



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

**Annual Report 2016/17**  
PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA





PARLIAMENT OF THE REPUBLIC OF SOUTH AFRICA ANNUAL REPORT  
2016/17

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



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

## SUBMISSION OF THE ANNUAL REPORT TO THE EXECUTIVE AUTHORITY



**PARLIAMENT**  
OF THE REPUBLIC OF SOUTH AFRICA

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

I have the honour of submitting the Annual Report of the Parliament of the Republic of South Africa  
for the period of 2016/17.

A handwritten signature in black ink, appearing to read 'Tyawa'.

**Ms B Tyawa**  
Acting Secretary to Parliament

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# LIST OF ABBREVIATIONS

<b>AU</b>	African Union
<b>APP</b>	Annual Performance Plan
<b>BRRR</b>	Budgetary Review and Recommendations Report
<b>CLSO</b>	Constitutional and Legal Services Office
<b>CPA</b>	Commonwealth Parliamentary Association
<b>DPW</b>	Department of Public Works (DPW)
<b>DRT</b>	Digital Recording and Transcription
<b>EA</b>	Executive Authority
<b>EPMO</b>	Enterprise Project Management Office
<b>FMPPLA</b>	Financial Management of Parliament and Provincial Legislatures Act, 2009
<b>HR</b>	Human Resources
<b>ICT</b>	Information and Communications Technology
<b>IPU</b>	Inter-Parliamentary Union
<b>ISD</b>	Institutions Supporting Democracy
<b>MP</b>	Member of Parliament
<b>MTSF</b>	Medium-Term Strategic Framework (MT SF)
<b>NA</b>	National Assembly
<b>NCOP</b>	National Council of Provinces
<b>NDP</b>	National Development Plan
<b>NEHAWU</b>	National Health Education & Allied Workers Union
<b>PAP</b>	Pan African Parliament
<b>PBO</b>	Parliamentary Budget Office
<b>PDOs</b>	Parliamentary Democracy Offices
<b>PGIR</b>	Parliamentary Group on International Relations
<b>SADC-PF</b>	Southern African Development Community Parliamentary Forum (SADC-PF)
<b>SALSA</b>	Secretaries' Association of the Legislatures of South Africa
<b>SDGs</b>	Sustainable Development Goals
<b>UN</b>	United Nations

## GENERAL INFORMATION



# GENERAL INFORMATION

## 1.1 VISION, MISSION AND VALUES

### VISION

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

### MISSION

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

A vibrant people's assembly that intervenes and transforms society and addresses the development challenges of our people; Effective oversight over the Executive by strengthening its scrutiny of actions against the needs of South Africans;

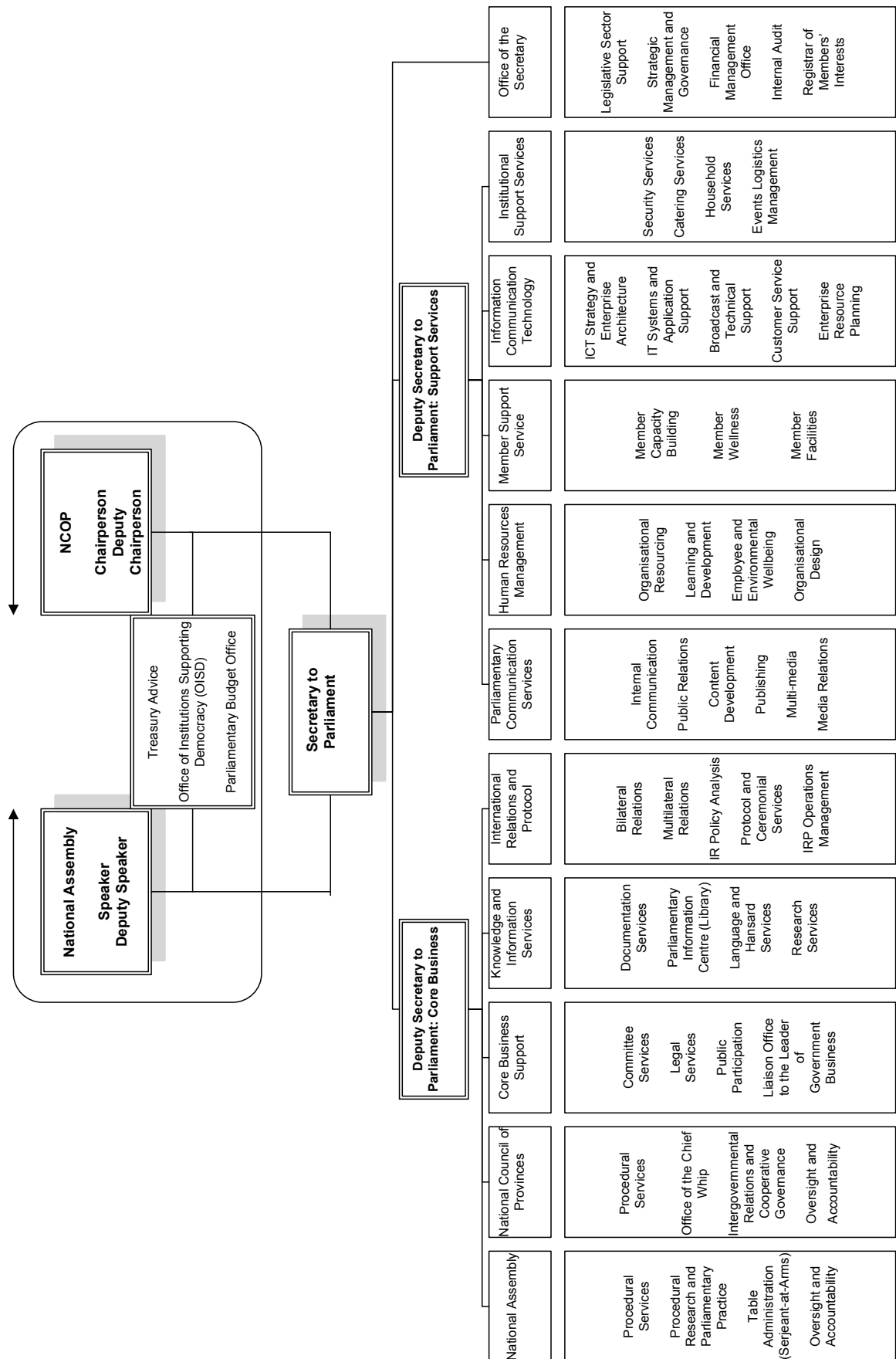
An opportunity for South Africans to participate in the decision-making processes that affect their lives; A healthy relationship between the three arms of the State, that promotes efficient co-operative governance between the spheres of government, and ensures appropriate links with our region and the world; and

An innovative, transformative, effective and efficient parliamentary service and administration that enables Members of Parliament to fulfil their constitutional responsibilities.

### VALUES

Openness  
Responsiveness  
Accountability  
Teamwork  
Professionalism  
Integrity

## 1.2 ORGANISATIONAL STRUCTURE



### 1.3 LEGISLATIVE AND OTHER MANDATES

Parliament is responsible for the administration of the following legislation:

**Table 1: Legislative Mandate of Parliament**

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

### 1.4 OFFICES REPORTING TO THE EXECUTIVE AUTHORITY

The following offices report to the Executive Authority of Parliament:

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

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



**EXECUTIVE AUTHORITY'S STATEMENT**

## EXECUTIVE AUTHORITY'S STATEMENT

It is undeniable that a strong democracy is nurtured through a responsive, developmental and capable Legislature. As the democratic institution primarily mandated to be the voice of the electorate, Parliament must be an authentic platform for the deliberation of issues of national interest, and in turn be able to make far-reaching changes to the policies and programmes of the State in order to meet the needs of its people. The 2014 – 2019 strategic plan of Parliament identified as strategic priorities the strengthening of the oversight and accountability function, enhancing public involvement, deepening engagement in international for a, strengthening cooperative governance and strengthening legislative capacity.

In response to a dynamic global context and a renewed urgency concerning local expectations, Parliament must think of new ways of delivering better results to more citizens that rely on the State. Within this context, Parliament continues to be a robust platform for engagement, and this in many ways characterises the temperament of the nation. The current dynamic environment only serves to reinforce Parliament's commitment to protecting the most vulnerable in society, and the achievement of the National Development Plan. It means more must be done to align the work of the institution with significant global, continental and regional instruments in order to accelerate development in numerous areas including education, health care, the economy, and transversal areas including gender equality.

The 2016/17 financial year is a critical mid-way point for the 5th Parliament, and presents an opportunity to assess the extent to which that which was planned has been done. To this end, Parliament continued to enhance its oversight capacity to ensure greater responsiveness and accountability in government by directing its oversight emphasis towards the budget process and correcting the sequencing of oversight to strengthen financial and fiscal oversight. Additionally, the 20th anniversary of the Constitution and the establishment of the National Council of Provinces was launched. The leadership collective who pioneered the drafting of the Constitution, leaders of political parties represented in Parliament, Justices, leaders of Chapter 9 Institutions, religious leaders and university students paid tribute to the strides made in South Africa's laudable and evolving constitutional democratic journey.

One of the notable public participation initiatives for the period was the seminal inquiry into the Board of the South African Broadcasting Corporation (SABC) with regard to its fitness to hold office. The constitutional mandate, rules and the oversight and accountability model of Parliament provides for the appointment of an ad hoc committee to investigate any matter of public interest. This provision allowed Parliament to give effect to its vision of becoming "an activist and responsive people's Parliament that improves the quality of life of all South Africans and ensures enduring equality in our society".

Parliament sought to enhance public involvement and participation through improving the implementation of the Public Participation Model:

- improving public education and participation programmes, and establishing feedback and engagement mechanisms;
- providing better and more regular information to people, including ensuring more meaningful engagement with communities;

- providing regular public participation processes on issues of national importance and strengthening the work of Members in constituencies; and
- increasing citizens' access to allow them to participate in its processes.

One of the key strategic initiative in enhancing cooperative governance was the drafting of the working document on the Protocol Agreement between the South Africa Legislative Sector and the national and provincial treasuries. The purpose of the Protocol Agreement is to entrench the principle of separation of powers between the Legislative Sector and the Executive and to facilitate the engagement between the Executive Authority and Minister of Finance and MECs responsible for financial matters on budget allocation to the Legislative Sector.

It also serves to establish an agreed framework for cooperation and coordination between the Accounting Officer's and the Treasuries in the implementation of the FMPPLA, and to ensure that the principles of the FMPPLA are applied whilst respecting the constitutionality of each institution. Parliament and the provincial legislatures further continue with the drafting of the Legislative Sector Bill to progressively move towards the formalisation of the South African Legislative Sector as a distinct arm of the state.

Parliament's commitment to enhance international engagement included participation in the PGIR, as well as multilateral and bilateral engagements. Parliament's efforts were directed towards deepening the representation of the interests of South Africa in the international arena with a view to advance the transformation of governance structures and processes, including building strategic partnerships and solidarity around areas of mutual interests.

