



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

ANNUAL REPORT

2021 - 2022

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OF THE REPUBLIC OF SOUTH AFRICA

PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA ANNUAL REPORT FOR THE 2021/22 FINANCIAL YEAR

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

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OF THE REPUBLIC OF SOUTH AFRICA

SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY

Hon. N.N. Mapisa-Nqakula, Speaker of the National Assembly and
Hon. A.N. Maseko, Chairperson of the National Council of Provinces,

I am pleased to submit the Annual Report of the Parliament of the Republic
of South Africa, for the 2021/22 financial year.

Mr Xolile George
Secretary to Parliament

31 August 2022

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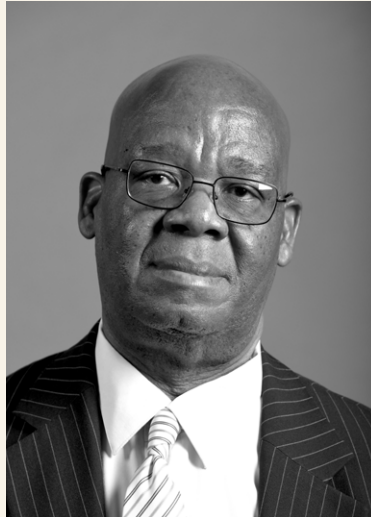
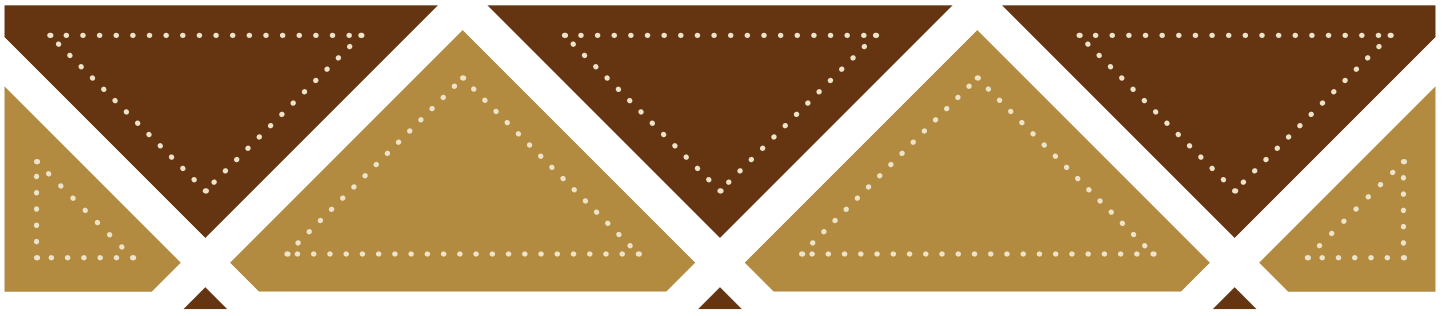
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List of abbreviations

APP	Annual Performance Plan
FMPPLA	Financial Management of Parliament & Provincial Legislatures Act, 2009
HR	Human Resources
ICT	Information and Communication Technology
MP	Member of Parliament
NA	National Assembly
NCOP	National Council of Provinces
PBO	Parliamentary Budget Office
PDOs	Parliamentary Democracy Offices
PC	Portfolio Committee
SC	Select Committee
PAP	Pan-African Parliament
SADC PF	SADC-Parliamentary Forum
IPU	Inter-Parliamentary Union
CPA	Commonwealth Parliamentary Association
ACP-EU JPA	African, Caribbean, and Pacific-European Union Joint Parliamentary Assembly
WTO	World Trade Organisation
NAM	Non-Aligned Movement



EXECUTIVE AUTHORITY STATEMENT

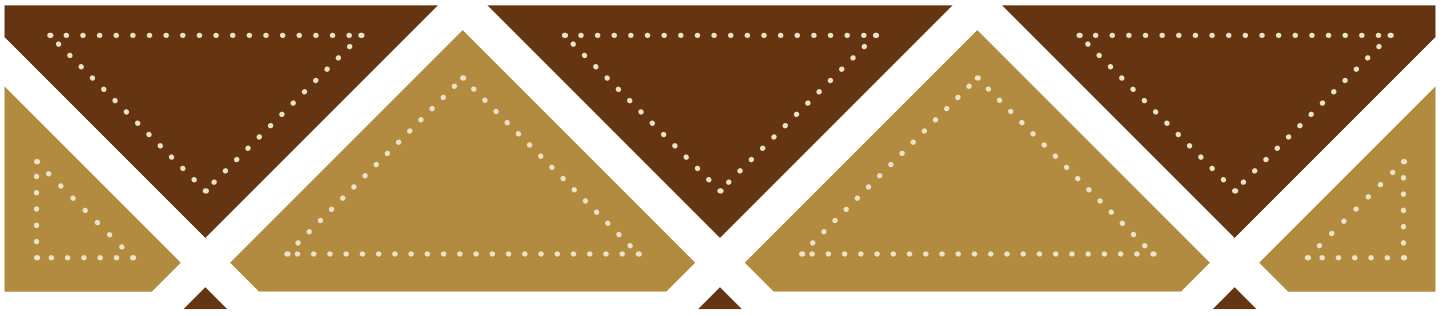
The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, requires the Executive Authority to table the institution's annual report, including the audited financial statements for that financial year, the audit report on those statements, and the annual performance report. This Annual Report for the financial year 2021/22 is tabled in accordance with the requirements of the Act.

The last few years have shown us how interconnected and vulnerable our world is. The Covid-19 pandemic brought about an unparalleled calamity in our society, adversely affected South Africa's healthcare systems, impacted negatively on economic growth, and increased unemployment. The 2021/22 financial year was significantly impacted by the 3rd and 4th waves of the SARS-CoV-2 virus, which necessitated several different levels of lock-downs, and related health measures.

The vaccination programme launched by government in February 2021 provided us with renewed hope and determination to conquer the pandemic and other related challenges, and to ensure we regained lost ground in the fight for a better life for all. Whilst adjusting to the new normal, brought about by the Covid-19 pandemic, our Parliament used the opportunity to bring on board several technologies to facilitate the proceedings of Parliament, and to also make proceedings far more accessible to ordinary people. Committee meetings and plenaries were streamed live, and became more available on the parliamentary media channels. In turn, this digital revolution afforded Parliament the chance to increase its overall effectiveness and efficiency.

Despite the potential that the digital era and technology may bring, there are also significant risks to our society. Recent years have shown how the social threats of misinformation and political polarisation, work against our efforts of deepening democracy, nation building and social cohesion. The revised National Development Plan indicates that a renewed social compact is necessary to mobilise support for the plan, promote active citizenry in implementation, and encourage strong leadership in all sectors of society, to work together and solve problems. For this a broad and functional social compact must be established, based on trust and a strong accountability chain in government and society, where all leaders are held to account.

It is here where the role of Parliament becomes imperative to our democracy. The Constitution confers the powers on Parliament to represent the people and to ensure responsive and accountable government, through its main functions of passing legislation and holding the executive to account. Our Parliament provides the constitutional platform for elected representatives to meet, and to deliberate on means and ways to solve our national challenges. Members of Parliament represent the interest of our people in the decisions and actions of government. The rules



of Parliament provide for democratic and participatory forums where Members can put forward their views, debate policy matters, decide on the appropriateness of government plans, and hold the executive branch accountable for their actions.

The 6th Parliament resolved that strengthening oversight over the Executive is the main policy priority for this term. Implementing this policy priority will require more time for committee oversight work, deeper scrutiny of executive action, and enhanced public involvement in Parliament. It will also require that we implement technology enabled processes, ensure programmes to deliver the necessary skills and capacities, and improve research and information services provided to Members of Parliament.

In January 2022 large parts of the National Assembly and Old Assembly buildings were damaged in a fire incident. Parliament lost a revered space where Members of the National Assembly have met since our first democratic election in 1994. What was lost in the fire went beyond mere bricks and mortar. The fire incident also aggravated the spatial constraints already limiting parliamentary operations, and will put even more pressure on the institution's budget as work begins to restore and rebuild the facilities. Despite this great loss, Parliament continued to provide the constitutional platform for elected representatives to perform their functions. The Houses continued to hold debates, passed legislation and put questions to the Executive to ensure oversight of service delivery. For the first time, the State of the Nation Address was held at a venue outside the parliamentary precinct.

The legislative programme continued, and included the passing of 20 Bills in this period. As part of its legislative work, Parliament passed the national budget, which included financial relief for those in need. Three bills, focused on addressing the scourge of gender based violence, were passed unanimously, signalling a united front for the eradication of violence against women, across all parties. Committees also remained a hub of activity throughout the year, with more than 1200 meetings being held, tackling various matters of national importance including budget considerations, monitoring the implementation of programmes, as well as recommending public appointments. The year also saw a slow return to our international engagement activities, with several achievements in this regard. Parliament, through the National Council of Provinces, also approved government interventions in local government.

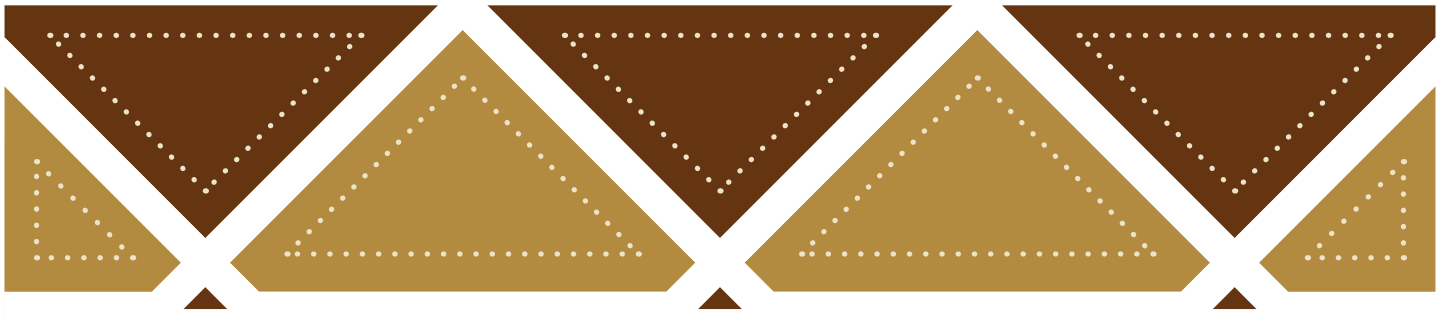
In 2021 we celebrated the 25th anniversary of the Constitution and its enactment as the supreme law of our country. It was a timely reminder of our hard fought freedoms, and our resolve to heal the divisions of the past and to establish a society based on democratic values, social justice and fundamental human rights.

Our Parliament continues to uphold these values and prescripts as it passes legislation, scrutinizes executive action, and ensures government by the people under the Constitution

Ms Nosiviwe Nolutando Mapisa-Nqakula
Speaker of the National Assembly

Mr Amos Masondo
Chairperson: National Council of Provinces





ACCOUNTING OFFICER'S STATEMENT/ REPORT

The Financial Management of Parliament and Provincial Legislatures Act, 10 of 2009, requires that the Accounting Officer prepare an annual report for each financial year to provide a record of the activities and performance of Parliament, based on the annual performance plan. The annual report must also include the audited financial statements, and the Auditor-General's audit report. This reports sets out the financial and performance information for the 2021/22 financial year.

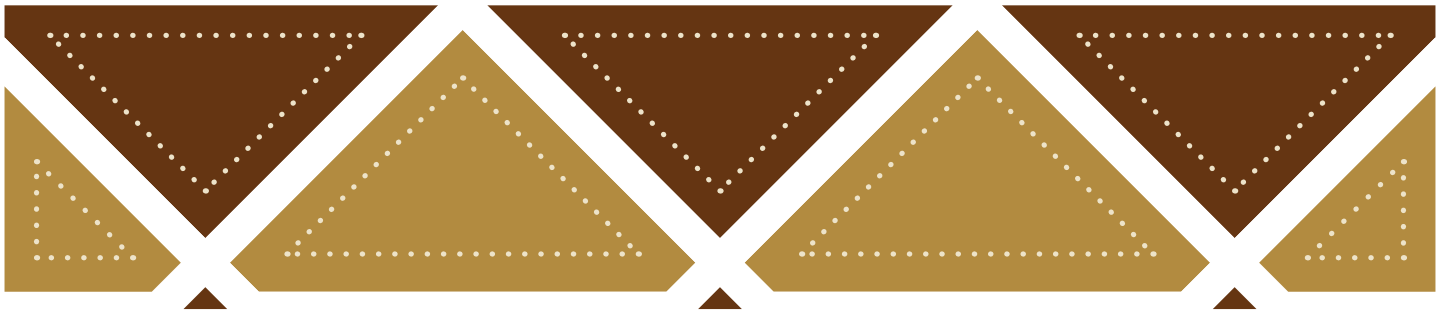
Unlike previous years, the 2021/22 financial year was extensively impacted by the 3rd and 4th waves of the Covid-19 pandemic, and an outbreak of fire which damaged large parts of the National Assembly building complex in January 2022.

As a consequence of the Covid-19 measures implemented in March 2021, Parliament was forced to adopt technology swiftly, with most Members and staff working remotely as virtual and hybrid proceedings were implemented. Although this new way of working posed several challenges in the beginning, it also brought about the opportunity for the institution to import modern technology and systems, and to upgrade existing skill sets. This turn of events is allowing Parliament to re-think its future business model, change business processes and ensure greater access to information. Parliament will need to continue adopting modern technology, ensuring that the institution takes advantage of these opportunities.

The fire in January 2022 damaged large parts of the National Assembly complex included the main chamber for the House; several large and medium-sized committee rooms; offices for the Presiding Officers, Members and staff; restaurant facilities; underground parking and several storage areas. The adjacent Old Assembly building, including the link buildings, were also affected. This resulted in Parliament utilising alternative facilities to host activities of joint sittings and sittings of the National Assembly. Whereas management envisaged a post-Covid return to normal parliamentary operations by the middle of 2022, the fire damage necessitated continued use of the current hybrid model to carry out the activities and functions of Parliament.

Despite the significant impact of the Covid-19 pandemic and the fire incident, operational performance remained stable. Parliament continued with its constitutional functions, and the Parliamentary Service attained good overall performance. We also achieved another clean audit outcome. Measured against the severe and negative impacts of both the pandemic and the fire incident, this is a tangible achievement in the face of much adversity.

This reporting year brings with it changes to how Parliament measures its performance, with an emphasis on the satisfaction of Members of Parliament with services provided by the Administration. Indicators reflected in the institutional performance plan now focus on the services and outputs delivered to support Members in executing their functions in an effective and efficient way. Indicators of a more operational nature, such as activity and input indicators, are housed in Operational Plans.



This brings Parliament in line with best practices adopted in general service industries, allowing the institution to gauge its performance against other public institutions and related private organisations.

For 2021/22 the administration achieved and exceeded the targets set for all indicators measured in the Annual Performance Plan. Members of Parliament rated priority services provided by the administration as accessible, timely, reliable, fair, and useful. The overall level of Member Satisfaction (client satisfaction) for 2021/22 was 78,7%. This compares favourably against the general client satisfaction index for South Africa, last measured at 75%. This was achieved notwithstanding that, the Covid-19 pandemic and fire incident severely disrupted existing workplace policies and practices.

As a consequence, the institution will need to develop a new business model, align its structure and resources to the strategy, and develop new workplace policies and practices. The 2020 Inter-Parliamentary Union report on technology indicated that the way parliaments work has now changed. Remote working practices, greater reliance on cloud-based tools, and digital solutions have placed ICT at the centre of parliamentary operations. It recommends that parliaments permanently amend their regulations to function seamlessly, unconfined to a single physical location; continue or expand flexible participation for Members and the public, particularly in committees; proactively maintain and adapt efficiency gains; approach ICT more holistically through an institution-wide digital strategy; develop flexible work arrangements for staff and remote participation for members; and promote inter-parliamentary collaboration to accelerate innovation, share good practices and increase mutual support between parliaments.

In addition, and as a direct result of the pandemic, Parliament's budget baseline has been adjusted downward for the 2021/22 to 2023/24 Medium-Term Expenditure Framework. The low growth forecast for South Africa and higher than usual inflation levels are impacting directly on the budget of the institution. This will mean that the funding of the 6th Parliament's strategy becomes challenging, requiring cost reductions, cutting of non-essential expenditure, and reprioritisation of funding and resources.

The extraordinary events that unfolded in the last 24 months, including the Covid-19 pandemic and the fire incident, have shown how external and internal events can affect the business of Parliament. But it also displayed the astonishing resilience and capability of the institution in distress – especially that of leadership and the human resource complement.

The 2021/22 financial year will always be remembered as the year when Parliament faced significant external and internal challenges, and where its people, both Members and staff, rose to the occasion successfully.

Mr X George
Secretary to Parliament



1

GENERAL INFORMATION



1. GENERAL INFORMATION

The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, directs the strategy formulation and execution for the institution. It requires the development of a 5-year strategic plan, which is executed through the annual performance plan and budget. Following each financial year, the Accounting Officer is required to report institutional performance and financial information, as set out in the Act. This annual report reflects on Parliament's performance and financial information for the financial year of 2021/22.

Parliament adopted an integrated strategic management framework in 2018, setting out the strategy development process. The strategic management framework is based on universally accepted best practice in the strategic management sphere, and directs the planning process in Parliament. The framework is based on the vision, mission and values of the institution. The framework consists of two main elements: strategy formulation and strategy execution. Strategy formulation consists of environmental scanning, strategy formulation and goal setting. Strategy execution consists of implementation programmes and initiatives, the required organisational structures, resource allocation, and monitoring and evaluation.

1.1. Introduction

Following the elections in May 2019, the Executive Authority of Parliament directed a process whereby representatives of the National Assembly and the National Council of Provinces participated in the development of policy priorities for the sixth Parliament. Planning sessions were conducted for both Houses, after which policy priorities were identified jointly. This political policy direction informed the development of a draft strategic plan under the leadership of the Accounting Officer. The strategic plan outlines the long-term impact of Parliament and the medium-term outcome for the 6th Parliament, 2019 to 2024.

The Constitution envisages, amongst others, improving the quality of life of all citizens, and freeing the potential of each person. Moreover, our country's National Development Plan (NDP) outlines government's masterplan for the improvement in the quality of life of all our people, by 2030. In so doing, the plan reflects key measures and objectives to increase employment, eradicate poverty and reduce inequality. Parliament therefore regards improving quality of life as a fundamental focus in the development of our democracy and has adopted it as the ultimate societal impact for South Africa. The challenge for Parliament is to ensure that government delivers on the objectives and targets of the National Development Plan.

Against this backdrop, Parliament determined its 2024 outcome of increasing government's responsiveness and accountability. To do this, Parliament will need to strengthen its oversight over the Executive. Stronger oversight will require deeper insights and scrutiny, and more effective public involvement. As Parliament responds to this opportunity, it will more effectively fulfil its constitutional mandate, improve government's responsiveness and accountability, improve the pace and quality of service delivery, and build the trust of the people. In this regard Parliament's administration will focus its attention on effective and improved support to all Members of Parliament.

1.2. Mandate of Parliament

1.2.1 Legislative mandate

The mandate of Parliament derives from the Constitution of the Republic of South Africa, 1996, establishing Parliament and setting out the functions it performs. Parliament's role and outcome are to represent the people and ensure government by the people, under the Constitution, as well as to represent the provinces and local government in the national sphere of government. The mandate and functions of Parliament are based on the following legislation:

Constitution of the Republic of South Africa, 1996;

- Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, Act 4 of 2004;
- Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009;
- Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009;
- National Council of Provinces (Permanent Delegates Vacancies) Act, Act 17 of 1997;
- Determination of Delegates (National Council of Provinces) Act, Act 69 of 1998;
- Mandating Procedures of Provinces Act, Act 52 of 2008; and
- Remuneration of Public Office Bearers Act, Act 20 of 1998.

1.2.2 Business of Parliament

The strategic outcome, budget programme structure and the organisational structure of Parliament are predicated on the business of Parliament, as set out in the Constitution. The Constitution is the supreme law of the Republic and lays the foundations for a democratic and open society in which government is based on the will of the people, and where every citizen is equally protected by law. It stipulates the values and mechanisms of governance for our uniquely people-centred democracy.

The Constitution sets a single, sovereign democratic state where government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. On the national sphere, government is effected through Parliament, the Executive and the Judiciary. In the Republic, the legislative authority of the national sphere of government is vested in Parliament, the executive authority is vested in the President, and the judicial authority is vested in the Courts. Parliament represents the people and provincial interests in order to ensure government by the people, under the Constitution. Such representation takes place in the activities of passing

legislation, overseeing and scrutinising executive action, and the facilitation of public involvement, co-operative government and international participation. Although these processes are somewhat distinct in their nature and operation, they are also interconnected and interrelated.



Figure 1: The interrelatedness of Parliament's functions

(Practical guide for Members of Parliament and Provincial Legislatures, 2019, Legislative Sector of South Africa)

Since the establishment of the 1st democratic Parliament in 1994, each term of the legislature was characterised by a unique emphasis and focus. The focus of each term was dictated by the national agenda and the subsequent role required of Parliament. The 1st and 2nd Parliaments focussed on legislation, directing their efforts at repealing apartheid legislation and introducing transformational laws to create an environment that is conducive to the entrenchment of democracy.

Oversight and Accountability, Public Involvement and Law-Making remain the key pillars of Parliament's constitutional mandate.

Adopting mechanisms to strengthen oversight and accountability became the leading priority of the 3rd Parliament. This resulted in the development of the Oversight and Accountability Model, and the adoption of the Money Bills Amendment Procedure and Related Matters Act. The effect of these new processes and capacity is now evident in Parliament's budget recommendations to the Executive, thereby increasing the responsiveness and accountability of government.

The 4th Parliament adopted an activist orientation to its work. In this term the legislative sector developed a Public Participation Framework for Parliament and Provincial Legislatures. This framework guides Parliament's response to the expectations of the public, and demands greater participatory democracy. Both the 4th and 5th Parliaments built on the work of previous Parliaments, and concretised instruments to strengthen oversight and accountability. This included the development of processes and capacities to implement the Money Bills Amendment Procedure and Related Matters Act, and the Financial Management of Parliament and Provincial Legislatures Act.

Since 1994, each Parliament performed its required functions, whilst also focussing on a particular priority in order to build capacity and facilitate transformation and change in society. It affirms the interrelatedness of the functions of Parliament, and how these operate collectively to establish the desired outcome.

1.2.3 Framework for planning

To understand the relationship between resources, functions and deliverables better, the institution uses the logical framework approach to identify links between inputs, activities, outputs, outcomes and impacts.

Accordingly, inputs relate to Parliamentary Services such as advisory and information services, Member capacity building programmes, and facilities and support services used by Members to perform their daily activities. These activities include the passing of legislation, overseeing and scrutinising executive action, the facilitation of public involvement, functions around co-operative government and international participation. These activities are mainly constituted as plenaries, committee meetings and the work performed in constituencies and on international platforms.



The ensuing outputs of Parliament include Bills, budget recommendations, appointment recommendations, approved international agreements, approved government interventions and other resolutions of Parliament.

The outcome of Parliament is orientated to ensure open, responsive and accountable government.

