.

2.1d Policy Advice – 100% within 7-day Average

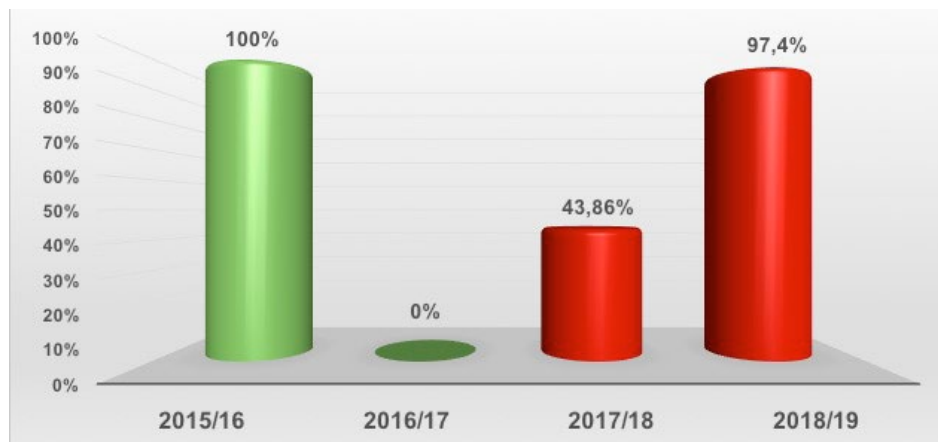
Policy advice enables Members of Parliament to participate and contribute positively on international platforms. Below are detailed tables and graphs of performance for the 2018/19 financial year.

POLICY ADVICE	
Annual Performance	97,44%
Target	100%
Volume	76/78

Policy Advice within 7 Days 2018/19



Policy Advice 2015/16 - 2018/19



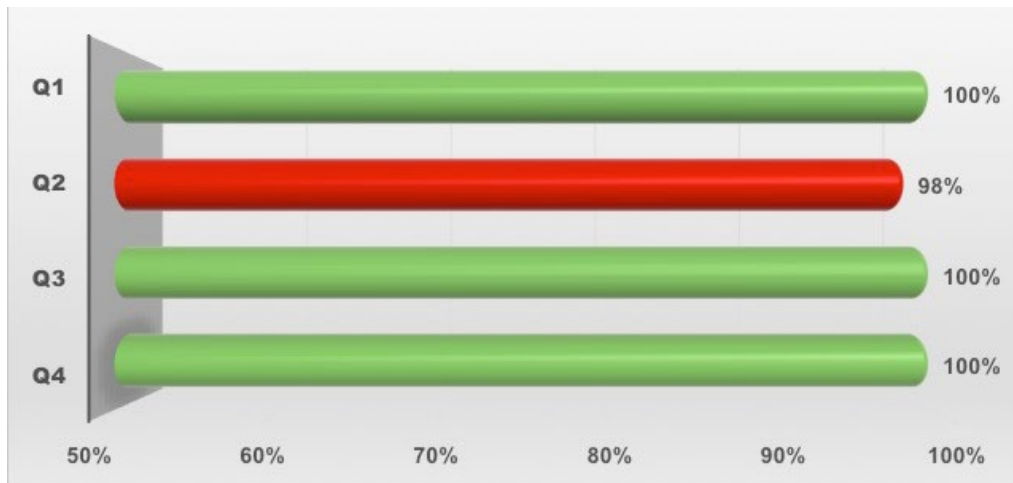
While provision of international participation-related policy advice as well as its measurement seemed to decline after 2015/16, both have recovered during the 2018/19 financial year. The low performances recorded in 2016/2017 and 2017/2018 relate to the inadequate evidence to support performance information. These challenges were addressed in the 2018/2019 financial year.

2.1e Research – 95% Within Allocated Time

The timely availability of research reports to support the work of Members of Parliament and Committees facilitates more informed contributions to law-making, oversight, and public participation, as well as international relations. Below are detailed tables and graphs of performance for the 2018/19 financial year.

RESEARCH WITHIN TIME ALLOCATED	
Annual Performance	99,90%
Target	95%
Volume	983/984

Research within Time Allocated 2018/19



Research 2015/16 - 2018/19



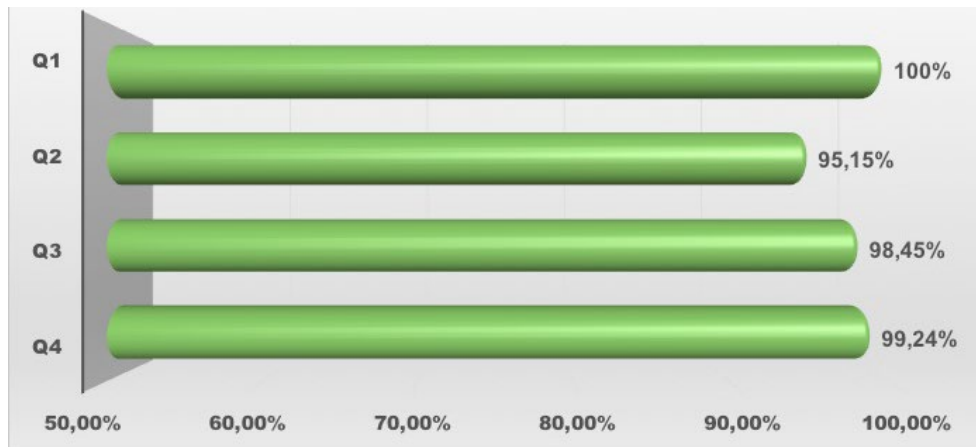
The provision of research papers within the required timeframes has remained above 98% since the 2015/16 financial year and performance levels have reached 100% for 2018/19. Volumes of research requests are linked directly to the programme of Parliament and the work of parliamentary committees.

2.1f Information Requests – 95% within time Allocated

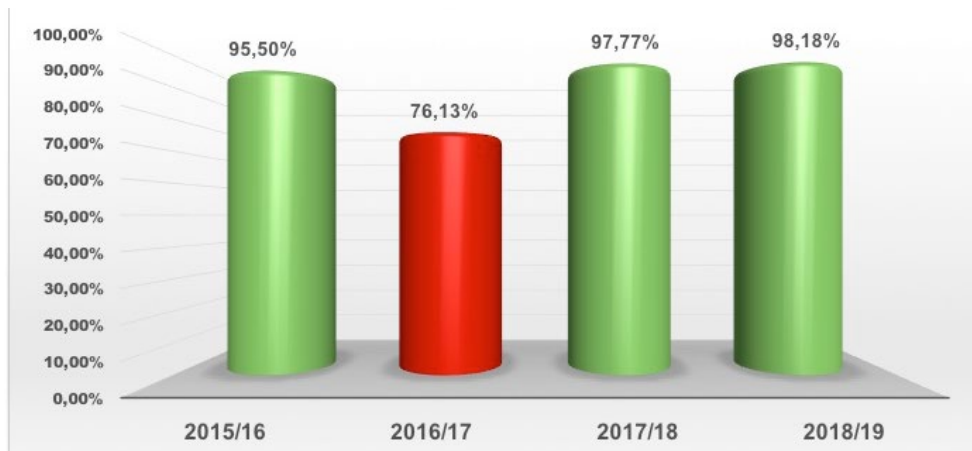
Information requests responded to within the required time, as with the provision of research, have implications for effective and informed contributions to the work of Members of Parliament, as well as the administration supporting them. Below are detailed tables and graphs of performance for the 2018/19 financial year.

INFORMATION REQUESTS	
Annual Performance	97,18%
Target	95%
Volume	586/603

Information Requests within Time Allocated 2018/19



Information Requests 2015/16 - 2018/19



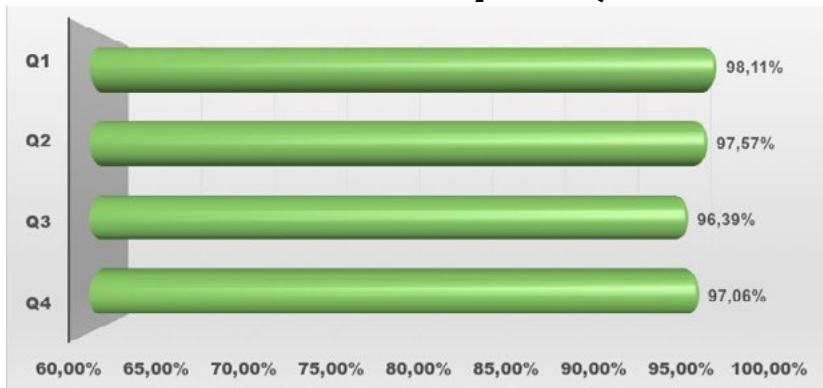
The provision of information services has improved slightly from 2015/16, although there was a dip in performance for 2016/17. While volumes have dropped, there has been an increase in the 2018/19 financial year.

2.1g Minutes – 90% within 3 Days

House minutes are a crucial record of parliamentary processes. These are relied upon in various forums and are necessary for the communication of decisions and deliberations. They inform the public of what happened in the Houses or their committees and serve as confirmation of business dispensed by the Houses and committees of Parliament. Below are detailed tables and graphs of performance for the 2018/19 financial year.

MINUTES	
Annual Performance	96,91%
Target	90%
Volume	1660/1713

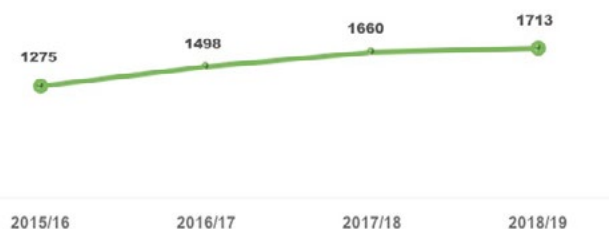
Minutes within 3 Days 2018/19



Minutes 2015/16 - 2018/19



Volume: Minutes 2015/16 - 2018/19



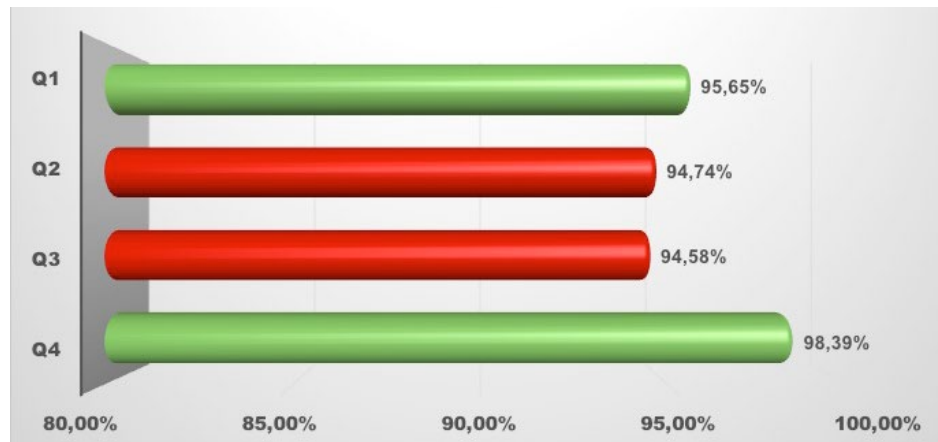
Providing the minutes of committee meetings and House proceedings within the required time has improved significantly from the 2015/16 financial year, even as volumes have increased during the same period.

2.1h Reports – 95% within 8 Days

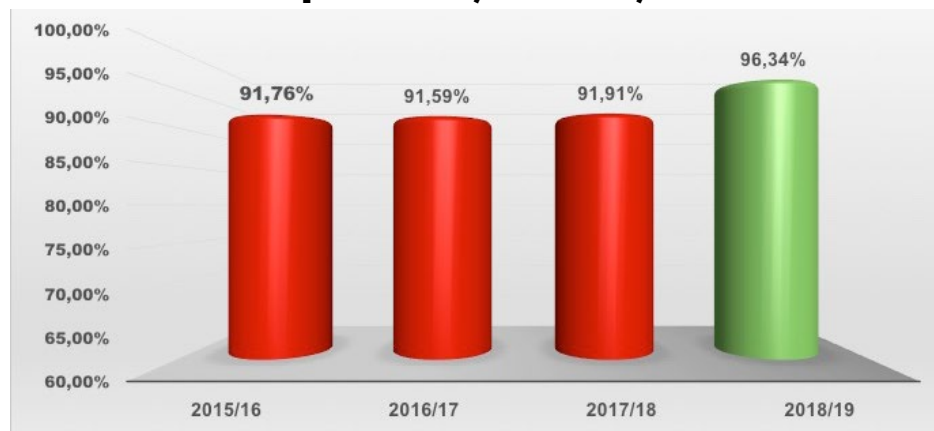
This indicator measures the improvement in average turnaround time for provision of reports to the Houses, committees and Members. Below are detailed tables and graphs of performance for the 2018/19 financial year.

REPORTS	
Annual Performance	96,34%
Target	95%
Volume	500/519

Reports within 8 Days 2018/19



Reports 2015/16 - 2018/19



Volume: Reports 2015/16 - 2018/19



Also showing improvement was the provision of reports within the required timeframes, even as volumes have increased over the same period from 2015/16 to 2018/19.