In the area of legislation Parliament continued to provide support to enable the independent High Level Panel on the impact assessment of legislation passed since 1994 to conduct its work. These engagements includes public engagements in all nine (9) provinces of the country which comprised of an average of 500 to 700 participants per province. The High Level Panel served as a mechanism to engage with citizens to and assess the impact of legislation passed since 1994 covering the following thematic areas:

- The Triple Challenges of Poverty, Unemployment and Inequality;
- The Creation of an Equitable distribution of Wealth;
- Land Reform, Restitution, Redistribution and Security of Tenure; and
- Nation Building and Social Cohesion.

In addition to the public hearings, the HLP executes its mandate through other processes such as amongst others, calls for submissions from the public, roundtable discussions and workshops, and commissioned research.



In building a capable administration Parliament has seen improvements in the annual institutional performance, with an increase to over 60% of targets met in the 2016/17 financial year.

While much of this period represented a time of reflection on Parliament's impact on South African citizens, much progress was made in achieving its mandate. Notwithstanding the work that remains to be done at this halfway mark in the 5<sup>th</sup> Term of the Democratic Parliament, 2016/17 provides a good foundation for even more progress to be made in the second half of the Term.



**Ms B Mbete**

Speaker: National Assembly



**Ms T R Modise**

Chairperson: National Council of Provinces



**REPORT OF THE SECRETARY TO PARLIAMENT**

## 1.6 REPORT OF THE SECRETARY TO PARLIAMENT

The South African Parliament has a broad and noble mandate, to be the voice of the people, and guarantee their rights are upheld, and that service delivery reaches the most vulnerable. In doing so, it is the administration's purpose to ensure that Members of Parliament receive the support Members of Parliament in fulfilling this mandate. The work of Parliament is however carried out under several pressures both domestic and global.

In the past year, the global social, political and economic environment has been characterised by much change. With the historic exit by the United Kingdom from the European Union, to the Republican win of the United States elections, the world has witnessed much surprise and turmoil in a relatively short space of time. In the 9<sup>th</sup> edition of the Democracy Index titled, *Revenge of the "deplorable"*, *The Economist* reflects on what it calls the revolt against political elites, and scores countries based on five (5) categories including electoral process and plurism, civil liberties, functioning of the government, political participation and political culture. In the 2016 installment of the index, South Africa is ranked 39<sup>th</sup>, and is classified a "flawed democracy". Additionally, the 2016/17 financial year ended with the downgrade of the South African economy to BB+ or non-investment grade, more commonly known as junk status. The United Nations Development Programme ranked South Africa 119 out of 188 countries and territories on its 2016 Human Development Index, which measures progress in three basic dimensions of human development including a long and healthy life, access to knowledge and a decent standard of living. While we cannot make definitive conclusions on the trajectory of overall development in the country, it is clear that South Africa must, now more than at any time, take radical steps to improve livelihoods and affect those who need it the most.

In the year under review, greater emphasis was placed on improving the efficient use of resources to ensure that the performance of Parliament in achieving its outcome-oriented goals is enhanced. Parliament's strategic objectives seek to:

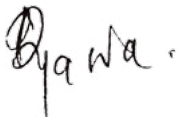
- Substantially improve programmes of capacity-building and development of Members.
- Considerably improve timeliness, quality and overall value of information.
- Significantly improve the usage and management of limited space and facilities.
- Meaningfully ensure greater efficiency in both the processes and resources of Parliament.
- Considerably harness the strengths and opportunities within the legislative sector.

Parliament's budget remaining under pressure because of austerity measures in the public sector, with the budget decreasing yearly over the 2016/17 – 2018/19 MTSF period, posing even greater challenges in executing the Strategic Plan of Parliament. As a result, efficiency measures have been implemented and are beginning to show promising results.

The standardisation of the legislative sector as an independent arm of the State, is crucial in improving the overall quality of implementation and thus the outcomes of service delivery. Thus developments at the Secretaries' Association of the Legislatures of South Africa (SALSA) including the finalisation of a Legislative Sector Strategy and the initiation of the development of legislative regulations are invaluable in this process.

There is a growing need to focus on monitoring and evaluating the impact of Parliament's work, and that of the Executive. A key project in the financial year 2016/17 aimed at fulfilling this need is the Assessment of the Impact of Legislation. The impact of cross sector legislation on poverty, unemployment and inequality was assessed. Additionally, the monitoring and evaluation of the implementation of the strategic plan, have also received significant focus including the finalisation of an Integrated Strategic Management Framework, and the re-engineering of the performance reporting system. A mid-term review was also conducted with the view of assessing our progress, and charting a way forward for the remainder of the term.

While 2016/17 was characterised by much reflection on the part of Parliament, we conclude the year with a better understanding of our mandate, and the work still to be completed in pursuit of building a capable and productive parliamentary service that delivers enhanced support to Members of Parliament in order that they may efficiently fulfil their Constitutional functions.



**Ms B Tyawa**

Acting Secretary to Parliament

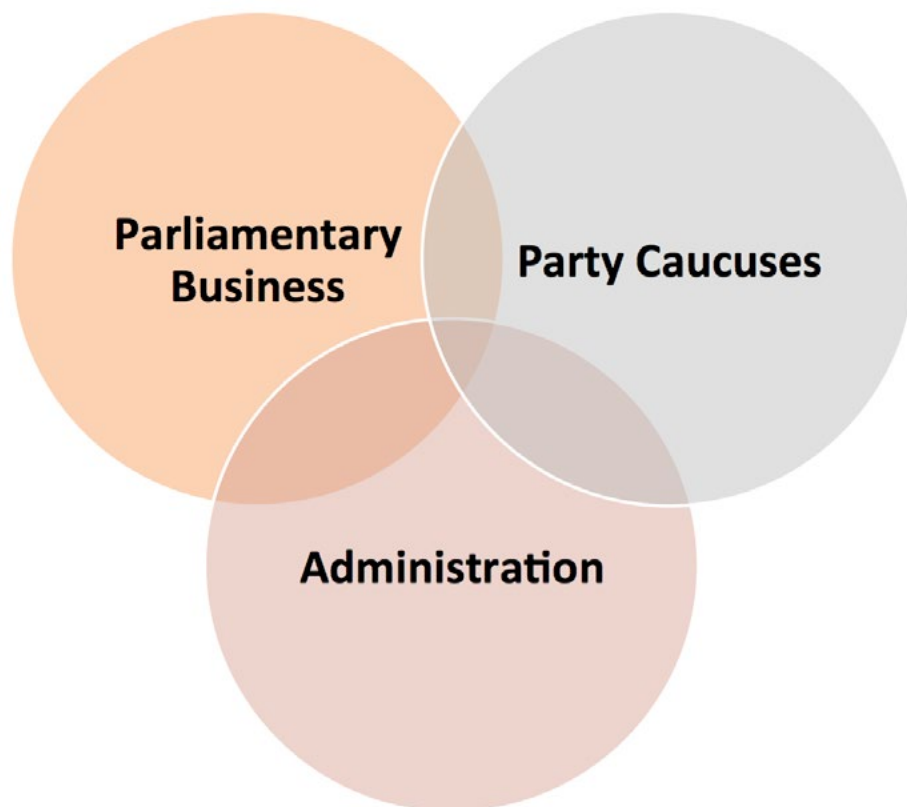
## 1.7 INTRODUCTION AND BACKGROUND

Parliament represents the basis for government by the people and the link between the electorate and the Executive, its effective functioning is central to the deepening of democracy and the improvement of the quality of life for all. The 2014-19 Orientation Towards Policy Priorities for the 5th Democratic Parliament and the Strategic Plan of Parliament outlines goals and strategic objectives taking into account the context of a changing global, continental and national context.

The plan articulates the 6 strategic outcome oriented goals which serve as an amplification of priorities that Parliament must focus on over the term's 5-year period. Parliament conducts oversight over the Executive to ensure the implementation of the National Development Plan (NDP). The Medium Term Strategic Framework (MTSF) defines a programme-of-action with a view to ensure implementation of the NDP. The overarching theme for the current term of the Administration as outlined in the MTSF period is the radical economic transformation, rapid economic growth and job creation. The MTSF further draws from the insights from the NDP, and represents an approach for cascading of the implementation of the NDP. The MTSF culminated into fourteen outcomes of government, with two over-arching strategic themes – radical economic transformation and improving service delivery.

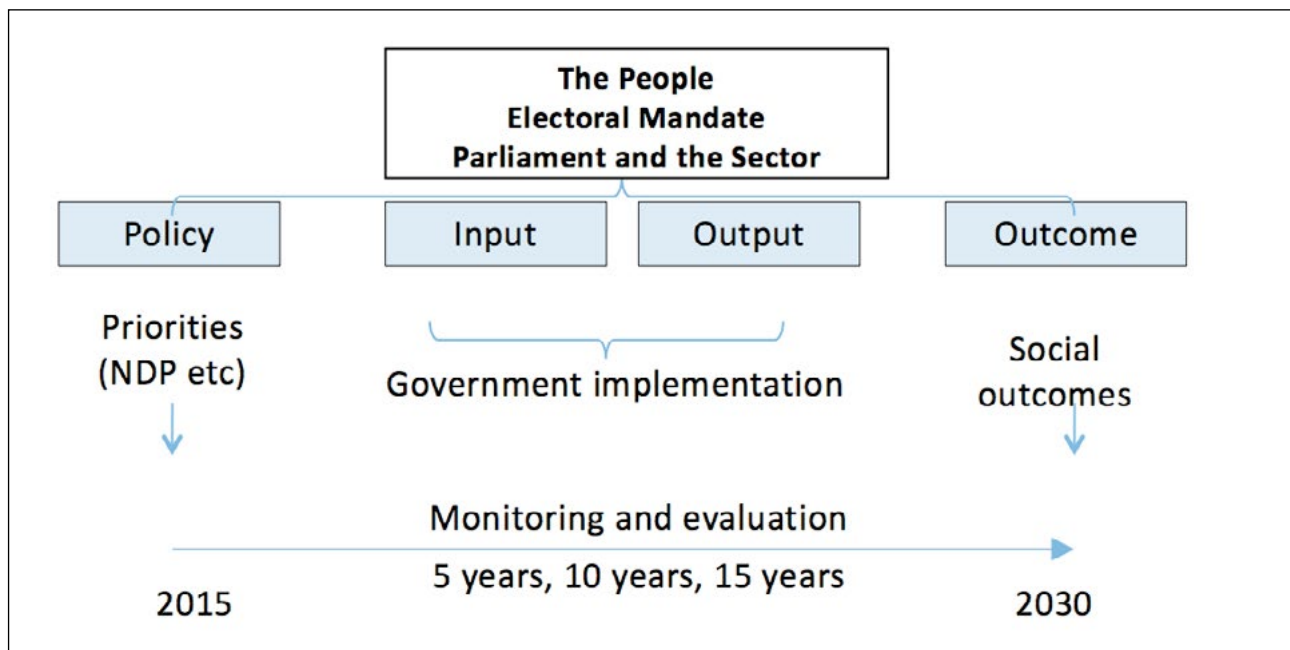
The President of the Republic of South Africa: President Jacob Zuma, during his February 2015 State of the Nation Address in Parliament, among others announced the Nine-Point Plan to grow the economy and create much-needed jobs. The Nine-Point Plan was a response to surmountable challenges affecting South Africa, which included electricity challenges; inadequate economic infrastructure in general; unwieldy regulatory processes which delay investment; and insufficient government coordination, which contributes to investor uncertainty. The thrust of the Nine-Point Plan include: agriculture and the agro-processing value chain; mineral wealth beneficiation; industrial policy action plan; unlocking the potential of small, medium and micro enterprises, cooperatives and township enterprises; operation phakisa; encouraging private sector investment; resolving the energy challenge; moderating workplace conflict; and state reform and boosting the role of state-owned companies and designated industries.