PARLIAMENT	RESULT
Impact	Improve quality of life: <ul style="list-style-type: none"> Eliminate income poverty Reduce unemployment Reduce inequality
Outcome	<ul style="list-style-type: none"> Long-term: Deepened democracy Intermediate: Accountable government Immediate: Strengthened oversight and accountability Enhanced public involvement Deepened engagement in international fora Strengthened co-operative government Strengthened legislative capacity
Outputs	House resolutions: Bills, approved international agreements, appointment recommendations, approved interventions, resolutions
Activities	<ul style="list-style-type: none"> Houses: Plenaries Committees: Committee meetings Constituencies: Constituency office representation
Inputs	<ul style="list-style-type: none"> House: Advisory and information services, Members' support services. Committees: Procedural and legal advice, analytical and content advice, research, records, public education, communication, media, meeting room preparation, catering, security. Constituencies: Transfer payments for constituency work.

Table 1. Framework linking inputs, activities, outputs, outcomes and impacts of Parliament



1.3. VISION, MISSION & VALUES

Vision

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

Mission

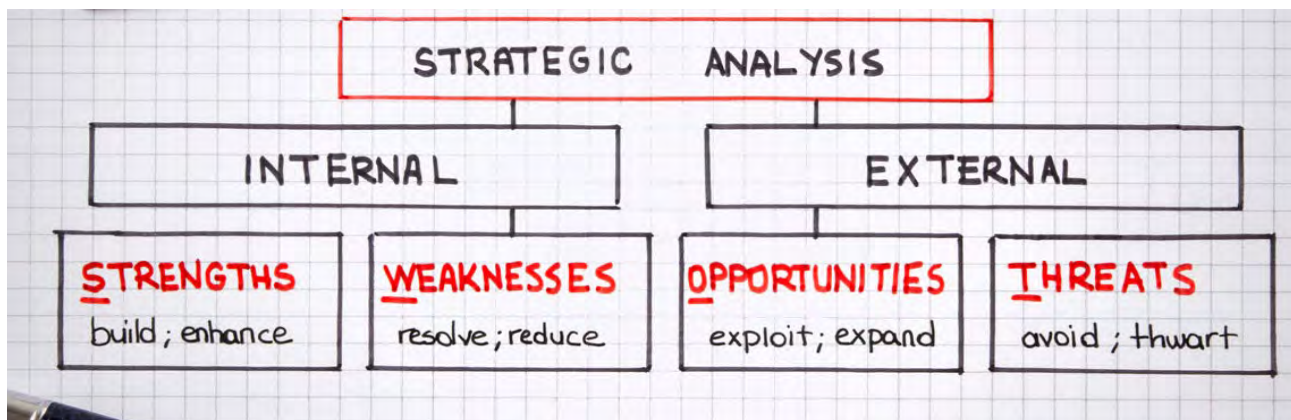
To represent the people, and to ensure government by the people in fulfilling our constitutional functions of passing laws and overseeing executive action.

Values

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

1.4. UPDATE ON THE SITUATIONAL ANALYSIS RELEVANT TO PARLIAMENT

A comprehensive environmental scan and situational analysis of Parliament’s external and internal environment is conducted every year as a part of the institutional strategic planning process. A summary of the key external and internal issues impacting Parliament’s strategy are listed below.



1.4.1. The external environment

The work of Parliament is influenced by several developing trends within the global, continental and national contexts, including the effects of evolving democracies, emerging contestations, geo-political tensions, uneven global economic growth, increased expectations and demands, changing forces in global governance, and societal risks such as pandemics.

The global economy appears far weaker than previously expected. As the world emerges from the 2-year long Covid-19 pandemic, several other risks to growth and development are taking centre stage. Geo-political tensions in east Europe and a slump in China's property market are but some of the factors triggering rising energy prices, supply disruptions, and higher inflation in several countries. The external environment remains fraught with risk, and very few respondents of a 2022 World Economic Forum survey are optimistic about the near future. (The Global Risks Report 2022, 17th Edition, 2022). The global economy was projected to grow by 5.5 percent in 2021, and by 4.4 percent in 2022 (World Economic Outlook, IMF, Jan 2022). Recovering from the 2-year long Covid-19 pandemic remains the overriding objective in most economies. With vaccination programmes progressing steadily, the world might move to an endemic phase by 2023, providing more hope for the next few years. But several risks pose a threat to economic recoveries including new Covid variants, the rise in inflation, energy volatility, debt levels, major natural disasters, and the rise of geo-political tensions.

In South Africa, the Covid-19 pandemic caused an unparalleled disaster in society. Since the start of the pandemic in South Africa (March 2020), more than 3,68 million people were infected, with some 99 000 fatalities (www.gov.za, 07 March 2022). A 5th wave occurred at the end of May 2022, but was lower than previous waves due to acquired immunity and the roll-out of the national vaccination programme - with almost 32 million doses given by March 2022.

As a result, the medium-term economic outlook for South Africa has been revised down, with economic growth averaging 1.8 percent over the next few years. The 2022 Budget Review (Feb 2022) estimated GDP growth of 4.4 percent in 2021. Structural constraints have reduced potential economic growth for the past decade and remain an impediment to the recovery. During 2021, the economic effects of the pandemic – lost jobs and delayed investments – were exacerbated by inadequate electricity supply, with the highest levels of load-shedding to date. The initial recovery in economic growth during 2021 was not matched by higher employment or investment, and the slow take-up of vaccinations leaves the country vulnerable to new waves of Covid-19 infections. Real GDP growth of 2.1 per cent is projected for 2022, and growth is projected to average 1.8 per cent over the next three years.

Several of South Africa's challenges can only be addressed through improved international and regional co-operation. The World Economic Forum (March 2020) indicated that the coronavirus pandemic was not an outlier, but that it is part of the new normal – our interconnected and viral world. Epidemics will become more common with an increasingly connected world. These social risks will require more and better collaboration and cooperation on international and regional levels. But this is also so for many other issues which contains risk to development. Global risks such as infectious diseases, climate action failure, extreme weather patterns, biodiversity loss, geo-economic confrontation, debt crises, trade barriers, cyber security failures, and natural resource crises will all require greater co-operation and collaboration.

Despite a number of progressive initiatives, the main challenges of poverty, unemployment and inequality persist, and the impact of the Covid-19 pandemic erased some gains made in the last two decades. South Africa's unemployment rate in the fourth quarter of 2021 increased by 0,4 of a percentage point to 35,3 percent (StasSA). For the first time since 2006, poverty levels started to rise again (StatsSA, 2017). Although the human development index in South Africa has seen a slight increase, from 0.638 in 2010, to 0.666 in 2015 (UNDP, 2016), the Gini coefficient remained high at 0.68 (2015), indicating the extreme levels of inequality in society.

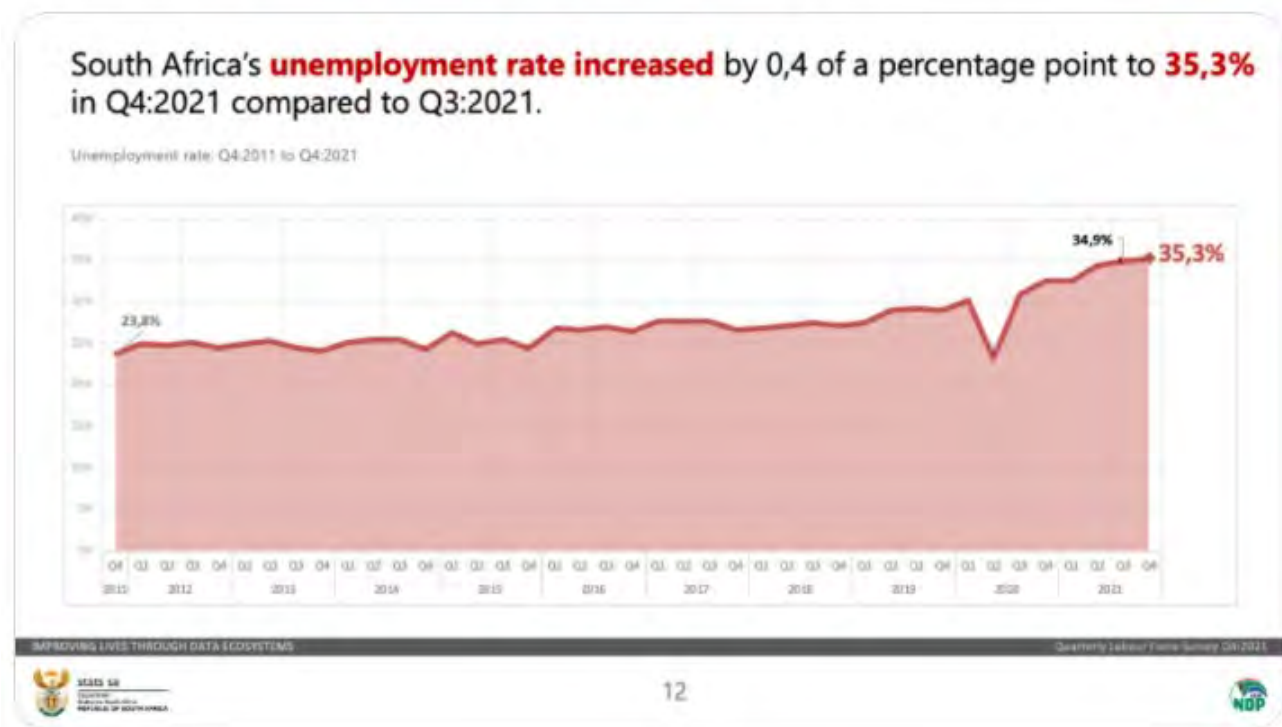


Figure 2: Unemployment in South Africa. StatsSA, Mar 2022.

As recognised in the 25-year review (Towards a 25 Year Review, 2019), unemployment remains the largest contributor to poverty in South Africa.

'Between 2006 and 2015 poverty rates fell among both economically active and economically inactive people, albeit at differing rates. In this period those who were economically active experienced a fall in the rate of poverty from 27.3 percent to 20.5 percent, whilst the rate of poverty among those economically inactive fell from 57.7 percent in 2006 to 46.3 percent in 2015. The poverty headcount, which indicates the proportion of people living below the food poverty line, declined from 28.4% in 2006 to 21.4% in 2011, but increased to 25.2% in 2015. The proportion of the population living below the upper bound poverty line declined from 66.6% in 2006 to 53.2% in 2011, but increased to 55.5% in 2015. While poverty levels declined between 2006 and 2011, they increased over the period 2011 to 2015.'

Inequality in South Africa has remained high (measured by the Gini coefficient) at 0.68 (2015).

'Today, South Africa is the most unequal society in the world. The measurement commonly used for inequality, the Gini coefficient, shows that between 1996 and 2001, inequality increased from 0.68 to 0.7314, and decreased from 0.72 to 0.68 between 2006 and 2015. This shows a fluctuation of inequality, but overall over the period it remained stubbornly high.' (Towards a 25 Year Review, 2019)

Socially, South Africa has seen a rapid increase in the rate of urbanisation, with more than 65% of its population being classified as urban by 2016. Rapid urbanisation, a global phenomenon, is aided by increased migration due to certain pull and push factors. The last two decades saw a great increase in mobility, technology, transport and other infrastructure supporting the current waves of migration.

The social trends in South Africa are also influenced by technology today, especially social media. ICASA reported 91 percent smartphone penetration by 2019. This demonstrates the rapid evolution seen in technology and access to information. Today, social media and communication media are becoming platforms for public discourse. Of the total population of 55 million people, some 28 million are accessing and utilising the internet (Qwertydigital, 2017), with

mobile phones accounting for 87 percent of web-traffic. Some 15 million users make use of social media platforms, and 13 million users do so purely from mobile phones.

On a political level, contestation has seen a marked increase since 1994, with both inter and intra party competition playing itself out on the national stage. Political parties contesting the national elections in South Africa increased from 19 in 1994, to 48 in 2019. Globally, the political landscape for many states has seen dramatic changes in the last few years, sometimes with sudden and unexpected changes. The recent emergence of political populism, anti-establishment sentiments, heightened nationalism, and increased protectionism may intensify risks and work against global economic co-operation and multilateralism.

In spite of the increased contestation, there appears to be broad consensus on the main challenges facing South Africa – poverty, unemployment and inequality. The National Development Plan (NDP, 2012) outlines these challenges in more detail. It also sets out measures and objectives to increase employment and income, ensure skills development and broaden ownership to include historically disadvantaged groups. It intends to increase the quality of education, provide access to affordable, quality health care, and provide safe and affordable public transport. It further seeks to give security of household food, nutrition and housing, and to provide social protection for the poor and other groups in need, such as children and persons with disabilities. The plan also outlines steps for the realisation of a developmental, capable and ethical state that treats citizens with dignity. In terms of the principles of a developmental state, public administration must be governed by the democratic values and principles enshrined in the Constitution.

To achieve these impacts, the NDP requires that South Africa must build a capable developmental state able to respond to the needs of the people. To achieve the aspirations of a capable developmental state, the country needs a transformative Parliament that acts as an agent of change which ensures acceleration of delivery. It must enhance oversight and accountability, stabilise the political administrative interface, professionalise the public service, upgrade skills and improve co-ordination. It also needs a more pragmatic and proactive approach to managing the intergovernmental system to ensure a better fit between responsibility and capacity.

Nationally, several weaknesses remain in the accountability chain, with a general culture of blame-shifting. The accountability chain has to be strengthened from top to bottom, with a strong focus on strengthening oversight and accountability. Parliament needs to provide a forum for rigorous debate and champion the concerns of citizens. It needs to scrutinise legislation, paying particular attention to how legislation will impact on society, and seek to increase the quality of life. It needs adequate support in the form of generation, collation and analysis of data sets, specialist policy and research staff that are able to conduct both issue- or action-orientated research, and in-depth research to support parliamentary committees and brief parliamentarians. (NDP, 2012).

Recent information indicates that accountability in South Africa is slowly improving. This is a positive and important development, as the main purpose of Parliament and other organs of state are to ensure open, responsive and accountable government (IIAG 2020). The imperative to strengthen oversight and accountability, in the state as a whole, will require more openness, transparency, collaboration, and more rigorous scrutiny and investigation. Greater accountability will require more ethical leadership, openness and transparency, and a sense of responsibility beyond control. Recent governance failures, in both the private and public spheres in South Africa, demonstrated how accountability and governance can be eroded causing knock-on effects in service delivery, diminishing returns and a collapse in equity value.

Technologically speaking, we find ourselves in the midst of the greatest information and communications revolution in human history. This trend is driven by the exponential growth and development in digital technologies – also known as the 4th industrial revolution. Globally, more than 40 percent of the world's population has access to the internet, with new users coming online every day. Among the poorest 20 percent of households, nearly 7 out of 10 have a mobile phone. The poorest households are more likely to have access to mobile phones, than to toilets or clean water. (World Bank, 2016).

With growing access to technology, information and social media, society's expectations of Parliament are changing fast. The public today expects ready access to Parliament, just as it has to commercial brands. It wants to receive information, have access to transact, and make real contributions that can influence the outcome of legislation. Although businesses and people are adopting digital technology fairly swiftly, governments are not. This is also the case for parliaments. The 2018 World e-Parliament Report (IPU) indicated that parliaments did not tend to be early adopters of new technologies. In fact, they were lagging behind in adopting digital tools, social tools and open data. However, since March 2020 the Covid-19 pandemic lock-down measures compelled parliaments to rapidly adopt technology into business processes. Virtual meetings and plenaries became the order of the day, including virtual voting. (Inter-Parliamentary Union innovation tracker, Dec 2020). This disruptor will have a lasting impact in the way Parliament conducts its business.

1.4.2. Intermediate environment

Public pressure on parliaments is greater than ever before. In many parts of the world there are fundamental questions about the effectiveness of parliaments in holding governments to account. Globally, parliaments are facing three dominant pressures today (IPU, 2012). Each of these are playing out in different ways, at different speeds, and in specific countries and regions. The three common themes relate to the public's desire for:

- a) more information and influence in parliamentary work,
- b) more accountability and responsiveness to public concerns, and
- c) faster service and delivery to meet citizens' needs.

The outcomes required around oversight and accountability can only be achieved through more meaningful co-operation by legislatures. In South Africa, the legislative sector brings together representation of legislatures on the national, provincial and local level. It seeks to better co-ordinate work around mutual goals, and to harness scarce resources in a more efficient way. Sector co-operation around oversight and public involvement can ensure more responsive and accountable government at all levels, including better co-operation in the delivery of services.

Several service providers form part of the value chain in Parliament – disruptions in these services may influence its operations. Although the parliamentary administration is a service-based organisation that delivers primarily through human resources, certain service providers are key to institutional performance and operations.

1.4.3. Internal environment

The Covid-19 pandemic brought about a new way of working in Parliament. As a consequence of the Covid-19 measures, Parliament was forced to adopt technology swiftly, with most Members and staff working remotely. Modern technology and systems allows the organisation to re-think its future business model, change business processes and ensure greater access to information. The opportunities offered by the 4th industrial revolution hold enormous potential to solve certain key issues, and to unleash greater effectiveness of Parliament. Parliament will need to continue adopting modern technology, ensuring that the institution take advantage of these opportunities.

Adapting to an increasingly uncertain world is key to the institution's success. In early January 2022, large parts of the National Assembly and Old Assembly buildings were damaged by fire. This resulted in Parliament utilising alternative facilities to host activities of joint sittings and sittings of the National Assembly. Whereas management envisaged a post-Covid return to normal parliamentary operations in 2022, the fire damage necessitated a prolonged use of the current hybrid model to carry out the activities and functions of Parliament. The extraordinary events that unfolded in the last 24 months, including the Covid-19 pandemic and the fire incident, have shown how external and internal events can affect the business of Parliament. But it also displayed the astonishing resilience and capability of the institution in distress – especially that of leadership and the human resource complement.

Despite the impact of the Covid-19 pandemic and the fire incident, operational performance remained stable. The 5th Parliament introduced the concept of stakeholder management with regular client satisfaction surveys in order to improve service offerings and support to Members of Parliament. The surveys of 2021 indicated Members' satisfaction with services rendered by the Parliamentary Service. The average satisfaction level for these key services supporting the 6th Parliament strategy was 78,7%. This compares well to the average client satisfaction for overall services in South Africa, which was at 75% (SA CSI, 2019).

The steady increase in highly skilled and professional services is due to Parliament's requirements for knowledge and information skills. It is estimated that by 2030 almost 80 percent of employees in Parliament will be knowledge workers - highly skilled and professional employees, including legal, procedural and content advisors, researchers and analysts, and various subject matter experts. This also means that the conditions of service and working environment will need to change to accommodate knowledge workers.

The Covid-19 pandemic has severely disrupted existing workplace policies, systems and practices. In recent months, management started to question the effectiveness of existing policies and management practices in ensuring productivity in the new way of working. Under the prevailing lock-down measures certain components improved performance, using less people and resources. Other segments of the staff compliment were unable to perform normal duties. This mostly applied to services attached to the parliamentary precinct, and the physical presence of Members. In both cases the management practices used to direct and control workers seems ineffective under the new conditions. The situation raises two questions:

- a) Is the present way of doing business a sign of the future way of work? If so,
- b) How do we realign processes, resources and practices to become effective and efficient?

As a direct result of the pandemic, Parliament's budget baseline has been adjusted downward for the 2021/22 to 2023/24 MTEF. The poor economic performance and the subsequent low growth forecast for South Africa will impact Parliament directly as a result of continued fiscal consolidation and budget reductions. The budget baseline of Parliament has been reduced. The following budget reductions were made:

- R 256 million in 2021/22,
- R 338 million in 2022/23, and
- R 296 million in 2023/24.

This will mean that the funding of Parliament's strategy becomes challenging, requiring cost reductions, cutting of non-essential expenditure, and subsequent reprioritisation of funding and resources.

Moving forward, a new institutional business model and structure will be required to ensure effectiveness and efficiency. Following the tabling of the Policy Priorities and the Strategic Plan, the organisational structure must now be aligned to the new strategy. Three key areas require realignment including Parliament's overall business model, the support services operating model, and the re-engineering of business processes due to technology. The realignment process seeks to develop a new business model, align the structure to the strategy, and review the current structure.

1.4.4. Key constraints and assumptions

Certain key constraints will impact on the 6th Parliament's ability to implement its selected strategy, including the following:

Lack of, and aging physical facilities: The fire damage to large parts of the New Wing and Old Assembly buildings has compounded the challenges with regard to physical facilities. Alternative and temporary facilities will be needed for the National Assembly chamber, and offices for Members and support staff. The parliamentary precinct is now under serious strain, and facilities require renovation and modernisation. During 2020 and 2021 Members and staff were required to work from home, with many not having ready access to fibre, work tools, ergonomic furniture and home office support.

The impact of Covid-19 on the business and budget of Parliament: The full long-term impact of the Covid-19 virus remains unknown. But the immediate impact became clear through business closures, negative economic growth, and severe strain on health care systems. Closer to Parliament, the institution had to rapidly adopt technology in its business processes, change the way in which work is performed, and accommodate large budget reductions. It also disrupted certain work, brought about health and security threats, and created process and resource constraints.

Budget constraints: Economic growth is now expected to be low over the medium-term. The institution was already compelled to introduce a number of cost-containment measures for the last few years, with budget pressures now noticeable in almost all areas of work. The budget reductions of almost 10% for 2021/22 to 2023/24 will make the funding of Parliament's strategy challenging, requiring cost reductions, cutting of non-essential expenditure, and subsequent reprioritisation of funding and resources.

Unsustainable cost of the wage bill: The reductions in budget necessitated a freeze in respect of some positions in the organisational structure. However, this did not resolve the problem as the high cost of compensation continued to put pressure on the institutional budget.

Aging technological infrastructure: The fourth industrial revolution requires institutions to rethink information technology strategies. However, due to the budget constraint, Parliament finds it difficult to invest in modern technology.

Ability to execute change initiatives: Organisational climate surveys pointed out that the institution's ability to execute strategy may be impaired. However, the sudden changes required to work differently during the pandemic lockdown periods has shown the resilience of Parliament.

Failure of 3rd party service providers: The value chain in Parliament is supported by various service providers. A disruption in these services may adversely affect the work of Parliament.

1.5. Strategic priorities of the 6th Parliament

The Constitution requires that Parliament maintain oversight over the Executive to ensure government that is open, responsive and accountable. The development indicators contained in the 2019-2024 Medium-Term Strategic Framework (MTSF) enable Parliament, Provincial Legislatures and the public to monitor the overall performance of government, and thus the impact on society. Parliament's constitutional role of holding the Executive to account must be pronounced by the manner in which these development indicators are scrutinised and the Executive is required to account. The 2019-2024 outcome of Parliament is therefore orientated towards **ensuring responsive and accountable government**.

Parliament developed a strategy map to indicate the overall logic of its strategy execution. Using the elements of impact, outcomes, outputs, activities and inputs, the following logic of the strategy map can be constructed:

- Improving quality of life requires faster transformation and service delivery, thereby increasing employment, eradicating poverty and reducing inequality;
- Increasing the pace of service delivery will require a more responsive and accountable government;
- Greater responsiveness and accountability by the executive will require Parliament to strengthen oversight and involvement;
- Stronger oversight will require deeper scrutiny by committees, more effective public involvement and hearings, and more effective recommendations and resolutions by the Houses;
- In turn, deeper scrutiny by committees will require more time allocated for oversight activities, enhanced Member capacity to ensure effectiveness, deeper insights into issues at hand, and active involvement by the public in the form of various types of submissions;
- Changing these inputs will require an adjustment in the programme of Parliament; providing more effective programmes aimed at capacity-building; delivering more insightful research and analysis; providing the public with better information and access to participate; and improving the tracking and monitoring of Parliamentary business and Executive implementation.