2.1i Official Report (Unrevised Hansard) – 95% within 5 Days

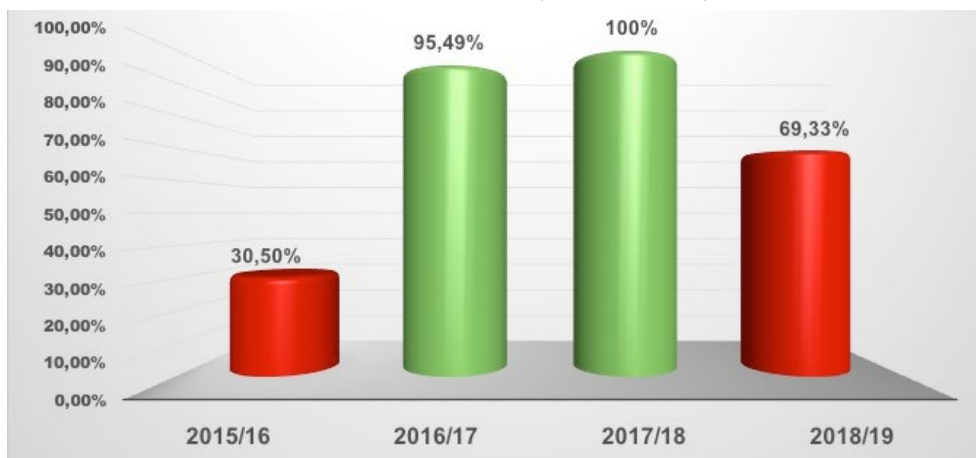
This indicator measures the timely availability of unrevised Hansard¹, which is the verbatim account of House proceedings. Below are detailed tables and graphs of performance for the 2018/19 financial year.

OFFICIAL REPORT - HANSARD	
Annual Performance	69,33%
Target	95%
Volume	104/150

Hansard within 5 Days 2018/19



Hansard 2015/16 - 2018/19



Improvement on the availability of Hansard records has been mixed over the 5th parliamentary Term, with improvements seen in 2016/17 and then 2017/18, but a decline recorded for 2018/19. The performance in the production of the unrevised Hansard is negatively impacted by the period of concurrent mini-plenaries, usually conducted in the first quarter of the financial year. Volumes over the same period decreased, but have increased in 2018/19 to the same levels as in 2015/16.

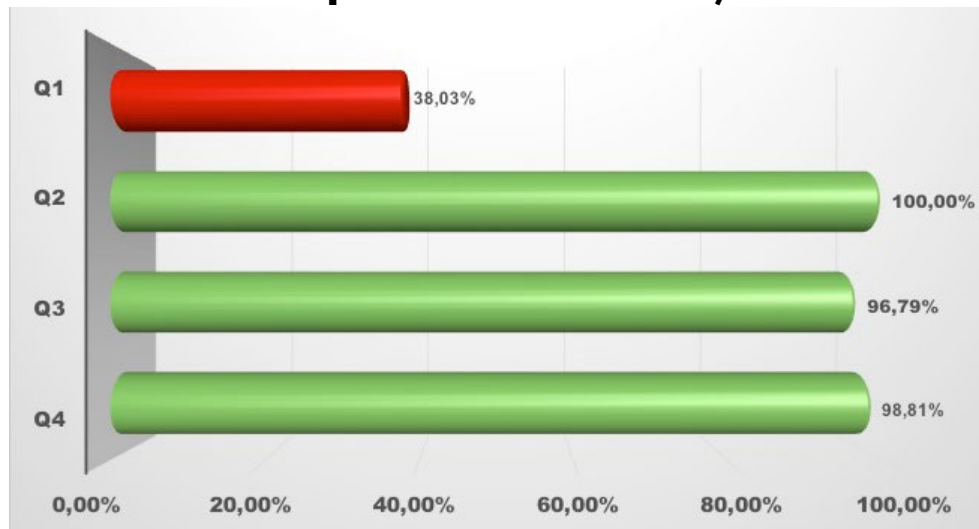
¹ Hansard are the verbatim records of House Proceedings of Parliament

2.1j Interpretation Available (85%)

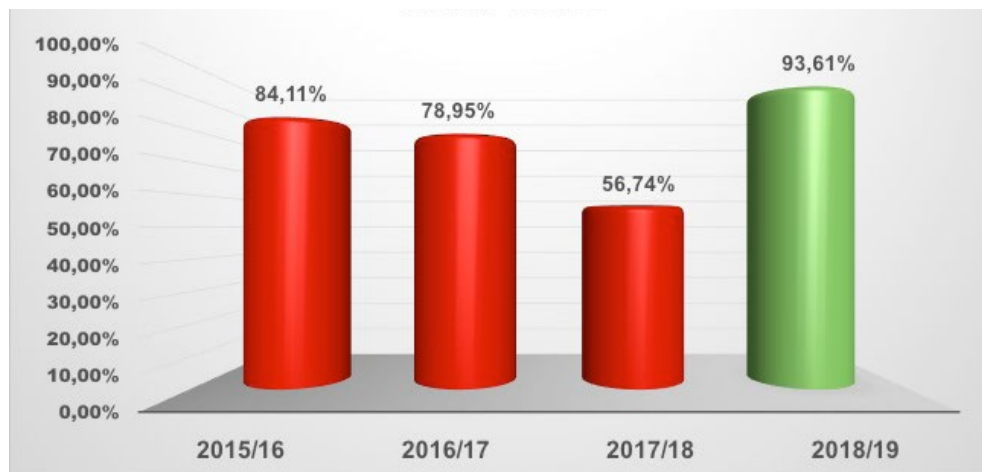
The timeous provision of interpreting services impacts the full participation of all Members of Parliament in the proceedings of the Houses. Adequate oversight relies on Members of Parliament being able to fully engage in debates and discussions. Below are detailed tables and graphs of performance for the 2018/19 financial year.

INTERPRETATION	
Annual Performance	93,61%
Target	85%
Volume	1524/1628

Interpretation Available 2018/19



Interpretation 2015/16 - 2018/19



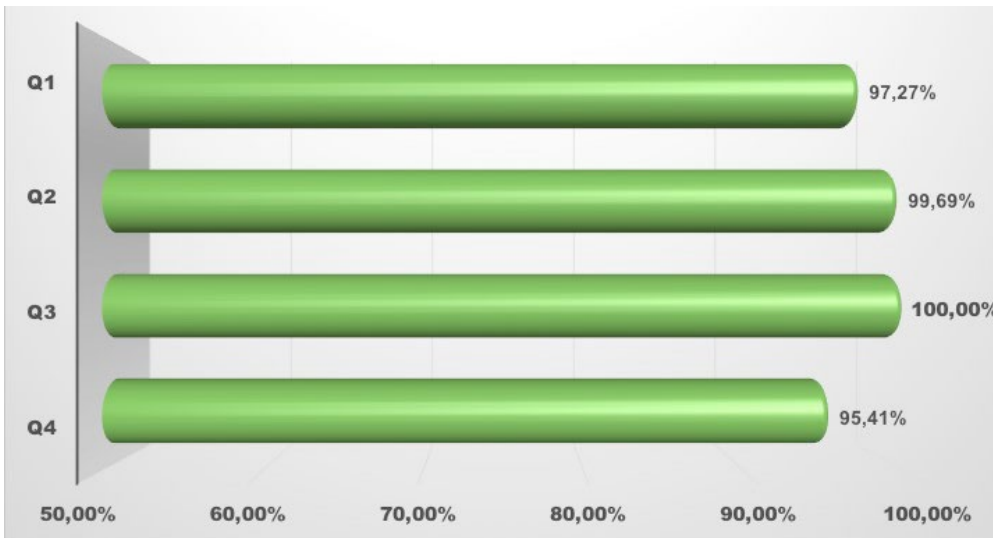
The provision of interpretation services has improved from 84% in 2015/16 to almost 94% in 2018/19. This improvement was recorded even as volumes spiked in 2018/19.

2.1k Translations within Agreed Time (95%)

As with interpretation, the provision of translation services within the required timeframes has implications for effective participation of Members in parliamentary processes, as well as effective public participation. Below are detailed tables and graphs of performance for the 2018/19 financial year.

TRANSLATIONS	
Annual Performance	96,45%
Target	95%
Volume	2310/2395

Translations within Agreed Time 2018/19



Translations 2015/16 - 2018/19



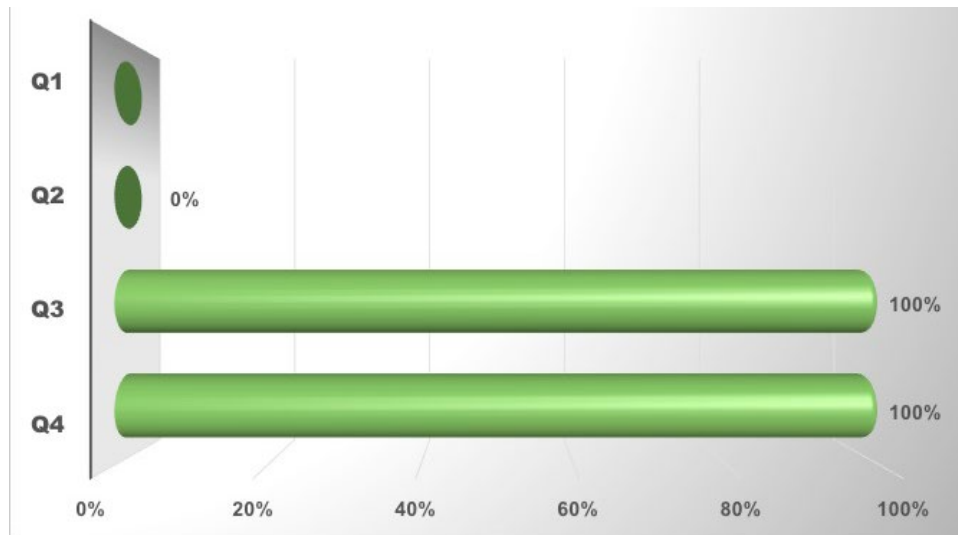
While volumes for translations have dropped, performance has also dropped slightly in the same period. This is due to the lack of evidence on agreement of timeframes.

2.1 Documentation Requests within Prescribed Time (100%)

The timeous response and provision of documentation to Members and to the Public is central to the work of the committees, the NA and NCOP and it is an important link in the Promotion of Access to Information Act (PAIA) and public participation. Below are detailed tables and graphs of performance for the 2018/19 financial year.

PAIA Requests	
Annual Performance	100%
Target	100%
Volume	2/2

Documentation Requests within Prescribed Time 2018/19



Documentation 2015/16 - 2018/19



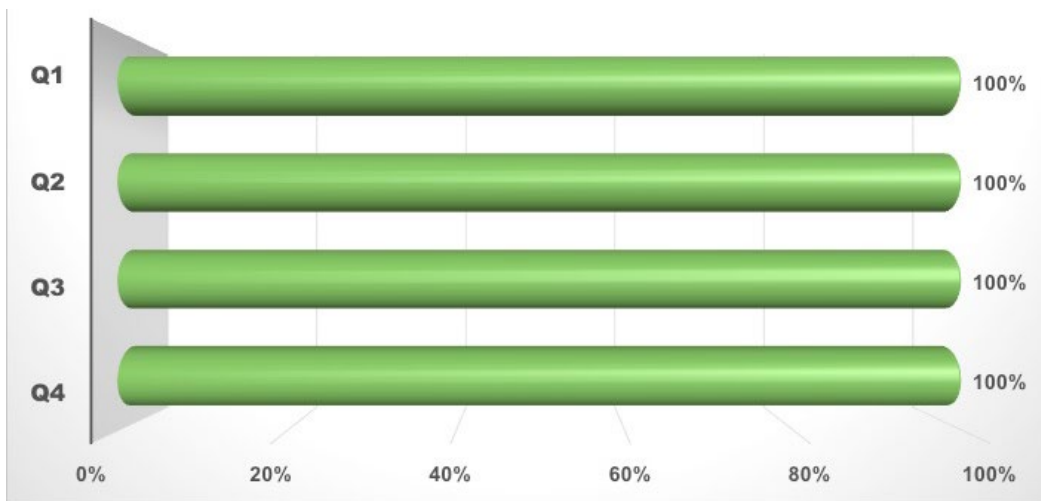
Compliance with the timeframes prescribed in PAIA requires that 100% of information requested is provided. Performance in this area was consistent at 100% from 2015/16 to 2018/19.

2.1m Office of the Leader of Government Business tracking document

The Office of the Leader of Government Business tracks the Executive business programme in Parliament. Adequate tracking has implications for Parliament’s ability to hold the Executive accountable, thus 100% of the Executive programme is required to be tracked. Below are detailed tables and graphs of performance for the 2018/19 financial year.

OLOGB Tracking	
Annual Performance	100%
Target	100%
Volume	445/445

OLOGB Tracking Document Published 2018/19



OLOGB Tracking Document 2016/17 - 2018/19



The tracking of the Executive programme in Parliament has performed at 100% consistently since the 2016/17 financial year even as volumes in the matters tracked have more than doubled over the same period.