As shown on Figure 1 below, the 5<sup>th</sup> Parliament's developmental trajectory is located within the context of its unique constitutional landscape. To this effect, it is apparent that the execution of the constitutional mandate of Parliament requires a dynamic and transformative interplay between various actors and actions.

**Figure 1:** Institutional architecture of Parliament

**Figure 1** above illuminates the complex interface of the work of the members of Parliament, support services provided by officials in the Administration, including the political parties represented in the Houses of Parliament and its committees. The mid-term review provided for a reflection on implications as a result of this architecture of Parliament as an organ of state. In view of the nature of the business of Parliament as depicted above, the mid-term review of Parliament identified key thematic areas which impact on the fulfilment of its constitutional mandate. The core constitutional mandate of Parliament is to ensure the implementation of the NDP. This is done through the scrutiny of plans of organs of state accountable to Parliament with a view to ensure that they reflect the policy priorities of government, including the constitutional obligation to ensure that resources allocated are effectively and efficiently utilised (i.e. allocative efficiency). The realisation of the goals of the NDP must ultimately translate into an improvement in the quality of life of all South Africans. The Administration continued to improve services rendered in support of members of Parliament to execute their constitutional responsibilities. The services include amongst others: research, procedural advice, legal advice, etc.



**Figure 2: The Outcomes of Parliament**

The period under review was characterized by systematic efforts to inculcate and reinforce Parliament's orientation towards results and outcomes. Key strategic initiatives such as the work of the High Level Panel and programmes such as Taking Parliament to the People served as key levers to give effect to the implementation of the Oversight and Accountability Programme of Parliament. Realignment of the services rendered by the Administration sought to improve support provided to the business of Parliament - House plenaries and committees.

The overall conclusions of the mid-term review included strengthening support provided to ensure effective execution of the constitutional mandate of Parliament:

- Reports emanating from the work of Parliament should be used as mechanisms for monitoring and evaluation;
- There is a need for improving alignment of the core business work of Parliament and the Sector (oversight, PP and law making) to the transversal issues identified during state of the nation address, budgeting and other parliamentary processes.
- There should be improved focus on (complex) transversal issues to allow Parliament and the Sector to realise its obligations in building a democratic developmental and transformative South Africa; and
- There is a need to strengthen the implementation of a results-based and outcomes-oriented approach as opposed to being process-driven with limited focus on strategic priorities.



2

INFORMATION ON PRE-DETERMINED OBJECTIVES



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

### **2.1 OVERALL PERFORMANCE**

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

The aim of the vote 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.

#### **2.1.2 Strategic Outcome-Oriented Objectives of Parliament**

Parliament identified the following six (6) strategic outcome-oriented goals in its Strategic Plan for the 5<sup>th</sup> Democratic Parliament 2014 - 2019:

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

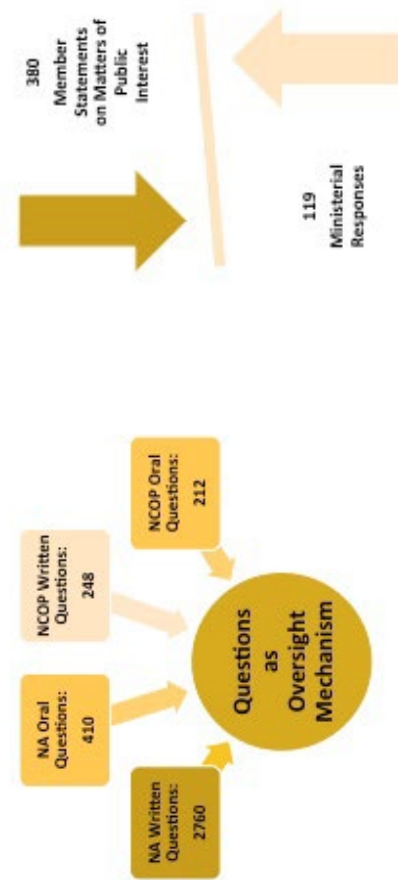
The following section outlines performance as aligned with the strategic objectives of Parliament.

## a) OVERSIGHT AND ACCOUNTABILITY

**Infographic 1** below presents performance trends on Oversight and Accountability:



**13 Notices of Interventions in the NCOP(Municipalities)**



### Overseeing the Budget: 2016/17



Given the dynamic nature of democracies, the strategies for sustaining them must permit for a dynamic interplay between policy makers and citizens, and in turn, responsiveness and a complementary working relationship between the legislature and the executive. In the 2016/17 reporting year Parliament has re-focused its attention on its routine oversight activities, with the aim of improving them. An examination of the oversight cycle, reflections on the establishment of our Constitution, as well as an emphasis on public participation, all point to a Parliament concerned with ensuring accountability, and a citizen-led government.

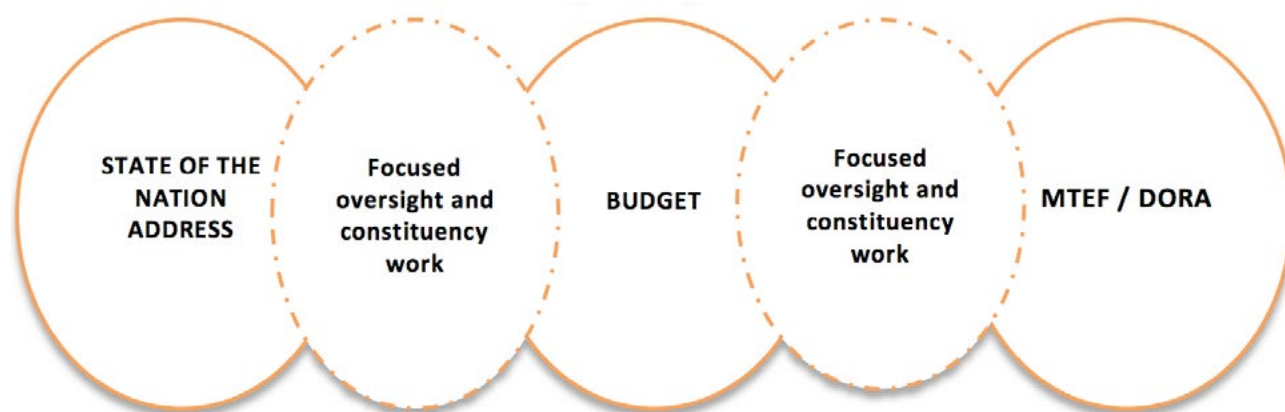
The 5<sup>th</sup> Parliament set out to enhance its oversight capacity to ensure greater responsiveness and accountability in government, by amongst others:

- directing its oversight emphasis towards the budget process and correcting the sequencing of oversight, particularly strengthening financial and fiscal oversight;
- allocating sufficient time for committees in the programme of Parliament;
- increasing the capacity-building of Committees and Members in this area;
- improving the timeliness and quality of information services; and
- ensuring adequate facilities and an environment conducive to meetings of committees.

## Oversight Cycle

Official parliamentary activities refer to any business or activity of Parliament, including plenary sittings, committee meetings, study tours, workshops, parliamentary forums or any other parliamentary activity sanctioned by the Assembly, or its committees or presiding officers, as duly authorised. The graphic below outlines how Parliament has strengthened the integration and alignment of parliamentary business to ensure focused oversight and constituency work. The envisaged results are the achievement of the goals of the NDP, particularly priorities outlined in the Nine-Point Plan.

**Figure 3: Integrated parliamentary programming**



Holding the Executive to account is more than just following a programme however, the content of debates is critical in conducting effective oversight. Some of the debates held included a motion of no confidence in the President, 2016 Local Government Elections, the Student fees crises in South Africa, the Challenges facing South African Airways, Ways to resolve the crises in Vuwani to restore the people's right to human dignity and basic services, Building collective action for inclusive growth and Allegations of state capture by certain individuals and their alleged undue influence over government.

## Parliamentary Inquiries

As part of Parliament's constitutional mandate in conducting oversight and accountability over all organs of state, one of the notable public participation initiatives for the period is the holding of the seminal inquiry into the Board of the South African Broadcasting Corporation (SABC) with regard to its fitness to hold office. The constitutional mandate, rules and the oversight and accountability model of Parliament provides for the appointment of an ad hoc committee to investigate any matter of public interest. This provision allows Parliament to give effect to its vision of becoming "an activist and responsive people's Parliament that improves the quality of life of all South Africans and ensures enduring equality in our society".

The Ad hoc Committee began its inquiry into the SABC Board, in terms of section 15A of the Broadcasting Act of 1999, on Wednesday 19 October 2016. Section 15A(1)(b) of the Act provides a procedure for the National Assembly to recommend that the board of the SABC be dissolved. It can only make such a recommendation after due inquiry and upon specific grounds, including: (1) the inability of the board to discharge its fiduciary duties and (2) non-adherence to the Broadcasting Charter and (3) not carrying out its duties as contemplated in section 13(11).

If such a recommendation is made, as the appointing authority, the President must dissolve the board. The Act also provides for an interim board to be appointed for a period not exceeding six months. As already alluded to, the Inquiry therefore seeks to establish the fitness of the Board to hold Office (i.e. whether or not the Board should be dissolved).

Parliamentary committees (particularly in relation to inquiries) the world-over are regarded as key arenas for policy making and deepening democracy, within their formation as extensions of the Assembly. The literature on legislative studies posits that one of the most notable feature of ad hoc committees is their short tenure; they are dissolved upon the conclusion of their designated task or priority, making them to be potentially effective, outcomes-based or impact oriented. This does not imply that committees which are established for long-term purposes are not impact oriented, a reflection of the nature and complexity the work of Parliaments – Assemblies and their committees.