Strategy map for the 6th Parliament *Strengthen oversight and accountability*

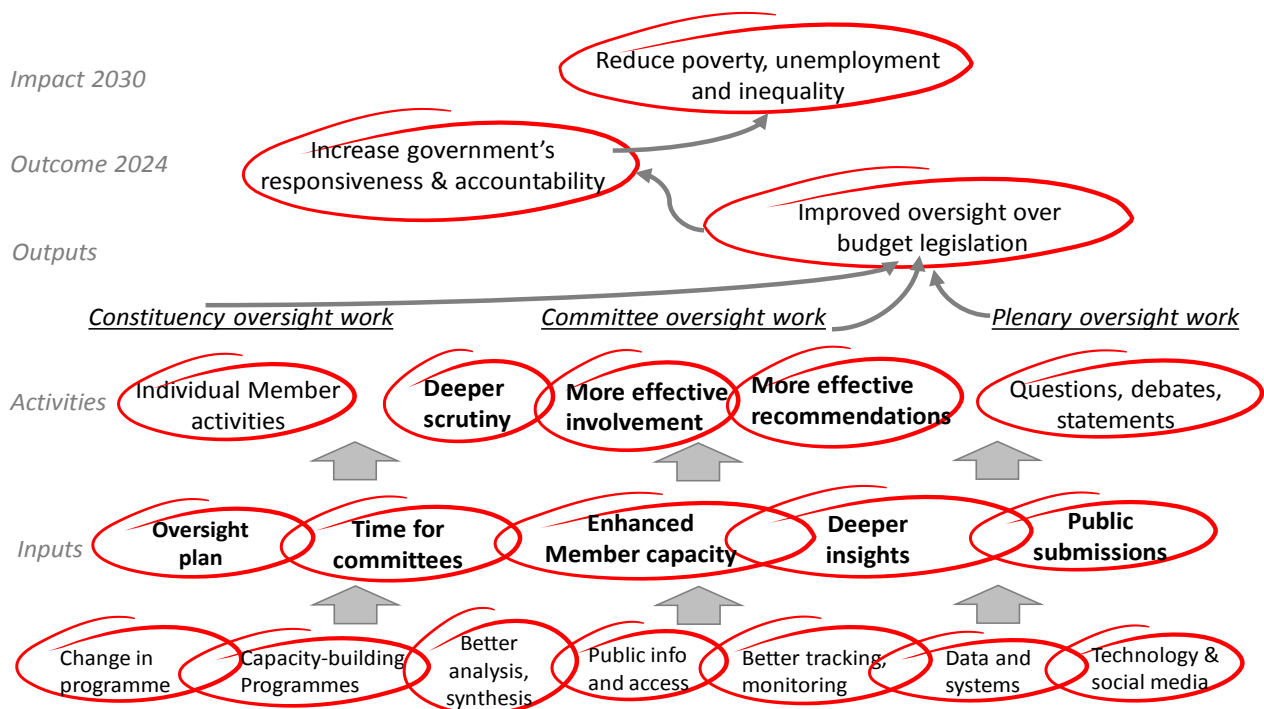


Figure 3: The strategy map for the 6th Parliament.

The strategy map developed during the 6th Parliament strategic planning process depicts the linkages between Parliament's impact, outcome, outputs, activities and inputs.



2

**PERFORMANCE OF
PARLIAMENT**
FOR THE 2021/22 FINANCIAL YEAR



2. PERFORMANCE OF PARLIAMENT FOR THE 2021/22 FINANCIAL YEAR

Despite the significant impacts of the fire incident and the Covid-19 pandemic, Parliament has managed to forge ahead and exercise its constitutional duties with renewed dedication and diligence during the 2021/22 financial year.

The National Assembly and the National Council of Provinces, through their Houses and committees, continued to adapt to the new technology-based way of working, while progressively phasing in the physical aspect of its business. Through increased physical work, Parliament continued to strengthen its interface with the people in pursuit of its law-making, oversight and public participation programme.

Physical oversight visits, public hearings, committee meetings and certain ad hoc meetings of Parliament increased this year compared to the previous year.



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

Figure 4: The performance of Parliament for the 2021/22 financial year.

PARLIAMENTARY PERFORMANCE 2021/22

20 Bills passed | **4342 Questions to Executive** | **27 Public Office recommendations** | **4 International agreements** | **10 Section 139 interventions**

National Assembly | **5 Joint sittings** | **National Council of Provinces**



- ◀ **84 Sittings** (36 virtual, 47 hybrid, 1 physical)
- ◀ **433 Oral Questions**
- ◀ **3049 Written Questions**
- ◀ **18 Debates**



- ▶ **45 Sittings** (41 virtual and 4 hybrid)
- ▶ **180 Oral Questions**
- ▶ **680 Written Questions**
- ▶ **33 Debates**



Committees

1217 Committee Meetings | **155 Public Hearings** | **46 Oversight Visits**

Public Participation via Multimedia Platforms



Twitter Followers
857 332



FaceBook Likes
91 452



YouTube Views
961 158
Subscribers 52 300



Instagram Followers
32 526



Website Users
1 094 571



Parliament TV
Broadcasts: 2 201
Live: 448

2.1. Legislation

Parliament's constitutional mandate of law-making was successfully executed during the reporting period. It passed 20 of the Bills that were introduced.

Key among the bills which Parliament passed during the period under review, were three bills to address gender-based violence and are aimed at enhancing the fight against the abuse of women and children. These included the Criminal and Related Matters Amendment Bill, the Criminal Law (Sexual Offences and Related Matters) Amendment Bill, and the Domestic Violence Amendment Bill.

The Bills passed during the 2021/22 period include the following:

- 1. Upgrading of Land Tenure Rights Amendment Bill**
[B6B-2020 (s76)] (Afr) (assented to 26 May 2021; GG 44649)
- 2. Correctional Services Amendment Bill**
[B32-2020 (s75)] (Afr) (assented to 26 May 2021; GG 44650)
- 3. Liquor Products Amendment Bill**
[B10B-2016 (s75) (with technical correction)] (Afr) (assented to 2 September 2021; GG 45179)
- 4. Division of Revenue Bill**
[B3-2021 (s76)] (isiXhosa) (assented to 24 June 2021; GG 44773)
- 5. Appropriation Bill**
[B4B-2021 (s77)] (Setswana) (assented to 6 July 2021; GG 44835)
- 6. Special Appropriation Bill**
[B5-2021 (s77)] (Sepedi) (assented to 24 June 2021; GG 44775)
- 7. Criminal and Related Matters Amendment Bill**
[B17B-2020 (s75)] (Afrikaans) (assented to 25 January 2022; GG 45822)
- 8. Criminal Law (Sexual Offences and Related Matters) Amendment Act Amendment Bill**
[B16D-2020 (s75)] (Afrikaans) (assented to 25 January 2022; GG 45823)
- 9. Domestic Violence Amendment Bill**
[B20D-2020 (s75)] (Afrikaans) (assented to 25 January 2022; GG 45824)
- 10. Second Special Appropriation Bill**
[B17-2021 (s77)] (Setswana) (assented to 16 December 2021; GG 45698)
- 11. Criminal Procedure Amendment Bill**
[B12B-2021 (s75)] (Afr) (assented to 4 February 2022; GG 45893)
- 12. Division of Revenue Amendment Bill**
[B19-2021 (s76)] (isiXhosa) (assented to 14 January 2022; GG 45784)
- 13. Adjustments Appropriation Bill**
[B20-2021 (s77)] (Sepedi) (assented to 14 January 2022; GG 45785)
- 14. Rates and Monetary Amounts and Amendment of Revenue Laws Bill**
[B21-2021 (s77)] (Afrikaans) (assented to 14 January 2022; GG 45786)
- 15. Taxation Laws Bill**
[B22B-2021 (s77)] (Afrikaans) (assented to 14 January 2022; GG 45787)
- 16. Tax Administration Laws Amendment Bill**
[B23-2021 (s77)] (Afrikaans) (assented to 14 January 2022; GG 45788)

17. Civil Aviation Amendment Bill

[B44B-2018 (s75)] (Afrikaans) (assented to 31 March 2022; GG 46205)

18. Financial Sector Laws Amendment Bill

[B15B-2020 (s75)] (Afrikaans) (assented to 25 January 2022; GG 45825)

19. National Forests Amendment Bill

[B11D-2016 (s76)] (Afr)

20. National Environmental Laws Amendment Bill

[B14F-2017 (s76)] (Afr/Setswana/isiXhosa/isiZulu)

2.2. Oversight

In the context of the 6th Parliament's strategy focussing on oversight, the most important parliamentary output relates to the approval of the annual budget, as presented in the form of legislation - mainly the Division of Revenue Bill and the Appropriation Bill. Parliament is assigned with constitutional and legislative powers to approve the annual budget, and to oversee the implementation thereof in realising a better quality of life for all.

The national budget, annually tabled in Parliament in the form of legislation, is government's statement of financial and political intent. It sets out proposals on how government plans to raise and spend money. It focusses on spending priorities, and sets out detail on how government intends to meet the demands of the public. In conjunction with other legislation, the budget is the most powerful instrument by which government can implement its priorities and effect change in order to eliminate poverty and to reduce unemployment and inequality.

If Parliament then wants to effect more responsive and accountable government, it must improve the quality of its budget oversight and recommendations. The key focus here would be on how Parliament can improve the quality of its scrutiny of money bills and budgetary recommendations.

Outcome	Outputs	Timeframe
Increased responsiveness and accountability of the executive	Approved Fiscal Framework	Approved on 09 March 2021
	Approved Division of Revenue Bill	Approved on 01 June 2021
	Approved Appropriation Bill	Approved on 18 June 2021

Table 2: Annual outputs of Parliament supporting fiscal oversight.

The Constitution establishes the National Assembly and the National Council of Provinces, and confers powers to the Houses to pass legislation and maintain oversight over the exercise of executive authority. These powers are implemented through a system of committees, as set out in the rules of each House of Parliament. The committee system is often referred to as the 'engine room' of Parliament. It is here where Bills are considered, plans and budgets are scrutinised, and public hearings are held to ensure involvement. The process by which Parliament oversees, scrutinises and approves the annual budget is set out in the Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009. In terms of this process, committees use various sets of information to assess the performance of government, including alignment to the NDP, strategic plans, annual performance plans, budgets, in-year reports and annual reports with financial statements. The key focus here is how Parliament can scrutinise and influence the budget through its oversight and budget recommendations.



Figure 5: Key elements of budget oversight.
(Practical guide for Members of Parliament and Provincial Legislatures, 2019, Legislative Sector of South Africa)

Parliamentary Committees base their critical budgetary oversight activities in any given year upon these seven interconnected pillars.

Key committee oversight activities related to the annual budget and legislation included the following:

Parliamentary output	Committee activities	Reports
Overseeing and approving of the annual budget and legislation 1217 meetings	Scrutiny of policy, plans and budgets	59 Budget Vote Reports during the budget legislation process, before the consideration of the 2021 Appropriation Bill
	Public hearings	155 physical public hearings
	Oversight visits	46 Oversight Visit Reports were produced for the period under review
	In-year monitoring	38 Quarterly Expenditure Reports on in-year monitoring
	Scrutiny of Annual Reports and Budget recommendations	38 Budget Review and Recommendation Reports
	Committee inquiries	-

Table 3: Committee activities related to the annual budget and legislation

Questions put by Members of Parliament to the Executive remains a powerful oversight tool. A total of 3729 written questions, and 613 oral questions were put to the Executive in this financial year. In addition, Parliament reviewed its Rules on written questions to the Executive with a view to strengthening mechanisms to hold the Executive accountable for unanswered questions from Members.

2.3. Public office appointment recommendations (statutory appointments)

Parliament plays an important role in the appointment of officials for public office. In the 2021/22 financial year the following recommendations were made for statutory appointments:

- Recommendations of candidates for vacancies in the National Youth Development Agency (NYDA) Board, approved by the National Assembly on 31 August 2021;
- Recommendation of candidates for appointment by the President to serve as commissioners for Public Service Commission approved by the National Assembly on 15 March 2022;
- Recommendation of candidates to fill four vacancies on Council of Independent Communications Authority of South Africa (Icasa) approved by the National Assembly on 24 March 2022;
- Recommendation of candidates to fill two vacancies on Media Development and Diversity Agency (MDDA) Board approved by the National Assembly on 24 March 2022; and
- Recommendation of candidate to fill a vacancy on South African Broadcasting Corporation (SABC) Board approved by the National Assembly on 24 March 2022

2.4. International engagement

South Africa's parliamentary diplomacy continued to gain ground in regional, continental and global multilateral parliamentary structures.

Multilateralism remains a focal point of engagements in organisations such the Pan-African Parliament (PAP); the SADC-Parliamentary Forum (SADC-PF); the Inter-Parliamentary Union (IPU); the Commonwealth Parliamentary Association (CPA) Africa Region and CPA International; BRICS parliamentary engagements, the African, Caribbean, and Pacific-European Union Joint Parliamentary Assembly (ACP-EU JPA) and the Parliamentary Conference on the WTO. Parliament's engagements in these organisations is premised on the need to advance the country's national interests and those of the African continent as reflected in the National Development Plan and the African Union Agenda 2063.

Within the context of the global need for harmonised legislation on online child sexual exploitation and abuse, Parliament's multi-party delegation to the 143rd IPU Assembly made substantial contribution through amendments to the resolution titled 'Legislation worldwide to combat online child sexual exploitation and abuse'. Also, during the 143rd IPU Assembly, the delegation attended the Non-Aligned Movement (NAM) meeting convened by Speaker of the Milli Majlis of the Republic of Azerbaijan. The purpose of the meeting was to explore the establishment of the NAM Parliamentary cooperation and the role that this cooperation can play in ensuring compliance with the founding principles of NAM.

Against the backdrop of the conflict in Ukraine, the 144th IPU Assembly meeting in Nusa Dua, Indonesia, from 21–24 March 2021, endorsed the establishment of the Task Force for Ukraine/Russia. The IPU President Duarte Pacheco appointed Speaker of the National Assembly, Ms. N Mapisa-Nqakula, to the Task Force. This Task Force forms part of the global legislative effort to bring about peaceful resolution to the current conflict.

In August 2021, the 41st SADC Summit of Heads of State and Government approved the transformation of the SADC-PF into a SADC Parliament as "a consultative and deliberative body with no law-making or other binding authority." The Summit also approved the Roadmap for the completion of the transformation process. The Summit undertook to



consider a report on the financial implications and modalities of a SADC Parliament, as well as the necessary draft Protocol on the SADC Parliament that will need to be developed for ratification by 2023. In this respect, the Forum is requesting its member parliaments to ensure wide dissemination of the transformation decision leading up to 2023 when the Protocol will be tabled before Parliament for ratification.

The SADC-PF has the mandate to develop non-binding model laws that are based on international commitments that SADC member states are party to. Model laws are meant to serve as legislative yardsticks or tools for Member States to consult during any domestic legislative developments and/or amendment endeavours in a particular policy area. Member States are able to choose which aspects of a model law they would like to use. Member Parliaments are expected to share model laws and/or SADC-PF resolutions with relevant national departments and parliamentary committees for consideration. Parliamentary committees can then use these model laws and resolutions to inform any oversight strategies concerning the policy areas covered by them; for instance, using the model laws to see how South Africa's legislation compares with regional and international best practices. In 2021 the Forum also started developing Scorecard templates that Member Parliaments can use to monitor their country's compliance with model laws and related resolutions. It is in this way that SADC-PF model laws and resolutions can enhance the oversight work of Parliament. The following model laws and/or related documents were adopted by the SADC-PF during the period 2021/2022:

- SADC Model Law on Gender and Development (adopted December 2021),
- Scorecard for the SADC Model Law on Child Marriage (adopted December 2021)

Parliament's international engagement activities for this period included:

ENGAGEMENT	DATE
SADC-PF Standing Committees virtual session ahead of the 49th Plenary Assembly Session	09–16 April 2021
Virtual SADC-PF Parliamentary Business Sub-Committee meeting ahead of the 49th Plenary Assembly	12 May 2021
Joint virtual meeting of the SADC-PF Standing Committee on HSDSP, FANR, and GEWAYD	17 May 2021
Virtual meeting of the 142nd IPU Assembly	24–27 May 2021
Virtual IPU briefing for MPs on UN processes: the UN commitment to the LDCs	15 June 2021
Virtual meeting of the SADC-PF Standing Committee on Human and Social Development & Special Programmes (HSDSP)	31 May 2021
Virtual Executive Committee meeting of the SADC-PF	04–05 June 2021
Virtual meeting of the SADC-PF Regional Women's Parliamentary Caucus (RWPC)	17 June 2021
Fourth Ordinary Session of the Pan African Parliament	21 May - 04 June 2021
Virtual meeting of the 49th SADC Parliamentary Forum Plenary Assembly	25-27 June 2021
SADC-PF Webinar and workshop on The Role of Parliament in Strengthening Public Financial Management	23 August 2021
Launch of stakeholder consultations and engagement on the SADC GBV Model Law	18 August 2021
SADC GBV Model Law consultative meeting for Chairpersons of national parliamentary committees on Gender, Children's Rights, Legal Affairs, Police & Justice	09 September 2021
SADC GBV Model Law Consultative meeting with legal drafters from ministers of justice and parliaments of member states	13 September 2021
SADC GBV Model Law validation session of the SADC-PF Joint Sitting of the RWPC and Standing Committees	16 September 2021
Election Observation Mission in Russia	16-20 September 2021
Virtual Standing Committees and RWPC Session ahead of the 50th SADC-PF Plenary Assembly	08– 9 October 2021
3rd Eurasian Women's Forum	13–15 October 2021

Conference of Commonwealth Parliamentarians with Disabilities in Nairobi, Kenya	14-18 October 2021
7th Parliamentary Speaker's Summit (P20), Rome, Italy	07-08 October 2021
143rd IPU Assembly	26-30 November 2021
51st CPA Conference	08-13 November 2021
Virtual meeting of the SADC Parliamentary Forum (SADC PF) Stakeholder Consultative Session with Committee Chairpersons on the development of the SADC Model Law of Public Finance Management	17 February 2022

Table 4: International engagement activities

The following international agreements were adopted by Parliament:

23 June 2021	International Labour Organisation (ILO) Convention concerning the Elimination of Violence and Harassment in the World of Work Convention, 2019 (No. 190), dated 25 May 2021.
9 September 2021	Charter establishing the South African Development Community Aviation Safety Organisation, dated 1 September 2021.
13 October 2021	Agreement amending the Southern African Development Community (SADC) Protocol on Gender and Development, dated 21 September 2021.
14 December 2021	African Charter on Statistics to Parliament for Ratification, signing and deposit of the instrument, dated 08 December 2021.

Table 5: International agreements adopted

2.5. Approval of government interventions

The National Council of Provinces approved ten (10) Notices of Interventions in terms of section 139 of the Constitution for the following:

- Lekwa Local Municipality in terms of section 139(1)(b) of the Constitution;
- Ditsobotla Local Municipality in terms of section 139(1)(b) of the Constitution;
- Dr Ruth Segomotsi Mompati District Municipality in terms of section 139(1)(b) of the Constitution;
- Nquthu Local Municipality in terms of section 139(1)(b) of the Constitution;
- Cetral Karoo District Municipality in terms of section 139(4) of the Constitution;
- Umkhanyakude District Municipality in terms of section 139(4) of the Constitution;
- Emadlangeni Local Municipality in terms of section 139(4) of the Constitution;
- OR Tambo District Municipality in terms of section 139(1)(c) of the Constitution;
- Dr J S Moroka Local Municipality in terms of section 139(1) (b) of the Constitution (withdrawn);
- Tswaing Local Municipality in terms of section 139(1)(c) of the Constitution.



2.6. Debates

The Constitution requires Parliament to be a national forum for public consideration of issues. In this way parliamentary debates remain a fundamental part of our democratic law-making, and the public consideration of issues.

2.6.1 National Assembly

The following notable debates took place in the National Assembly during the period under review.

- Debate on National Women’s Day: Advancing gender equality through inclusive economic growth and the precepts of a capable developmental state Debate on National Women’s Day;
- Debates reflecting on the incidents of violent unrest, looting and damage to public and private property that occurred in the provinces of KwaZulu-Natal and Gauteng in July 2021;
- Debate on the 16 Days of Activism for no-violence against women and children, themed “Building safer communities and realising gender equality through socio-economic empowerment of women and youth in the year of Charlotte Maxeke”;
- Debates on the Medium Term Budget Policy Statement, the Adjustment Appropriation Bill, and various oversight reports;
- Statement by the Minister of Finance on emergency fuel price interventions;

- Debate to mark International Women’s Day, themed: Gender Equality today for a sustainable tomorrow;
- Debate on Human Rights Day: Entrenching human rights culture in the fight against racism, xenophobia and other related intolerances;
- Debated and approved the 2022 Fiscal Framework and Revenue Proposals and Report of Standing Committee on Finance;
- Debate on urgent matter of national importance in terms of Rule 130, with the topic: The impact of the Russian Federation’s invasion of Ukraine on the South African economy;
- Debate on a Motion proposed by the Leader of the Opposition in terms of section 102(1) of the Constitution of South Africa, 1996 - Motion of No Confidence in the Cabinet - calling for its dissolution.

2.6.2 National Council of Provinces

The National Council of Provinces conducted the following notable debates:

- Debate on public violence, looting and destruction of property;
- Debate on Township Economy-Building a self-reliant and vibrant township economy;
- Debate on devolution of South African Police Service (SAPS);
- Debate: Report of SC on Cogta re Notice of intervention issued in terms of section 139 (1)(b) of the Constitution, 1996 in Umkhanyakude District Municipality dated 6 July 2021;
- Debate: Report of SC Cogta on Notice of Dissolution issued in terms of section 139(1) (c) of the Constitution, 1996 in OR Tambo District Municipality, dated 19 August 2021;
- Debate: Report of SC Health and Social Services on Filling of vacancies for the National Youth Development Agency (NYDA) Board, dated 15 July 2021;
- Debate: Report of SC Land Reform, Environmental, Mineral Resources and Energy on Legislation relating to the Draft Norms and Standards for the Trophy Hunting of Leopards IN South Africa, developed in terms of section 8(3) of the National Environmental Management: Biodiversity Act, 2004 (Act No 10 of 2004) (NEMBA);
- Debate: Report of SC on Transport, Public Service and Administration, Public Works and Infrastructure –Charter establishing the South African Development Community Aviation Safety Organization dated 1 September 2021;
- Debate on teenage pregnancy: Taking decisive measures to deal with teenage pregnancy and the rape of young girls in our communities;
- Debate on positioning state owned enterprises as the main catalyst for growth and development in South Africa;
- Debate on 16 Days of Activism against Gender Based Violence: Moving from awareness to accountability;
- Debate on Mental Health for all: Giving priority and greater access to mental health care for all;
- Debate on 2021 Women’s Charter for Accelerated Development: Setting a 25-year Vision and Agenda to Advance Women’s Equality, Growth and Development;
- Debate on state capacity: Building a developmental state to take the lead in building a better life for all;
- Debate on Human Rights Day: The Right to Equality – reducing poverty and inequality;
- Debate on the relevance and success of Broad Based Black Economic Empowerment and employment equity legislation.