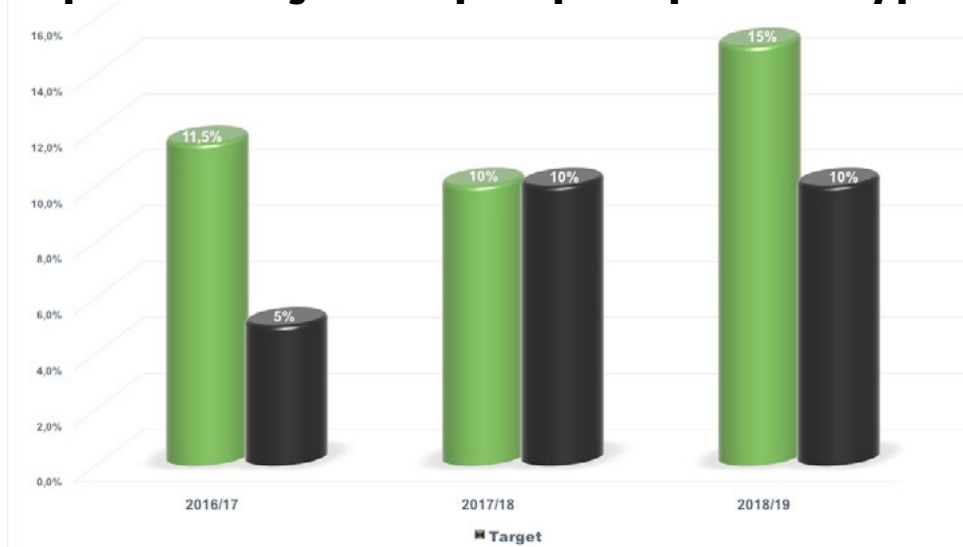
Strategic Objective (SO 3.1)	Increase access and improve the quality of participation in the processes of Parliament through enhanced programmes to ensure participatory democracy.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1a	% Population having access to participate in parliamentary processes	10%	15%	+5%	Increased public participation mechanisms created more opportunities for access to participate in parliamentary processes.

PERFORMANCE TRENDS: POPULATION HAVING ACCESS TO PARTICIPATE IN PARLIAMENTARY PROCESSES

This indicator is measured annually through the independent IPSOS survey. The percentage of the population having access to participate in parliamentary processes is measured by responses to the question “Do you know how to participate in the activities of Parliament?” The performance of this indicator over the last three (3) years is detailed below:

% Population having access to participate in parliamentary processes



Activities aimed at improving access to participate in the processes of Parliament included the following in 2018/19:

- Public Education Workshops at these locations:
 - University of South Africa (UNISA), (Parow Campus)
 - University of the Western Cape (UWC)
 - Mostert Opperman Attorneys
- Distribution of the Parliament Virtual Tour DVDs (5130 copies)
- Tours of the parliamentary precinct (24 682 visitors)
- Distribution of public education materials (400 000 copies)
- Production of publications for distribution:
 - Guide to Parliament Booklet
 - Role of Members in the Constituency
 - Petitions

- Special Publications:
 - Youth Month
 - Freedom Day
 - Africa Day (including Braille)
 - Mandela Day
 - Nelson Mandela Children’s Fund Youth Summit
 - Student Parliament
 - Women’s Charter Conference
- A Day in Parliament
- 20 Years of the Constitution
- 20 Years since the Establishment of the NCOP
- 4th Industrial Revolution
- YOU & the Constitution
- 5th Parliament Legacy Report (inputs)

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1b	% Population participating in parliamentary processes	6%	6,6%	+0,6%	The marginal increase is due to increased committee activities (e.g. S25 of the Constitution) and more committee public hearings scheduled in all provinces.

PERFORMANCE TRENDS: POPULATION PARTICIPATING IN PARLIAMENTARY PROCESSES

This indicator is also measured by the IPSOS independent survey. The percentage of the South African population actually participating in parliamentary processes is measured by the responses to the question “Have you participated in any of the following activities of Parliament?” Performance of this indicator over a three-year period is shown below:

% Population participating in parliamentary processes



Activities that have contributed to the public being involved in parliamentary processes include but are not limited to the following:

committee Participation:

- 37 committee oversight visits
- 40 Bill reports considered
- 21 interventions
- Managing and co-ordination of Submissions by the public

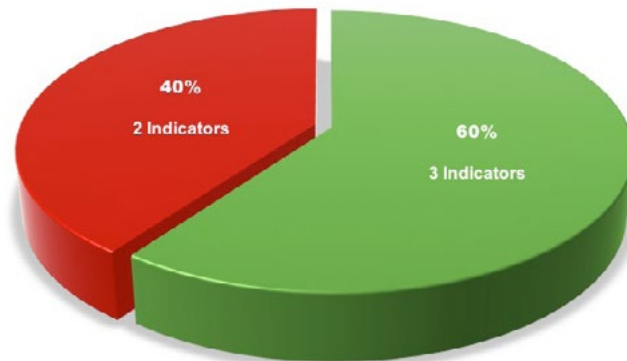
Parliamentary Education Programme in support of:

- Taking Parliament to the People – Gauteng
- Constitutional Review Committee public hearings
- Parliamentary committee on Rural Development & Land Reform public hearings

6.5 Programme 4: Support Services

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

**Programme 4
2018/19 Performance**



Support services and products provided to the public, Members of Parliament as well as employees include the provision of facilities, communications, ICT and human resources. Generally, client satisfaction over the 5th Term has not improved, based on survey results, although the provision of communications services, ICT and human resource management has improved.

SUPPORT SERVICES				
Indicator	Performance			
	2015/16	2016/17	2017/18	2018/19
1.1 % of clients satisfied with service levels	Not Met	71,5%	70%	71,20%
1.5 % of population who are aware of the business of Parliament	9,35%*	9,75%	24%	27%
1.4 % of universal access	54%	63%	72,7%	80,75%
1.6 % of clients satisfied with service levels	71,75%	66,6%	69,7	67,10%
1.7 % increase in talent management index	11%	6,4%	9%	9%

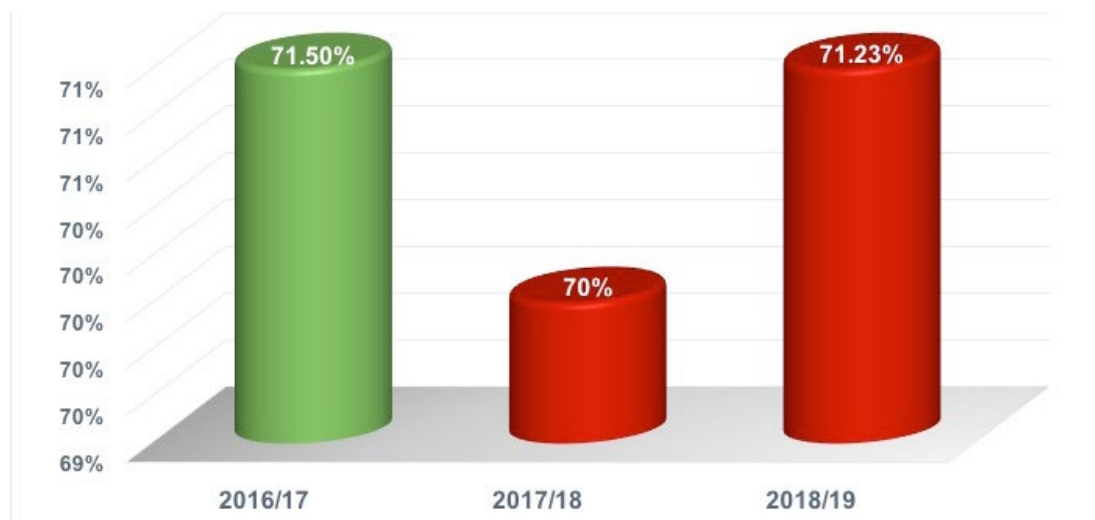
Strategic Objective (SO 1.1)	Improve relationship with stakeholders by developing and implementing a stakeholder management plan and by increasing Members' satisfaction through an integrated and independent scientific survey by 2019
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Performance Indicator		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)	72%	71,20%	-0,80%	This indicator marginally missed target. The target chosen for client satisfaction was very high. The survey results indicate areas that Parliament need to focus on to increase stakeholder satisfaction.

PERFORMANCE TRENDS: CLIENT SATISFACTION

The Stakeholder (client) Satisfaction Survey covered three key categories including external Stakeholders, Members of Parliament and employees of Parliament. The satisfaction survey produced a series of positive results whilst also flagging a number of areas where Parliament can improve. Although the target of 72% was marginally missed by 0.80%, the 71.23% shows some improvements relative to the 2017/18 achievement of 70.6%.

Client Satisfaction: Service Levels 2016 - 2019



The execution of the comprehensive communication strategy in its support of the programme of Parliament is geared to keeping internal and external stakeholders informed and thereby increasing awareness levels. Among the key programmes supported were the overarching year-long Nelson Mandela and Albertina Sisulu Centenary Celebrations, which culminated in the unveiling of the inscriptions on the NA and NCOP steps by the President, the Constitutional Review Committee's 33 public hearings, and Taking Parliament to the People in two provinces.

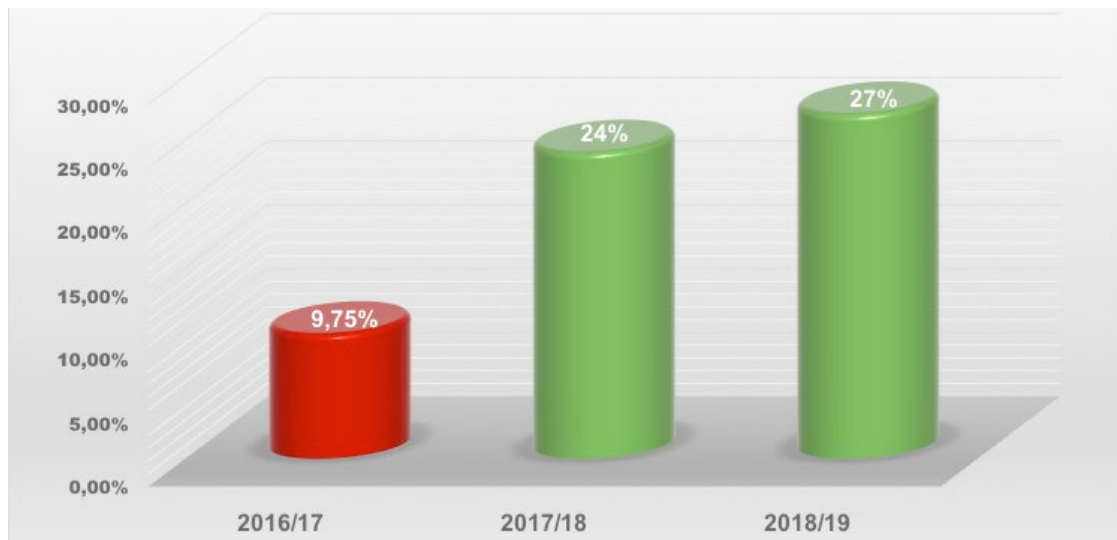
Strategic Objective (SO 1.5)	Improve the communication of the business of Parliament in order to increase public involvement, by developing and implementing a comprehensive communication strategy by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.5	% of population who are aware of the business of Parliament	13%	27%	+14%	The implementation of the Comprehensive Communication Strategy focusing on the execution of improved qualitative and quantitative communication activities supporting the programme of Parliament has been improving public awareness of parliamentary business.

PERFORMANCE TRENDS: POPULATION WHO ARE AWARE OF THE BUSINESS OF PARLIAMENT

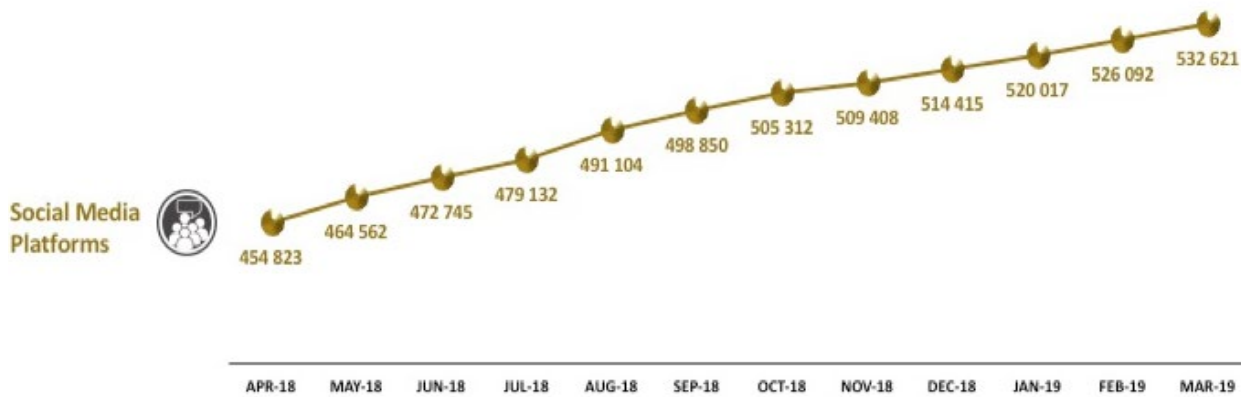
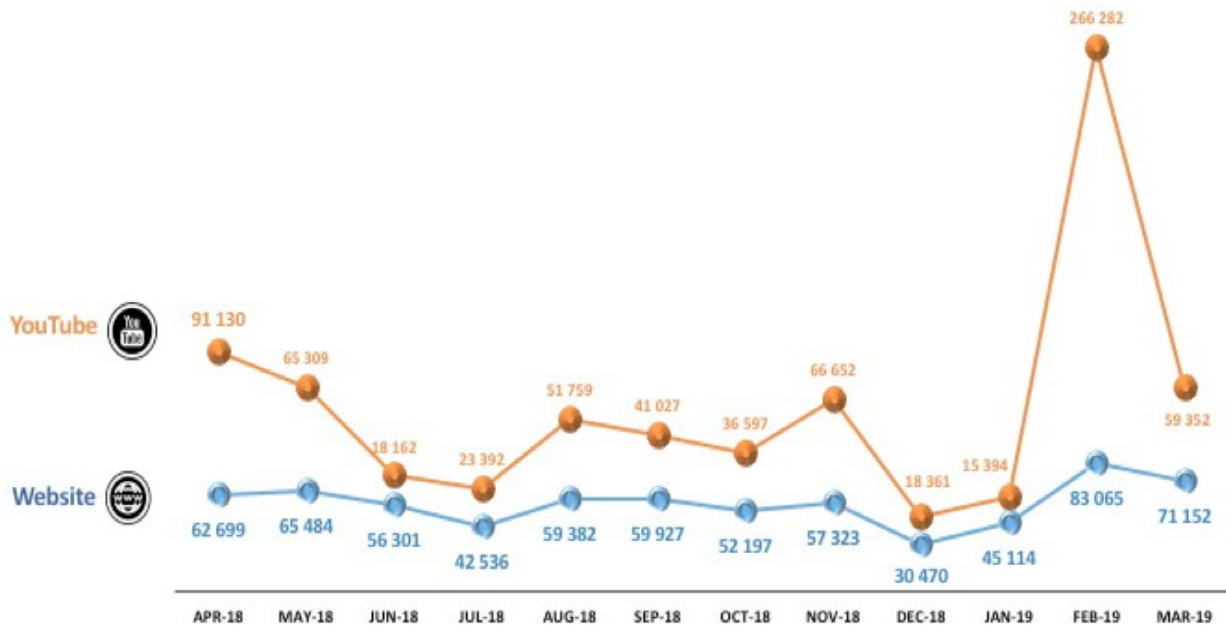
Over three (3) years of independent polling, there has been a significant improvement in the percentage of the population who are aware of Parliament. This measure has gone from 9% in 2015/16 to 27% in 2018/19.