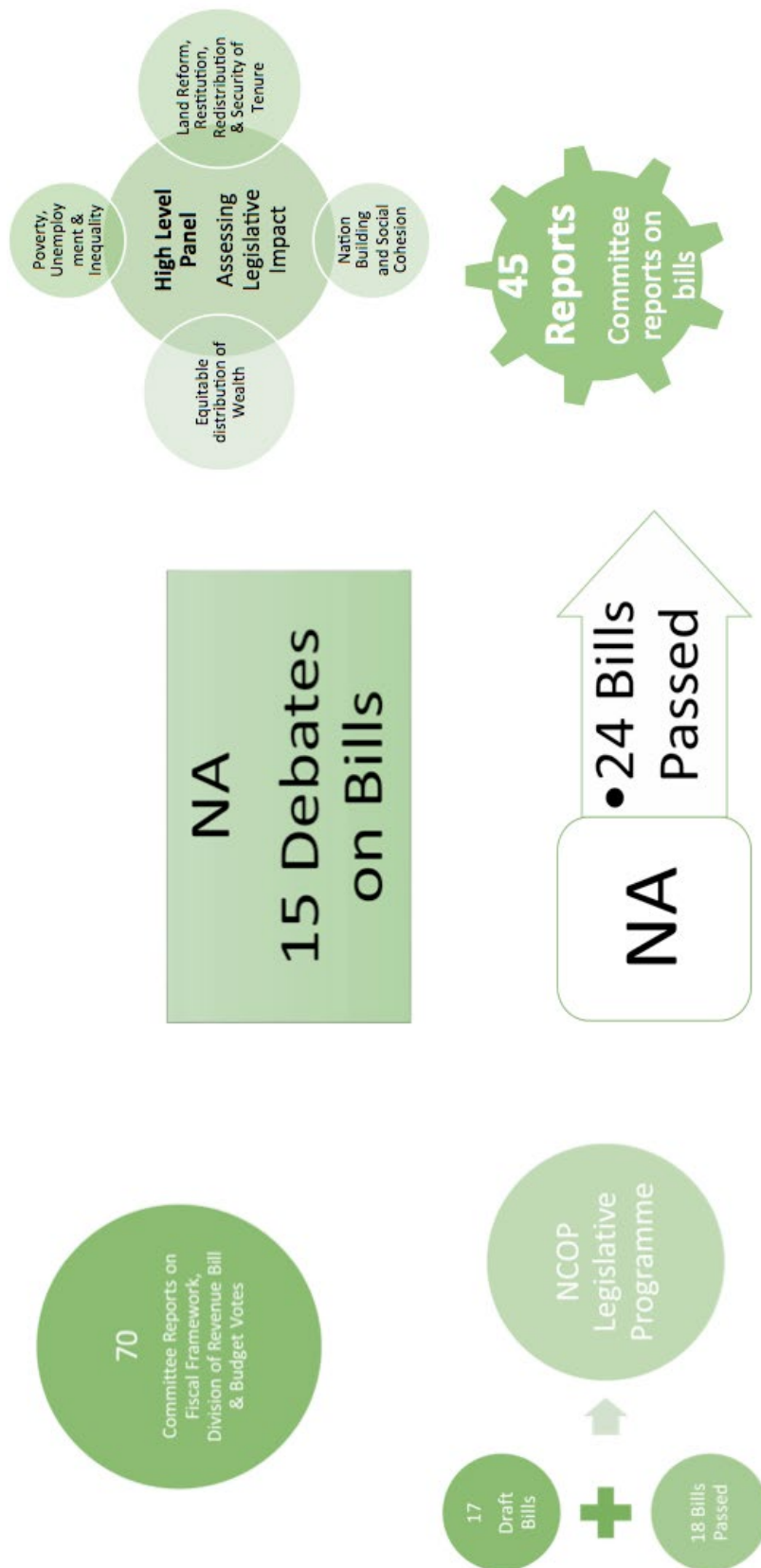
## The 20<sup>th</sup> Anniversary of the Constitution and the Establishment of the NCOP

As part of initiatives to highlight Parliament's efforts on improving oversight, the 20<sup>th</sup> anniversary of South Africa's final Constitution and the establishment of the NCOP was marked. This initiative of the Executive Authority of Parliament and the Speakers Forum of the South African Legislative Sector sought to give effect to the theme that underpinned the work and activities of Parliament in 2016: following up on our commitments to the people". This opportunity provides for a reflection on Parliament's aspirations and the commitments made to the citizenry 20 years ago within the framework of its adopted theme for 2016. To date, engagements with provincial legislatures have been convened to ensure seamless Sector coordination and cooperation. Commemoration of the 20th anniversary of the Constitution and the establishment of the NCOP are undertaken as two distinct and separate sub-projects and will culminate into a joint publication. The key objectives of these commemorative sub-projects would be to:

- Foster greater patriotism and nation-building through renewed national momentum around the aspirations of the Constitution, including paying tribute to the political master-minds, negotiators and drafters (pioneers) of the Constitution;
- Celebrate and reinforce two decades of South Africa's first democratic Constitution and the achievements in (transformational) political, social and economic rights and freedoms, human rights and the rule of law for all South Africans as envisaged in the Bill of Rights;
- Re-group founding members of the Senate and the NCOP, and other designated role-players involved in the transition to democracy; and
- Encourage dialogue and the sharing of experiences of what the adoption of the Constitution signified in the lives of the different generations, including codification of these historical events through pictures, artefacts, storytelling and narrative.

## b) ENHANCED ABILITY OF PARLIAMENT ON LEGISLATION / POLICY MAKING

**Infographic 2** below presents Parliament's progress on policy making



In keeping with Parliament's theme of "Following up on our commitments to the people", Parliament most ambitious initiative currently is the High Level Panel assessing the impact of legislation. While considering the effects of legislation on communities forms part of Parliament's more routine work, it is important, especially in a growing democracy, to take a retrospective, and introspective look at the work of the legislature.

The 2014 – 19 Strategic Plan of Parliament places emphasis on legislation required to ensure the implementation of the NDP. In this regard, a specific initiative identified entails strengthening the legislative capacity of Parliament through conducting an impact assessment of legislation passed since 1994, to amongst others:

- identify legislation where implementation has been slow or ineffective;
- identify gaps and bottlenecks in policies and legislation and /or activate processes to pass legislation required for the implementation of the NDP; and
- review the parliamentary programme based on volume of legislation, further build Parliament's capacity to initiate and amend legislation.

### High Level Panel

Parliament continued to provide support to enable the independent High Level Panel on the impact assessment of legislation passed since 1994 to conduct its work.

**Figure 4:** HLP public engagements convened



The public engagements comprised of an average of 500 to 700 participants per province, and served as a mechanism for the HLP to engage with citizens to execute its mandate – assess the impact of legislation passed since 1994 covering the following thematic areas:

- The Triple Challenges of Poverty, Unemployment and Inequality;
- The Creation of an Equitable distribution of Wealth;
- Land Reform, Restitution, Redistribution and Security of Tenure; and
- Nation Building and Social Cohesion.

In addition to the public hearings, the HLP executes its mandate through other processes such as amongst others: calls for submissions from the public; roundtable discussions/workshops; and commissioned research.

### **NA, NCOP and Committee Work on Bills**

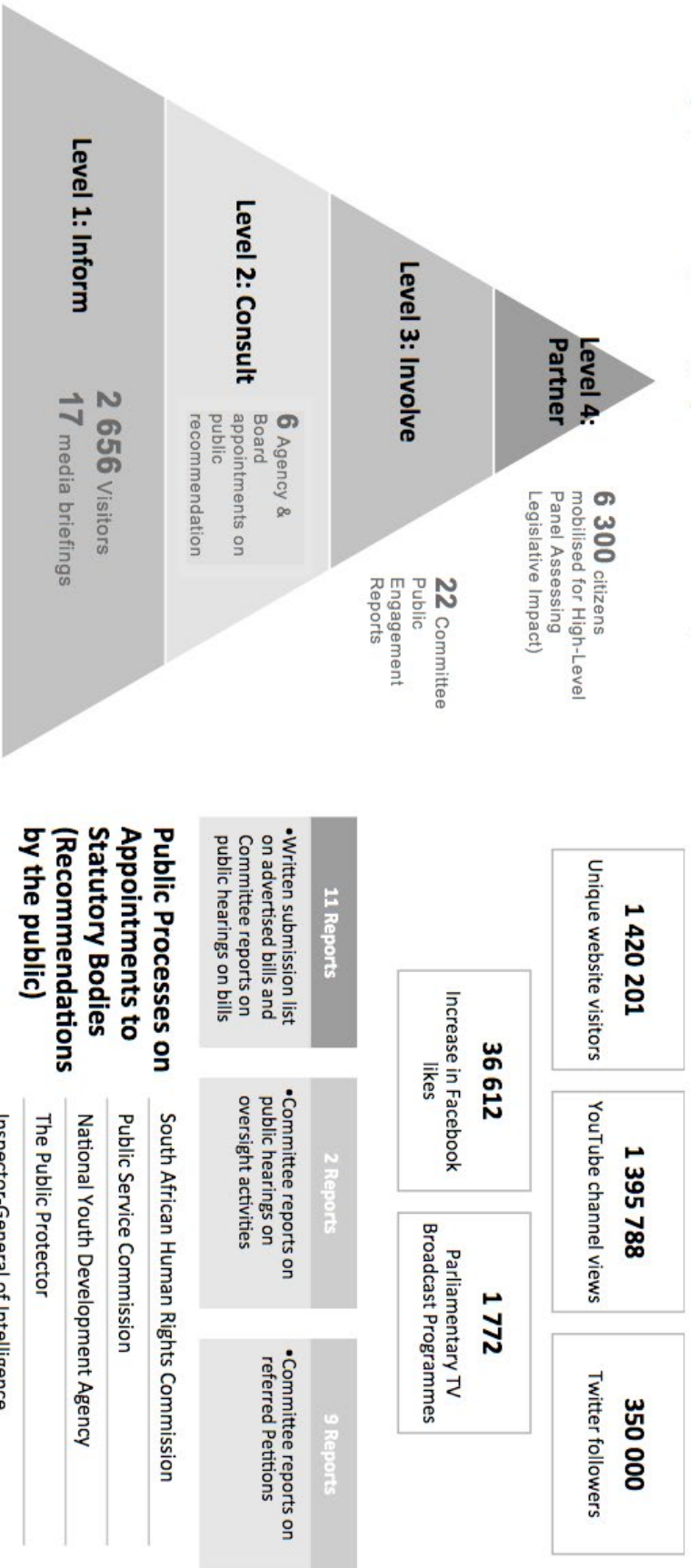
During its sittings and in line with its constitutional mandate to pass legislation, the National Assembly passed 24 bills during the period under review. Among others, the House passed the Appropriation Bill, Division of Revenue Bill, the Finance Intelligence Centre Amendment Bill, the Financial Sector Regulation Bill, the Mineral and Petroleum Resources Development Amendment Bill, the Plant Improvement Bill, the Performing Animals Protection Amendment Bill, the Justice Administered Fund Bill and the Protected Disclosures Amendment Bill. The House also considered the Remote Gambling Bill introduced by a member of the National Assembly. The Financial Intelligence Centre Bill was returned by the President for reconsideration, but was also passed and submitted for assent.