2.7. Public Information and Participation

Parliament's swift adoption of technology during the Covid-19 lockdowns has provided the public with greater access to information and live streaming of proceedings of committees and the Houses.

On social media, Parliament's Twitter account had 857,332 followers, YouTube had 961,158 views, Instagram had 32,526 followers, and Facebook had 91,452 likes.

The total number of website users was 1,094,571, an increase of 298,937 compared to the previous year which can largely be attributed to marketing of the online platforms.

The first advert on Facebook was released for the State of the Nation Address. This included a link to the website. Promotions on social media resulted in a steep increase in users of the website during March 2022.

2.8. Audit Outcome for 2021/22

Parliament achieved a clean audit for the 2021/22 financial year. The 2021/22 result is the 8th consecutive clean audit for Parliament, since 2014/15. In addition, the control environment remained strong despite the declining fiscal allocations caused by deteriorating economic conditions exacerbated by the onset of Covid-19. The capacity and functioning the Audit Committee, Internal Audit and Risk Management improved progressively.

2.9. Parliamentary Institute

The South African Parliamentary Institute (SAPI) was launched on 9 December 2021 by the South African Legislative Sector, to facilitate the accelerated development of the requisite human capital. The institute will serve as the main driver of knowledge management and the capacitation of Members of Parliament, Members of Legislatures, and parliamentary staff. The Institute boasts a Board of Directors with eminent persons from the sector and a number of industries under the stewardship of the National Assembly Deputy Speaker, Mr Lechesa Tsenoli and National Council of Provinces Deputy Chairperson Ms Silvia Lucas.





3

PERFORMANCE OF THE PARLIAMENTARY SERVICE



3. PERFORMANCE OF THE PARLIAMENTARY SERVICE

3.1. Institutional indicators

In line with the results framework for the institution, Parliament developed performance indicators on the various levels. Impact and outcome indicators are included in the Strategic Plan of Parliament, whilst performance indicators for the Parliamentary Service are included in the Annual Performance Plan. The indicators are distributed as follows:

LEVEL	INDICATORS	TARGETS CONTAINED IN:
Impact: Improve quality of life for all people	Poverty Unemployment Inequality	Strategic Plan (Targets set in the MTSF)
Outcome: Increase government accountability by strengthening oversight over the Executive by 2024	Performance rate Responsiveness rate	Strategic Plan (Targets set in Strategic Plan)
Outputs: House resolutions	Bills, Budget recommendations, Approved international agreements, Appointment recommendations, Approved interventions	Annual performance plan (Information is reported in the Annual Report, but no targets in the APP)

<p>Activities</p> <p>House plenaries:</p> <p>Committee meetings:</p> <p>Constituency work:</p>	<p>Debate and adopt budget and other legislation, Questions and replies, Member statements</p> <p>Scrutiny of policy, plans and budgets, Public hearings, Oversight visits, In-year monitoring, Scrutiny of Annual Reports, Budget recommendations, Committee inquiry</p> <p>Access to participate</p>	<p>Annual performance plan (Information is reported in the Annual Report, but no targets in the APP)</p>
<p>Inputs:</p> <p>Improve Members' satisfaction with Parliamentary Services</p>	<p>Information services:</p> <ul style="list-style-type: none"> • Research service • Information service • Content service • Procedural service • Legal service • Committee support service • Public involvement • Public participation service • Member capacity building programmes • Member capacity building service • Technology • Digital service (ICT) • Facilities • Facility management service 	<p>Annual performance plan (Targets set out in the institutional APP)</p>
<p>Component specific operations</p>	<p>Operational indicators</p>	<p>Operational plans (Targets set out in Operational Plans)</p>

Table 6: Indicators in the Strategic Plan and the Annual Performance Plan

3.2. Performance of the Parliamentary Service

The Parliamentary Service provides the support services required by Parliament and its Members to effectively fulfil their constitutional functions. The Parliamentary Service must provide these key inputs in order for Parliament to become effective and efficient, and to achieve its stated outcome. Inputs relate to Members’ capacity building, advisory and information services, and related facilities and support used in the activities of Parliament. The Secretary to Parliament, as Accounting Officer, must also specify performance targets for assessing performance.

The audited performance for the 2021/22 financial year is as follows:



Figure 6: Overall Institutional Performance

PERFORMANC BY INDICATOR		STATUS
Prog. 1	% Member Satisfaction (Digital Service)	Target met
	% Member Satisfaction (Facilities Management Service)	Target met
Prog. 2	Number of annual parliamentary frameworks adopted	Target met
	Number of NA programmes adopted	Target met
	Number of NCOP programmes adopted	Target met
	% Member Satisfaction (Capacity Building Service)	Target met
	% Member Satisfaction (Research Services)	Target met
	% Member Satisfaction (Content Advice Service)	Target met
	% Member Satisfaction (Procedural Advice Service)	Target met
	% Member Satisfaction (Legal Advice Service)	Target met
	% Member Satisfaction (Committee Support Service)	Target met
	% Member Satisfaction (Public Participation Service)	Target met
Prog. 3	N/A	N/A
Target Met	Target Not Met/ Not Reported	

Table 7: Overall performance of the Parliamentary Service

3.3. Annual Results - Client Satisfaction Survey

INDICATOR	OVERALL MEMBER SATISFACTION (%)	EASE OF ACCESS	TIMELINESS	RELIABILITY	FAIRNESS	USEFULNESS
Digital Services	85,18%	83,70%	84,44%	85,74%	N/A	85,57%
Facilities Management Services	75,63%	76,04%	74,46%	75,40%	N/A	76,19%
Capacity Building Services	71,18%	70,31%	71,21%	71,32%	N/A	71,39%
Research Services	81,62%	80,74%	81,64%	80,97%	82,39%	82,44%
Content Advice Service	81,05%	81,45%	81,55%	80,79%	80,99%	80,89%
Procedural Advice Service	77,43%	77,00%	76,71%	77,93%	77,24%	77,58%
Legal Advice Service	77,85%	77,15%	77,39%	78,26%	77,62%	78,09%
Committee Support Services	83,52%	84,13%	83,90%	83,51%	83,06%	83,18%
Public Participation Service	74,85%	74,45%	75,04%	75,15%	75,25%	74,51%

Table 8: Annual Client Satisfaction Results Summary

As Parliament introduced a new survey methodology in 2021, the results of previous surveys could not be used as historical benchmarks. The four quarterly surveys that were conducted during this financial year will therefore be used as the benchmark and baseline for future performance targets. The lack of a historical benchmark is the key reason for the large positive variances between actual performance and targets for the institutional performance indicators.

3.3.1 Aim of the Vote

The aim of Vote 2 is to provide the support services required by Parliament to fulfil its constitutional functions, assist political parties represented in Parliament to secure administrative support and service constituents, and provide Members of Parliament with the necessary facilities.

3.3.2 Parliament's Revenue, Expenditure and Transfer Payment

Revenue: Parliament's main revenue includes appropriated funds 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.

Expenditure trends: Parliament's planned expenditure in terms of the Annual Performance Plan (APP) for this financial year was more than the amount appropriated, which resulted in adjustments to the planned programme of activities.

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, Act 108 of 1996 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.

3.3.3 Capital Investment, Maintenance and Asset Management Plan

Capital investment: Parliament is occupying 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
- Computer equipment

Maintenance: Parliament does not have expenditure on normal maintenance of property assets, as the DPW owns the buildings occupied by Parliament.



4

PROGRAMME PERFORMANCE

4. PROGRAMME PERFORMANCE

4.1. Programme 1: Administration

4.1.1. Purpose

The purpose of programme 1 is to provide strategic leadership, management and corporate services to Parliament.

4.1.2. Sub-programmes

- Executive Authority
- Office of the Secretary
- Corporate and support services

Programme 1: Administration is a consolidation of three previous programmes including Leadership and Governance, Administration and Support Services. The aim of the programme is to provide leadership, management and support services for the operations of Parliament. As this programme mostly reflects inputs for operations, the related performance information will be accommodated in operational plans.

4.1.3. Annual performance targets for the Parliamentary Service

Within programme 1, both the digital service and the facilities management service performed well, with the digital service being the overall best performing service in the administration.

4.1.3.1 Digital service

During the 2021/22 financial year, digital technology continued to fundamentally transform the work of Parliament, simultaneously creating innovative opportunities and posing new challenges. The response to the pandemic has shown that parliaments globally are not immune to this, where these tools are being interwoven throughout the organisation to reflect its strategic and business priorities. The strategic focus being on deepening oversight and enhancing public participation that would require that Parliament's digital strategy enables the value co-creation across these mandates. Parliament's response to the pandemic resulted in an acceleration of digital adoption, with the use of virtual conferencing platforms being at the forefront of these changes. The post-pandemic organisational growth arc shows these platforms are now mainstreamed, with an increasing demand for digital services to support remote, virtual and hybrid work.

Following the fire incident in January 2022, the institution activated processes to respond and deal with the resultant consequences. ICT services were impacted directly, when the operations of Parliament needed to demonstrate resilience. The ability of the ICT systems to withstand and recover from, and change in the face of both an external shock (pandemic) and an internal fire disaster underscores the need for a secure and resilient digital strategy going forward.

The fire incident had minimal impact on the availability of critical systems and the network, except for the back-end broadcasting and related ICT infrastructure that were damaged. The business and operations of Parliament continued with committees and plenaries conducting virtual and hybrid proceedings. The secondary data centre in the New Wing building was damaged, including the broadcasting services and related ICT connectivity services. The internet connectivity in the Good Hope, Africa House and NCOP buildings had to be restored. The broadcast back-end infrastructure for both the Good Hope Chamber and the NCOP Chamber were restored by 23 February 2022. The Good Hope Chamber was hybrid-enabled by 23 February 2022 and became the interim National Assembly Chamber.

Moving forward, the Parliamentary Service must address the prevailing and future way of work. This will include significant transformation and change in the management approach, enabling policy, business processes, related skills, and re-thinking of facilities. Over time a new institutional culture must be fashioned, driven by professionalism, service excellence and technology enabled processes. In the next 5 years the institution must adopt and implement modern technologies in order to work smarter, invest in skills development to ensure greater institutional capacity, and improve the working climate to ensure motivated and engaged employees. In order to do so, it must develop management capacity to build institutional agility, enhance institutional responsiveness, and invest in a significant programme of ICT infrastructure and skills development to shield the institution from possible external shocks.

A clear expression of the future vision and strategy is now required, as well as the structural elements needed to ensure that it can be executed successfully, spearheaded by initiatives such as:

- modernising old and obsolete ICT-Broadcast-AV infrastructure;
- ensuring continuous availability and security of the ICT network and systems;
- workload mobility and recovery;
- multi-cloud agility and resilience; and
- value co-creation considering the redesign of business process.

The programme to invest in ICT infrastructure, systems and skills must allow the institution to move away from its traditional and current capabilities to a future state that includes converging content, interaction, networks, application, devices and channels. The future state must provide a seamless and valuable experience for Members of Parliament, as the primary clients of the Parliamentary Service.

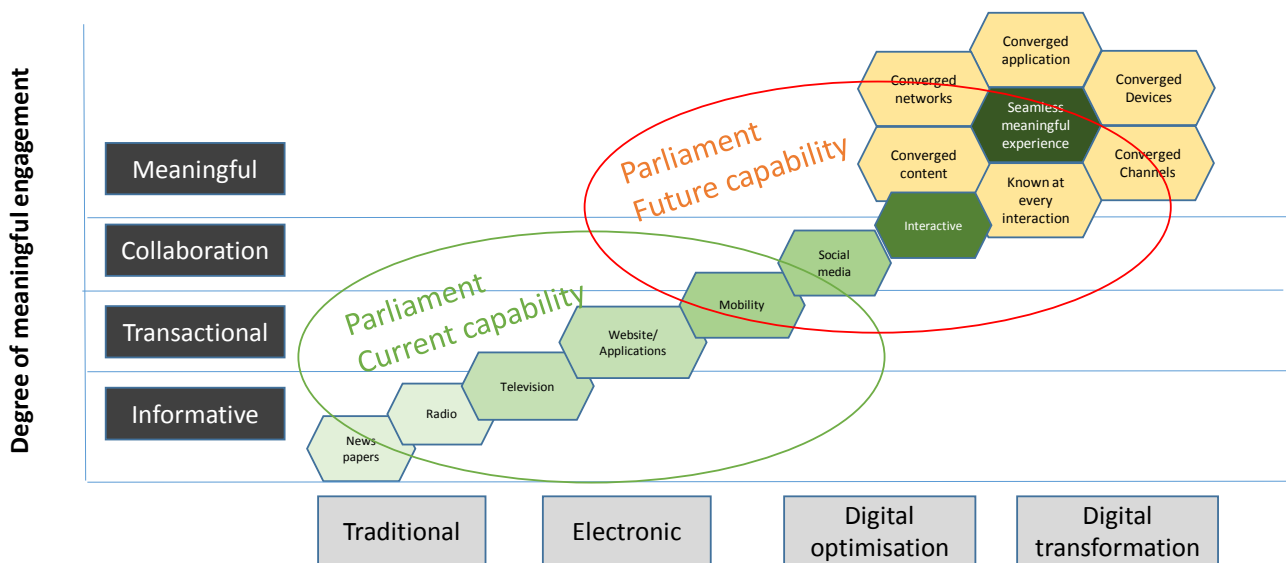


Figure 7: The present and future state of Parliament’s ICT capability
 The above depicts Parliament’s current ICT capability which may be characterised as traditional and electronic, and the future state that the institution is trying to achieve which is that of a digitally optimised and transformed institution.

4.1.3.2 Facilities management service

The 2021/22 financial year started with a high number of Covid-19 cases and the maximum numbers of the persons allowed in the buildings on the precinct were restricted. The buildings were set up and prepared to allow for physical sittings of the NA and the NCOP to be conducted in the precinct, in line with Health and Safety standards, which was done through the guidance of the SHE officers. All the spaces had to comply with the Covid-19 social distancing protocols, ventilation standards and disinfection. For public participation and oversight visits, SHE officers and the Household Controllers ensured that the Covid-19 safety protocols were extended to venues outside the precinct, and prepared venues and meeting rooms prior to the arrival of Members and visitors. Limited catering services were available for Members of Parliament and staff working on the precinct. Meals were prepared and served in line with Covid-19 protocols.

Courier services played a crucial role in ensuring that all documents were delivered timeously, both nationally and internationally. Transport services were provided through service providers as well as the internal parliamentary team.

The fire incident in January 2022, rendered the National Assembly building as unusable and the Old Assembly building as inaccessible, meaning that an alternative plan needed to be made as a matter of urgency, to ensure that Parliament was able to host house sittings and that the business of Parliament could continue. Spaces on the precinct were remodelled, ensuring the optimal use of available space.

4.1.4. Performance of Programme 1:

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET	ANNUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE/ MITIGATION
Digital service	% Member satisfaction	74%	85,18%	+11,18%	N/A
Facilities management service	% Member satisfaction	60%	75,63%	+15,63%	N/A

Table 9: Support services performance

Performance Trends

Digital service scored the highest for reliability, then usefulness, timeliness and lastly ease of access. Facilities management services scored the highest for usefulness, then ease of access, reliability and lastly timeliness.

4.2. Programme 2: Legislation and Oversight

4.2.1. Purpose

The programme provides support services for the effective functioning of the National Assembly and the National Council of Provinces including procedural, legal and content advice; information services and record keeping; and secretarial and support services for the Houses and its committees.

4.2.2. Sub-programmes

- National Assembly
- National Council of Provinces
- Public participation and external relations
- Shared services
- Sectoral Parliaments and joint business

The Parliamentary Service provides the support services required by Parliament and its Members to effectively fulfil their constitutional functions. The Parliamentary Service must provide these key inputs in order for Parliament to become effective and efficient, and to achieve its stated outcome. Inputs relate to Members' capacity, advisory and information services, and related facilities and support used in the activities of Parliament. Improvements in key inputs are required for the successful implementation of the strategy. These include:

- a) improved programming service to ensure more time for committee oversight,
- b) greater Member capacity-building and empowerment programmes,
- c) improvement of research and analysis to provide deeper insights, and
- d) ensuring effective support for public involvement, petitions and submissions.

Programme 2: Legislation and Oversight supports the core business of Parliament and focusses on the outputs, activities and inputs related to the functions of legislation and oversight. As this programme reflects key strategic inputs in order to achieve the stated outcomes, it contains the most relevant performance information in support of the strategy of Parliament.

4.2.3. Performance targets relating to the programme of Parliament

A key input towards the strengthening of committee oversight include adequate time for committees to conduct oversight. Committees will require more dedicated time in the form of committee weeks. For this change to occur, the Parliamentary Service must prepare a programming framework based on the statutory and strategic requirements, the direction provided by the Executive Authority, and that of the Programming Committees. The new programming framework will be implemented over time, with a gradual shift towards dedicated constituency, committee and plenary weeks. The new framework will also need to schedule joint committee and joint inter-sectoral work. In addition, the Parliamentary Service prepared a draft Oversight Plan, based on the inputs of Officer Bearers and key stakeholders, to co-ordinate the oversight work of Parliament.

Parliamentary Programming

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET	ANNUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE/ MITIGATION
Programming service	Number of annual parliamentary frameworks adopted	1	1	0	N/A
	Number of NA programmes adopted	4	4	0	N/A
	Number of NCOP programmes adopted	4	4	0	N/A

Table 10: Programming service performance

Performance Trends

Programmes are an essential tool in facilitating the smooth coordination of activities of the National Assembly and the National Council of Provinces, Provincial Legislatures and SALGA. The NA and NCOP adopted their programmes during all four quarters, including the annual framework which was adopted in the third quarter. The programme outlines activities of Portfolio and Select Committees, House and other fora in which the Assembly and the Council participate, in particular taking into account the legislation before committees.

The Legislative Sector continued to provide a vital platform for sector planning, co-ordination and co-operation. Although some programmes were delayed due to the Covid-19 lockdown in 2021, the use of technology played a pivotal role which enabled the achievement of key milestones and continuous collaboration, communication and co-operation with key stakeholders. Progress continued with the following key activities:

- Implementation of the Sector Oversight Model;
- The Collective Bargaining Forum;
- Hybrid engagements of Sector joint structures to implement and track implementation of Sector Programmes;
- Members capacity building programmes;
- The launch of the SA Parliamentary Institute (SAPI);

4.2.4. Performance targets relating to Member capacity-building

During their tenure Members of Parliament are required to apply a diverse range of skills. If Parliament is to operate more efficiently and effectively, specific and needs-based capacity-building programmes are required to equip parliamentarians with the skills needed to perform their functions. Parliament continued to provide capacity building and development programmes for Members, ensuring their effective and efficient function.

Three capacity building programmes were implemented by the legislative sector in 2021/22, including the Advanced Certificate in Governance and Public Leadership, and Masters Programme in Governance and Leadership both offered by the University of Witwatersrand. The Postgraduate Diploma in Public Policy and African Studies was offered by the University of Johannesburg. A total of one hundred and eighty (180) members of Parliament and Provincial Legislatures participated in the capacity building programmes during the 2021/22 financial year.

One hundred and fifty-eight (158) Members of Parliament and Provincial Legislatures enrolled in the Advanced Certificate in Governance and Leadership in 2020. The programme was completed in December 2021. Seventy-nine (79) of the one hundred and fifty-eight (158) members completed the programme and received certificates of competence.

Eight (8) Members of Parliament and Provincial Legislatures registered in 2021 and participated in the Masters Programme at the University of Witwatersrand (WITS). The members have completed three (3) modules and are continuing in the 2022 academic year.

Lastly, in relation to the programme offered by the University of Johannesburg, fourteen (14) members who successfully completed the Continuing Education Programme in 2020, registered for the two years Postgraduate Diploma in Public Policy and African Studies in 2021. 11 Members have successfully completed year one of the study and are continuing with the final year of the programme.

The South African Parliamentary Institute (SAPI) was launched on 9 December 2021 by the South African Legislative Sector. Over time to institute will serve as the main driver of knowledge management and the capacitation of Members of Parliament, Members of Legislatures, and parliamentary staff. The institute will allow the legislative sector to deliver quality programmes, co-ordinate development needs, and pool resources. In the future it will liaise with similar parliamentary institutions, sharing knowledge and adding value to deepening democracy on a global level.

Capacity Building

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET	ANNUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE/ MITIGATION
Capacity building service	% Member satisfaction	65%	71,18%	+6,18%	N/A

Table 11: Capacity building service performance

Performance Trends

For capacity building services, usefulness scored the highest, followed by reliability, timeliness and ease of access.

4.2.5. Performance targets relating to synthesis and analysis of information for deeper insights

Members of Parliament represent the interest of people in government through the processes of legislation, oversight, appointments and international participation. As modern government has evolved to a high degree of complexity, such representation requires the provision of several different streams of information, involving vast quantities of information. More effective scrutiny and recommendations require enhanced synthesis, analysis and research services. The information and analysis provided by the Parliamentary Service enables deeper insights into issues, and empowers Members to effect deeper scrutiny.

The information services include procedural advice, legal advice, research, content support and the Committee support service. The following services were provided:

- a) 84 sets of Order Papers, Guides, and House minutes (National Assembly);
- b) 332 House resolutions adopted and communicated to Executive (National Assembly);
- c) 46 sets of Order Papers, Guides, and House minutes (National Council of Provinces);
- d) 36 House resolutions adopted and communicated to the Executive (National Council of Provinces);
- e) 158 ATCs (Announcements, Tablings and Committee Reports as part of the House Papers);
- f) Support to the oversight function of committees through provision of content and logistical support to 1217 committee meetings;
- g) 60 Committee reports for programming meetings NA (46) and NCOP (14);
- h) 1054 Committee minutes - (95% of these within 3 days);
- i) 330 Committee reports - (98% of these within 8 days);
- j) 32 written legal opinions provided to Committees, and 40 written legal opinions to the Administration;
- k) 57 legal contracts were drafted;
- l) 14 Private Members' Bills were completed;
- m) 4 Committee Bills were completed;
- n) 328 tasks on pending litigation were carried out;
- o) Legislative process and programming support for:
 - 26 Bills introduced,
 - 15 Act forms sent to the President for assent;
 - 12 Acts sent to Constitutional Court for safekeeping.

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET	ANNUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE/ MITIGATION
Research service	% Member satisfaction	70%	81,62%	+11,62%	N/A
Content advice service	% Member satisfaction	70%	81,05%	+11,05%	N/A
Procedural advice service	% Member satisfaction	70%	77,43%	+7,43%	N/A
Legal advice service	% Member satisfaction	65%	77,85%	+12,85%	N/A
Committee support service	% Member satisfaction	70%	83,52%	+13,52%	N/A

Table 12: Information services performance

Performance Trends

- Research service was rated the highest for usefulness, then fairness, timeliness, reliability and lastly ease of access.
- Content advice scored highest on timeliness, then ease of access, fairness, usefulness and then reliability.
- Procedural Advice Service scored the highest for reliability, then usefulness, fairness, ease of access and lastly timeliness.
- Legal advice scored highest on reliability, then usefulness, fairness, timeliness, and then ease of access.
- For committee support, ease of access was rated the highest, then timeliness, reliability, usefulness and then fairness.