% of population who are aware of the business of Parliament



About 300 000 copies of parliamentary publications were distributed widely across the country from libraries to Thusong centres, etc., while internally 10 000 copies of Masithethe were circulated. More than 13 000 visitors attended the different parliamentary sittings during the year. In total, communication efforts resulted in close to 50 000 documented mentions/references to Parliament, parliamentary committees and or chairpersons. South Africans were reached via print media, radio, television news, YouTube and online publications (blogs, electronic newspapers).

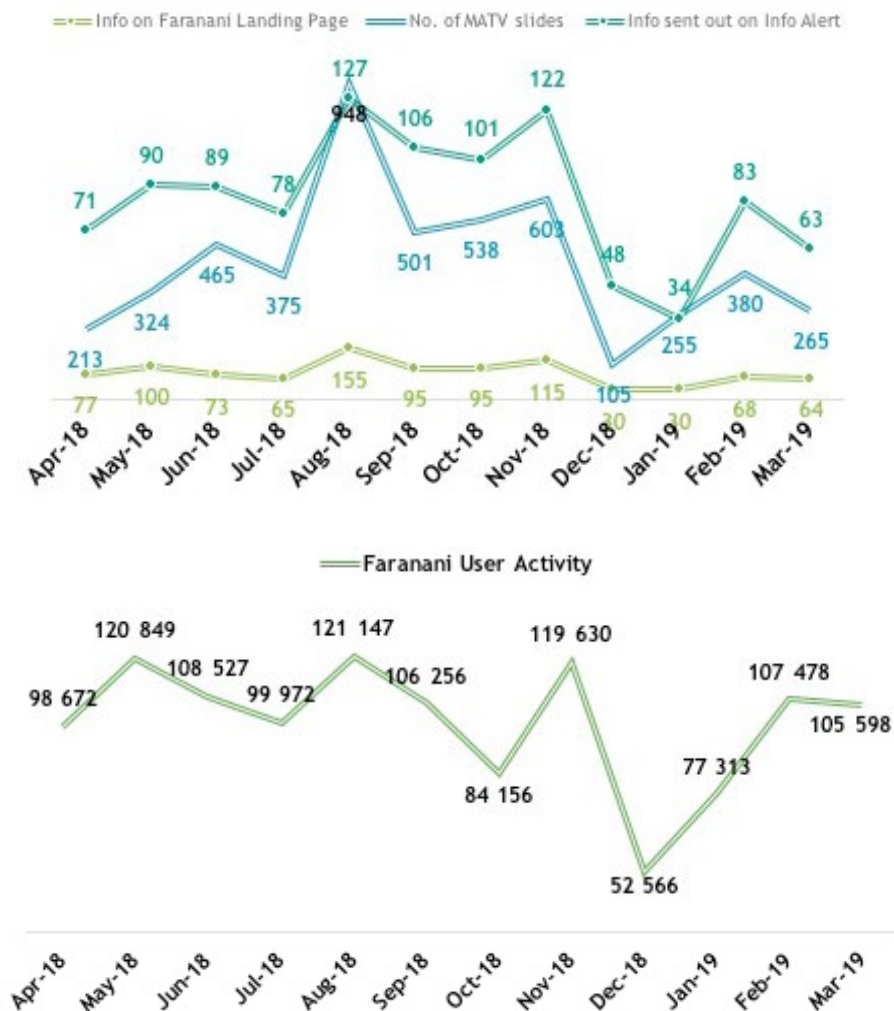
The graphs below illustrate the popularity of the various communication channels.



Another milestone was the extensive consultation process undertaken to develop a Corporate Communication Policy that included both internal and external stakeholders, many of whom were partners in challenging Parliament in the Supreme Court of Appeals, e.g. the South African National Editors’ Forum (SANEF), the Parliamentary Press Gallery Association (PGA), Right2Know, CASAC, etc. The now approved policy has paved the way for improved stakeholder relations with media, etc., in key campaigns of Parliament. On the international front, full communication support packages were provided to a number of key international initiatives, including:

- The IPU in Geneva, which included the ‘Historic Mandela centenary commemoration by the IPU’ led by the Speaker of the NA
- The NCOP Chairperson’s historic address to a special upper House of the Chilean Parliament, Chairperson of the NCOP presentation at the Parliamentary Speakers’ Summit on the future of work in Argentina
- Chairperson of the NCOP address to the Roundtable Discussion in commemoration of the 100th anniversary of the birth of MaSisulu and Madiba. This included interviews with, amongst others, two Russian news agencies and BRICS TV.

The following graphs highlight interactions with internal stakeholders through various platforms.



Strategic Objective (SO 1.4)	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.
-------------------------------------	---

Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.4	% of universal access	80%	80,75%	+0,75%	Project implementation concluded timeously. The implementation of the I-recruit system and HR analytical dashboard resulted in performance above the specified target.

PERFORMANCE TRENDS: ACCESS TO INFORMATION AND COMMUNICATION TECHNOLOGY

The 2018/19 performance of this indicator was 80,75%. This performance consolidates measures for the percentage of access to Information and Communication Technology (ICT) provided to Members, percentage of access to ICT provided to improve the efficacy of business and the percentage of access to parliamentary business provided through ICT. ICT systems and technology are a critical enabler of parliamentary processes and the functions of oversight, law-making, public participation and co-operative government.

% of universal access 2015 - 2019



By providing and maintaining an enabling environment that delivers easy access to information, services and systems availability, a secure IT environment and high system performance, ICT ensures that Members and the parliamentary administration receive the highest quality of information services. Access to information and processes of Parliament enables greater accessibility, transparency and openness and enhances effectiveness and efficiency, thus improving productivity.

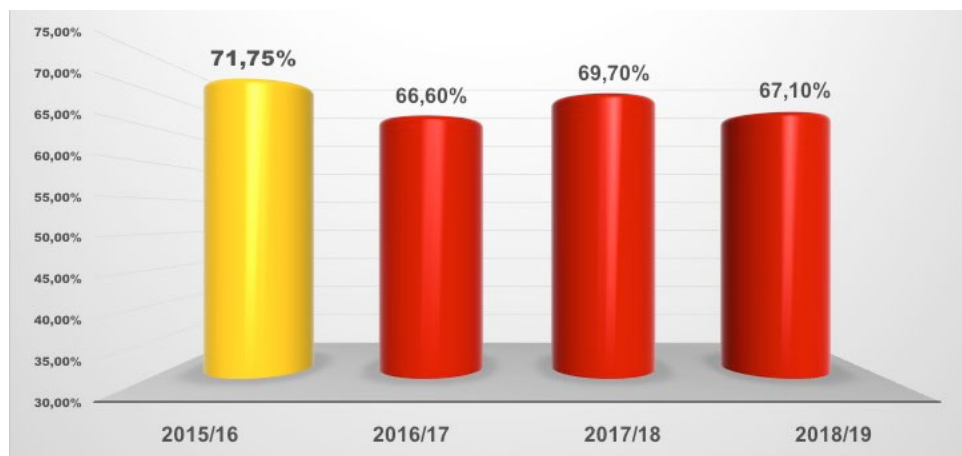
Strategic Objective (SO 1.6)	Optimise facilities’ usage and provide adequate and appropriate functional space by creating a conducive working environment to achieve an increased level of satisfaction, from 68% to 85% by 2019
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Performance Indicator		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)	75%	67,10%	-7,9%	Low survey response rates of 27%, of which only 4% were Members of Parliament, contributed to exaggerated low levels of satisfaction reported

PERFORMANCE TRENDS: CLIENT SATISFACTION - INSTITUTIONAL SUPPORT SERVICES

Client satisfaction in the area of institutional support services including household, catering, protection services, artworks and health and safety, has shown a decline in performance as well as in the response rate to the client satisfaction survey.

Client Satisfaction: Institutional Support Services 2015 - 2019



A decrease in sample size presented some risks to the validity of the results; however, some useful insights were extracted from the survey. Overall, no support service was rated better during October 2018 compared to October 2017; support services were rated either the same (i.e. Catering Services and Artwork & Heritage Services) or lower (i.e. Household Services, Protection Services and Occupational Health & Safety). Thus there is a need to identify areas for intervention based on the detailed findings of the survey, and to improve the overall provision of facilities in the institution.

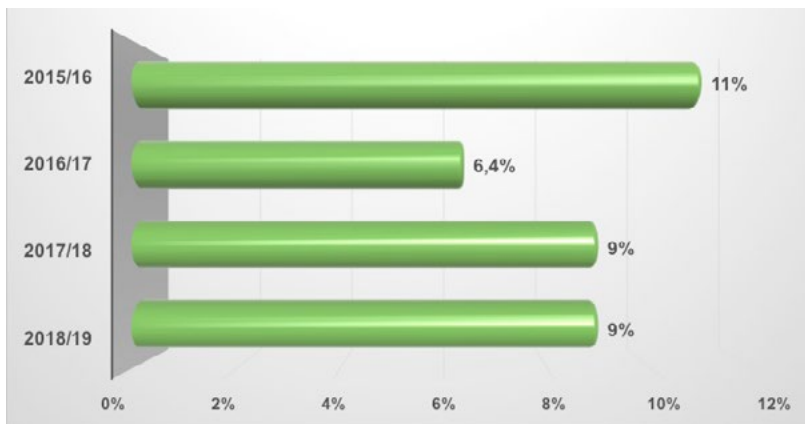
Strategic Objective (SO 1.7)	Increase availability of strategic competencies, talent and skills by developing and increasing performance on the talent management index by 15% by 2019.
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Performance Indicator		Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.7	% increase in talent management index	8%	9%	+1%	Introduction of iRecruitment reduced time taken to fill posts, and track progress; A focus on performance improvement contributed to an improved Talent Management Index

PERFORMANCE TRENDS: TALENT MANAGEMENT

Performance on the Talent Management Index has improved substantially, increasing by 35,4% between 2015/16 and 2018/19.

% Increase in the Talent Management Index 2015 - 2019



Thus the index itself, that is, the availability of strategic competencies, talent and skills has improved from 62,6% in 2015/16 to 87% in 2018/19.

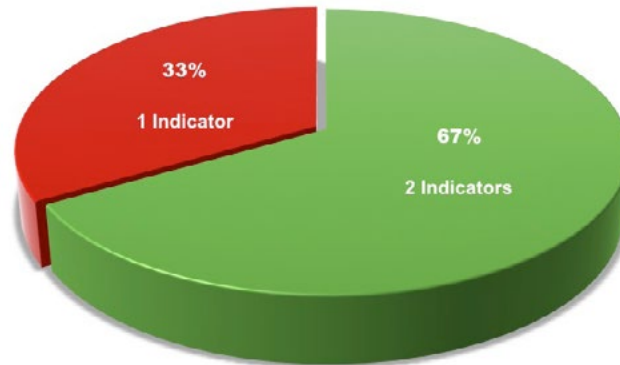
Performance on the Talent Management Index 2015 - 2019



6.6 Programme 5: Associated Services

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.

**Programme 5
2018/19 Performance**



The implementation of a seamless service for Members of Parliament, the reimbursement of Members of Parliament for expenses incurred in their parliamentary work, as well as payment to political parties form part of programme 5. While not all indicators in this programme met target, only 1 of the 3 measured was marginally below target.