A total of eighteen Bills (18) were debated and passed by the NCOP. Fourteen (14) Bills were section 75 Bills and four (4) were Section 76 Bills. Out of eighteen (18) Bills passed, only one (1) Bill was passed with amendments. A total of seventeen (17) draft bills were received from the Executive. These were all transmitted to the Speakers of the provincial legislatures and the Chairperson of the South African Local Government Association (Salga) to enable the provincial legislatures to acquaint themselves with the content before the introduction of the bills as required by Joint Rule 159(2).



c) PUBLIC PARTICIPATION

Infographic 3 below presents progress on Public Participation



As presented on the infographic above the framework provides for norms and standards for public participation. Progress made by Parliament with reference to the 4 levels sought to achieve the following:

- **Level 1** = Inform - keeping public informed;
- **Level 2** = Consultation - provides platforms to listen to public, acknowledge concerns & provide feedback on final decision influenced by public input;
- **Level 3** = Involvement - provides public opportunity for dialogue and interaction. Direct public participation throughout process to ensure issues and concerns are consistently understood and considered. Legislature still the final decision-maker;
- **Level 4** = Partnership - public provided with opportunity to partner or work jointly with decision-makers and the identification of the preferred solution. As with “Involve”, Legislature are still the ultimate decision-maker. In the end, all input received will be taken into account and Legislatures will make final decision.

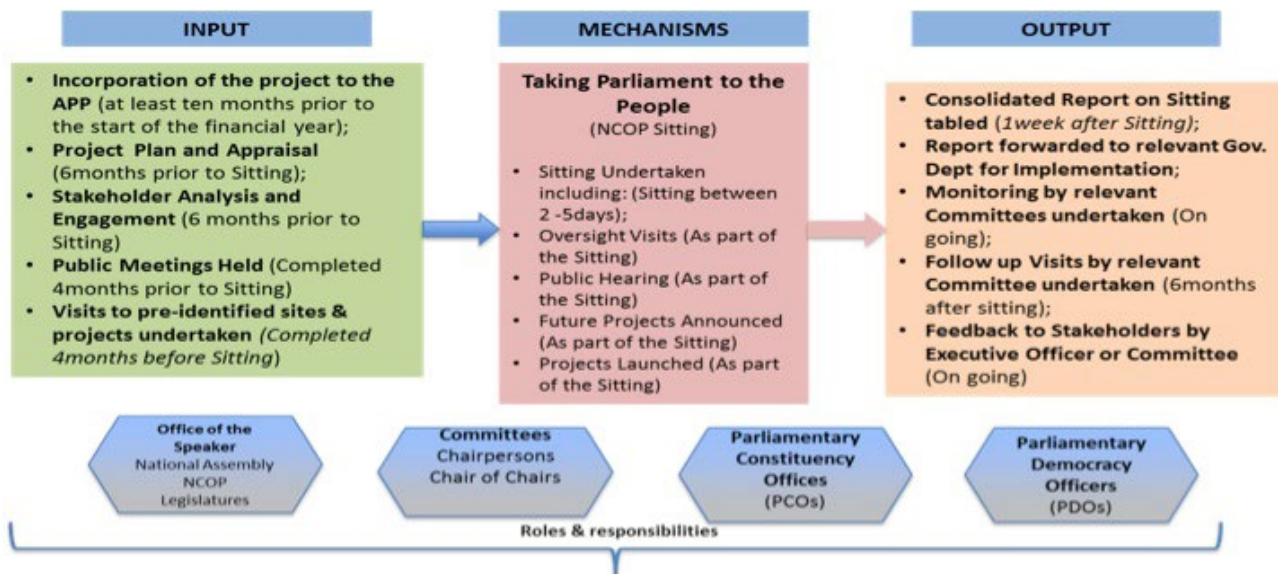
In order to enhance public involvement and participation Parliament will:

- implement the Public Participation Model; strengthen the work of Members in constituencies;
- improve public education and participation programmes; establish feedback and engagement mechanisms; provide better and more regular information to people;
- ensure more meaningful engagement with communities;
- provide regular public participation processes on issues of national importance; and
- increase citizens’ access to allow them to participate in its processes.

### **Taking Parliament to the People**

Parliament and the South African Legislative Sector convened a Taking Parliament to the People Programme (TPTPP) in the Eastern Cape, from 14 – 19 November 2016, culminating with the address by the President of the Republic South Africa. As provided for by the Public Participation Model of Parliament (refer to Figure 4 below), the norms and standards for TPTPP comprised of the: 1) input process (the programme was part of the APP, stakeholder analysis was conducted and pre-visits); 2) mechanisms (the actual siting was convened and associated engagements; and 3) output (a report was prepared and is due to be considered by all the governance structures and follow up visits will also be undertaken).

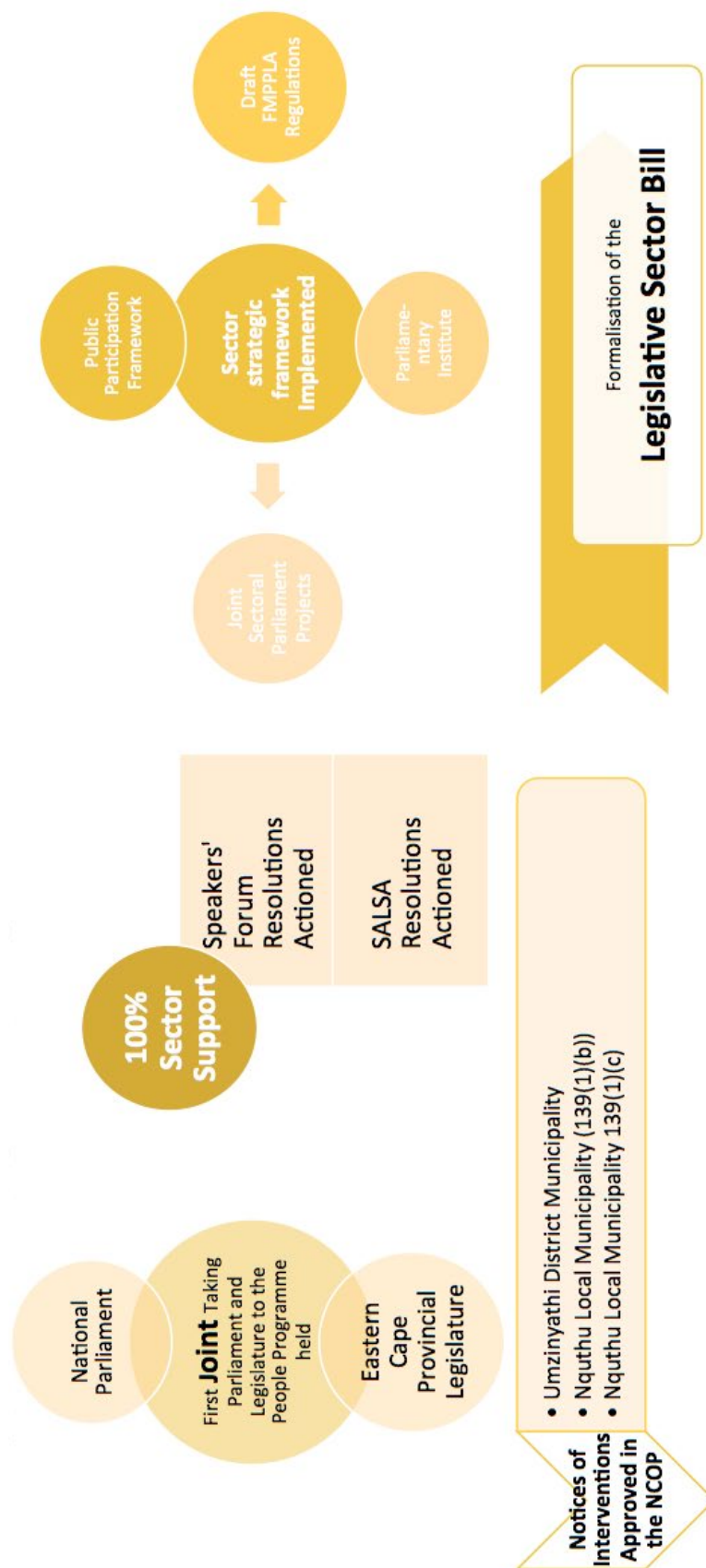
The National Council of Provinces in partnership with the Eastern Cape Provincial Legislature, held the Taking Parliament to the People Programme (TPTTP) Pre-Visit Programme in the Alfred Nzo District Municipality on 18-21 October 2016 in the Alfred Nzo District Municipality, in the Eastern Cape Province. There were four teams of delegations which were deployed in the four local municipalities of the Alfred Nzo District Municipality namely; Matatiele Local Municipality, Ntabankulu Local Municipality, Umzimvubu Local Municipality and Mbizana Local Municipality. The different delegations comprised of members of the NCOP, the National Assembly (Portfolio Committee on Education, and those of the Eastern Cape Provincial Legislature.

**Figure 5:** Norms and standards in relation to Taking Parliament to the People

The key thematic focus for the Eastern Cape TPTP was education and particularly basic education and related matters such as health, water and sanitation, roads and scholar transport, social development, economic development and sport and recreation. The pre-visits focused on the identification and analysis of service delivery issues at provincial and local level to inform some referral mechanisms to resolve challenges, and concluding all preparations for the hosting of the programme. A number of challenges were identified and specific recommendations made, most of which require improved intergovernmental relations and cooperative government amongst the different spheres of government.

## d) COOPERATIVE GOVERNMENT

**Infographic 4** below reflects progress on cooperative governance



The 2014-19 Strategic Plan of Parliament identifies the need to improve co-operation between Parliament, the Provincial Legislatures, local government and SALGA including intra-institutional co-operation between committees of the NA and NCOP as a prerequisite for ensuring improved oversight. This would result in the effective and efficient delivery of basic services to ensure the achievement of NDP goals. Specific priorities include:

- developing a co-operative government mechanism and integrating principles of co-operative government in the functions of Parliament;
- developing more efficient models of governance at Executive level and to mirror these in the legislative sector for purposes of increasing oversight and accountability;
- engaging with local government on legislation that could result in unfunded mandates; and
- ensuring greater legislative sector, House and committee co-operation and co-ordination.

### **Strengthening Sector collaboration**

One of the key pre-requisites for the ensuring NDP implementation is the strengthening of the capacity and coordination of the South African Legislative Sector. Therefore, Parliament worked collectively with the provincial legislatures under the auspices of the Sector, to accelerate the drafting of the Legislative Sector Bill for formalisation of the South African Legislative Sector. The legislation provides for, among others the governance structure; values that the legislative sector will subscribe to; legislative sector service (conditions of employment within the legislative sector, including the establishment of a bargaining council for the sector); establishment of the institution responsible for legislative sector training; and inter-legislature co-operative mechanism.

As alluded to during the previous reporting period, the Legislative Sector Bill reaffirms the South African Legislative Sector as an arm of state distinct from the executive and the judiciary, and includes to:

- regulate, promote and facilitate inter-legislature relations and provide for the governance of the legislative sector, and facilitate co-operation amongst the legislatures and Municipal Councils;
- provide for the establishment of the Institute for South African Legislatures and for mechanisms and procedures to facilitate the settlement of inter-legislature disputes; and
- endorse the service in each legislature, provide for standardisation of the organisation and administration of these services.