4.2.6. Performance targets relating to public involvement

Public education, information and participation is supported by the Parliamentary Service.

4.2.6.1 Public education

During the 2021/22 year the Public Education Office provided the products and services to support Parliamentary Constituency Offices (PCO). These included materials developed for PCOs based on requests from Members relating to local elections and Parliament, myths around Covid-19 Vaccines, and drafting of articles on what is happening in Parliament.

Public Education Workshops and Information Sessions were held in the greater Sophiatown PCO (Gauteng), the Athlone PCO (Western Cape), and the Makhanda PCO (Eastern Cape).



Figure 8: Information session at Bridgetown High School, Athlone, on 31 March 2022 involving 150 learners and educators.

4.2.6.2 Media

Communication support was provided to some 100 Public Hearings which included among other; the Expropriation Bill, GAS Amendment Bill, Children's Amendment Bill and Electoral Amendment Bill that took place around the country.

13 Stakeholder engagements were held this year including engagements with National Treasury ahead of the Budget Speech; with the media, City of Cape Town and hawkers in preparation for SoNA; and with the City of Makhanda in preparation of the Speaker's outreach programme.

The 9 media engagement sessions/press briefings, necessitated among other, by the outbreak of the fire resulted in daily and also hourly updates with the media. The Presiding Officers' media briefings covered the fire outbreak, the Handing over Ceremony, and state of readiness to host SoNA.

Multiple stakeholder engagements this year also focussed on establishing and developing relationships with organisations that will enhance Parliament's technical capabilities in order to increase access to its content and in so doing improve public participation. We can successfully report that Telkom is the first network provider to zero-rate Parliament's content.

The outbreak of the fire in Parliament generated significant coverage as a result of work done around the clock to ensure that South Africans are informed about all developments.

A total of 1,153 media advisories and releases were developed and distributed supporting both Parliament and Committee work including: Parliament Joins the Nation in Commemorating Africa Day; Speaker Mapisa-Nqakula Calls for a Stronger and Vibrant Legislative Sector to Serve People Better; Remarks by the Presiding Officers of Parliament at the Occasion of the Official Handover of the Cape Town City Hall to the Parliament of South Africa; Media Briefing: Update on Parliament Fire Incident; etc.

827 Media Statements and Alerts were issued in support of the Committee work over the period and 180 articles on Committees were written for the website. Support to Committee activities included 50 Oversight Visits and 100 Public Hearings.

This year, 11 In Session newsletters were published including the post-SoNA edition. In addition, 8 special publications i.e. Pre-SoNA, Pre-Budget, Somlomo, and Provincial Week bulletins had been published. Ten issues of the Masithethe, the employee newsletter, were published digitally and distributed on Info Alert.

The total number of broadcasts on Parliament TV for the year was 2,201, of which 448 were live broadcasts. The variance is as a result of a shorter Parliamentary programme, limited lines for feeds, and the lack of a Final Control Centre (FCC) as a result of fire. A total 6,174 livestreams across social media platforms (YouTube, Facebook, Twitter, IONO). There were 244 videos produced and uploaded on Parliament TV and YouTube, while 4,036 WhatsApp Links were distributed.



Public Participation

PARLIAMENTARY SERVICE	INDICATOR	ANNUAL TARGET	ANNUAL PERFORMANCE	VARIANCE	REASONS FOR VARIANCE/ MITIGATION
Public participation service	% Member satisfaction	60%	74,85%	14,85%	N/A

Table 13: Public participation service performance

Performance Trends

Public participation service scored the highest for fairness, then reliability, timeliness, usefulness, and lastly ease of access.

4.3. Programme 3: Associated Services and Transfers

4.3.1. Purpose

The purpose of this programme is to provide facilities and financial support for political parties including leadership, administrative and constituency support. The programme also provide transfer payments to entities in Parliament. The programme contains no performance information.

4.3.2. Sub-programmes

- Member's Facilities;
- Leaderships, Administrative and Constituency support to political parties;
- Transfer to the Parliamentary Budget Office.

4.3.3. Members' Facilities

Members of Parliament are provided with travel and communication facilities, in a manner that is accessible, effortless, accurate and friendly.

While the Covid pandemic has fundamentally changed the mechanism of service delivery, services have nevertheless been provided in an uninterrupted manner since March 2020. Internal processes were adjusted to support the changed working conditions. Services are now managed through a mix of onsite and offsite capabilities. Remote working conditions created the opportunity to explore modern digital solutions, offering greater ease of use and seamless service offerings, irrespective of location.

In the financial year under review, Members Support Services facilitated the following:

- 20 875 flight tickets issued, to the value of R 58.5 million, for 1900 registered travellers,
- 18 508 facilities claims paid, totalling R 15.7 million, within an average turnaround, from submission to payment, of 2.15 working days.

The policies informing facilities provided to Members are continually assessed and reviewed to ensure that policies remain relevant in the changing working conditions that Members face, as well as considering the impact of service limitations in the airline and other travel related areas. The following policies were considered and concluded in the 2021/22 financial year:

- Travel facilities for former members.
- Motor vehicle travel.
- Communication services and tools of trade.

The following policies were considered and remain subject to final approval

- Funeral policy.
- Presiding Officers Handbook.

The Members Remuneration Task Team made multiple submissions to the *Independent Commission for Remuneration of Public Office Bearers* as part of the stakeholder engagement for the major review of remuneration being undertaken by the Commission.

Thirty-eight Members received bursary funding in the financial year for the following studies:

- Advanced Diploma 1
- Doctorate 1
- Honours 4
- Masters 14
- Post graduate diploma 3
- Under graduate 15

4.3.4. Financial and administrative support for political parties

Section 57(2)(c) of the Constitution allows political parties to receive financial and administrative assistance. The following assistance is provided through transfer payments to political parties:

- Party leadership support,
- Administration allowance, and
- Constituency allowance.

Funds are transferred to political parties represented in Parliament in proportion to its presentation, in terms of section 34 of the FMPPA and the Policy on Political Parties Allowances.

Political Parties are required to submit the audited financial statements for the previous financial year, which confirms that the funds were spent for the purposes they were allocated for. The amounts that were not spent for the purpose that were intended for, are withheld from the current year allocations.

4.3.5. Parliamentary Budget Office

The Parliamentary Budget Office (PBO) is a juristic entity of Parliament headed by the Director as its Accounting Officer. The PBO is established by section 15 of the Money Bills Related Matters and Procedures Act, Act no 09 of 2009, as amended by the Money Bills Act no 13 of 2018.

During the reporting period, the PBO provided quantitative and qualitative technical work that empowered Members of Parliament to discharge their constitutional and public finance oversight work over the Executive. The services included macroeconomic and fiscal policy and related budget research, analysis, and advice. The performance outputs that serve as information inputs in the decision-making process of parliamentary Committees were produced to strengthen the scrutiny and oversight capacity of Parliament over the Executive, on complex public finance oversight matters. An integrated matrix workforce configuration was adopted to maximize the PBO service delivery throughput to mitigate against the constricted workforce situation. A total of 35 performance outputs were produced by the Office during the reporting period with a cumulative total of 245 performance outputs produced to support the public finance oversight mandate of Parliament during the 2015/16 to 2021/22 financial years.



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REPORT OF THE AUDITOR-GENERAL

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 Parliament of the Republic of South Africa (Parliament) set out on pages 69 -123, which comprise the statement of financial position as at 31 March 2022, 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 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 Parliament as at 31 March 2022, and its financial performance and cash flows for the year then ended in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act 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 my report.
4. I am independent of Parliament in accordance with the International Ethics Standards Board for Accountants' *International code of ethics for professional accountants (including International Independence Standards)* (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

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

Irregular expenditure

7. As disclosed in note 31 to the financial statements, Parliament incurred irregular expenditure of R2,1 million due to overpayments made when transferring funds to political parties.

Material impairments

8. As disclosed in note 8 to the financial statements, Parliament impaired property, plant and equipment of R12,3 million because of damage caused by fires during the financial period under review.
9. As disclosed in note 10 to the financial statements, Parliament impaired heritage assets of R5,2 million because of damage caused by fires during the financial period under review.

Responsibilities of the accounting officer for the financial statements

10. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the 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.
11. In preparing the financial statements, the accounting officer is responsible for assessing Parliament'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 Parliament or to cease operations, or has no realistic alternative but to do so.

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

12. 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.
13. 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

14. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for the selected programme presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.

15. My procedures address the usefulness and reliability of the reported performance information, which must be based on Parliament's approved performance planning documents. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by Parliament enabled service delivery. My procedures do not extend to any disclosures or assertions relating to the extent of achievements in the current year or 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.
16. 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 programme presented in Parliament's annual performance report for the year ended 31 March 2022:

Programme	Pages in the annual performance report
Programme 2 – legislation and oversight	7 – 10

17. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify material findings on the usefulness and reliability of the reported performance information for the following programme:
- Programme 2 – legislation and oversight

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 Parliament's compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
20. I did not identify any 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 the selected programme presented in the annual performance report that has 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 on it.
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 programme 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.

Auditor - General

Cape Town

31 July 2022



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 the selected programme and on Parliament’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Parliament’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 relating to events or conditions that may cast significant doubt on the ability of Parliament 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 my 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 Parliament to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine 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 provide the accounting officer with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.



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ANNUAL FINANCIAL STATEMENTS 2021/22

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022



PARLIAMENT

OF THE REPUBLIC OF SOUTH AFRICA

Parliament of the Republic of South Africa
Financial statements
for the year ended 31 March 2022

* See Note 40

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

General Information

Country of incorporation and domicile

South Africa

Auditors

Auditor General of South Africa
Registered Auditors

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

The reports and statements set out below comprise the financial statements presented to the :

Accounting Officer's Report	68
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

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 misstatement.

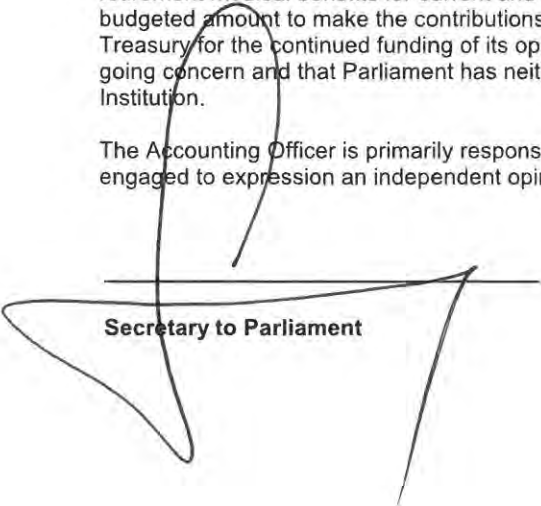
The financial statements have been prepared in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) , including any interpretations, guidelines and directives issued by the Accounting Standards Board.

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

The Accounting Officer acknowledges that she is 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. 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 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. Parliament experienced a devastating fire on the 02 January 2022 that gutted the National Assembly Chamber, Old Assembly and New Wing Building. The fire caused extensive damage to several meeting rooms, offices of the Members of Parliament and building contents. Parliament put controls in place to ensure that its Constitutional obligations and its programs will not be derailed and will not be distracted by the fire. Parliament, as an institution, remained intact, competent and functional to fulfil its obligations to the people of South Africa.

The Accounting Officer has reviewed Parliament's cash flow forecast for the year ending 31 March 2023. In the light of this review, is satisfied that Parliament has access to adequate resources to continue its operations for the foreseeable future. Although the statement of financial position indicates a net deficit which is mostly due to the provision made for the post retirement medical benefits for current and former members of Parliament and Provincial Legislatures. Parliament has sufficient budgeted amount to make the contributions for the qualifying former members. Parliament is wholly dependent on National Treasury for the continued funding of its 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 Institution.

The Accounting Officer is primarily responsible for the financial affairs of Parliament. Auditor General of South Africa is engaged to expression an independent opinion on these annual financial statements.



Secretary to Parliament

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Statement of Financial Position as at 31 March 2022

	Note(s)	2022 '000	2021 Restated* '000
Assets			
Current Assets			
Inventories	2	1 670	1 331
Receivables from exchange transactions	3	8 058	1 589
Receivables from non-exchange transactions	4	1 089	630
Statutory receivable	5	30 170	34 139
Prepayments	6	11 828	10 494
VAT Receivables		845	368
Assets held for sale		104	-
Cash and cash equivalents	7	483 286	326 140
		537 050	374 691
Non-Current Assets			
Property, plant and equipment	8	61 959	62 913
Intangible assets	9	4 821	6 965
Heritage assets	10	50 280	55 520
		117 060	125 398
Non-Current Assets		117 060	125 398
Current Assets		537 050	374 691
Total Assets		654 110	500 089
Liabilities			
Current Liabilities			
Finance lease obligation	11	5 199	5 269
Payables from exchange transactions	12	51 477	44 043
Payables from non-exchange transactions	13	2 894	5 654
Employees and Members benefit obligations	14	240 248	195 994
Provisions	15	8 646	11 900
		308 464	262 860
Non-Current Liabilities			
Finance lease obligation	11	2 138	629
Employee and Members benefit obligations	16	1 637 495	1 752 287
		1 639 633	1 752 916
Non-Current Liabilities		1 639 633	1 752 916
Current Liabilities		308 464	262 860
Total Liabilities		1 948 097	2 015 776
Assets		654 110	500 089
Liabilities		(1 948 097)	(2 015 776)
Net Assets		(1 293 987)	(1 515 687)
Accumulated surplus		(1 293 987)	(1 515 687)
Total Net Assets		(1 293 987)	(1 515 687)

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Statement of Financial Performance

	Note(s)	2022 '000	2021 Restated* '000
Revenue			
Revenue from exchange transactions			
Sale of goods	17	2 519	978
Other revenue		437	16
Commissions received		574	547
Bad debts recovered		1	72
Interest earned	18	21 307	14 004
Total revenue from exchange transactions		24 838	15 617
Revenue from non-exchange transactions			
Annual appropriation	19	2 144 148	2 015 843
Statutory appropriation	20	501 880	510 613
Service in kind revenue	21	141 297	141 096
Public contributions and donations	22	-	26 117
Other revenue		2 665	26
Total revenue from non-exchange transactions		2 789 990	2 693 695
		24 838	15 617
		2 789 990	2 693 695
Total revenue		2 814 828	2 709 312
Expenditure			
Compensation of employees and Members	23	(1 822 186)	(1 835 462)
Depreciation and amortisation	24	(25 453)	(27 920)
Finance costs	25	(556)	(1 191)
Debt Impairment	26	(16)	(131)
Transfers to non-profit institutions	27	(514 059)	(497 667)
Repairs and maintenance	28	(5 010)	(4 974)
Cost of sales	29	(2 562)	(1 767)
General Expenses	30	(442 825)	(330 460)
Total expenditure		(2 812 667)	(2 699 572)
		-	-
Total revenue		2 814 828	2 709 312
Total expenditure		(2 812 667)	(2 699 572)
Operating surplus		2 161	9 740
Loss on disposal of assets		(273)	(741)
Impairment loss of assets	8&9&10	(17 690)	-
Past service costs	16	70 189	-
Actuarial gains	16	168 880	160 987
Other comprehensive incomes		221 106	160 246
Surplus before taxation		223 267	169 986
Surplus before taxation		223 267	169 986
Taxation		-	-
Surplus for the year		223 267	169 986

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Statement of Changes in Net Assets

	Accumulated surplus '000	Total net assets '000
Balance at 01 April 2020	(1 656 914)	(1 656 914)
Changes in net assets		
Surplus/(Deficit) for the year	169 986	169 986
Adjustment in opening balance	(28 759)	(28 759)
Total changes	141 227	141 227
Opening balance as previously reported	(1 480 588)	(1 480 588)
Adjustments		
Prior year adjustments-Note 40	(35 099)	(35 099)
Restated balance at 01 April 2021	(1 515 687)	(1 515 687)
Changes in net assets		
Surplus/(Deficit) for the year	223 267	223 267
Adjustment in opening balance	(1 567)	(1 567)
Total changes	221 700	221 700
Balance at 31 March 2022	(1 293 987)	(1 293 987)

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Cash Flow Statement

	Note(s)	2022 '000	2021 Restated* '000
Cash flows from operating activities			
Receipts			
Annual appropriation		2 144 148	2 015 843
Statutory appropriation		471 710	476 474
Departmental revenue		4 787	2 321
Interest received		15 311	13 906
Statutory receivable		34 139	22 185
Public contributions and donations		-	26 117
		2 670 095	2 556 846
Payments			
Employee costs		(1 653 655)	(1 627 721)
Suppliers		(312 677)	(189 041)
Finance costs		(556)	(1 121)
Transfer to non-profit institutions		(516 819)	(495 626)
		(2 483 707)	(2 313 509)
Total receipts		2 670 095	2 556 846
Total payments		(2 483 707)	(2 313 509)
Net cash flows from operating activities	33	186 388	243 337
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(21 858)	(18 413)
Proceeds from sale of property, plant and equipment	8	296	102
Purchase of intangible assets	9	(12)	(260)
Purchase of heritage assets	10	(1)	(56)
Net cash flows from investing activities		(21 575)	(18 627)
Cash flows from financing activities			
Finance lease payments		(7 667)	(12 462)
Net increase/(decrease) in cash and cash equivalents		157 146	212 248
Cash and cash equivalents at the beginning of the year		326 140	113 892
Cash and cash equivalents at the end of the year	7	483 286	326 140

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

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
	'000	'000	'000	'000	'000	
Cash Flow Statement						
Cash flows from operating activities						
Revenue						
Annual appropriation	2 144 148	-	2 144 148	2 144 148	-	
Statutory appropriation	471 710	-	471 710	471 710	-	
Sales of goods/departmental revenue	2 000	-	2 000	4 787	2 787	39.1
	2 617 858	-	2 617 858	2 620 645	2 787	
Expenses						
Compensation of employees	(1 235 240)	-	(1 235 240)	(1 151 775)	83 465	39.2
Compensation of Members	(471 710)	-	(471 710)	(501 880)	(30 170)	39.3
Goods and services	(409 515)	10 337	(399 178)	(312 677)	86 501	39.4
Transfer to non- profit institutions	(513 031)	-	(513 031)	(516 819)	(3 788)	
	(2 629 496)	10 337	(2 619 159)	(2 483 151)	136 008	
Total receipts	2 617 858	-	2 617 858	2 620 645	2 787	
Total payments	(2 629 496)	10 337	(2 619 159)	(2 483 151)	136 008	
Net cash flows from operating activities	(11 638)	10 337	(1 301)	137 494	138 795	
Cash flows from investing activities						
Acquisition of property, plant and equipment	(27 201)	(10 336)	(37 537)	(21 858)	15 679	39.5
Purchase of heritage assets	(1)	-	(1)	(1)	-	
Purchase of intangible assets	(13)	-	(13)	(12)	1	
Net cash flows from investing activities	(27 215)	(10 336)	(37 551)	(21 871)	15 680	
Net increase/(decrease) in cash and cash equivalents	(38 853)	1	(38 852)	115 623	154 475	
Cash and cash equivalents at the end of the year	(38 853)	1	(38 852)	115 623	154 475	

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

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
	'000	'000	'000	'000	'000	
Reconciliation						
Net cash from (used) operating						
Basis difference						
Interest paid				(556)		
Statutory receivable received				34 139		
Interest received						
Interest received				15 311		
Net cash from (used) investing						
Basis difference						
Proceeds from sale of property, plant and equipment				296		
Net cash from (used) financing						
Basis difference						
Finance lease payments				(7 667)		
Actual Amount in the Cash flow statement				157 146		

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Accounting Policies

	Note(s)	2022 '000	2021 '000
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1. Basis of presentation

The financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 56 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (FMPPLA).

These financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. 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.

Assets, liabilities, revenues and expenses were not offset, except where offsetting is either required or permitted by a Standard of GRAP.

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. Estimates and underlying assumptions are reviewed on an ongoing basis and are recognised prospectively.

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.

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.

Employee and Members benefits, provisions contingent liabilities and contingent assets

Management's judgment is required when recognising and measuring employees and Members benefit obligations, provision, contingent liabilities and contingent assets. Employees and Members benefit obligations are discounted where the effect of discounting is material using actuarial valuations.

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 travel benefits of former Members, Executives (Ministers and Deputy Ministers) is determined using actuarial valuations. The actuarial valuation involves making assumptions about the weighted average discount rate, the benefit inflation rate, net discounts and re-election probabilities.

The Members exit gratuity benefit is calculated by the pension fund. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. This amount is increased by CPI each year until it is paid to the Member when they exit the Fund.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Accounting Policies

1.1 Significant judgements (continued)

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.

The National Assembly and Old Assembly buildings caught fire on the 02 January 2022. Access to the offices in National Assembly and some offices in the Old Assembly is restricted and management could not assess the conditions of assets in these offices. Management therefore impaired all the assets in these offices, assuming that they were damaged by the fire. When access to these buildings is allowed, management will assess the state of these assets and impaired loss will be reversed for any assets identified to be useable.

1.2 Hierarchy of standards used

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

In terms of Directive 5, the below listed Standards of GRAP were approved and not yet effective:

Guideline: Accounting for Landfill Sites

The above standard 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 this standard on Parliament will be minimal.

1.3 Comparative amounts

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

Recognition

Revenue is the gross inflow of economic benefits or service potential during the reporting period when those inflows result in an increase in net assets, other than increases relating to contributions from owners. An exchange transaction is one in which the entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Accounting Policies

1.4 Revenue from exchange transactions (continued)

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

Revenue arising from the use by others of Parliament assets yielding interest and is recognised when it is probable that the economic benefits or service potential associated with the transaction will flow to the Parliament, and the amount of the revenue 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
- Public contributions and donations
- Annual appropriation
- Service in kind rental.

Recognition

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

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.

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Accounting Policies

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 20 years
Motor vehicles	Straight-line	5 to 12 years
Office equipment	Straight-line	5 to 20 years
Computer equipment	Straight-line	3 to 15 years
Library books	Straight-line	5 to 10 years
Finance lease - cell phones, modems, laptops	Straight-line	2 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life and the depreciation charge for each period is recognised in surplus or deficit.

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 useful life of an asset have changed since the preceding reporting date. If any such indication exists, Parliament revises the expected useful life accordingly. The changes are accounted for as a change in an accounting estimate in accordance with the Standard of GRAP3.

Parliament separately discloses expenditure for repair and maintenance 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.

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Accounting Policies

1.7 Heritage assets (continued)

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.

Parliament separately discloses expenditure to repair and maintenance of heritage assets in the notes to the financial statements.

1.8 Intangible assets

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.

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 12 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.

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Accounting Policies

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 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.

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.

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Accounting Policies

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 year end.

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

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

- Cash and cash equivalents

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

-Trade and other payables

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

1.12 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.

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Accounting Policies

1.12 Provisions (continued)

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.

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.

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Accounting Policies

1.14 Employee benefits (continued)

Defined contribution plans

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 Members benefits relating to Members 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.

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.