ASSOCIATED SERVICES				
Indicator	Performance			
	2015/16	2016/17	2017/18	2018/19
4.1 Phase of integrated services strategy implementation	Not Met	Met	Not Met	Met
4.2 Average number of days to reimburse Members	2,6	2,44	2,37	2,53
5.1 % of payments made compliant to policy	92,3% (60)	100% (62)	100% (65)	100% (65)

Strategic Objective (SO 4.1)	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.
-------------------------------------	---

Performance Indicator	Annual Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
4.1 Phase of integrated services strategy implementation	Integrated seamless service implemented	Integrated seamless service implemented	Met	

PERFORMANCE TRENDS:

This strategic objective could only be funded in the 2018/19 financial year with an amount of R1 310 000. Highlights of deliverables and targets met as planned by the Integrated Seamless Services team include the approved designed Members’ services framework of an integrated service, the Members’ services charter with the accompanying service catalogue and standards, which assisted in stabilizing the Members’ service environment.

Additional operational effort envisaged during the 6th Parliament focuses on the enhancement, monitoring and reporting of the services provided to Members, specifically the expansion of the existing parliamentary service desk solution to include the monitoring of individual Members’ services. This will “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.”

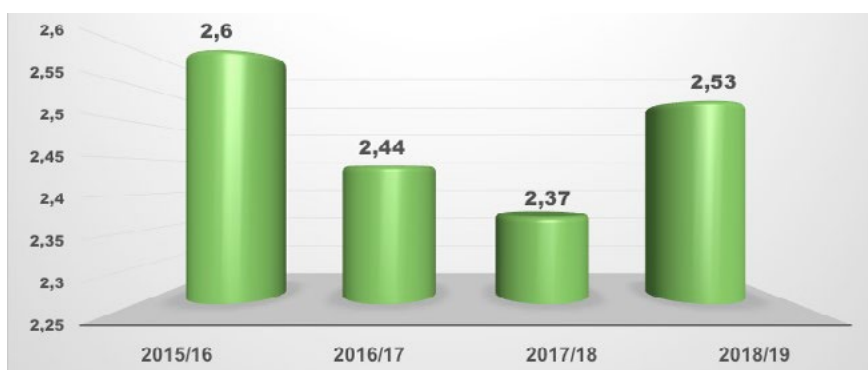
Strategic Objective (SO 4.2)	Reduce average turnaround time for the processing and payment of reimbursements to Members from 3 to 2.5 working days by 2019.
-------------------------------------	--

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	2.4 Days	2,53 Days	-0,13 Days	This indicator marginally missed target due to slower turnaround times in Quarter 1 and Quarter 2 that brought down the annual average.

PERFORMANCE TRENDS: AVERAGE NUMBER OF DAYS TO REIMBURSE MEMBERS

This indicator missed target in quarter 1 and quarter 2 but showed significant improvement in quarter 3 and 4, due to stabilisation of human resource capacity and innovation efforts to reduce administrative burdens. As seen in the graph below, volumes for the financial year 2018/19 were higher than in previous years, contributing to constraints in delivery. The performance improvement however was not enough to meet the set annual target, which was marginally missed.

Average Number of Days to Reimburse Members 2015 - 2019



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: PAYMENTS MADE TO POLITICAL PARTIES COMPLIANT TO POLICY

The objective of this indicator is to show progress on the effective financial management of transfer payments to political parties, by improving the payment process and compliance to policy. All payments (100%) to political parties were compliant to policy in the 2018/19 financial year, as was the case in the preceding two financial years.

% Payments made to Political Parties Compliant to Policy





**ANNUAL
FINANCIAL STATEMENTS**

7. ANNUAL FINANCIAL STATEMENTS

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

General Information

Country of incorporation and domicile	South Africa
Postal address	P O Box 15 Cape Town 8000
Bankers	Nedbank
Auditors	Auditor General of South Africa Registered Auditors
Acting Secretary to Parliament	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 March 31, 2019

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 March 31, 2019

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 judgement and estimates.

The Accounting Officer acknowledges 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 2020 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 budget 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.

The Accounting Officer is primarily responsible for the financial affairs of Parliament, and is supported by the internal auditors who independently review 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 March 31, 2019

Statement of Financial Position as at March 31, 2019

	Note(s)	2019 R '000	2018 Restated* R '000
Assets			
Current Assets			
Inventories	2	1,154	885
Receivables from non- exchange transactions	3	1,815	2,297
Receivables from exchange transactions	4	1,899	2,369
Prepayments	5	15,349	14,263
VAT Receivable		99	20
Cash and cash equivalents	6	148,145	282,311
		168,461	302,145
Non-Current Assets			
Property, plant and equipment	7	58,619	73,855
Intangible assets	8	7,243	9,583
Heritage assets	9	55,316	55,276
		121,178	138,714
Total Assets		289,639	440,859
Liabilities			
Current Liabilities			
Finance lease obligation	10	108	529
Payables from exchange transactions	11	60,383	69,557
Payables from non-exchange transactions	12	1,759	1,460
Unspent statutory appropriation	13	23,789	100,768
Employee benefits	14	67,707	60,011
Provisions		3,670	3,384
		157,416	235,709
Non-Current Liabilities			
Finance lease obligation	10	74	65
Employee benefit obligation	16	1,600,758	1,441,939
		1,600,832	1,442,004
Total Liabilities		1,758,248	1,677,713
Net Assets		(1,468,609)	(1,236,854)
Accumulated surplus/(Deficit)		(1,468,609)	(1,236,854)

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Statement of Financial Performance

	Note(s)	2019 R '000	2018 Restated* R '000
Revenue			
Revenue from exchange transactions			
Bad debts recovered		37	167
Commissions received		438	425
Interest earned	17	17,013	23,310
Other revenue		595	346
Sale of goods	18	11,920	5,036
Total revenue from exchange transactions		30,003	29,284
Revenue from non-exchange transactions			
Annual appropriation	19	1,872,694	1,711,947
Statutory appropriation	20	469,372	455,520
Service in kind rental	34	118,757	108,952
Public contributions and donations	21	-	52,308
Other revenue		98	144
Total revenue from non-exchange transactions		2,460,921	2,328,871
Total revenue		2,490,924	2,358,155
Expenditure			
Compensation of employees and Members	22	(1,598,783)	(1,479,795)
Depreciation and amortisation	23	(36,314)	(37,026)
Finance costs	24	(50)	(93)
Debt Impairment	25	(71)	(55)
Transfers to non-profit institutions	26	(454,654)	(436,530)
Repairs and maintenance	27	(6,235)	(4,197)
Cost of sales	28	(11,953)	(5,557)
General Expenses	29	(580,253)	(572,557)
Total expenditure		(2,688,313)	(2,535,810)
Operating deficit		(197,389)	(177,655)
Loss on disposal of assets		(371)	(308)
Actuarial gains/(losses)	16	(32,322)	(72,482)
Other comprehensive incomes/(Losses)		(32,693)	(72,790)
Deficit for the year		(230,082)	(250,445)

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Statement of Changes in Net Assets

	Accumulated surplus (Deficit) R '000	Total net assets R '000
Balance at April 01, 2017	(986,206)	(986,206)
Changes in net assets		
Surplus for the year	(250,445)	(250,445)
Other adjustments	(203)	(203)
Total changes	(250,648)	(250,648)
Opening balance as previously reported	(1,243,475)	(1,243,475)
Adjustments		
Correction of errors Note 40	6,621	6,621
Restated balance at 01 April 2018	(1,236,854)	(1,236,854)
Changes in net assets		
Surplus/(Deficit) for the year	(230,082)	(230,082)
Adjustments in opening balances	(1,673)	(1,673)
Total changes	(231,755)	(231,755)
Balance at March 31, 2019	(1,468,609)	(1,468,609)

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Cash Flow Statement

	Note(s)	2019 R '000	2018 Restated* R '000
Cash flows from operating activities			
Receipts			
Annual appropriation		1,872,694	1,711,947
Statutory appropriation		493,161	556,288
Departmental revenue		13,158	5,688
Interest received		17,816	23,961
		2,396,829	2,297,884
Payments			
Employee costs		(1,432,268)	(1,276,584)
Suppliers		(521,289)	(489,220)
Finance costs		(50)	(65)
Statutory appropriation surrendered to National Revenue Fund		(100,768)	(93,310)
Transfer to non-profit institutions		(454,327)	(435,098)
		(2,508,702)	(2,294,277)
Net cash flows from operating activities	32	(111,873)	3,607
Cash flows from investing activities			
Purchase of property, plant and equipment	7	(19,073)	(32,536)
Proceeds from sale of property, plant and equipment	7	185	83
Purchase of intangible assets	8	(3,253)	(105)
Purchases of heritage assets	9	(40)	(21)
Net cash flows from investing activities		(22,181)	(32,579)
Cash flows from financing activities			
Finance lease payments		(112)	(494)
Net increase/(decrease) in cash and cash equivalents		(134,166)	(29,466)
Cash and cash equivalents at the beginning of the year		282,311	311,777
Cash and cash equivalents at the end of the year	6	148,145	282,311

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

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	1,872,694	-	1,872,694	1,872,694	-	
Statutory appropriation	493,161	-	493,161	493,161	-	
	2,365,855	-	2,365,855	2,365,855	-	
Expenses						
Compensation of employees	(1,030,371)	10,636	(1,019,735)	(962,896)	56,839	38.1
Compensation of Members	(493,161)	-	(493,161)	(469,372)	23,789	
Goods and services	(449,760)	(14,146)	(463,906)	(521,289)	(57,383)	38.2
Transfer to non- profit institutions	(455,860)	-	(455,860)	(454,327)	1,533	
	(2,429,152)	(3,510)	(2,432,662)	(2,407,884)	24,778	
Net cash flows from operating activities	(63,297)	(3,510)	(66,807)	(42,029)	24,778	
Cash flows from investing activities						
Acquisition of property, plant and equipment	(19,172)	-	(19,172)	(19,073)	99	
Proceeds from sale of property, plant and equipment	-	-	-	185	185	
Purchase of heritage assets	(41)	-	(41)	(40)	1	
Purchase of intangible assets	(3,260)	-	(3,260)	(3,253)	7	
Net cash flows from investing activities	(22,473)	-	(22,473)	(22,181)	292	
Net increase/(decrease) in cash and cash equivalents	(85,770)	(3,510)	(89,280)	(64,210)	25,070	
Cash and cash equivalents at the end of the year	(85,770)	(3,510)	(89,280)	(64,210)	25,070	
Reconciliation						
Net cash from (used) operating						
Basis difference						
Interest paid				(50)		
Statutory funds surrendered				(100,788)		
Departmental revenue				13,158		
Interest received				17,816		
Net cash from (used) investing						
Basis difference						
Finance lease payments				(112)		
Actual Amount in the Cash flow statement				(134,166)		

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Accounting Policies

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 Finance 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 33 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 for former members of Parliament 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.

Also the cost of exit gratuity for members of Parliament is determined using actuarial valuations and is done annually. The actuarial valuation involves making assumptions about discount rates, real rate, future salary increases, general inflation and withdrawal rate being end of the term of fifth Parliament.

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 March 31, 2019

Accounting Policies

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 2019, the following standards and interpretations were approved and not yet effective.

- GRAP 32 - Service concession arrangements: Grantor
- GRAP 34 - Separate Financial Statements
- GRAP 35 - Consolidated Financial Statements
- GRAP 36 - Investment in Associates and joint ventures
- GRAP 37 - Joint Arrangements
- GRAP 38 - Disclosures of Interest in other entities
- GRAP 104 - Financial Instruments
- GRAP 108 - Statutory receivables
- GRAP 109 - Accounting by principals and agent
- GRAP 110 - Living and non-living resources
- IGRAP 1 - Applying the Probability Test on Initial Recognition of Revenue
- IGRAP 17 - Service concession arrangements where a grantor controls a significant residual interest in an asset
- IGRAP 18 - Recognition and Derecognition of Land
- IGRAP 19 - Liabilities to Pay Levies
- IGRAP 20 - Accounting for Adjustment to Revenue

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/or 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 March 31, 2019

Accounting Policies

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.

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Accounting Policies

1.5 Revenue from non-exchange transactions (continued)

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.

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.

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.

Measurement

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

1.6 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.

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1.6 Property, plant and equipment (continued)

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

The gain or loss arising 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.

1.7 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. If any such indication exists, Parliament estimates the recoverable amount or the recoverable service amount of the heritage asset.

1.8 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 reporting 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.

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Accounting Policies

1.8 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.

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of an intangible assets is included in surplus or deficit when the asset is derecognised.

1.9 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.

1.10 Inventories

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

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Accounting Policies

1.10 Inventories (continued)

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.

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.

1.11 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.

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Accounting Policies

1.12 Provisions

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

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

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.

1.13 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.

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Accounting Policies

1.14 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.

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Accounting Policies

1.15 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.

1.16 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.

1.17 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

1.18 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.

1.19 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.

1.20 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.

1.21 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.

1.22 Budget information

Parliament Budget comprises of the allocations by National Treasury and retained earning of previous years as Parliament is not required to return to National Revenue Fund any money appropriated but not spent.

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Accounting Policies

1.22 Budget information (continued)

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.

1.23 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).

1.24 Offsetting

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

1.25 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue.

Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Parliament adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurs.