One of the key strategic initiatives during the reporting period was the drafting of the working document on the Protocol Agreement between the South Africa Legislative Sector and the national and provincial treasuries. The purpose of the Protocol Agreement includes to, amongst others:

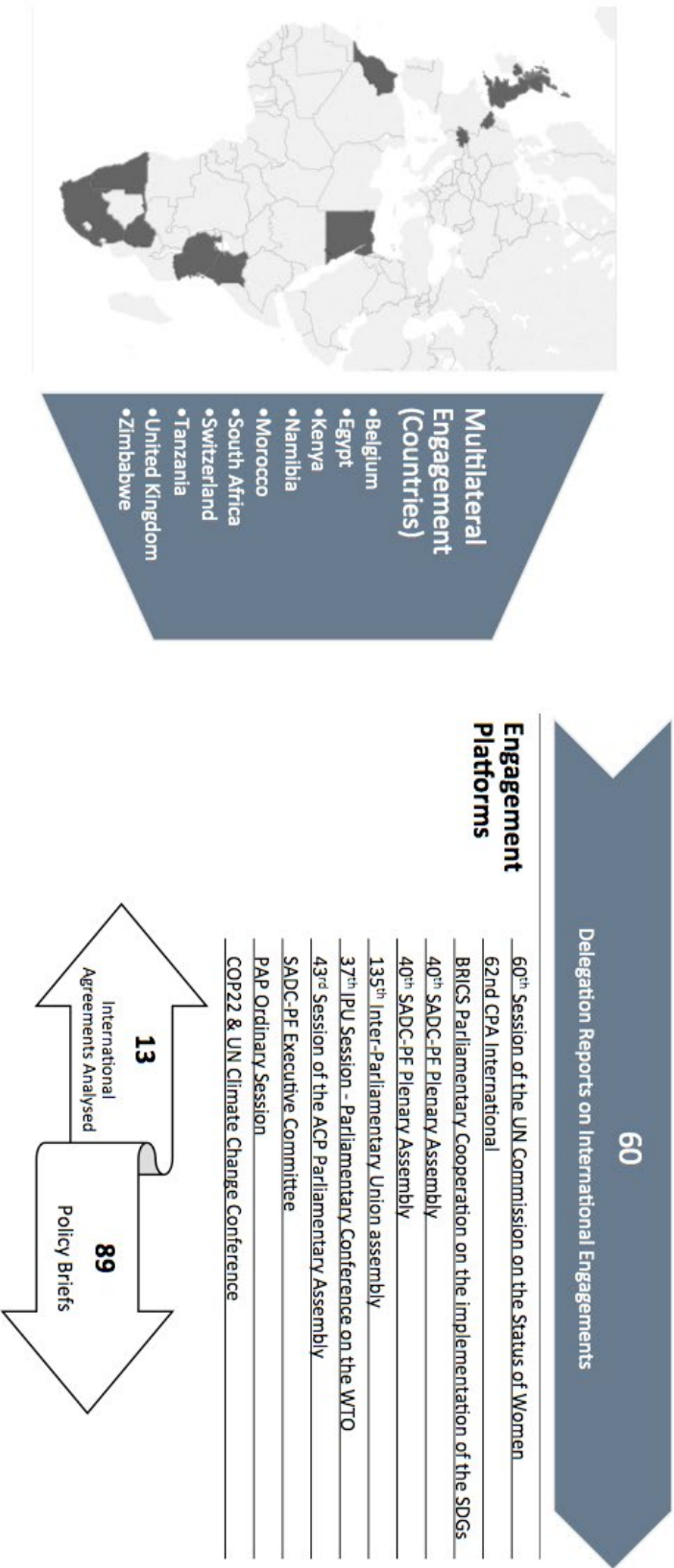
- Political governance:
  - further entrench the principle of separation of powers between the Legislative Sector and the Executive;
  - facilitate the engagement between the Executive Authority and Minister of Finance and MECs responsible for financial matters on budget allocation to the Legislative Sector;

- Administrative governance:
  - establish an agreed framework for cooperation and coordination between the Accounting Officer's and the Treasuries in the implementation of the FMPPLA; and
  - ensure that the principles of the FMPPLA are applied whilst respecting the constitutionality of each institution.

Some of the key principles of cooperation identified in the working document include the commitment to entrench the doctrine of separation of powers as prescribed by the Constitution and in accordance with applicable laws; explore the possibility for consideration of the budget of the Legislative Sector prior to the budget of the Executive; and observance of the relevant provisions of the FMPPLA, including the budgeting and reporting templates alignment to the Legislative sector specifications. Parliament and the provincial legislatures further continued with the drafting of the Legislative Sector Bill to progressively move towards the formalisation of the South African Legislative Sector as a distinct arm of the state.

e) INTERNATIONAL PARTICIPATION

Infographic 5 below presents progress on international relations





In order to enhance international engagement and co-operation Parliament will:

- increase its capacity to represent the interests of South Africa in the international arena;
- promote and facilitate the transformation of undemocratic governance structures and processes;
- build strategic partnerships around mutual interests and solidarity;
- prioritise its focus towards promoting the African Agenda, especially with regard to its role in regional and continental integration, manifesting in the formation of a SADC Parliament, and transformation of the Pan-African Parliament as regards its legislative powers; and
- strengthen mechanisms for negotiation and ratification of international agreements, and establish mechanisms to monitor South Africa's obligations.

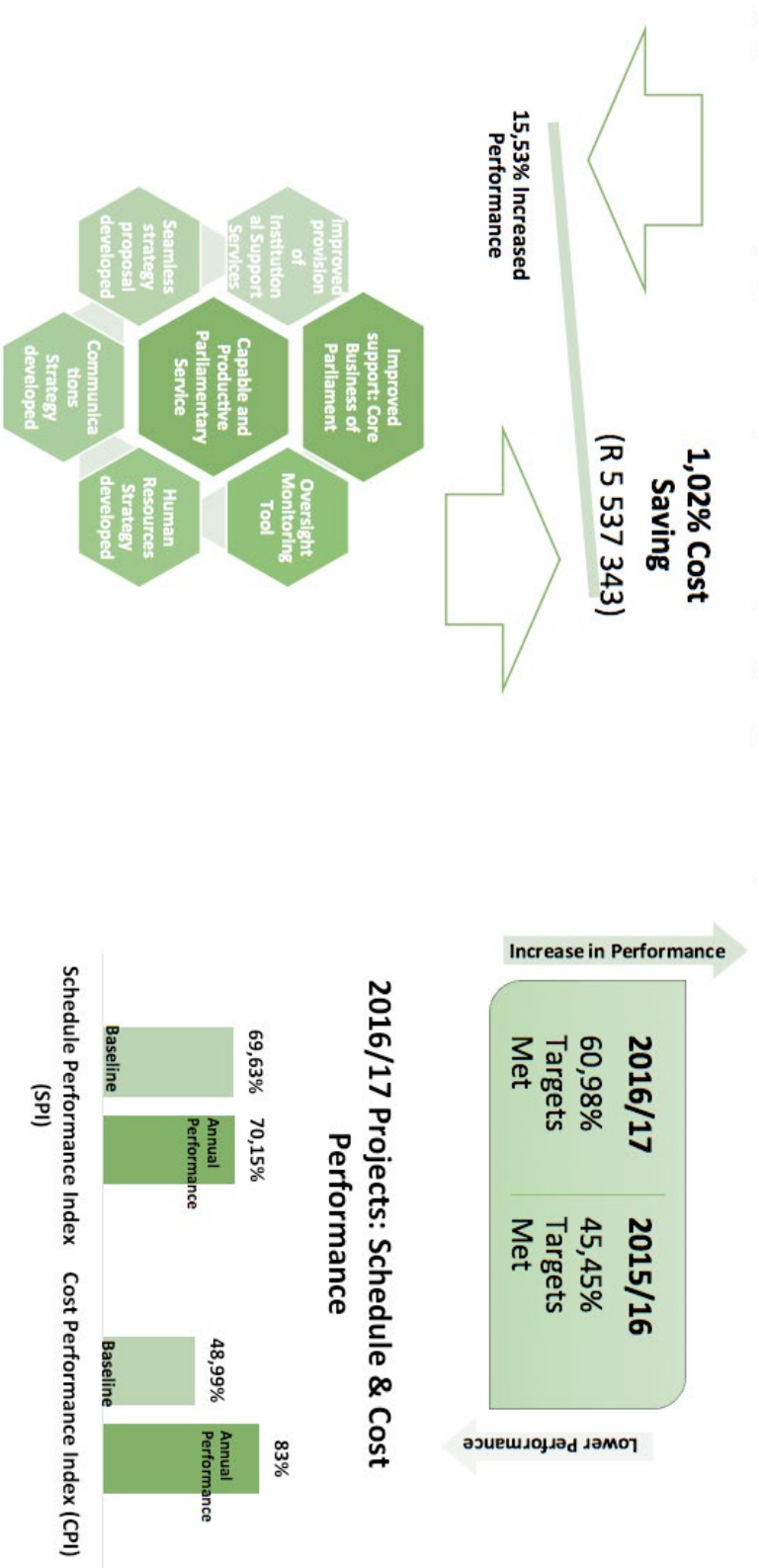
Parliament's commitment to enhance international engagement and co-operation culminated into participation in Parliamentary Group on International Relations (PGIR), multilateral and bilateral engagements. Parliament's efforts were directed at deepening the representation of the interests of South Africa in the international arena with a view to advance the transformation of governance structures and processes, including building strategic partnerships and solidarity around areas of mutual interests. This will be achieved by the establishment of more friendship groups with like-minded Parliament where matters of mutual interests, like trade, economic interests, cultural interests will take precedence. Bilateral relations with respect to cooperation on administrative matters will also receive attention. This will be in addition to the existing friendship groups and administrative enhancements/benchmarking are already in operation.