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 Assets held for sale

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

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

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

Initial recognition

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

Subsequent measurement

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

1.16 Capital Commitments

Commitments are recognised when Parliament has committed itself to future non routine transactions that will normally result in the outflow of cash. These commitments are a result of contracting which is non-cancellable or cancellation would be at a significant cost to Parliament.

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

1.17 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.

The following is disclosed for each class of contingent liability at the reporting date:

- A brief description of the nature of the contingent liability and, where practicable an estimate of its financial effect is measured.
- An indication of the uncertainties relating to the amount or timing of any outflow and any the possibility of any reimbursement.

Contingent assets

Contingent assets are not recognised in the statement of financial position as they are possible assets whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Parliament.

When an inflow of economic benefits or service potential is probable, a brief description of the nature of the contingent assets at the reporting date and where practicable, an estimate of their financial effect is disclosed.

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Accounting Policies

1.18 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 and remuneration of management as defined.

1.19 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.

1.20 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.

Where irregular expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Irregular expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

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.

Where fruitless and wasteful expenditure was incurred in the previous financial year and is only condoned in the current financial year, the disclosure note to the financial statements is updated with the amount condoned. Fruitless and wasteful expenditure that is incurred and identified during the current financial year is disclosed and reduced by any amounts condoned.

1.22 Budget information

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

The approved budget covers the fiscal period from 01 April 2021 to 31 March 2022. The statement of financial performance is prepared on accrual basis, while the budget is prepared on cash basis by economic classification. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis on the Statement of comparison of budget and actual amounts. The variance between budget and the actual amounts of five per cent and above are regarded as material and are explained.

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Accounting Policies

1.23 Cost of sales

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

The related cost of providing services recognised as revenue in the current period is included in cost of sales.

Contract costs comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the contract on a systematic and rational basis; and
- such other costs as are specifically chargeable to the customer under the terms of the contract.

1.24 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 adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

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.

1.25 Presentation currency

These financial statements are presented in South African Rand, which is the functional currency of the Parliament. Unless stated otherwise, all figures are rounded to the nearest R1,000 (thousand Rand).

1.26 Offsetting

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

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
2. Inventories		
Food, beverage and giftshop stock	1 670	1 331
Opening balance	1 331	2 230
Additions	2 901	869
Cost of sales	(2 119)	(1 511)
Written-off	(443)	(257)
	1 670	1 331

The Catering stock that expired due to extended National lockdown restrictions and stock that was destroyed in fire that broke in the National Assembly building were written off.

3. Receivables from exchange transactions

Government organisations	147	25
Accrued income	7 140	1 144
Provisions for doubtful debts	(172)	(161)
Other receivables	943	581
	8 058	1 589

Reconciliation of the doubtful debt provision

Opening balance	161	143
Contribution to provision	11	65
Reversal of provision	-	(47)
	172	161

The receivables from exchange transactions over 90 days, where all possible means to recover were exhausted and there was no arrangement for payment, were impaired.

4. Receivables from non-exchange transactions

Staff and Members debt	1 744	1 280
Doubtful debt provision	(655)	(650)
	1 089	630

Reconciliation of doubtful debt provision

Opening balance	650	610
Contribution to provision	6	66
Reversal of provision	(1)	(26)
	655	650

The receivables from non- exchange transactions over 90 days, where all possible means to recover were exhausted and there was no arrangement for payment, were impaired.

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Notes to the Financial Statements

	2022 '000	2021 '000
5. Statutory receivable		
Amount received	(471 710)	(476 474)
Amount utilised	501 880	510 613
	30 170	34 139

Section 23(4) of the FMPPLA provides that unspent statutory appropriation must be surrendered to the National Revenue Fund (NRF), and in the same context overspending on statutory appropriation must be claimed from the NRF. Statutory receivables are measured as the difference between the amount received and the amount spent.

The name of this account balance was changed from overspent statutory appropriation to statutory receivable in line with GRAP 108 requirements.

6. Prepayments

Prepayment balances

*Prepayments to DIRCO	4 639	-
** Prepaid expenses	6 561	10 319
Advance- short term	241	17
S&T Advances	238	9
Control: Petty Cash	149	149
	11 828	10 494

*Prepayments to the Department of International Relations and Cooperation (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.

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Notes to the Financial Statements

	2022 '000	2021 '000
7. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	9	13
Bank balances	179 621	276 565
Short-term deposits	303 656	49 562
	483 286	326 140

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.

The entity had the following bank accounts

Account number / description	Bank statement balances		Cash book balances	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Nedbank Limited: Primary Bank Account	143 879	240 558	143 879	240 558
Nedbank Limited: Petty Cash Account	32	29	32	29
Nedbank Limited: EU Account Main	17 886	28 742	17 886	28 742
Nedbank Limited: EU Account Salary Account	14 951	6 733	14 951	6 733
Nedbank Limited: Salary Account	2 873	503	2 873	503
Total	179 621	276 565	179 621	276 565

Short term deposits	31 March 2022		31 March 2021	
	31 March 2022	31 March 2021	31 March 2022	31 March 2021
Nedbank Limited: Call Deposit (30 Days)	2 246	2 171	2 246	2 171
Nedbank Limited: Notice Deposit (183 Days)	11 410	1 391	11 410	1 391
Nedbank Limited: EU fixed deposit (365 days)	40 000	46 000	40 000	46 000
365 days	150 000	-	150 000	-
(183 days)	100 000	-	100 000	-
	303 656	49 562	303 656	49 562

The 30 days notice deposit account bears interest at 4.05% per annum and the interest is compounded monthly.
The 183 days notice deposit account bears interest at 4.7% per annum and the interest is compounded monthly.
The EU Fixed deposit bears interest at 6.2% per annum and the interest is compounded yearly.
The 364 days notice account bears interest at 5.30% per annum and the interest is compounded yearly.
The 183 days notice account bears interest at 5.22% per annum and the interest is compounded half yearly.

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Notes to the Financial Statements

Figures in Rand thousand

8. Property, plant and equipment

	2022			2021		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture	32 197	(28 046)	4 151	48 680	(42 988)	5 692
Motor vehicles	14 819	(8 029)	6 790	12 708	(7 402)	5 306
Office equipment	83 295	(54 945)	28 350	127 714	(103 662)	24 052
Computer equipment	112 936	(91 437)	21 499	123 683	(96 947)	26 736
Library	32 496	(31 327)	1 169	32 207	(31 080)	1 127
Total	275 743	(213 784)	61 959	344 992	(282 079)	62 913

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Notes to the Financial Statements

Figures in Rand thousand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2022

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture	5 692	711	(61)	(1 457)	(734)	4 151
Motor vehicles	5 306	3 460	(103)	(1 873)	-	6 790
Office equipment	24 052	17 958	(63)	(4 864)	(8 733)	28 350
Computer equipment	26 736	13 047	(428)	(14 991)	(2 865)	21 499
Library	1 127	289	-	(247)	-	1 169
	62 913	35 465	(655)	(23 432)	(12 332)	61 959

Included in property, plant and equipment are leased assets with carrying value of R7 823

The National Assembly and some offices in the Old Assembly were caught by fire, access was restricted to these offices and therefore all the assets in these locations were impaired to zero. The impairment loss relates to the net book values of the assets that were destroyed by the fire in these offices.

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Figures in Rand thousand

8. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2021

	Opening balance	Additions	Reinstatement	Disposals	Depreciation	Total
Furniture	4 948	2 164	-	(28)	(1 392)	5 692
Motor vehicles	2 995	3 597	-	-	(1 286)	5 306
Office equipment	23 804	5 216	6	(339)	(4 635)	24 052
Computer equipment	37 280	6 997	-	(277)	(17 264)	26 736
Library	1 292	80	-	-	(245)	1 127
	70 319	18 054	6	(644)	(24 822)	62 913

Included in property, plant and equipment are leased assets with carrying value of R8 288

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Figures in Rand thousand

9. Intangible assets

	2022			2021		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	28 346	(23 525)	4 821	31 914	(24 949)	6 965

Reconciliation of intangible assets - 2022

	Opening balance	Additions	Disposals	Amortisation	Impairment loss	Total
Computer software, other	6 965	12	(11)	(2 021)	(124)	4 821

The impairment loss relates to the net book values of the intangible assets that were destroyed by the fire.

Reconciliation of intangible assets - 2021

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	10 400	260	(597)	(3 098)	6 965

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Figures in Rand thousand

10. Heritage assets

	2022			2021		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	50 280	-	50 280	55 520	-	55 520

Reconciliation of heritage assets 2022

	Opening balance	Additions	Disposals	Impairment losses	Total
Art Collections, antiquities and exhibits	55 520	1	(7)	(5 234)	50 280

The impairment loss relates to the net book values of the heritage assets that were destroyed by the fire.

Reconciliation of heritage assets 2021

	Opening balance	Additions	Reinstatement	Total
Art Collections, antiquities and exhibits	55 437	56	27	55 520

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	2022 '000	2021 '000
11. Finance lease obligation		
Minimum lease payments due		
- within one year	5 572	5 477
- in second to fifth year inclusive	2 194	646
	7 766	6 123
less: future finance charges	(429)	(225)
Present value of minimum lease payments	7 337	5 898
Non-current liabilities	2 138	629
Current liabilities	5 199	5 269
	7 337	5 898

The average lease term is 2 years for computer equipments (cell phones, modems and tablets and laptops). The laptops are only leased for Members of Parliament. 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.

12. Payables from exchange transactions

Trade payables and accrued expenses	51 477	44 043
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The fair value of trade payables and accrued expenses from exchange transactions approximates their carrying amounts. This amount is owed to creditors for goods delivered/ services rendered as at end of the financial year. The standard credit terms of 30 days from invoice/statement receipt apply.

GRAP 19 allows for the accrued expenses to be added into trade payables and therefore management decided to consolidate the trade payables and accrued expenses. The accrued expenses that were separately disclosed in the prior year amounting to R39 928 (after prior period error corrections Note 40) have been added to trade payables balance, resulting in total trade payables and accrued expenses of R45 179.

13. Payables from non-exchange transactions

Transfers to non profit Institutions	2 894	5 654
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	2022 '000	2021 '000			
14. Employees and Members benefit obligations					
14.1 Reconciliation of employees benefits - 31 March 2022					
	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	89 557	5 335	(6 357)	-	88 535
Staff salary savings	2 545	2 422	(2 545)	-	2 422
Accrued long service awards	295	120	(295)	-	120
Overtime	229	1 435	(229)	-	1 435
Performance bonus	-	3 316	-	-	3 316
Long service awards provision	1 453	1 894	(1 453)	-	1 894
Shift and Acting/Stand-in Allowances	152	58	(152)	-	58
** Other Employee benefits	2 916	4 077	(2 549)	(367)	4 077
	97 147	18 657	(13 580)	(367)	101 857

Management estimated that only 33,3% of Parliament employees contracted for in the 2021/22 financial year and therefore performance bonuses were calculated as 1% of the 33,3% of salary bill of employees as at 31 March 2022.

**Other employee benefits

This balance consist of the salary related amounts owed to Staff, UIF and insurance claims not yet paid to employees as at year end.

Reconciliation of employees benefits - 31 March 2021

	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Leave liability	60 171	34 386	(5 000)	-	89 557
Staff salary savings	2 685	2 545	(2 685)	-	2 545
Accrued long service awards	103	295	(103)	-	295
Overtime	1 755	229	(1 755)	-	229
* Performance bonus	9 198	-	-	(9 198)	-
Long service awards provision	1 525	1 328	(1 400)	-	1 453
Shift and Acting/Stand-in Allowances	-	152	-	-	152
** Other	854	2 903	(841)	-	2 916
	76 291	41 838	(11 784)	(9 198)	97 147

*Performance Bonus

Parliament had budget cuts amounting to R195,290 in the 2020/21 financial year due to funding of Covid-19 pandemic by Government. As a result Parliament did not have money to pay performance bonus for 2019/20 financial year and management communicated this decision to all staff and the performance bonus provision was reversed.

Parliament budget was further reduced by R256,715 for the 2021/22 financial year and in accessing the financial viability of Parliament, management decided not to make the provision for performance bonus for the 2020/21 financial year as

Parliament will not have funds to pay the performance bonus. This assessment was conducted in line with performance management policy which states that proposal of rewards will be submitted to the Accounting Officer on annual basis taking into account resource constraints.

**Other employee benefits

This balance consist of the salary of deceased staff which are still waiting Estate banking details, UIF, PAYE and insurance claims not yet paid to employees as at year end.

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Notes to the Financial Statements

	2022 '000	2021 '000
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14. Employees and Members benefit obligations (continued)

14.2 Reconciliation of Members benefit obligations 31 March 2022

Reconciliation of Members benefit obligations - 31 March 2022	Opening Balance	Additions	Utilised during the year		Total
Member's accrual gratuities and other benefits	21 575	19 125	(5 657)	-	35 043
Post-retirement medical aid benefits	66 928	102 166	(80 936)	-	88 158
Post employment travel benefits	3 807	8 630	(3 352)	-	9 085
Loss of office gratuity provision	5 710	6 105	(5 710)	-	6 105
Other Members benefits	827	-	(827)	-	-
	98 847	136 026	(96 482)	-	138 391

Reconciliation of Members benefit obligations - 31 March 2021	Opening Balance	Additions	Utilised during the year	Reversed during the year	Total
Member's accrual gratuities	4 773	18 870	(1 163)	(905)	21 575
Post-retirement medical aid benefits	92 754	58 546	(84 372)	-	66 928
Post employment travel benefits	12 530	-	(1 508)	(7 215)	3 807
Loss of office gratuity provision	2 879	5 710	(2 879)	-	5 710
Other Members benefits	-	827	-	-	827
	112 936	83 953	(89 922)	(8 120)	98 847

15. Provisions

Opening balance	11 900	5 339
Contribution	-	11 700
Reversal of provision	(3 254)	(5 139)
	8 646	11 900

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 costs of similar matters.

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Notes to the Financial Statements

	2022 '000	2021 '000
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16. Non-current Employee and Member benefit obligations

16.1 Members benefit obligations

The Political Office Bearers Pension Fund (POBF)

Retirement benefits are provided by membership to POBF. 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).

Contribution to POBF for the reporting period	67 218	65 576
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Post- retirement medical aid benefits

In terms of existing practice, Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for the 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 2022.

Reconciliation of movement in liability

Opening balance	1 334 858	1 299 510
Current service costs	39 193	29 435
Interest	144 360	172 729
Actuarial (gain)/loss on basis	(153 402)	(108 270)
Transferred to current employee benefits	(102 166)	(58 546)
Total	1 262 843	1 334 858

The interest cost was calculated using a liability-weighted average of the yields from the zero coupon SA Government bond curve for the components of the liability. The source is the Johannesburg Stock Exchange through IRESS data service.

The annual average contribution for the post retirement medical aid amounts to R80,936 million and is funded by National Treasury. The provision of R 1.351 billion for current and non-current liabilities 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 they are 21 years or 26 years if they are still studying and children with disabilities until they pass away.

Principal actuarial assumptions: Key Financial Assumptions

Assumptions	31 March 2022 Value p.a	31 March 2021 Value p.a
Weighted discount rate	11.04%	10.45%
General inflation	6.66%	6.59%
Health care cost inflation rate	8.16%	8.09%
Medical-Inflation risk premium	1.50%	1.50%
Net discount rate	2.66%	2.18%

Summary of key demographic assumptions

	31 March 2022	31 March 2021
Average benefit commencement age	55	55
Continuation of membership at cessation of service	75%	75%
Proportion with a spouse dependant at cessation of service	50%	50%
Mortality during employment	SA 85-90	SA 85-90
Mortality post-retirement	PA(90)-2	PA(90)-2
Male spouse older than female spouse	4 years	4 years

	Change %	Current service cost	Interest
Central assumptions	-	30 144	145 992
Discount rate	(1)	36 230	148 297
	1	25 375	143 699

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		2022 '000	2021 '000
16. Non-current Employee and Member benefit obligations (continued)			
Health-care inflation	(1)	25 222	131 283
	1	36 349	163 403
Post-employment mortality age rating (1 year decrease)	-	31 056	151 018
Post-employment mortality age rating (1 year increase)	1	29 233	140 993
Average benefit commencement age (1 year decrease)	-	26 733	148 124
Average benefit commencement age (1 year increase)	-	29 437	143 608
	-	-	-

Assumptions	Central assumption	Discount rate	Health care inflation	Post-employment mortality age rating	Average benefit commencement age
1% decrease in cost (savings)	1 351 001	1 502 754	1 220 232	-	-
	-	151 753	(130 769)	-	-
1% increase in cost (savings)	-	1 224 417	1 505 630	-	-
	-	(126 584)	154 629	-	-
1 year decrease in cost savings)	(-	-	1 396 096	1 371 983
	-	-	-	45 095	20 982
1 year increase in cost savings)	(-	-	1 306 150	1 329 750
	-	-	-	(44 851)	(21 251)
	-	-	-	-	-

Liability history summary	2022	2021	2020	2019	2018
Accrued liability	1 351 001	1 401 786	1 392 264	1 251 030	1 143 737
Plan asset	-	-	-	-	-
Subtotal	1 351 001	1 401 786	1 392 264	1 251 030	1 143 737
	(1 351 001)	(1 401 786)	(1 392 264)	(1 251 030)	(1 143 737)

History of experience adjustment	2022	2021	2020	2019	2018
Liabilities (Gain)/Loss	(77 974)	(295 264)	109 190	24 690	48 442

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.

It is calculated as 4 months pensionable salary for every five years in service or prorata share of the five year period. Pensionable salary is 60% of their total gazetted remuneration package.

Provision: Members' loss of office gratuity

Opening balance	133 466	114 471
Current costs	18 324	16 329
Interest cost	20 022	16 263
Actuarial (gain)/loss	(10 292)	(7 887)
Transferred to current employee benefits	(6 105)	(5 710)
	155 415	133 466

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Notes to the Financial Statements

	2022	2021
	'000	'000

16. Non-current Employee and Member benefit obligations (continued)

The interest cost was calculated using a liability-weighted average of the yields from the zero coupon SA Government bond curve with a duration of an average between 20 and 25 years. The source is the Johannesburg Stock Exchange through IRESS data service..

Principal actuarial assumptions: Key Financial Assumptions

Assumptions	31 March 2022 Value p.a	31 March 2021 Value p.a
Discount rate	11.39%	13.78%
General inflation	6.93%	9.00%
Salary Inflation	6.93%	9.00%
Net discount rate	4.17%	4.39%

Withdrawal rates

Approximately 50% of current Members are expected to return after the elections and that was incorporated into the withdrawal assumptions.

Age Band	Withdrawal rate
20 - 29	15%
30 - 39	12%
40 - 49	6%
50 - 54	3%
55+	20%

The pre-retirement mortality is determined to be in line with the SA85-90 light table, rated down by 1 year.

Liability history summary	2022	2021	2020
Accrued liability	161 520	139 176	117 350

History of experience adjustments: Gains and Losses	2022	2021
Liabilities: (Gains)/Loss	(11 951)	(12 347)

Salary Inflation	Current Assumption	1% decrease	1% increase
Liability	161 520	154 288	169 398
Cost / (Saving)	-	(7 232)	7 878
	-	-	-

Mortality Age Rating	Current Assumption	Rated Down 2 years	Rated Up 0 years
Liability	161 520	159 126	164 897
Cost / (Saving)	-	(2 394)	3 378
	-	-	-

Discount Rate	Current Assumption	1% decrease	1% increase
Liability	161 520	169 213	154 684
Cost / (Saving)	-	7 693	(6 836)
	-	-	-

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
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16. Non-current Employee and Member benefit obligations (continued)

Exit gratuity

The exit gratuity is payable to relevant eligible Members of Parliament who are Members of Political Office Bearers Pension Fund when they exit the Fund. It is payable due to amendments made in rules in terms of the Proclamation 48 of 21 July 2016.

These Members were Members of Fund on or before 2016 and did not exit the Fund as consequence of of 2019 general elections. The Members exit gratuity fund value is the amount that is determined by the Fund to be payable to Members as a result of general elections in May 2019. It is calculated as the difference between the value payable based on new rules and the value payable in terms of old fund rules. This amount is increased by CPI each year until is paid to the Member when they exit the Fund. The Fund calculated the values payables to Members in the current year and in the prior year.

Provision: Exit Gratuity

Opening balance	160 293	166 255
Benefit paid	(7 053)	(19 223)
Increase	6 462	16 145
Transferred to current accrual benefit	-	(2 884)
	159 702	160 293

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	2022 '000	2021 '000
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16. Non-current Employee and Member benefit obligations (continued)

Post employment travel benefits

The employment travel benefits policy was approved by Executive Authority and effective from 01 April 2022. This policy changed the benefits from the benefits that were allocated in the prior years in terms of the Ministerial handbook of 2007.

New policy requirements

Any Member who has served in Parliament for a continuous period of five (5) years or longer, or one (1) complete term in the event that a complete term is less than five (5) years, shall upon exiting Parliament be entitled to twelve (12) single air tickets per annum for a period of five (5) years after exit, provided that:

- the tickets are for the personal use of the former Member and his registered spouse/partner;
- the tickets are allocated annually per financial year;
- any tickets not used in the financial year applicable are forfeited;
- tickets are issued for economy class and domestic travel only; and
- the surviving spouse or life partner of a former Member who dies within the benefit period, shall be entitled only to six single air tickets per annum to the end date of the original benefit.

The benefit end dates for former Members and widow(er)s who were already in receipt of the benefit prior to 1 April 2022, shall be the earlier of the current benefit end date, and 31 March 2027.

Summary of post employment travel benefits (local travelling per annum) per Ministerial Handbook (2020/21 financial year):

Executives (Ministers and Deputy Ministers) and their spouses travel entitlements. Beneficiaries received travel benefits in line with the highest designation attained during service. They were given a set travel allocation each calendar year and unused allocation did not carry over to the following year.

Former Minister were entitled to 48 single business class tickets and their spouses to 24 business class tickets for life. Former Deputy Ministers were entitled to 36 single business class tickets and their spouses to 18 business class tickets for life.

Former Members were entitled to 4 single economy class tickets (joint allocation to former Member and spouse). The benefit was for life except Former Members as their benefit was equal to years of service, limited to 15 years. There was no minimum service required to qualify except for Former Member which is five years. After the benefit commences, the spouse was entitled to continue with the benefit of 12 single business class tickets upon death of Beneficiary (Former Minister/Deputy Minister). This benefit was not applicable to spouse of former Member. There was no benefit accruing to spouse upon death in service for all categories. The benefit did not extend to spouse where marriage took place after the benefit commencement date.

Post employment travel benefits

Opening balance	112 763	132 706
Current service costs	7 654	4 020
Interest	11 988	15 386
Actuarial (gain)/loss	(4 408)	(46 564)
(Transferred to)/Transfer from current employee benefits	(8 630)	7 215
Past service cost	(70 189)	-
	49 178	112 763

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2022
'000

2021
'000

16. Non-current Employee and Member benefit obligations (continued)

Key Financial Assumptions

The interest cost were calculated using a liability-weighted average of the yields for the three components of the liability. The source is the Johannesburg Stock Exchange.