Parliament discloses the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

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Notes to the Financial Statements

	2019 R '000	2018 R '000
2. Inventories		
Food and beverage	1,154	885
Catering stock		
Opening balance	855	635
Additions	12,252	5,777
Cost of sales	(11,953)	(5,557)
	1,154	855
3. Receivables from non- exchange transactions		
Staff and Members debt	2,429	2,946
Provisions for doubtful debts	(614)	(649)
	1,815	2,297
Reconciliation of the doubtful debt provision		
Opening balance	649	853
Contribution to provision	39	44
Reversal of provision	(37)	(167)
Amounts written off as uncollectable	(37)	(81)
	614	649
4. Receivables from exchange transactions		
Government organisations	12	8
Other receivables	203	262
Provision for doubtful debts (exchange transaction)	(87)	(66)
Accrued Income	1,771	2,165
	1,899	2,369
Reconciliation of doubtful debt provision		
Opening balance	66	93
Contribution to provision	31	11
Amounts written off as uncollectable	(5)	(38)
Unused amounts reversed	(5)	-
	87	66

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

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Notes to the Financial Statements

	2019 R '000	2018 R '000
5. Prepayments		
Prepayments balances	15,349	14,263
*Prepayments to DIRCO	9,032	7,324
**Prepaid expenses	6,082	5,786
Advances -short term	64	142
S&T advances	89	10
Credit Cards	-	940
Petty cash	82	61
	15,349	14,263

*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 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	225	19
Bank balances	85,870	114,308
Short-term deposits	62,050	167,984
	148,145	282,311

The exposure to credit risk is the carrying amount of each class of cash and cash equivalents. Cash and cash equivalents and short term deposits are placed with high credit quality rated financial institution, therefore the carrying values were not impaired.

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Notes to the Financial Statements

			2019	2018		
			R '000	R '000		
6. Cash and cash equivalents (continued)						
6.1 Parliament had the following bank accounts						
Description	Bank statement balances		Cash book balances			
	March 2019	March 2018	March 2019	March 2018		
Nedbank Limited: Primary Bank Account	17,864	16,640	-	17,864	16,640	-
Nedbank Limited: Salary Account	546	411	-	546	411	-
Nedbank Limited: Petty Cash Account	41	21	-	41	21	-
Nedbank Limited: EU Account	36,111	51,981	-	36,111	51,981	-
Nebank Limited: EU Account	31,308	45,255	-	31,308	45,255	-
Total	85,870	114,308	-	85,870	114,308	-

6.2 Short term deposits

Short term deposits do not exceed six months and are kept with Nedbank as follows:

	Bank Statement Balances		Cash Book Balances		
	March 2019	March 2018	March 2019	March 2018	
Nedbank Limited: Call Deposit (30 Days)	1,963	13,191	1,963	13,191	-
Nedbank Limited: Notice Deposit (183 Days)	60,087	154,793	60,087	154,793	-
	62,050	167,984	62,050	167,984	-

The 30 days notice deposit account bears interest at 6.55% per annum and the interest is compounded monthly.

The 183 days notice deposit account bears interest at 7.95% per annum and the interest is compounded monthly.

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Notes to the Financial Statements

Figures in thousand

7. Property, plant and equipment

	2019		2018	
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Cost / Valuation	Accumulated depreciation and accumulated impairment
Furniture	46,477	(40,485)	46,352	(38,957)
Motor vehicles	9,136	(5,095)	8,570	(6,952)
Office equipment	120,871	(96,863)	118,875	(78,353)
Computer equipment	92,835	(69,435)	85,993	(62,845)
Library books	31,823	(30,625)	31,567	(30,395)
Total	301,142	(242,523)	291,357	(217,502)

Reconciliation of property, plant and equipment - 31 March 2019

	Opening balance	Additions	Disposals	Depreciation	Total
Furniture	7,395	342	(23)	(1,722)	5,992
Motor vehicles	1,618	3,583	(113)	(1,047)	4,041
Office equipment	40,522	2,068	(7)	(18,595)	23,988
Computer equipment	23,148	9,703	(324)	(9,127)	23,400
Library books	1,172	256	-	(230)	1,198
	73,855	15,952	(467)	(30,721)	58,619

Included in property, plant and equipment are leased assets with a carrying value of R 415 007 (31 March 2018: R588 000).

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Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

Figures in thousand

7. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 31 March 2018

	Opening balance	Additions	Disposals	Re-Instatements	Depreciation	Total
Furniture	7,493	2,191	(21)	10	(2,278)	7,395
Motor vehicles	2,072	-	-	-	(454)	1,618
Office equipment	56,711	3,921	(7)	4	(20,107)	40,522
Computer equipment	26,481	5,318	(321)	-	(8,330)	23,148
Library books	921	403	-	-	(152)	1,172
	93,678	11,833	(349)	14	(31,321)	73,855

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 March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
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8. Intangible assets

	2019			2018		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	27,231	(19,988)	7,243	24,444	(14,861)	9,583

Reconciliation of intangible assets - 31 March 2019

	Opening balance	Additions	Amortisation	Total
Computer software, other	9,583	3,253	(5,593)	7,243

Reconciliation of intangible assets - 31 March 2018

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

9. Heritage assets

	2019			2018		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	55,316	-	55,316	55,276	-	55,276

Reconciliation of heritage assets - 31 March 2019

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	55,276	40	55,316

Reconciliation of heritage assets - 31 March 2018

	Opening balance	Additions	Disposals	Total
Art Collections, antiquities and exhibits	55,251	4	21	55,276

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Notes to the Financial Statements

	2019 R '000	2018 R '000
10. Finance lease obligation		
Minimum lease payments due		
- within one year	115	564
- in second to fifth year inclusive	76	67
	191	631
less: future finance charges	(9)	(37)
Present value of minimum lease payments	182	594
Non-current liabilities	74	65
Current liabilities	108	529
	182	594

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

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	19,163	23,336
Accrued expense	41,220	46,221
	60,383	69,557

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

Disability support	1,759	1,432
SARS	-	28
	1,759	1,460

13. Unspent statutory appropriation

Reconciliation of unspent statutory appropriation		
Amount received	493,161	556,288
Utilised	(469,372)	(455,520)
	23,789	100,768

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 March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
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14. Employee benefits

Reconciliation of employee benefits - 31 March 2019

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	47,593	4,211	(3,604)	-	48,200
Staff salary savings	2,901	2,850	(2,901)	-	2,850
Member's gratuities	2,913	3,698	(1,676)	-	4,935
Accrued long service awards	-	538	-	-	538
Overtime	1,037	1,096	(1,037)	-	1,096
Performance bonus	-	8,682	-	-	8,682
Long service awards provision	1,820	1,638	(2,328)	-	1,130
Shift and Stand in Allowance	-	104	-	-	104
Other	3,747	-	(3,213)	(362)	172
	60,011	22,817	(14,759)	(362)	67,707

Reconciliation of employee benefits -31 March 2018

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave Liability	46,229	4,102	(2,738)	-	47,593
Staff salary savings	3,190	2,901	(3,190)	-	2,901
Member's gratuities	747	2,166	-	-	2,913
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)	-
Long service awards provision	1,155	665	-	-	1,820
Shift and stand in allowance	26	-	(26)	-	-
Other	692	3,977	(922)	-	3,747
	56,297	30,281	(11,134)	(15,433)	60,011

Performance Bonus

The performance bonuses were calculated on 1% of the salary bill of employees who completed 12 month service as at 31 March 2019.

15. Provisions

Provisions: Other	3,670	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.

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Notes to the Financial Statements

	2019 R '000	2018 R '000
16. Non-current employee benefits		
The Government Employees Pension Fund (GEPF)		
<p>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.</p>		
Contribution to the GEPF for the reporting period	56,144	51,145
Pension Scheme for Officers of Parliament (PSOP) and Political Office Bearers - Pension Fund (POBF)		
<p>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.</p>		
<p>The Political Office - Bearers Pension Fund (POBF)</p>		
<p>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)</p>		
Contribution to the GEPF for the reporting period	62,053	60,480
16.1 Medical: Post-retirement benefit		
<p>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 members has been actuarially valued as at 31 March 2019.</p>		
Medical : Post-retirement Benefit	1,251,030	1,143,737
Reconciliation of movement in liability		
Opening balance	1,143,737	1,010,304
Current service cost	33,793	28,290
Interest cost	96,416	91,473
Benefit paid	(62,409)	(56,726)
Actuarial (gain)/loss	39,493	70,386
	1,251,030	1,143,737

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Notes to the Financial Statements

	2019 R '000	2018 R '000
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16. Non-current employee benefits (continued)

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 2019 and the liability accrued as at 31 March 2019.

The annual average contribution for the post retirement medical aid amounts to R62 million and is funded by National Treasury. The provision of R 1,251 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.

Principal actuarial assumptions:

Key Financial Assumptions

Assumptions	Value p.a
Discount rate	9.44%
Health care cost inflation rate	6.9%
Net discount rate	2.38%

Summary of key demographic assumptions	Value
Average benefit commencement age:	55 years
Continuation of membership at cessation of service :	75%
Proportion with a spouse dependant at cessation of service:	50%
Mortality during employment:	SA 85-90
Mortality post-employment:	PA (90)

Assumptions	Change %	Current service cost	Interest	Total
Central assumptions	-	33,793	96,416	130,209
Health care inflation	1	40,763	108,951	149,715
	(1)	28,250	85,952	114,201
Discount rate	1	28,563	95,909	124,473
	(1)	40,440	96,524	136,963
Post-employment mortality (-1 year)	-	34,892	99,957	134,849
Average benefit commencement age (-1 year)	-	34,190	98,561	132,751
Membership continuation at cessation of service	10	29,531	92,739	122,280
	-	-	-	-

Assumption	Change	In service Members	Continuation Members	Total Liability
Central assumptions obligation	-	481,323	769,707	1,251,030
Health care inflation	1	547,542	848,079	1,395,622
	(1)	426,313	702,640	1,128,952
Discount rate	1	426,961	703,036	1,129,998
	(1)	547,758	848,821	1,396,578
Post-employment mortality (-1 year)	-	494,829	796,185	1,291,014
Average benefit commencement age (-1 year)	-	500,802	769,707	1,270,509
Membership continuation at cessation of service	10	417,539	769,707	1,187,256
	-	-	-	-

Liability history summary	2019	2018	2017	2016	2015
Accrued liability	1,251,030	1,143,737	1,010,304	1,219,332	1,251,275
Surplus/(Deficit)	(1,251,030)	(1,143,737)	(1,010,304)	(1,219,332)	(1,251,275)
	-	-	-	-	-

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	2019 R '000	2018 R '000
16. Non-current employee benefits (continued)		
History of experience adjustment: Gains and losses	2019	2018
Liabilities (Gain)/Loss	24,690	48,442
	(109,027)	146,257

16.2 Member's loss of office gratuity

This provision for loss of office gratuity 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 56 percent of these Members will complete five years of service based on the past five year's termination rate.

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' loss of office gratuity	140,225	127,150
Reconciliation of Member's loss of office gratuity		
Opening balance	127,150	114,438
Contributions	17,897	19,444
Utilised	(4,822)	(6,732)
	140,225	127,150

16.3 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.

Key Financial Assumptions

Discount rate 9.1% p.a.

General inflation 5.6% p.a.

Salary inflation 5.6% p.a.

Real rate(Gap) 3.3% p.a.

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 2019. It was assumed that salary inflation will be equal to general inflation. The net discount rate is derived from a discount rate of 9.1% and the expected salary inflation rate of 5.6%. It also assumed that 20% of the Members will end their term on 31 May 2019.

Provisions: Exit Gratuity	200,026	162,337
Reconciliation of exit gratuity		
Opening balance	162,337	115,887
Current service costs	32,852	31,881
Interest cost	14,701	13,264
Benefit paid	(2,693)	(782)
Actuarial (gain)/loss	(7,171)	2,087
	200,026	162,337

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Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
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16. Non-current employee benefits (continued)

16.4 Long service awards

Parliament rewards employees for the long service provided once they reach the agreed milestones indicated below. The employees were rewarded with leave days and from 01 April 2018 employees are rewarded in monetary values for reaching each of the milestones. Management made estimate of employee who will reach the milestones based on the employee turnover as indicated below:

Years of Service	Percentage to reach milestone
10 years	93%
15 years	98%
20 years	98%
25 years	94%
30 years	93%

Long Service Awards	9,477	8,716
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Reconciliation of Long service awards

Opening Balance	8,716	8,558
Contributions	761	158
	9,477	8,716

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

Carrying value		
Medical : Post-retirement Benefit	(1,251,030)	(1,143,737)
Provisions: Members' Gratuity	(140,225)	(127,150)
Exit Gratuity	(200,026)	(162,337)
Long Service Awards	(9,477)	(8,716)
	1,800,758	1,441,940

17. Interest earned

Interest Received	17,013	23,310
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Parliament earns interest on the short term deposits and current accounts.

18. Sale of goods

Catering sales	11,920	5,036
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Sale of goods refers mainly to catering sales made at Parliamentary restaurants.