Parliament has been active in efforts to transform the SADC-PF and the PAP into organs functioning like designated Parliaments. These efforts will be further enhance during the upcoming financial year. Parliament is also looking at finding ways to play a more involved role in the functioning and well-being of the PAP instead of relinquishing these responsibilities to the Department of International Relations and Cooperation, as has been the norm since the establishment of the PAP. Parliament is also employing its diligence in the efforts to transform the functioning of the IPU and is contributing to efforts to have the body change its status from functioning as a charity organization into a realistic open parliament for the benefit of the continent as a whole.



f) CAPABLE PARLIAMENTARY SERVICE

Infographic 6 focuses on progress with regards to building a capable parliamentary service



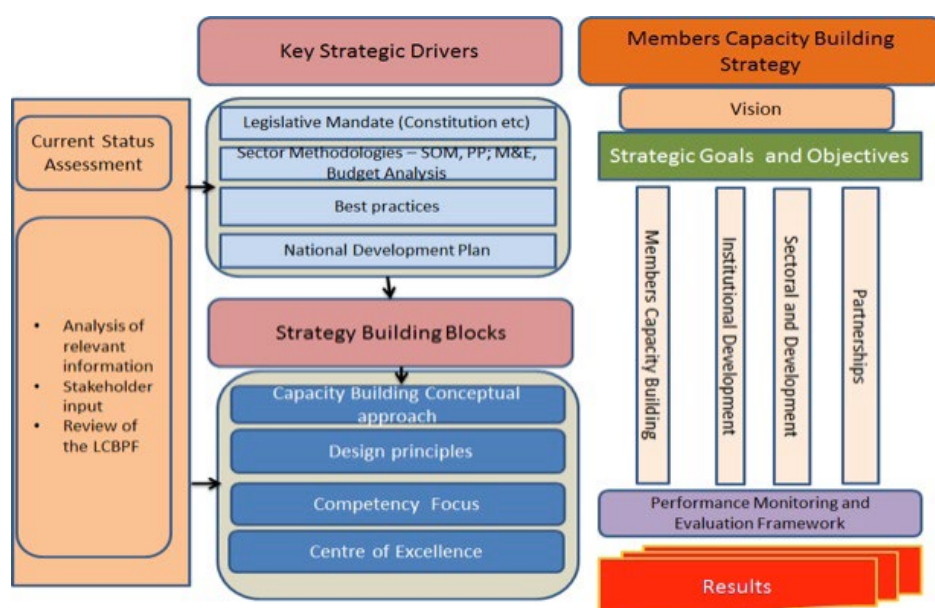
In order to increase the institutional effectiveness and efficiency the administration will aim at the following:

- Introducing services related to capacity-building programmes for Members that will seek to increase accessibility of programmes, and improve the usefulness and relevance of programmes to enable Members of Parliament to function effectively;
- Establishing services such as procedural advice, legal advice, content advice, research and other similar information services with the view to improving the timeliness and quality of outputs, thereby increasing the value of information, as the inputs required by Members will have greater effectiveness;
- Providing services related to facilities, including ICT, claims, catering and household services, that will seek to maximise the use of limited resources, whilst increasing response times (decreasing turnaround times) and decreasing repair times (downtimes), thereby increasing efficiency;
- Improving areas of governance and compliance, internal co-ordination and communications, information-sharing, skills development and capacity-building, the use and management of limited facilities, and increasing the overall efficiency of Parliament;
- Implementing effective monitoring and evaluation systems for the purpose of monitoring the achievement of policy outcome goals.

### Building the capacity of members to strengthen oversight

Parliament's unwavering commitment remains to improve oversight and accountability in order to ensure the achievement of NDP goals. The Administration therefore continuously strives to improve the timeliness and quality of information services. In this regard, the Capacity Building Strategy of the South African Legislative Sector provides a framework for an integrated and holistic approach to how the issue of members' capacity building will be developed and implemented in South Africa. Programmes implemented during the period sought to give effect to the approach referred to in Figure 6 below - inputs, strategic drivers and strategic building blocks which constitute the key elements of the Framework:

**Figure 6:** Elements of the Sector Capacity Development Strategy – the approach



### 2.1.3 Overview of the Service Delivery Environment

At the start of the 5<sup>th</sup> Parliament, including during the 2015/16 financial year, Parliament has been in a process of realigning the administration to the 2014-2019 Strategic Plan. Thus the 2016/17 financial year continued along this theme of change and realignment. In order to facilitate this strategic alignment, an Integrated Strategic Management Framework was drafted for the sector. Further progress was also made in cascading the balanced scorecard throughout the institution, to create line of sight between the strategic plan and individual business units. Additionally, the relatively new division under the Office of the Secretary on Strategic Management and Governance appointed its first division head, in an effort to improve strategic management throughout the institution. Broadly, the environment within which Parliament exists has continued to grow more complex. At the same time, there is increasing pressure on public funds with less becoming available, continued strain on the available human capacity, and at the same time rising demands by citizens for the country's democracy to bear fruit. As Parliament's legislative load decreases, its ability to monitor and evaluate the impact of legislation has grown. This requires flexible and responsive systems and processes, to effectively facilitate an iterative policy making process between the public and its elected representatives. These factors demand that Parliament be a more representative, activist parliament. This however poses an opportunity for Parliament to re-evaluate its role and re-interpret its activist Parliament mandate within a changing democracy. The current state of the Core Business Programme is as follows:

- Current situation and practice is process oriented;
- Does not allow dedicated focus on priorities;
- Leads to congestion and mechanisation; and
- Does not allow for effective oversight or law making and public participation that offers realisable change or precise corrective measures.

The development trajectory of Parliament should include the following mitigation strategies:

- Reports should be used as mechanisms for monitoring and evaluation;
- There is a need for improving alignment of the core business work of the Parliament (oversight, PP and law making) to the transversal issues identified during SONA/SOPA, Budgeting and MTEF;
  - The focus on (complex) transversal issues allows Parliament to realise its role in building a democratic developmental state;
  - The approach should be outcomes-oriented as opposed to being processed-based / driven with limited focus on strategic priorities;
  - Parliament's approach to planning and implementation of the Core Business Programme to yield the following results -
    - Achievement of priorities as encapsulated in the Nine-Point Plan, MTSE, NDP (including regional, continental and global policy agenda) for the period;
    - Ensure the achievement of the medium and long-term priorities of the NDP;
    - Improvement in implementing the annual strategic focus areas identified during SONA / SOPA, budgeting and MTEF process; and
    - Clarity on a collective contribution of Parliament and Provincial Legislatures as a Sector.

### 2.1.4 Overview of the Organisational Environment

There will be significant focus on improvements in the area of strategic management, and the focus on aligning the institution with a results-based approach. In this regard, the following outline will be used to contextualise the work of the institution, and locate it within a broader effort to improve implementation by improving alignment.

**Figure 7:** Strategy pyramid



There has been concerted effort for improvement in the strategic management area, which has seen more engaged planning, better coordination between units responsible for planning, budgeting and reporting, and more deliberate joint implementation. As can be seen in the graphic above, better coordination of the strategic management function will produce a better aligned organisation, able to deliver strategic outcomes more efficiently.

The Core Business branch of Parliament consists of the NA, the NCOP, core business support, Knowledge and Information Services and International Relations divisions which work together to provide core support to Members of Parliament in the two Houses and their committees. The Support Services branch of Parliament constitutes the Human Resources, Information, Communications and Technology (ICT), Parliamentary Communication Services, Members Facilities; and Institutional Facilities Management and Support Services. Both branches have been affected by a reduced budget and human resource availability, while maintaining support to Members of Parliament in carrying out their Constitutional mandate.

### 2.1.5 Key Policy Development and Legislative Changes

While there have been no policy or legislative changes in the year under review, the implementation of the FMPPLA continues to present an opportunity for Parliament to improve the efficiency of its processes and systems, and to ensure transparent implementation of the strategic plan. The consolidation of the four (4) models (including the public participation, oversight and accountability, legislative and cooperative governance models) into a single programme, is one such attempt to align operations for more efficient implementation. In addition, the Legislative Sector Bill is set to guide the sector, as a whole, and once approved will provide for further coordination within the legislative sector.

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

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

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

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

### 2.1.8 Parliament's Balanced Scorecard

In an effort to cascade strategy throughout the organisation, Parliament has been in the process of implementing the balanced scorecard methodology for the last two (2) financial years. This process has included grappling with the implications of the scorecard for Parliament as a public sector institution, and has resulted in the realignment of the scorecard strategic themes to better suit the organisational outcomes. Performance on the four (4) perspectives are as follows:

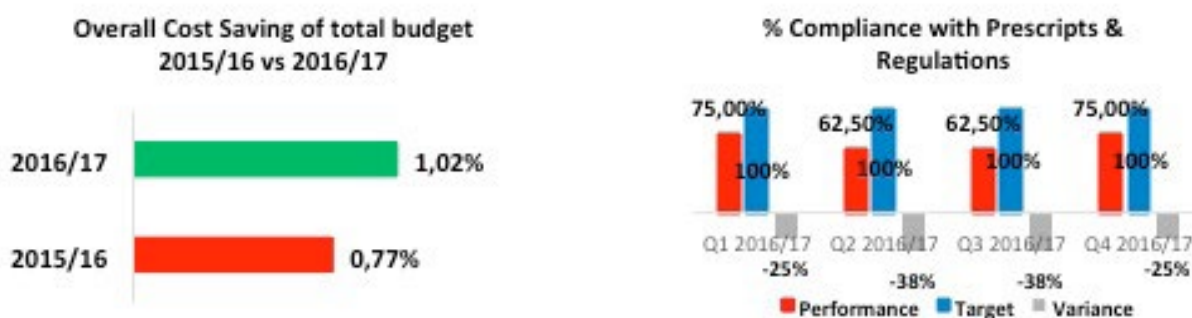
**Figure 8:** Parliament's Balanced Scorecard Perspectives

These perspectives, and how Parliament performed on each one, are outlined below.

### a) Financial Perspective

The financial perspective in the Parliamentary Services Balanced Scorecard measures the alignment of the budget to the strategy, cost efficiency, delivering maximum value to the stakeholders for money spent, compliance to applicable laws and policies and risk management. In this regard, performance on key result areas on finances was mixed, as can be seen from the following graphs:

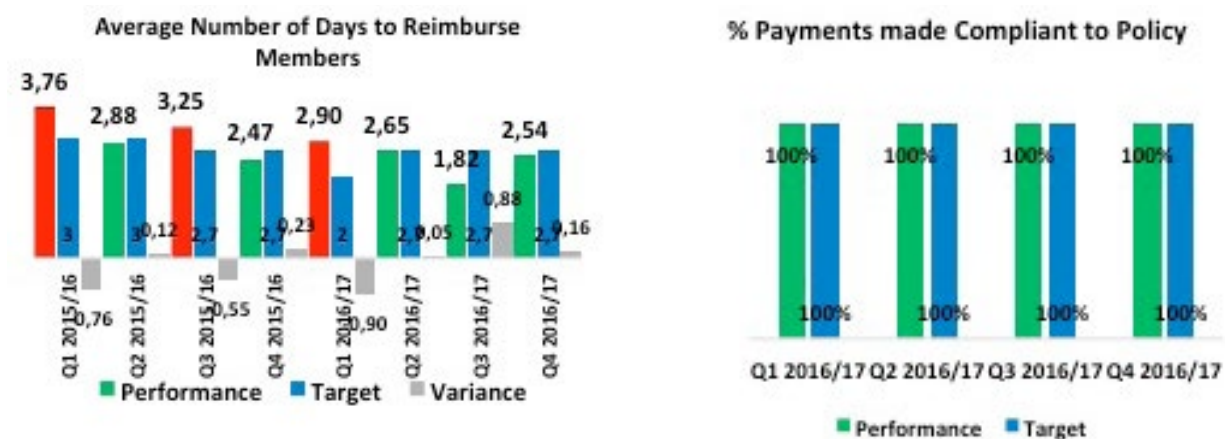
#### Infographic 7: Financial Perspective – Part 1





As can be seen from the graphs above, cost savings for the 2016/17 financial year were on target, with a saving of R5 537 343 which translates to 1,02% of total operating budget. On compliance however, performance was consistently under target, with under-performance on indicators such as suppliers paid within 30 days and tender awarded within 90 days affecting overall performance on the compliance indicators. In addition, the following performance was recorded with regards to payments to Members of Parliament and political parties:

### Infographic 8: Financial Perspective – Part 2

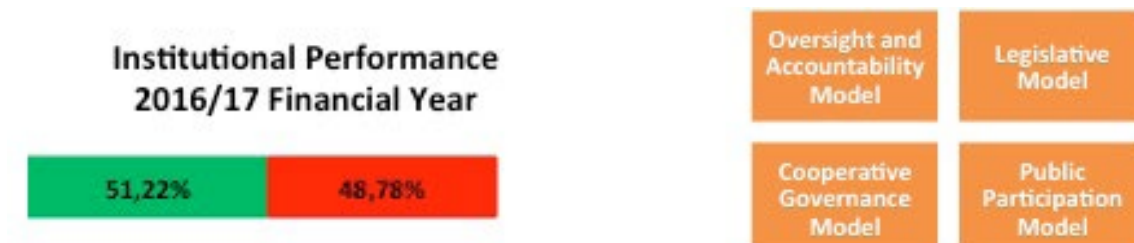


The average number of days it takes to reimburse Members of Parliament has improved over the last eight (8) quarters, especially within the reporting period under review. The indicator on payments made to political parties in compliance with policy performed at 100%, with all payments that complied with policy having been made. In addition, it should be noted that Parliament received a clean audit from the Auditor General for the financial year 2015/16.