Assumptions	31 March 2022 Value p.a	31 March 2021 Value p.a
Weighted average discount rate	8.42%	10.45%
Benefit inflation rate (cost per allocation used)	5.96%	6.57%
Net discount rate	2.32%	3.64%
Summary of key demographic assumptions		
Re-election probability	Executive 50% Members 60%	Executive 50% Members 60%
Proportion exiting at any time other than at an election	5%	5%
average benefit commencement age -		All 59 years
Average Benefit Years (Members only)		7 years
Mortality during employment SA 85-90		
Mortality post-employment	PA(90) -1 with a 1% mortality improvement p.a. from	
2010		
Proportion with a spouse at benefit commencement	70%	70%
Executives		
Members	Actual Spouses	Actual Spouses
Proportion of members who become a minister / deputy minister for some duration of their service		5% / 5%
Proportion of deputy ministers who become a minister for some duration of their service.		5%
Average Allocation Utilisation Per Annum Category		
Former ministers with / without spouses	9.1/5.9	18.6 / 12.1
Former deputy ministers with / without spouses	7.4/4.3	15.2 / 8.7
Former members with / without spouses	1.0/0.4	2.1 / 0.9
Widow(er)s	1.5	3.0
Average Cost Per Allocation	R3,058	R4,340

Impact of COVID- 19

It is difficult to estimate what impact the pandemic is likely to have on Parliament's liability at this stage. There is still much uncertainty as to how it will affect mortality in the medium to long term, and what effect treatments and/or vaccines will have.

Once any long-term impacts of COVID-19 on the various valuation parameters becomes more evident, appropriate adjustments to the parameters will be feasible. In the meanwhile, any short-term impacts of actual experience being different to the current long-term assumptions will contribute to actuarial gain/loss items.

Assumptions	Change Percentage	Current service cost	Interest cost	Total
Central assumptions	-	7 654	11 988	19 642
Cost per allocation Inflation rate	1	8 526	12 932	21 458
	(1)	6 923	11 175	18 098
Discount rate	1	6 744	11 831	18 575
	(1)	8 769	12 124	20 893
Mortality rates -1yr	-	7 838	12 402	20 240
Proportion re-elected	(20)	9 822	12 823	22 645
Proportion that reaches a higher designation	5	10 480	12 789	23 269
	-	-	-	-

Accrued liability assumptions	Change percentage	In-service Members	Former Members	Total
Central assumptions	-	28 342	29 921	58 263

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			2022 '000	2021 '000
16. Non-current Employee and Member benefit obligations (continued)				
Cost per allocation inflation rate	1	30 415	30 508	60 923
	(1)	26 456	29 344	55 800
Discount rate	1	26 513	29 364	55 877
	(1)	30 388	30 499	60 887
Mortality rates +1 yr	-	28 044	29 772	57 816
-1 yr	-	28 627	30 059	58 686
Proportion re-elected	(20)	33 758	29 921	63 679
Proportion exiting	5	33 396	29 921	63 317
	-	-	-	-
Liability history summary				
	2022	2021	2020	2019
Accrued liability	58 263	116 570	145 236	169 091
Fair value of plan asset	-	-	-	-
Surplus/ (Deficit)	(58 263)	(116 570)	(145 236)	(169 091)
	-	-	-	-
History of experience adjustments: Gains and Losses				
	2022	2021	2020	
Liabilities: (Gains)/Loss	(6 975)	(29 077)	(9 007)	
Assets: gain / (loss)	-	-	-	
	-	-	-	

16. 2 Employee benefit obligations

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Notes to the Financial Statements

2022	2021
'000	'000

16. Non-current Employee and Member benefit obligations (continued)

The Government Employee Pension Fund (GEPF)

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.

	2022	2021
Contribution to the GEPF for the reporting period	72 149	69 419

Pension Scheme for Officers of Parliament (PSOP)

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.

Long service awards

Parliament rewards employees for the long service provided once they reach the agreed mile stones indicated below. Management made estimate of employee who will reach the milestones based on the employee turnover as indicated below:

Key Financial Assumptions

The interest cost were calculated using a liability-weighted average of the yields for the three components of the liability. The source is the Johannesburg Stock Exchange.

	31 March 2022	31 March 2021
Assumptions Value p.a Value p.a		
Discount rate	9.01%	7.77%
Future inflation	0%	0%
Net Discount Rate	9.01%	7.77%

Pre-retirement mortality

Assumed that the pre-retirement mortality will be in line with the SA85-90 light table, rated down by 1 year, which is a table reflecting mortality experience in South Africa.

Retirement Age

Normal Retirement Age in the public service is 65 years, therefore assumed a Normal Retirement Age of 65 years.

Withdrawal rates

Age	Withdrawal rate
20	13.3%
30	10.9%
40	5.8%
50	2.9%
51+	Nil

Assumptions - Discount rate

	Current Assumptions	1% decrease in gap 8.01%	1% increase in gap 10.01%
Liability	12 371	13 015	10 191
Cost Savings	-	644	(589)
	-	-	-

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	2022 '000	2021 '000	
16. Non-current Employee and Member benefit obligations (continued)			
Retirement	Current Assumptions	All employees retire at age 60	All employees retire at age 63
Liability	12 371	10 191	11 687
Cost Savings	-	(2 180)	(684)
	-	-	-
Liability history summary	2022	2021	2020
Accrued liability	12 371	12 654	10 461
History of experience adjustments: Gains and Losses		2022	2021
Liabilities: (Gains)/Loss		(808)	1 430
Reconciliation of long service awards			
Opening balance		10 907	8 936
Current service costs		982	833
Interest costs		965	1 026
Actuarial (gain)/loss		(778)	1 734
Transfer to current and accrual		(1 719)	(1 622)
		10 357	10 907
16.3 The amounts recognised in the statement of financial position are as follows:			
Carrying values			
Members benefit obligations			
Post- retirement medical aid benefits		1 262 843	1 334 858
Member's loss of office gratuity		155 415	133 466
Exit gratuity		159 702	160 293
Post-employment travel benefits		49 178	112 763
Employee benefits			
Long Service Awards		10 357	10 907
		1 637 495	1 752 287
17. Sale of goods			
Sale of goods		2 519	978
Sale of goods refers mainly to catering sales made at Parliamentary restaurants.			
18. Interest earned			
Interest earned		21 307	14 004
Interest was earned on monies at the bank including short-term deposits of not more than a year.			
19. Annual Appropriation			
Programmes			
Appropriated funds		2 144 148	2 015 843

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Notes to the Financial Statements

	2022 '000	2021 '000
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19. Annual Appropriation (continued)

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. These funds are appropriated to fund the following Parliament programmes:

1. Strategic Leadership and Governance
2. Administration
3. Core Business
4. Support Services and
5. Associated Service

20. Statutory Appropriation

Direct charge NRF - utilised

Statutory funds	501 880	510 613
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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 remuneration of Public Office Bearers Act (Act No.20 of 1998) Unexpended Statutory Appropriation is surrendered to the NRF in terms of section 23 (4) of the FMPPLA and overspending is refunded by NRF.

21. Service in kind revenue

Rental income	140 854	141 096
Internet access benefit	443	-
	141 297	141 096

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 2022, except the National Assembly (NA), Old Assembly and National Council of Provinces (NCOP) which were occupied for 9 months due to the fire incident that affected these buildings in January 2022.

The National Assembly Chamber was damaged during the fire on the 02 January 2022 as indicated. The City of Cape Town made available to Parliament the use of the City Hall and Grand Parade at no cost for SONA, which was significant for Parliament operations, in ensuring that SONA was carried out successfully for the benefit of all South Africans.

Vodacom sponsored Parliament with microwave link, WiFi and fibre installation amounting to R443 000 during the State of the Nation Address, which was held in Cape Town City Hall.

22. Public contributions and donations

*European Union	-	26 117
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*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.

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Notes to the Financial Statements

	2022 '000	2021 '000
23. Compensation of employees		
Basic remuneration	920 975	932 352
Performance awards	3 316	(9 198)
Annual leave	5 023	33 944
Contributions to Pension Funds	72 149	69 419
Phone allowance	532	557
Compensative /circumstantial	6 112	1 957
Contribution to UIF	2 660	2 334
Acting Allowance	9 048	9 334
Group life fringe benefit	23 334	19 199
Non-pensionable allowance	28 577	-
Current service cost	982	833
Interest cost	965	1 026
	1 073 673	1 061 757

Compensation of Members

Pensionable remuneration	310 129	301 342
Contributions to Pension Fund	67 218	65 576
Loss of office gratuity	39 558	33 353
Other non pensionable allowances	120 606	118 914
Exit Gratuity	7 807	32 950
Current service cost	46 847	33 455
Interest cost	156 348	188 115
	748 513	773 705

Average number of employees and Members

Average number of employees	1 284	1 326
Average number of Members	393	394
	1 677	1 720

24. Depreciation and amortisation

Depreciation

Motor vehicles	1 873	1 286
Computer equipment	14 991	17 264
Office equipment	4 864	4 635
Library books	247	245
Furniture	1 457	1 392

Amortisation

Intangible assets	2 021	3 098
	25 453	27 920

25. Finance costs

Finance costs	556	1 191
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26. Debt impairment contribution

Contributions to provision for bad debts	16	131
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Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
27. Transfers to non-profit Institutions		
*Party Leadership Support	12 563	12 242
*Party Support Allowance	128 890	124 815
*Constituency Allowance	371 412	358 967
**Disability Support	1 194	1 643
	514 059	497 667

These transfers were made to political parties represented in Parliament in terms of section 34 of the FMPPLA.

* 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.

** 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.

28. Repairs and maintenance

Furniture	24	-
Computer equipment	454	1 188
Heritage assets	61	4
Office equipment	2 356	2 171
Buildings	2 115	1 611
	5 010	4 974

29. Cost of sales

Sale of goods		
Cost of goods sold	2 119	1 510
Write down of inventories to net realisable value	443	257
	2 562	1 767

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Notes to the Financial Statements

	2022 '000	2021 '000
30. General expenses		
Advertising	10 593	13 509
Auditors fees	5 174	4 818
Bank charges	139	93
Consultants, contractors, and special services	20 082	23 797
Subscriptions- softwares	17 103	14 004
Consulting and professional fees - Legal	7 682	10 584
Consumables	2 116	1 583
Communications	23 763	22 069
Bursaries	1 026	1 794
Entertainment	13	15
Flowers and other decorations	668	312
Insurance	5 089	4 011
Translations and transcriptions	5 220	177
Motor vehicle expenses	1 841	588
Re-settlement costs	2 464	1 600
Printing and stationery	14 680	9 483
Postage and courier	488	311
Personnel agency fees	2 084	583
Personnel protective clothing and equipment	847	2 025
Operating lease rentals	14 351	5 706
Registration and membership fees	2 034	1 730
Training and development	3 142	3 245
Travel - local	140 977	62 646
Travel - international	15 008	1
Bereavement support	346	450
Transport costs	2 357	3 295
Service in kind expenses	141 297	141 096
Venue expenses	61	106
Catering	2 180	829
	442 825	330 460

The occupational health and safety line item was reclassified from training and development to consultants, contractors, and special services.

31. Irregular expenditure

Add: Irregular Expenditure - current	2 132	-
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The irregular expenditure relates to transfers that were made to political parties represented in Parliament in excess to what is provided for in the policy on transfers to political parties and this matter is still under investigation.

32. Fruitless and wasteful expenditure

Opening balance as previously reported	103	40
Add: Fruitless and wasteful expenditure - current year	-	23
Opening balance as restated	103	63
Add: Expenditure identified - prior period	-	52
Less: Amounts condoned	(51)	(12)
Closing balance	52	103

Details of fruitless and wasteful expenditure

Interest on late payments	52	103
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The case of R52 even though relating to prior year was only discovered and disclosed in the current year, and relates to interest & penalties incurred as a result of late payment to SARS.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
33. Cash generated from (used in) operations		
Surplus	223 267	169 986
Adjustments for:		
Depreciation and amortisation	25 453	27 920
Loss/(Profit) on sale of assets	273	741
Impairment loss of assets	17 690	-
Interest earned	(21 292)	(14 004)
Interest received	15 311	13 906
Debt impairment contribution	16	131
Movements in non current employee benefits	(114 792)	27 529
Movements in current employee benefit	44 254	10 027
Changes in working capital:		
Inventories	(339)	899
Receivables from exchange transactions	(6 468)	(398)
Receivables from non-exchange transactions	(459)	1 067
Statutory receivables	3 969	(11 954)
Prepayments	(1 334)	2 517
Assets held for sale	(104)	-
Payables from exchange transactions	7 434	6 453
VAT receivable	(477)	(85)
Payable from non-exchange transactions	(2 760)	2 041
Provisions	(3 254)	6 561
	186 388	243 337

34. Contingent liabilities

The following amounts are mainly in respect of pending labour related claims against Parliament and which are at the Labour Court. The certainty and timing of the outflow of these liabilities are uncertain and the disclosed amounts are possible outflows.

Litigations	14 005	42 609
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35. Contingent assets

Costs incurred to be recovered	-	500
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This relates to a matter that was heard at Labour Court and the case was dismissed with costs to the Applicant. The amount has been assessed to be no longer recoverable in the current year.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022	2021
	'000	'000

36. Related parties

Related party relationship exists with all national government departments, trading entities, major state owned entities (Schedule 2), national government business enterprises (Schedule 3B) and national public entities (Schedule 3A) within the National Sphere of Government due to Parliament's oversight of these Institutions. Parliament has significant influence over these Institutions, that is exercised through oversight and scrutinising of the Executive performance.

Related party transactions are consistent with normal supplier and client relationship are 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 that are within the normal operating parameters established by Parliament and are disclosed as part of revenue and expenses. The outstanding balance are disclosed below. Where there were abnormal transactions with related parties those transactions are disclosed in detail below:

Related party balances

Amounts included in the trade payables regarding related parties

Justice	2 229	5 189
Public Works	1 923	1 794
South African Police Service	284	361
International Relations and Cooperation	3 938	1 726
School of Government	-	20
Total	8 374	9 090

Trade payables - Other Government Entities

Telkom SA Limited	481	814
Government Printing Works	6	3
The South African National Roads Agency Limited	-	53
State Information Technology Agency	13	7
South African Broadcasting Corporation Limited	359	1 283
Airports Company South Africa	869	608
Total	1 728	2 761

Amounts included in trade receivables regarding related parties

Cooperative Governance and Traditional Affairs	21	25
Planning, Monitoring and Evaluation	6	-
National Treasury	28	-
The Presidency Republic of South Africa	84	-
South African Police Service	2	-
State Security	7	-
Total	148	25

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Notes to the Financial Statements

	2022 '000	2021 '000
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36. Related parties (continued)

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 2022, except the National Assembly (NA), Old Assembly and National Council of Provinces (NCOP) which were occupied for 9 months due to the fire incident that affected these buildings in January 2022.

	2022	2021
Service in kind rental benefit.	140 368	141 096

Parliament is provided with protection services by the South African Police Services for free, which are not significant to Parliament operations and were made available for the entire financial year ended 31 March 2022.

There is co-operation between DIRCO and Parliament regarding the payment of expenses for accommodation, transport, conference services, etc. by missions on behalf of Parliament when parliamentary officials are required to travel abroad on official business. Prepayments made to DIRCO are disclosed in note 6 above.

Parliament receives the statutory appropriation from National Revenue Fund for remuneration and benefits of Member. Section 23(4) of the FMPPLA provides that unspent statutory appropriation must be surrendered to the National Revenue Fund (NRF), and in the same context overspending on statutory appropriation must be claimed from the NRF. Statutory receivable owed by National Treasury (NRF) is disclosed in note 5 above.

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Notes to the Financial Statements

Figures in Rand thousand

36. Related parties (continued)

Remuneration of management

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

Executive Authority

2022

Name	Basic salary	Post-employment benefits	Other Short-term benefits	Total
*Hon NN Mapisa-Nqakula - Speaker of the National Assembly	1 072	241	474	1 787
*Hon. T R Modise - Speaker of the National Assembly	606	136	268	1 010
Hon. NA Masondo-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.SE Lucas - Deputy Chairperson on the National Council of Provinces	1 187	267	524	1 978
	5 747	1 292	2 539	9 578

*Honourable TR Modise services were terminated on the 9 August 2021 and was replaced by Honourable MM Mapisa-Nqakula as Speaker National Assembly on the 19 August 2021.

2021

Name	Basic salary	Post Employment Benefits	Other short-term employee benefits	Total
Hon T R Modise - Speaker of the National Assembly	1 695	381	749	2 825

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Notes to the Financial Statements

Figures in Rand thousand

36. Related parties (continued)

Hon. NA Masondo-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. SE Lucas - Deputy Chairperson on the National Council of Provinces	1 187	267	524	1 978
	5 764	1 296	2 546	9 606

Senior Management

2022

Name	Basic salary	Post employment benefits	Long service awards provision	Performance bonus provision	Total
*Ms P N Tyawa - Acting Secretary to Parliament	2 262	246	6	21	2 535
Adv M Phindela - Secretary to National Council of Provinces	2 181	272	9	24	2 486
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 106	232	22	23	2 383
Ms RP November - Acting Chief Financial Officer	1 848	185	12	19	2 064
	8 397	935	49	87	9 468

2021

Name	Basic salary	Post Employment Benefit	Long Service Awards Provision	Total
*Ms P N Tyawa - Acting Secretary to Parliament	2 411	225	5	2 641
Adv M Phindela - Secretary to National Council of Provinces	2 127	258	9	2 394
Mr M Xaso - Acting Deputy Secretary to Parliament: Core Business	2 053	219	22	2 294
**Mr HJ Nkuna - Acting Chief Financial Officer	1 376	106	-	1 482

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Notes to the Financial Statements

Figures in Rand thousand

36. Related parties (continued)

**Ms RP November - Acting Chief Financial Officer	806	77	12	895
	8 773	885	48	9 706

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

**The Acting Chief Financial Officer Mr HJ Nkuna retired in October 2020 and replaced by Ms November as acting Chief Financial Officer from 01 November 2020.

Divisional Managers/Heads of Departments

2022

	Basic salary	Post-employment benefits	Long service awards provision	Performance bonus provision	Total
Ms M Zungu - Institutional Support Services	1 980	247	4	22	2 253
Adv Z Adhikarie - Chief Legal Advisor	2 031	254	16	22	2 323
Ms S Schalk - Legislative Support Programme	2 137	50	11	21	2 219
Dr DJ Jantjies- Director Parliamentary Budget Office	1 981	247	5	-	2 233
*Ms E Nezar - Chief Audit Executive	272	36	-	-	308
*Mr RD Gilfillan Acting Chief Audit Executive	1 411	136	3	-	1 550
Mr K Zweni - Office of Institutional Supporting Democracy	1 844	230	9	20	2 103
Dr Gabriel LK - Knowledge and Information Systems	1 980	247	4	22	2 253
Mr G Mokate - Head of the Chairperson's Office	2 135	50	2	-	2 187
Mr MK Mothapo- Parliamentary Communication Services	1 977	247	4	22	2 250
Mr DJ Sithole - International Relations and Protocol	1 980	247	4	-	2 231
**Mr VGM Mavuso - Members Support Services	1 122	117	-	-	1 239
**M L Harper Acting Members Support Services	1 092	27	14	19	1 152
RK Begg - Core Business Support	1 980	247	4	22	2 253
Mr DR Moodley - Strategy and Governance	2 176	51	4	22	2 253

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Notes to the Financial Statements

Figures in Rand thousand

36. Related parties (continued)

Ms F Boltman - Chief Information Officer	2 135	50	10	21	2 216
Mr MM Monkonyana - Human Resources Executive	2 156	51	12	21	2 240
***Mr BR Elisha- Head of Speaker's Office	1 082	20	-	-	1 102
***Ms CM Hendricks- Head of Speaker's Office	641	21	-	-	662
***Ms NF Nojozi - Head of Speaker's Office	711	19	-	-	730
Mr HR McGregor - Head: Treasury Advice Office	1 103	140	-	-	1 243
JM Sefako - Senior Manager: Risk & Compliance	1 655	207	1	18	1 881
Ms AJ Gordon Acting Registrar of Member's interest	1 492	149	14	15	1 670
	37 073	3 090	121	267	40 551

*Mr RD Gilfillan acted as Chief Audit Executive until Ms E Nezar was appointed in February 2022.

**Mr VGM Mavuso - Members Support Services resigned in September 2021 and Ms Harper started to act in the position from October 2021.

***Mr BR Elisha- Head of Speaker's Office services were terminated in September 2021, Ms NF Nojozi acted in the position from August 2021 until it was filled by Ms CM Hendricks in December 2021.

2021

Name	Basic salary	Post Employment Benefits	Long Service Awards Provision	Total
Ms M Zungu - Institutional Support Services	1 929	234	4	2 167
Adv Z Adhikarie - Chief Legal Advisor	1 979	240	15	2 234
Ms S Schalk - Legislative Support Programme	2 074	40	9	2 123
Dr DJ Jantjies- Director Parliamentary Budget Office	869	100	5	974
*Mr RD Gilfillan Acting Chief Audit Executive	1 890	28	2	1 920
Mr K Zweni - Office of Institutional Supporting Democracy	1 795	218	9	2 022
Dr Gabriel LK - Knowledge and Information Systems	1 929	234	4	2 167
Mr G Mokate - Head of the Chairperson's Office	2 082	41	1	2 124

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Figures in Rand thousand

36. Related parties (continued)

Mr MK Mothapo- Parliamentary Communication Services	1 929	234	3	2 166
Mr DJ Sithole - International Relations and Protocol	1 929	234	3	2 166
Mr VGM Mavuso - Members Support Services	1 929	234	3	2 166
RK Begg - Core Business Support	1 929	234	4	2 167
Mr DR Moodley - Strategy and Governance	2 123	41	3	2 167
Ms F Boltman - Chief Information Officer	2 082	41	9	2 132
Mr MM Monkonyana - Human Resources Executive	2 103	41	12	2 156
*Ms NF Nojozi - Head of Speaker's Office	1 206	19	-	1 225
*Mr BR Elisha- Head of Speaker's Office	1 041	20	-	1 061
Ms N Orlandi Acting Director Parliamentary Budget Office	165	16	5	186
Mr S Mohamed Deputy Director Senior Analyst Economics	164	16	3	183
JM Sefako - Senior Manager: Risk & Compliance	134	16	-	150
Ms AJ Gordon Acting Registrar of Member's interest	1 482	140	13	1 635
	32 763	2 421	107	35 291

*Ms NF Nojozi - Head of Speaker's Office resigned in September 2020 and replaced by Mr BR Elisha in October 2020.

Ms JM Sefako was appointed as Senior Manager: Risk & Compliance in March 2021 and this was a new position.

37. Financial instruments

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 that, it is able to meet estimated expenditure requirements. This is achieved through prudent liquidity risk management which includes maintaining sufficient cash and cash equivalents and ongoing review of future commitments.

Parliament of the Republic of South Africa

Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
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37. Financial instruments (continued)

The maturity dates of Parliaments's liabilities are set out below

Financial liabilities at amortised cost - payable within 1 year, undiscounted

Payables from exchange transactions	51 477	44 043
Payables from non exchange transactions	2 894	5 654
	54 371	49 697

Finance leases - discounted

Payable within 1 year	5 199	5 269
Payable within 2 - 5 years	2 138	629
	7 337	5 898

Credit risk 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 2022 are as follows:

Financial assets at amortised cost

Bank balances	179 621	276 565
Short-term deposits	303 656	49 562
Receivables from exchange transactions - within 1 year	8 058	1 589
Receivables from non-exchange transactions - within 1 year	1 089	630
	492 424	328 346

:

Financial instruments not exposed to risk

Financial assets

The statutory receivable is not exposed to risk as it will be refunded by National Revenue Fund in terms of section 23 (4) of the FMPPLA.