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Notes to the Financial Statements

	2019 R '000	2018 R '000
19. Annual Appropriation		
Programmes		
Strategic Leadership & Governance	96,926	71,193
Administration	136,304	116,192
Core Business	579,464	549,166
Support Services	361,897	305,852
Associated Services	698,103	669,544
	1,872,694	1,711,947

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	469,372	455,520
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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	-	-
	-	52,308

*This relates to donor funding received from European Unions for Deepening Public Participation and Representation, strengthening capacity in law making and oversight, building an efficient 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 March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
22. Compensation of employees and Members		
Compensation of employees		
Basic remuneration	851,819	788,526
Performance awards	8,683	-
Annual leave	2,967	2,712
Contributions to Pension Funds	56,144	51,145
Settlement benefit	-	998
Cell phone allowance	694	721
Compensative/circumstantial	13,048	11,037
Long service awards	2,937	823
Contribution to UIF	2,314	2,306
	938,606	858,267
Compensation of Members		
Basic remuneration	285,398	276,979
Contributions to Pension Funds	62,053	60,480
Loss of office gratuity	18,719	7,833
Other non pensionable allowances	112,214	110,558
Exit gratuity	51,584	45,915
Current service cost	33,793	28,290
Interest cost	96,416	91,473
	660,177	621,528
Total Compensation of employees and Members		
Compensation of employees	935,706	858,267
Compensation of Members	660,177	621,529
Total	1,595,883	1,479,796
Average number of employees and Members		
Average number of employees	1,300	1,117
Average number of Members	381	380
	1,681	1,497
23. Impairment, depreciation and amortisation		
Depreciation		
Motor vehicles	1,047	455
Computer equipment	9,127	8,329
Office equipment	18,595	20,108
Library books	230	148
Furniture	1,722	2,278
Amortisation		
Intangible assets	5,593	5,708
	36,314	37,026
24. Finance costs		
Finance costs	50	93

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Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
25. Debt impairment contribution		
Bad debt written off	(1)	(1)
Contributions to provision for bad debts	(70)	(54)
	71	55
26. Transfers to non-profit institutions		
* Party Leadership Support	11,693	10,860
* Party Support Allowance	121,144	113,718
* Constituency Allowance	320,057	309,311
** Disability Support	1,759	1,432
***Transfers to Provincial Legislatures	-	1,209
	454,653	436,530
<p>These transfers were made to political parties represented in Parliament in terms of section 34 of the FMPPLA</p> <p>* 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.</p> <p>• 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.</p> <p>*** Transfer to Provincial Legislatures in 2018 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>		
27. Repairs and maintenance		
Motor vehicle	-	1
Furniture	495	8
Computer equipment	50	65
Heritage assets	175	81
Office equipments	4,542	3,537
Buildings	973	505
	6,235	4,197
28. Cost of sales		
Cost of goods sold	11,953	5,557

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Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
29. General expenses		
Advertising	20,541	17,886
Auditors fees	4,657	3,732
Bank charges	69	70
Bereavement support	111	193
Bursaries	1,636	1,417
Catering	13,696	13,795
Communications	25,114	32,649
Consultants, contractors and special services	19,078	26,664
Consulting and professional fees- Legal	8,893	14,571
Consumables	992	1,201
Entertainment	375	593
Service in kind rental expense	118,757	108,952
Flowers and other decorations	1,492	1,613
Insurance	2,521	4,874
Motor vehicle expenses	1,286	483
Operating lease rentals	11,824	6,913
Personnel agency fees	3,134	2,370
Postage and courier	421	538
Printing and stationery	15,725	15,097
Protective clothing	739	1,209
Re-settlement costs	2,798	1,586
Registration and membership fees	3,220	3,729
Sports materials	162	80
Subscriptions	11,950	18,728
Training and development	9,260	12,525
Translations and transcriptions	541	788
Transport costs	4,722	3,260
Travel - local	258,801	226,603
Travel - overseas	36,140	49,456
Venue expenses	1,598	982
	580,253	572,557
30. Irregular expenditure		
Opening balance	336	2,443
Add: Irregular Expenditure - current year	-	339
Less: Amounts condoned	-	(2,446)
	336	336
Details of irregular expenditure		
Amount awarded to Member of Parliament	20	20
Local content not specified	316	316
	336	336

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Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
31. Fruitless and wasteful expenditure		
Opening balance	299	1,067
Fruitless and wasteful expenditure - incurred in current year	-	285
Less Amounts written off	-	(1,053)
	299	299
Incidents		
Cancellation fees - under investigation	28	28
Interest on late payments	28	28
Damaged/lost hired goods	192	192
Traffic fine admin fees	2	2
Other	49	49
	299	299
32. Cash (used in) generated from operations		
Deficit	(230,082)	(250,445)
Adjustments for:		
Depreciation and amortisation	36,314	37,026
Loss on sale of assets and liabilities	371	308
Proceeds on sale of assets	185	83
Interest received	17,829	23,961
Finance costs	50	92
Debt impairment contribution	71	55
Movements in non current employee benefits	158,819	201,392
Movements in current employee benefits	7,696	4,839
Interest earned	(17,026)	(23,310)
Interest paid	(50)	(65)
Changes in working capital:		
Inventories	(269)	(250)
Receivables from non- exchange transactions	482	46
Receivables from exchange transactions	470	895
Prepayments	(1,086)	(6,721)
Payables from exchange transactions	(9,174)	3,429
VAT receivable	(79)	(20)
Payable from non exchange transactions	299	1,450
Unspent Statutory appropriation	(76,979)	7,458
Provisions	286	3,384
	(111,873)	3,607
33. Contingent liabilities		
The following amounts are in respect of pending claims against Parliament. The certainty and timing of the outflow of these liabilities are uncertain. The amounts disclosed below are possible outflows.		
Litigations	15,750	17,250

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Notes to the Financial Statements

	2019 R '000	2018 R '000
34. Related parties		
<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>		
Services and goods provided by Departments		
<p>Parliament owes the Departments and other government entities as at 31 March 2019 for various services that were rendered to Parliament and not paid for.</p>		
Catering Services		
<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 2019.</p>		
Related party balances		
Amounts included in trade receivables		
Intergovernmental receivables		
Government Communication and Information System	-	8
South African Police	6	-
Sport and Recreation	6	-
	12	8
Amounts included in trade payables		
Intergovernmental payables - Departments		
Justice	714	6,050
Public Works	2,129	2,038
South African Police	349	248
	3,192	8,336
Other government entities		
Government Motor Transport	135	130
Government Printing Works	205	3
	340	133
Services in kind		
<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 financial year ended 31 March 2019.</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 financial year ended 31 March 2019.</p>		
Service in kind revenue		
Service in kind rental benefit	118,757	108,952

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Notes to the Financial Statements

	2019 R '000	2018 R '000
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35. 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, the Secretariat and Senior Management 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.

35.1 Executive Authority

31 March 2019

	Basic Salary	Post employment benefits	Other short term benefits	Total
Hon. B. Mbele - 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
	5,764	1,296	2,546	9,606

31 March 2018

	Basic Salary	Post employment benefits	Other short term benefits	Total
Hon. B Mbele - 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
	5,764	1,296	2,546	9,606

The Executive Authority did not receive salary increase for the 2018/19 financial year as per Proclamation number 38 of 2018 (Government Gazette No. 42107 dated 13 December 2018).

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Notes to the Financial Statements

	2019 R '000	2018 R '000		
35. Remuneration of management (continued)				
35.2 Executive Management				
31 March 2019				
	Basic Salary	Post Employment Benefits	Performance Bonus Provision	Total
Mr G Mgidlana - Secretary to Parliament	2,956	42	-	2,998
*Ms P N Tyawa - Acting Secretary to Parliament	2,737	182	20	2,939
Adv M Phindela - Secretary to National Council of Provinces	1,913	219	21	2,153
Mr M Xaso -Acting Deputy Secretary to Parliament: Core Business	1,884	185	20	2,089
**Mr HJ Nkuna - Acting Chief Financial Officer	395	40	15	450
**Mr M Manenzhe - Chief Financial Officer	1,371	19	-	1,390
	-	-	-	-
	-	-	-	-
	11,256	687	76	12,019

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

**Mr M Manenzhe resigned in December 2018 and Mr HJ Nkuna is acting Chief Financial Officer from 01 January 2019.

31 March 2018

	Basic Salary	Post Employment Benefit	Total
Mr G Mgidlana - Secretary to Parliament	2,815	18	2,833
Ms P N Tyawa - Deputy Secretary to Parliament : Support Services	2,445	12	2,457
Adv M Phindela - Acting Deputy Secretary to Parliament : Core Services	1,819	189	2,008
Mr M Xaso - Secretary to the National Assembly	1,699	157	1,856
Mr M Manenzhe - Chief Financial Officer	1,635	11	1,646
	10,413	387	10,800

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Notes to the Financial Statements

	2019 R '000	2018 R '000		
35. Remuneration of management (continued)				
35.3 Senior Management				
31 March 2019				
	Basic Salary	Post employment benefits	Performance Bonus Provision	Total
Ms M Zungu – Institutional Support Services	1,716	199	19	1,934
Adv Z Adhikarie - Legal Services	1,761	204	19	1,984
Ms S Schalk - Legislative Support Programme	1,845	27	18	1,890
Mr S Nyenyiso Chief Audit Executive	1,459	170	16	1,645
*Ms U Mtya- Chief Information Officer	764	11	-	775
Mr K Zweni - Office of Institutional Supporting Democracy	1,597	185	18	1,800
RK Begg - Core Business Support	1,716	199	19	1,934
Dr Gabriel LK - Knowledge and Information Systems	1,716	199	19	1,934
**Mr LH Makele - Human Resources Executive	416	45	-	461
Professor M Jahed - Director Parliamentary Budget Office	1,296	18	-	1,314
Mr MK Mothapo- Parliamentary Communication Services	1,888	27	19	1,934
Mr DJ Sithole - International Relations and Protocol	1,716	199	19	1,934
Mr VGM Mavuso - Members Support Services	1,716	199	19	1,934
Mr DR Moodley - Strategy and Governance	1,888	27	19	1,934
Ms NF Nojozi - Head of Speaker's Office	1,757	26	18	1,801
Mr PM Sebegoe - Head of the Chairperson's Office	1,808	211	19	2,038
*Ms F Boltman - Acting Chief Information Officer	1,070	12	14	1,096
**Mr MM Mokonyana - Acting Human Resources Executive	1,431	20	18	1,469
	27,560	1,978	273	29,811

*Ms U Mtya - Chief Information Officer resigned in August 2018 and Ms F Boltman started to act in the position from September 2018.

**Mr LH Makele - Human Resources Executive resigned in June 2018 and Mr MM Mokonyana started to act in the position from July 2018.

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Notes to the Financial Statements

	2019 R '000	2018 R '000	
35. Remuneration of management (continued)			
31 March 2018			
	Basic Salary	Post employment benefits	Total
Ms M Zungu - Institutional Support Services	1,597	171	1,768
Ad Z Adhikarie - Legal Service	1,638	176	1,814
Ms S Schalk - Legislative Support Programme	1,719	11	1,730
Ms RK Begg - Core Business Support	1,825	171	1,796
Mr S Nyenyiso - Chief Audit Executive	1,334	144	1,478
Mr MK Mothapo - Parliamentary Communication Services	1,757	12	1,769
Mr DJ Sithole - International Relations and Protocol	1,592	171	1,763
Ms U Mtya- Chief Information Officer	1,750	12	1,762
Mr K Zweni - Office of Institutional Supporting Democracy	1,486	160	1,646
Dr Gabriel LK - Knowledge and Information Systems	1,597	171	1,768
** Ms ML Brandt - Head Office of the Speaker	1,124	118	1,242
Mr LH Makele - Human Resources Executive	1,677	180	1,857
Professor M Jahed - Director Parliamentary Budget Office	2,297	15	2,312
* Ms MS Mangqalaza - Head Office of the Chairperson	1,152	110	1,262
Mr DR Moodley - Strategy and Governance	1,757	12	1,769
Mr VGM Mavuso - Members Support Services	1,597	171	1,768
**Ms Nojozi- Head of the Speaker's Office	406	6	412
*Mr PM Sebegoe - Head of the Chairperson's Office	249	31	280
	26,354	1,842	28,196

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

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

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

Payables within 1 year		
Payable from exchange transactions	60,383	69,557
Payable from non-exchange transactions	1,759	1,460
	62,142	71,017
Finance leases		
Payable within 1 year	108	529
Payable within 2- 5 years	74	65
	182	594

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
36. Risk management (continued)		
Credit and interest rate risks		
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 2019 are as follows:		
Financial instruments		
Bank balances	85,870	114,308
Short-term deposits	62,050	167,984
Receivables from exchange transactions	1,899	2,369
Receivables from non exchange transactions	1,815	2,297
	151,634	286,958

37. Commitments

Commitments in respect of capital expenditure

Already contracted		
• Property, plant and equipment	769	3,829
Reconciliation		
• Property, plant and equipment	769	3,059
• Intangible assets	-	770
	769	3,829
Total capital commitments		
Already contracted for but not provided for	769	3,829

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	3,155	3,071
- in second to fifth year inclusive	2,581	5,527
	5,736	8,598

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 March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
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38. 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 2018 to 31 March 2019. 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 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:

38.1 Compensation of employees

The underspending on compensation of employees is due to terminations during the financial year and the reversal of the performance bonus as indicated in note 14 above.

38.2 Goods and services

The overspending on goods and services is due to the fact that cash payments include payments for goods and services received and rendered respectively for both current and prior year, whilst the budget is for the current financial year.

39. Presentation and reclassifications

39.1 The staff litigations and other litigations have been combined into litigation, as they all relates to litigations against Parliament.

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
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40. Prior period errors

40.1 Compensation of Members and employees

The compensation of Members and employees decreased by R17 547 000 mainly due to the reversal of the performance bonus provision in terms of agreement between management and NEHAWU, recognition of the long service awards and salary savings that was overstated.

40.2 General expenses

The general expenses were understated by R4 350 000 due to expenses incurred and not paid which were not accrued for.

40.3 Payables

Payables from exchange transactions were overstated by R523 000 due to international travel expenses that were accrued for when trips occurred and actual invoice received were less and local travel accrued for and subsequently received the credit notes.

Payables from non exchange were understated by R28 000 due to interest incurred not accounted for.