Financial assets at amortised cost - receivable within 1 year

Statutory receivables	30 170	34 139
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Notes to the Financial Statements

	2022 '000	2021 '000
38. Commitments		
Commitments in respect of capital expenditure		
This committed expenditure relates to property, plant and equipment and will be financed by existing cash resources.		
Already contracted for but not provided for		
Property, plant and equipment	3 997	2 909
Intangible assets	20	-
	4 017	2 909

Operating leases - as lessee (expense):

Minimum lease payments due		
- within one year	36	1 119

Operating lease payments represent rentals payable by Parliament for office equipment that are rented on contractual basis over period of time. Parliament is renting the Parliamentary Democracy Offices (PDO) on month to month basis and therefore there is no commitment to disclose.

39. Budget differences

Material differences between budget and actual amounts

Parliament's budget is approved on a cash basis by functional classification. The approved budget covered the fiscal period from 1 April 201 to 31 March 2022. The comparison of Parliament's actual performance with the budget is set out in the statement of comparison of budget and actual amounts.

Differences between budget and actual amounts basis of preparation and presentation

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
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39. Budget differences (continued)

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 & above and rand value of R500 thousand & above between the budget and the actual amounts prepared on a cash basis is regarded as material and is explained below:

39.1 Sale of goods/Departmental revenue

The actual receipts exceed the budgeted revenue because the Covid restrictions were eased and there was more demand for catering by Departments.

39.2 Compensation of employees

The underspending on compensation of employees is due to terminations during the year and delays in filling critical vacant positions. The underspending will be part of retained earnings and available for spending in the next financial year, as Parliament is not required to surrender funds appropriated and not spent in line with sections 16(2)(b)(iii) and 23(1) of the FMPPLA.

39.3 Compensation of Members

The overspending is due to the payment of loss of office and exit gratuities to retired/resigned/deceased Members over and above the payment of the salaries and benefits of Members of Parliament. Further National Treasury reduced the initial allocation for Direct Charges by R69,338. This amount will be claimed from NRF in terms of Section 23(4) of the FMPPLA.

39.4 Goods and services

The underspending is due to planned physical meetings that could not happen during the lockdown thus resorting to remote and hybrid work.

39.5 Property, plant and equipment

The underspending is due to assets delivered close to year-end and were only paid in the new financial year.

40. Prior period errors

Presented below are those items contained in the statement of financial position, statement of financial performance and cash flow statement that have been affected by prior-year adjustments are presented to the nearest thousand. All errors identified were corrected, however only the overall change of 5 percent and above or R500 thousand in the account balance, class of transactions and cash flow movements are explained.

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Financial Statements for the year ended 31 March 2022

Notes to the Financial Statements

	2022 '000	2021 '000
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40. Prior period errors (continued)

40.1 Compensation of employees and Members, current Employees and Members benefit obligations and non-current Employees and Members benefit obligations

The Compensation of employees and Members was understated by R19 429, current Members benefit obligations were understated by R7 197 and non-current Employees and Members benefit obligations understated by R32 601 mainly due to the additional salary payment that had to be made to an employee as a result of labour court judgement, Member gratuities that were not accounted for, long service awards provision of employees which did not take into account all the milestones and discount rates. Also due to loss of office gratuity provision calculation which did not take into account the future salary increase, mortality, the withdrawal rates and discount rates.

40.2 General expenses

General expenses were overstated by R 4 566 mainly due to amounts that were accrued, subsequently received credit notes and service providers wrote-off the outstanding balances.

40.3 Payables from exchange transactions

They were understated by R1 785 mainly due to expenses for goods received and services rendered that were not accounted for.

40.4 Payables from non-exchange transactions and Transfers to non-profit institutions

They were understated by R467 and R665 respectively mainly due to expenses that were queried and not paid/not provided for and the queries on the political party transfers were subsequently resolved and paid.

40.5 Provisions

Provisions were overstated by R5 066 due to over-provision for legal cases.

40.6 Revenue from non-exchange transactions

Other non exchange were understated by R26 due to revenue not accounted for the claims received from Insurer that were more than claims payable and paid by Parliament.

40.7 Interest paid

Interest was understated by R70 mainly due interest incurred on pension as a result of court order to pay salary indicated above and interest and penalties charged by SARS that were not accounted for.

40.8 Loss on sale of assets

Was understated by R198 due to the incorrect reversal that was made to the loss of sale account.

40.9 Prepayments

The increase of R1 853 is mainly due to prepaid portion of an invoice that was recognised as an expense.

Note Disclosure

Note 40.10 Note 36 Remuneration of Divisional Managers/Heads of Departments

Remuneration of the one Heads of Departments was not disclosed, as a result the note disclosure was understated by R1 635, the basic remuneration was understated by R1 482, post employment benefits understated by R140 and long service awards understated by R13.

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Notes to the Financial Statements

	2022	2021
	'000	'000

40. Prior period errors (continued)

Note 40.11 Impact of Change in estimates

The useful life of library books was revised from 5 to 5 - 10 years in the 2020/21 financial year, however the impact of the change in useful life in depreciation was not disclosed in terms GRAP 3. The impact would have been decrease in depreciation of R3 in 2020/21 financial year and increase in depreciation in following years of R3.

The correction of the error(s) results in adjustments as follows:

Statement of financial position

Decrease in receivable from non exchange transactions	(1)	-
Increase in prepayments	1 853	-
Increase in property, plant & equipment	6	-
Increase in heritage assets	27	-
Increase in payables from exchange transactions	(1 785)	-
Increase in payables from non-exchange transactions	(467)	-
Increase in current employees and members benefit obligations	(7 197)	-
Increase in non current employees and members benefit obligations	(32 601)	-
Decrease in provisions	5 066	-
Total	(35 099)	-

Statement of financial performance

Increase in revenue from non-exchange transactions	26	-
Increase in compensation of employees and members	(19 429)	-
Increase in interest paid	(70)	-
Increase in transfers to non-profit organisations	(665)	-
Decrease in general expenses	4 566	-
Decrease in repairs and maintenance	4	-
Decrease in cost of sales	18	-
Increase in loss on disposal of assets	(198)	-
Increase in actuarial gains	6 154	-
Total	(9 594)	-

41. Events after reporting date

The Executive Authority condoned fruitless and wasteful expenditure amounting to R51 in terms of section 65 (4)(a) of the FMPPLA and as a result the note disclosure was adjusted accordingly. The President approved the increase of salaries of Members of Parliament on the 09 June 2022 for the 2021/22 financial year and the remuneration of Members and Members benefit obligations were adjusted accordingly. Parliament is not aware of any other events after the reporting date, other than the ones disclosed.



7

REPORT OF THE CHAIRPERSON OF THE AUDIT COMMITTEE

Introduction

The Audit Committee (“the Audit Committee”) is established as an independent statutory committee in terms of section 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 approved by the Executive Authority (EA). Overall, the Committee operated in terms of its mandate as set out in the FMPPLA and the Charter.

During this financial year Parliament has shown resilience once more to deliver a successful SONA after experiencing a devastating fire that occurred at the parliamentary precinct on 2 January 2022. The fire caused significant damage to several buildings. The fire is still being investigated by the HAWKS and resulted in no personnel gaining access to the affected buildings except for the purpose of investigation. Parliament staff were unable to confirm the extent of damage to assets and could not verify the existence of the assets in those buildings. The auditors were faced with a similar limitation as they could not gain entry to the buildings and could not confirm the completeness of heritage assets and property, plant, and equipment in those burnt buildings. The impact of the limitation was not material, and the Auditor-General of South Africa (AGSA) did not modify the opinion in relation to the financial statements. Parliament is advised to reassess the damage done to the assets situated in those building when entry is granted. Any assets that are still operational should be reinstated in the asset register.

Committee members and meeting attendance

The term of two (2) members of the Committee (i.e. Chairperson and Information Technology (IT) Specialty) came to an end on 31 March 2021. Subsequently, the EA appointed Ms. P. Mzizi as the interim Chairperson of the Committee. The term of office for the Member with Risk Management specialty ended on 31 December 2021.

During the third quarter, the EA recommenced with the recruitment process to fill these vacancies. As part of the recruitment process for the members of the AC, the Recruitment Panel, on 18 November 2021, considered and approved the retention of two (2) members of the Committee, namely Ms. P. Mzizi (current interim Chairperson with financial management and reporting specialty) and Mr. A. Amod (auditing specialty) to ensure continuity of the Committee and to protect institutional memory.

The candidates for the legal & governance, risk management and ICT specialty were shortlisted by the panel on 18 November 2021 and the interviews were due to take place on 11 January 2022. However,

due to the fire incident in the Parliamentary precinct on 2 January 2022 and the activation of the business continuity plans, these interviews could not proceed as planned. Consequently, the EA appointed two (2) Member of Parliament in terms of section 47(3) of the FMPPLA to serve in the Committee, namely Hon. Hlengwa and Hon. Mente, as an interim solution from 17 January 2022 until the recruitment processes have been finalised.

The invitees to committee meetings include Executive Management (STP, DSTPs and DMs), Acting Chief Financial Officer, Chief Information Officer, Chief Risk Officer, Chief Audit Executive and the AGSA and any other executives when necessary.

Names, tenure period and qualifications of the Audit Committee Members:

Committee Member	Qualification/s	Term	Meetings Attended
Ms. P Mzizi (Interim Chairperson)	CA(SA)	01 October 2018	8/8
Ms. T Njozela	<ul style="list-style-type: none"> • Certified Internal Auditor • Master of Business Administration Degree • Honours Bachelor of Accounting Science 	31 December 2021 (Term End)	3/3
Mr. A Amod	<ul style="list-style-type: none"> • Certified Internal Auditor • Certified Risk Management Assurance • Master of Business Administration Degree • B. Comm Degree 	1 October 2018	8/8
Hon. V. Mente (Member)	Member of Parliament	1 February 2022	2/4
Hon. M. Hlengwa (Member)	Member of Parliament	1 February 2022	3/4

The members of the Committee met with the STP, Executives, Internal Audit (IA) and the AGSA, individually and collectively to address risk and challenges facing Parliament. A number of in-committee meetings were held to address control weaknesses as well during the fire disaster.

The Audit Committee Chairperson also provided written feedback for the attention of the EA.

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 and Information Communication Technology (ICT) Governance

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 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 and fraud risk management. However, several significant findings were raised on human resources management. The ongoing efforts to further improve controls over information and communication technology (ICT) and institutional performance management processes are also encouraging. Significant progress has been reported in the improvement of the ICT general controls environment.

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.

The Committee is concerned about the lack of capacity to ensure implementation of a robust risk management program for the institution and recommended further improvement of the risk management practices. In particular, management was advised to improve its risk governance processes, including the functioning of the Risk Management Committee and use of the organisational redesign process that is underway to determine the most suitable resourcing model for Parliament's governance, risk management and compliance functions.

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, this Unit operated in terms of the approved Charter, and the risk based annual audit plan. The Unit reported quarterly to the Committee against the approved plan. The Committee is satisfied that the Internal Audit Unit has operated effectively and addressed pertinent risks in its audits. The Committee remains concerned about the structure and resourcing of the Internal Audit Unit as the frozen positions impact negatively on the Unit's ability to cover the Institution's audit universe and fully deliver on its mandate.

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 the audit strategy, engagement letter and the audit results for consideration by the Committee. In addition, the Committee concurs with the audit results as reported in the auditor's report.

Combined assurance

The responsibility to oversee combined assurance was delegated to the Committee in terms of the Charter. However, combined assurance is still at an 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. In this regard, the Draft Combined Assurance and Implementation Plan has been developed for consideration.

The quality of in-year management reports

The Committee reviewed the quality and the content of the quarterly 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.

Performance Information

The performance information was presented to the Audit Committee during the meeting of the 31 May 2022. The Audit Committee supported the submission of the information. The annual performance achieved of Parliament was 100% of the set target for the 2021/2022 financial year.

Quality of audited annual financial statements

The Committee noted that the Institution submitted its annual financial statements by 31 May 2022 for auditing as prescribed by section 57 of the FMPPLA.

The Audit Committee has reviewed and discussed the audited Annual Financial Statements to be included in the Annual Report with the AGSA and the Secretary of Parliament; reviewed the AGSA's Management and Audit Reports and Management's responses thereto.

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 congratulates Parliament on its clean audit opinion which is the eight consecutive clean audit for the institution. The Committee encourages management to implement action plans to address the concerns raised by the Committee.

Conclusion

The Audit Committee concurs and accepts the conclusions of the Auditor-General on the Annual Financial Statements and is of the opinion that the Audited Annual Financial Statements should be accepted and read together with the report of the Auditor-General.

The Committee would like to once again to congratulate Parliament on its ***clean audit opinion***. We would like to express our appreciation to the Executive Authority, Accounting Officer, Management, and the 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 AGSA and the internal audit team for their professionalism and support in our oversight role.



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Ms Pumla Mzizi CA(SA)

Audit Committee Chairperson (Interim)

Date: 18 August 2022



8

ANNEXURES

8. ANNEXURES

8.1. Human resources

TOTAL NUMBER OF EMPLOYEES [INCLUDING EMPLOYEES WITH DISABILITIES] IN EACH OF THE FOLLOWING SALARY BANDS ON 31 MARCH 2022									
SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Graduate Trainees	19	4	1		8	1			33
Lower Skilled (Level X)	45	10			18	3			76
Lower Skilled (Level A)	22	25		4	15	18		2	86
Skilled (Level B)	69	36	2	5	54	47	4	9	226
Highly Skilled Production (Level C)	235	107	4	26	203	73	8	13	669
Highly Skilled Supervision (Level D)	51	20	8	13	73	15	8	11	199
Senior Management (Level E)	3	3	1	1	9		2		19
Top Management (Level F)	1								1
Grand Total	445	205	16	49	380	157	22	35	1309
Employees with Disability	1	4		1	5	2	1	1	15

RECRUITMENT / APPOINTMENTS FOR THE PERIOD: 2021 / 2022									
Salary Band	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Graduate Trainees	16	2	1		6	1			26
Lower Skilled (Level X)	3								3
Lower Skilled (Level A)									
Skilled (Level B)									
Highly Skilled Production (Level C)	2				8	2		1	13
Highly Skilled Supervision (Level D)	4			1	3	1			9
Senior Management (Level E)	1	1		1	1				4
Top Management (Level F)									
Grand Total	26	3	1	2	18	4		1	55
Employees with Disability									

EMPLOYMENT AND VACANCIES BY PROGRAMME FOR THE PERIOD: 2021 / 2022				
Programme	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Strategic Leadership and Governance (Programme 1)	89	83	6	0,41%
Administration (Programme 2)	124	113	11	0,74%
Core Business (Programme 3)	673	577	96	6,50%
Support Services (Programme 4)	591	503	88	5,96%
Associated Services (Programme 5)				
Grand Total	1477	1276	201	13,61%

EMPLOYMENT AND VACANCIES BY SALARY BAND FOR THE PERIOD: 2021/ 2022

SALARY BAND	Number of Posts	Number of Filled Posts	Active Vacant	Vacancy Rate
Lower Skilled (Level X)	85	76	9	0,61%
Lower Skilled (Level A)	111	86	25	1,69%
Skilled (Level B)	283	226	57	3,86%
Highly Skilled Production (Level C)	745	669	76	5,15%
Highly Skilled Supervision (Level D)	230	199	31	2,10%
Senior Management (Level E)	21	19	2	0,14%
Top Management (Level F)	2	1	1	0,07%
Grand Total	1477	1276	201	13,61%

ANNUAL TURNOVER RATES BY SALARY BAND FOR THE PERIOD: 2021/ 2022

SALARY BAND	Number of Employees per band as on 31 Mar 2022	Resignations	Turnover Rate
Graduate Trainees	33	2	0,15%
X_Lower Skilled (Level X)	76		
A_Lower Skilled (Level A)	86		
B_Skilled (Level B)	226	1	0,08%
C_Highly Skilled Production (Level C)	669	6	0,46%
D_Highly Skilled Supervision (Level D)	199	3	0,23%
E_Senior Management (Level E)	19	1	0,08%
F_Top Management (Level F)	1		
Grand Total	1309	13	0,99%

REASONS WHY EMPLOYEES ARE LEAVING PARLIAMENT FOR THE PERIOD: 2021 / 2022				
	Staff & Contractors		Graduate Trainees	
Termination Type	Number of Terminations	% of Total	Number of Terminations	% of Total
Contract Termination	7	14,00%		
Deceased	8	16,00%		
Dismissal	2	4,00%		
End of Contract	1	2,00%		
Resignation	11	22,00%	2	100,00%
Retirement	11	22,00%		
Retirement Early	10	20,00%		
Retirement: Due to Ill Health				
Grand Total	50	100,00%	2	100,00%

8.2. Parliamentary entities reporting to the Executive Authority:

Building Parliament's capacity to implement its constitutional mandate has been an overriding and central theme since 1994. The 1st and 2nd Parliaments established its legislative capacity, with the 3rd and 4th Parliaments focusing on strengthening oversight, public involvement and international engagement. The 4th and 5th Parliaments also focused on strengthening co-operative government, and assisted the Institutions Supporting Democracy to ensure greater effectiveness¹.

During each of these parliamentary terms, additional capacity was developed to bring expertise and capacity in line with constitutional functions and expectations. The result of the growth in capacity also led to several realignment and restructuring processes since the 3rd term. Whereas the Parliamentary Service, through the Secretary to Parliament, was the only entity reporting to the Executive Authority in the 1st term, a number of parliamentary entities now report to the Executive Authority. These entities are created by legislation, resolution, and sector or donor agreements.

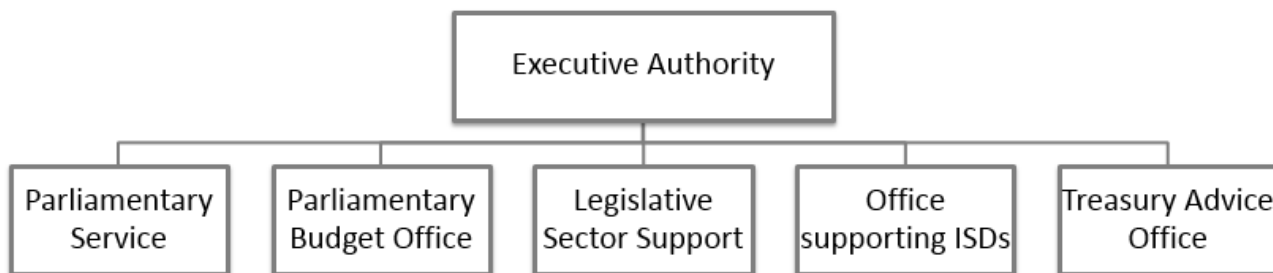
The governance role played by the Executive Authority now requires overseeing these entities, ensuring they account for their performance and use of public funds.

The following entities report to the Executive Authority:

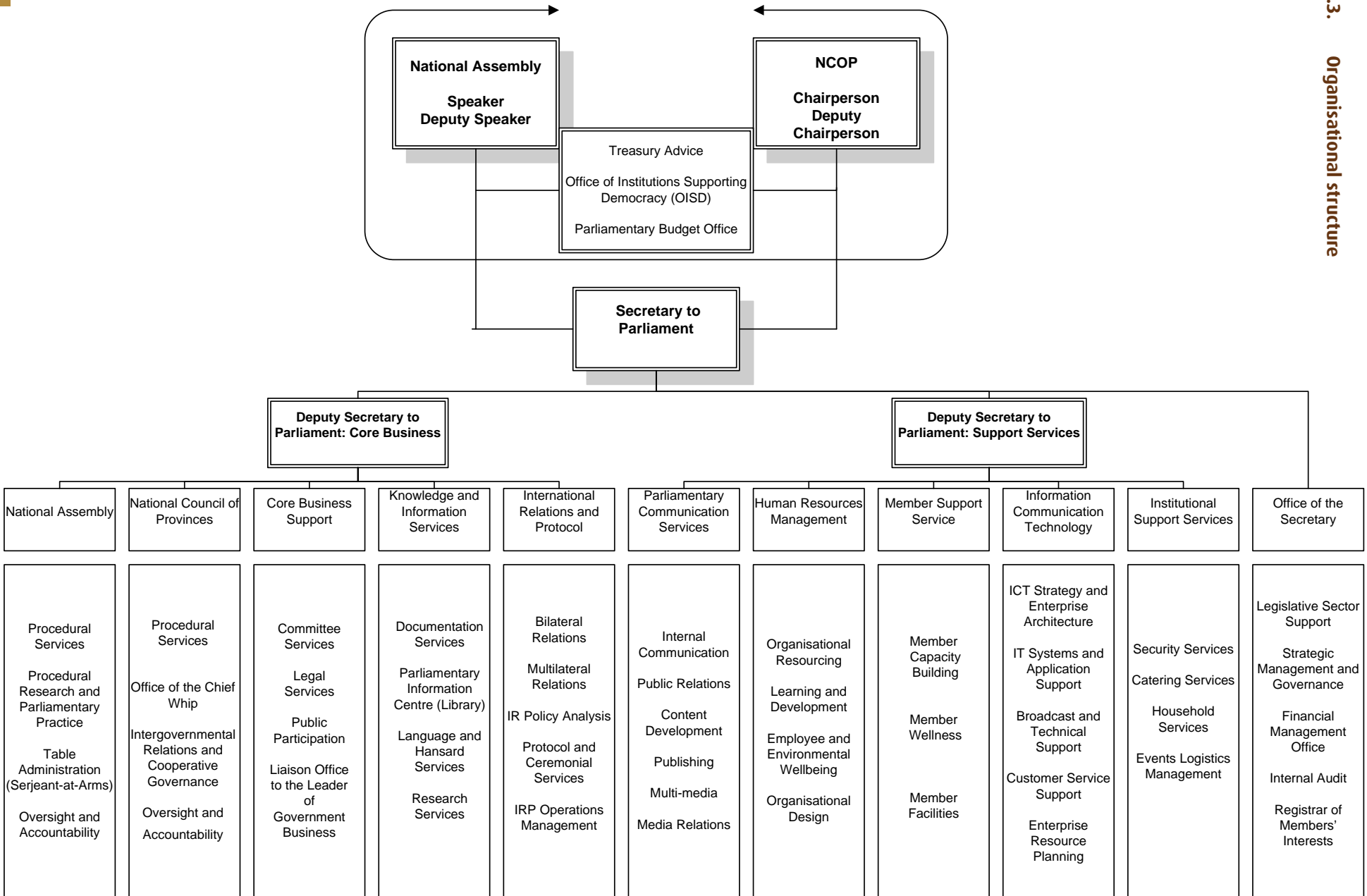
- a) Parliamentary Service: Secretary to Parliament,
- b) Parliamentary Budget Office: Director of the PBO,
- c) Legislative Sector Support component: Executive Director LSS,
- d) Office supporting ISDs: Executive Director OISD,
- e) Treasury Advice Office: Manager Treasury Advice.

¹ Section 181(3) of the Constitution

Figure 9: Parliamentary entities reporting to the Executive Authority.



8.3. Organisational structure



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