40.4 Revenue and receivables

The other revenue from non exchange transactions were overstated by R266 000 due to the rebates that were not accounted for.

The receivables from non exchange transactions were understated by R616 000 due to transactions which were incorrectly classified as exchange receivables

The receivables from exchange receivables were overstated R921 000 due to the credit card usage which was recognised as exchange receivable instead of prepayment as well as non exchange receivables transactions which were classified as exchange .

40.5 Property plant and equipment.

Property plant and equipment was understated by R245 000 due to the depreciation that was incorrectly calculated and overstated

40.6 Prepayments

The prepayments were understated by R231 000 :due to the prepayment accounts which were classified as cash and cash equivalents.

40.7 Cash and cash equivalents

The cash and cash equivalents was understated by R53 000.00 due to accounts with credit balances which were incorrectly classified as cash.

40.8 Interest paid

The interest paid was understated by R28 000.00 due to the charges made on late payments.

40.9 Heritage Asset

Heritage assets were understated by R4 000 due to assets found on the floor during the asset verification but were not on the asset register

40.10 Service in kind

Service in kind were understated by R1 410 000 due to free space utilised by Parliament that was not accounted for.

Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2019

Notes to the Financial Statements

	2019 R '000	2018 R '000
40. Prior period errors (continued)		
40.11 Employee benefits		
Current employee benefits were overstated by R14 615 000 due to the reversal of the performance bonus provision in terms of agreement between management and NEHAWU.		
The non current employee benefits increased by R8 715 000 due to recognition of the long service awards. There was recognition of the long service awards for employees completed the milestones as indicated in note 16. The liability for employees who has rendered the service but not completed the milestones was not recognised.		
40.12 Cash Flow		
The purchase of property plant and equipment was understated by R8 844 000 due to payment for assets that were delivered in prior year but paid in current year which were not accounted for.		
Statement of financial position		
Increase in property, plant and equipment	-	243
Increase in receivables from non exchange payables	-	616
Decrease in receivables from exchange transactions	-	(921)
Increase in prepayments	-	231
Increase in cash and cash equivalents	-	53
Decrease in payables from exchange transactions	-	523
Increase in payables from non exchange transactions	-	(28)
Decrease in current employee benefits	-	14,615
Increase in non current employee benefits	-	(8,715)
Increase in heritage assets	-	4
Total	-	6,621
Statement of changes in net assets		
Decrease in accumulated deficit	-	6,621
Statement of Financial Performance		
Increase in general expenses	-	(4,350)
Decrease in compensation of employees and Members	-	17,547
Decrease in depreciation	-	235
Increase in interest paid	-	(28)
Increase in other revenue	-	266
Increase in service in kind revenue	-	1,410
Total	-	15,080

41. Events after the reporting date

At the time of preparing and submitting these financial statements, Parliament is not aware of any non- adjusting events after the reporting date.

GOVERNANCE REPORT



8. 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 44, which comprise the statement of financial position as at 31 March 2019, the statement of financial performance, statement of changes in net assets, cash flow statement and 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 2019, and its financial performance and cash flows for the year then ended in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of 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 sections 290 and 291 of the International Ethics Standards Board for Accountants' *Code of ethics for professional accountants* and parts 1 and 3 of the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA codes) as well as 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 codes.
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 40 to the financial statements, the corresponding figures for the year ended 31 March 2018 were restated as a result of an error in the financial statements of the Parliament of the Republic of South Africa at, and for the year ended, 31 March 2019.

Responsibilities of the 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 the 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 appropriate governance structure 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 of South Africa for the year ended 31 March 2019:

Programmes	Pages in the annual performance report
Programme 1 – strategic leadership and governance	36 – 41
Programme 3 – core business	49 – 71

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 these programmes:
- Programme 1 – strategic leadership and governance
 - Programme 3 – core business

Other matter

17. I draw attention to the matter below.

Achievement of planned targets

18. Refer to the annual performance report on pages 36 to 41 and 49 to 71 for information on the achievement of planned targets for the year and explanations provided for the under- or overachievement 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. When I do receive and read this information, and if I conclude that there is a material misstatement therein, 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 engagements conducted by various parties that had, or could have, an impact on the matters reported in the Parliament of the Republic of South Africa’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. Investigations into allegations and possible maladministration were levelled against the secretary to Parliament. The disciplinary process was still ongoing at the date of the audit report.



Auditor-General

Cape Town

31 July 2019



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 of the Republic of South Africa’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 of the Republic of South Africa’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 of the Republic of South Africa’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 the Parliament of the Republic of South Africa 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.

Audit Committee Report

Introduction

The Audit Committee (“the Committee”) is established as an independent statutory committee in terms of 47 of the Financial Management of Parliament and Provincial Legislatures Act (“the FMPPLA”). The Committee’s terms of reference are formalised in the Audit Committee Charter (“the Charter”), which is reviewed annually and approved by the Executive Authority. Overall, the Committee operated in terms of its mandate as set out in the FMPPLA and the Charter. In addition, the Committee concurs with the with the audit results as reported in the auditor’s report.

Committee members and meeting attendance

The Committee consists of five (5) independent non-executive members who are appointed by the Executive Authority. During the reporting period, the composition of the Committee was changed as per the table below. The Committee is required in terms of the FMPPLA and the Charter to meet at least four (4) times a year. During the period under review, five (5) meetings were held, including a special meeting to consider the financial and non-financial performance reports. The attendance of the Committee members is outlined in the table below.

Committee Member	Period	Meetings Attended
Ms. KT Mdlulwa (Chairperson)	April 2018 to March 2019	4
Mr. C de Kock	April 2018 to March 2019	3
Mr. G Harris	April 2018 to July 2018	3
Ms. PN Sibiyi	April 2018 to July 2018	3
Adv. LT Nevondwe	April 2018 to July 2018	3
Ms. T Njozela	September 2018 to March 2019	2
Ms. P Mzizi	September 2018 to March 2019	2
Mr. A Amod	September 2018 to March 2019	2

Responsibilities and functions

The responsibilities and functions of the Committee are set out in section 48 of the FMPPLA and the Charter. The Committee assessed the performance against its mandate, and is satisfied that it has executed its mandate and diligently discharged its responsibilities independently and objectively within the relevant provisions of the FMPPLA and the Charter. The following is a summary of how the Committee carried out its functions.

Internal control framework

The Committee reviewed the reports of management, internal and external auditors on the design, implementation and effectiveness of the systems of internal controls. Based on the reasonable assurance provided by management, internal audit and the Auditor General South Africa (AGSA), no material breakdown was reported in the system of internal control. The Committee is satisfied with the resilience of internal controls over supply chain management, fraud risk management, human resources management and compliance management. The ongoing efforts to further improve controls over information and communication technology (ICT) and institutional performance management processes are also encouraging. In particular, significant progress has been reported in the improvement of the

ICT disaster recovery process. However, the financial health of the Institution remains a concern, particularly as the budget constraints continue to threaten the ability of Parliament to deliver on its mandate.

Risk Governance

Whilst management is ultimately responsible for maintaining an effective risk management process, the Committee assessed the adequacy of the risk management process. The risk management process of Parliament is guided by the enterprise risk management framework. The Risk Management Committee which comprises senior members of management was in place and reported quarterly to the Committee.

The Committee recommended further improvement of the risk management practices. In particular, management was advised to implement the risk maturity plan, including the use of the business reengineering process underway to determine the most suitable resourcing model for the risk management function.

Internal Audit

The Internal Audit Unit has been established as an independent function from management in line with section 50 of the FMPPLA. During the reporting period, the Unit operated in terms of the approved Charter and the risk based annual audit plan, and it reported quarterly to the Committee against the plan. The Committee is satisfied that the Internal Audit Unit has operated effectively and addressed pertinent risks in its audits.

External Audit

The Committee is required in terms of its Charter to evaluate the independence, objectivity and effectiveness of the audit process of the AGSA, and to discuss the audit strategy, the engagement letter and the audit results. The AGSA was represented in all the meetings of the Committee and presented its audit strategy, engagement letter and the audit results for consideration by the Committee.

Combined assurance

The responsibility to oversee combined assurance was delegated to the Committee in terms of the Charter. However, combined assurance is still at infancy stage and the Committee commits to work with management to further improve this area towards a fully integrated and streamlined assurance provision across all lines of assurance.

The quality of in-year management reports

The Committee reviewed the quality and the content of the quarter management reports, including financial and non-financial performance. The Committee is encouraged by the progress made in improving the quality of financial and non-financial performance reporting. This includes an increase in the overall achievement of set performance targets as well as the availability of documentation to support the reported performance. However, a robust monitoring and evaluation process is still required to sustain these improvements.

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 Committee reviewed the annual financial statements prior to submission for auditing and considered the audit report by the AGSA. The Committee is pleased

that the 5th Parliament has concluded its term with the fifth consecutive clean audit opinion. This symbolises that good governance practices were maintained throughout the 5th Parliament as no material deficiencies were identified in the systems of internal control, governance, risks management, financial management and compliance with laws and regulations.

Conclusion

The Committee would like to once more congratulate Parliament on its clean audit opinion. In particular, we would like to express our gratitude for the support provided by the Executive Authority of the 5th Parliament, the Accounting Officer, management and parliamentary team. It is through this support that the Committee will continue to work with management to further enhance the good governance practices. Lastly, we would like to express our appreciation to the previous Committee for laying a resilient foundation for our oversight role as well as the AGSA and the internal audit team for their professionalism and support in the execution of our mandate.



.....
Ms. K.T Mdluwa
Chairperson of the Audit Committee
Date: 31 July 2019

HUMAN RESOURCE MANAGEMENT



9. HUMAN RESOURCE MANAGEMENT

TOTAL NUMBER OF EMPLOYEES [INCLUDING EMPLOYEES WITH DISABILITIES] IN EACH OF THE FOLLOWING SALARY BANDS AS ON 31 March 2019									
SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level A)	17	38	0	10	4	24	0	3	96
Lower Skilled (Level X)	29	5	0	0	16	1	0	0	51
Skilled (Level B)	73	42	3	4	53	57	4	11	247
Highly Skilled Production (Level C)	248	108	4	31	204	69	8	16	688
Highly Skilled Supervision (Level D)	52	20	8	14	82	13	8	12	209
Senior Management (Level E)	3	1	1	0	9	0	2	1	17
Top Management (Level F)	1	0	0	0	1	0	0	0	2
Grand Total	423	214	16	59	369	164	22	43	1310²
Employees with Disability	0	1	0	1	4	1	1	1	9

EMPLOYMENT AND VACANCIES BY PROGRAMME FOR THE PERIOD: 2018 / 2019³				
Programme	Total Number of Posts	Number of Posts Filled	Active (funded) Vacant	Vacancy Rate
Strategic Leadership and Governance (Programme 1)	78	75	3	3.85%
Administration (Programme 2)	137	122	15	10.95%
Core Business (Programme 3)	669	626	43	6.43%
Support Services (Programme 4)	560	487	73	13.04%
Associated Services (Programme 5)	0	0	0	0%
Grand Total	1444	1310[*]	134	9,28%

* This number includes all employees in service.

2 As per the data that was sent to the AG 3 employees were reflected as ex-employees as at 31 March 2019 when they were still employees. They only became ex-employees on 1 April 2019. 1 Employee reflected as an employee on the list whereas the employee was an ex-employee with effect from 27 March 2019. With these changes the total number of staff as at 31 March 2019 was 1310.

3 Vacancy Rates are calculated as follows: Filled posts plus Vacant Posts = Total number of Posts Vacant posts divided by Total Number of posts = Vacancy rate

RESIGNATIONS BY SALARY BAND FOR THE PERIOD: 2018 / 2019			
SALARY BAND	Number of Employees per band as on 31 Mar 2019	Resignations	Turnover Rate
Lower Skilled (Level A)	96	0	0.00%
Lower Skilled (Level X)	51	1	0.08%
Skilled (Level B)	247	2	0.15%
Highly Skilled Production (Level C)	688	12	0.92%
Highly Skilled Supervision (Level D)	209	7	0.53%
Senior Management (Level E)	17	5	0.38%
Top Management (Level F)	2	0	0.00%
Grand Total	1310	27	2.06%

REASONS WHY EMPLOYEES LEFT PARLIAMENT FOR THE PERIOD: 2018 / 2019		
Termination Type	Number of Terminations	% of Total
Deceased	9	14.52%
Dismissal	1	1.61%
End of Contract	1	1.61%
End of Political Term	0	0.00%
Resignation	27	43.55%
Retirement	8	12.90%
Retirement Early	10	16.13%
Retirement: Due to Ill Health	6	9.68%
Grand Total	62	100.00%

RECRUITMENT / APPOINTMENTS FOR THE PERIOD: 2018 / 2019									
Salary Band	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level A)	0	0	0	0	0	0	0	0	0
Lower Skilled (Level X)	28	5	0	0	16	1	0	0	50
Skilled (Level B)	1	0	0	0	2	0	0	0	3
Highly Skilled Production (Level C)	14	1	0	0	13	2	0	1	31
Highly Skilled Supervision (Level D)	1	2	1	0	7	0	1	0	12
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
Grand Total	44	8	1	0	38	3	1	1	96
Employees with Disability	0	0	0	0	0	0	0	1	1



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

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© Parliament of the Republic of South Africa

Tel: (021) 403 2911

Fax: (021) 403 8219

Email: info@parliament.gov.za

Postal Address: P O Box 15, Cape Town, 8000

Physical address: Parliament Street, Cape Town

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



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