### b) Strategy Implementation Perspective

The strategy implementation perspective is concerned with the alignment of organisational structures, processes and systems to the strategic plan in order to enable execution. An integrated approach to strategic management is necessary to ensure decision making on prioritisation of strategic initiatives/projects, allocation of resources, processes, systems and policies are focused on the implementation of the strategy. In this regard, the following should be noted that overall performance towards strategic objectives as set in the 2016/17 APP is at 60,98%, an improvement from the 2015/16 performance as seen below:

### Infographic 9: Strategy Implementation Perspective



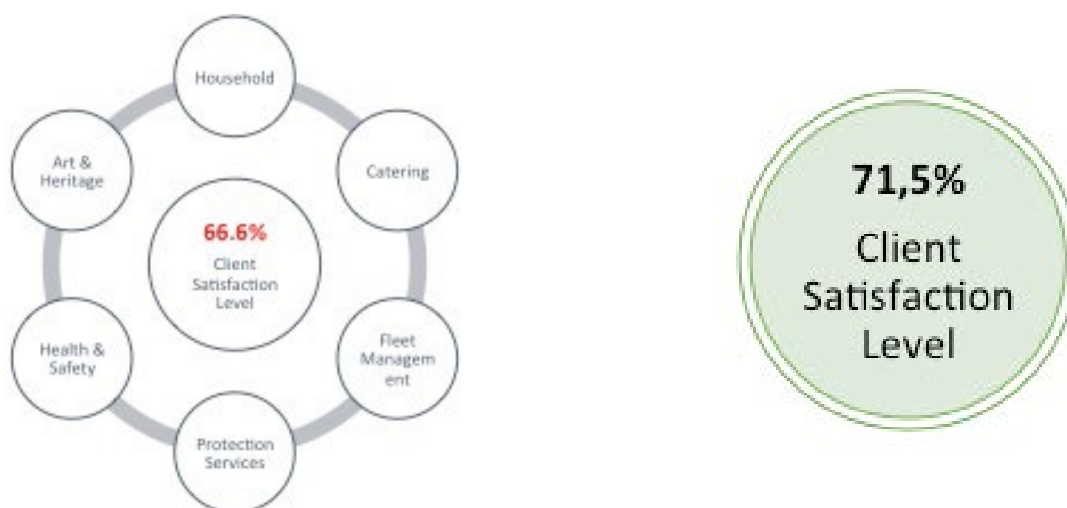


Performance on key core business outputs related to the Oversight and Accountability Programme however, has not yielded the targeted results. While Oversight, public participation, cooperative governance and legislative functioning take place, the targets set to implement both the public participation and oversight models, and to draft the cooperative and legislative models in the 2016/17 reporting year, have not been realised. In order to create better alignment for strategy implementation, two key processes are in progress. First, the Integrated Strategic Management Framework has been drafted and is in review by the legislative sector. Second, the balance scorecard has been successfully cascaded to divisions, and is in the process of alignment with units and individuals. This line of sight will ensure a focus on strategic outcomes.

### c) Stakeholder Perspective

The stakeholder perspective incorporates customer and stakeholder satisfaction, development and implementation of strategies, plans and programmes to serve customers and maintain constructive and sustainable relations with stakeholders. This perspective focuses on the perception and experiences of product and service attributes by stakeholders. With regards to the client satisfaction with internal institutional support services including catering, household, health & safety, fleet management, protection services and art and heritage, satisfaction was below the 70% target set for the 2016/17 reporting year, at 66,6% as seen below. In addition, satisfaction levels for all other services exceeded the 70% target, at 71,5% for the 2016/17 reporting year.

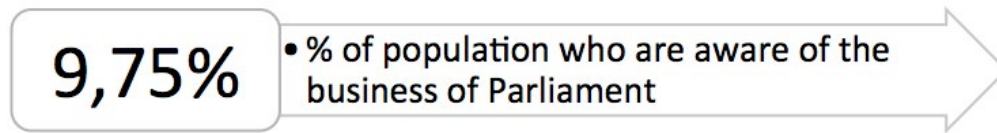
#### Infographic 10: Stakeholder Perspective – Part 1



In order to facilitate more effective support services to Members of Parliament, an integrated seamless support service was conceptualised, and the design framework has been completed. The implementation of this seamless support will greatly assist in increasing satisfaction with parliamentary service support to Members of Parliament, in the fulfilment of their Constitutional mandates. In addition, the stakeholder management plan has been completed, and will serve as guide on how best to engage all stakeholders internally as well as externally.

With regards to external perceptions of Parliament, the following performance was noted:

#### Infographic 11: Stakeholder Perspective – Part 2

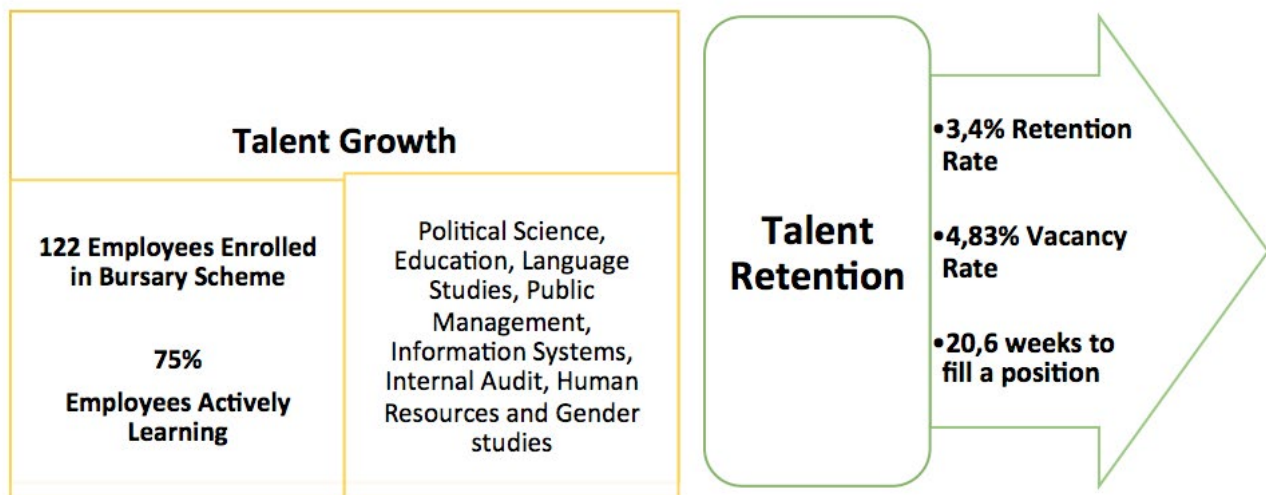


In this regard, the comprehensive Communication Strategy, while not approved as yet, has been developed in order to ensure more effective communication with citizens and other stakeholders, for the purposes of improving external stakeholder satisfaction.

#### d) Talent and Capacity Building Perspective

Talent and capacity building are the intangible drivers of performance and include areas such as the development of talent, organisational capital and information capital including skills, training, organisational culture and leadership. The following has been achieved with regards to managing talent and building required organisational capabilities for 2016/17.

#### Infographic 12: Talent & Capacity Building Perspective



#### Wellness Initiatives

Employees Assistance Programme (counselling)
Medical facility
sports and recreational codes
dissemination of healthy living information



**PROGRAMME PERFORMANCE**

## 2.2 PROGRAMME PERFORMANCE

### SUMMARY AND TRENDS

#### a. Overall Institutional Performance

**Graph 1:** Institutional Performance 2016/17

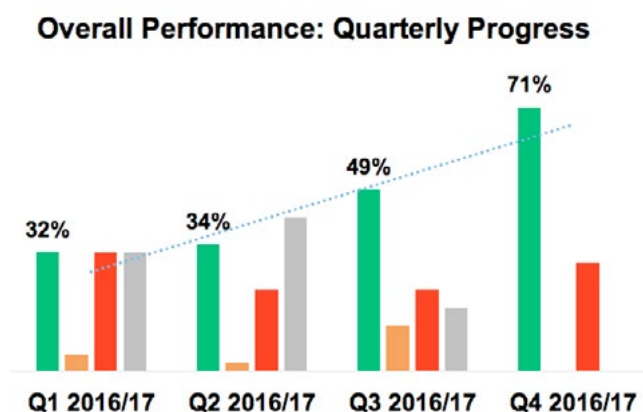


Annual performance for the 2016/17 financial year is at 49%, with 20 indicators having met their target, and 21 not meeting their targets. This is an improvement of 3,5% from the previous financial year, which was at 45,45%.

#### b. Performance Per Quarter

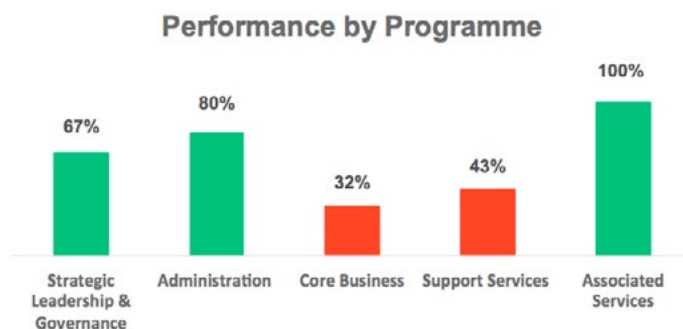
Progress with regards to performance can also be seen from the quarterly progress presented below. Performance throughout the financial year improved, with targets met increasing from 32% in the 1<sup>st</sup> quarter, to 71% in the 4<sup>th</sup> quarter.

**Graph 2:** Overall Performance – Quarterly Progress

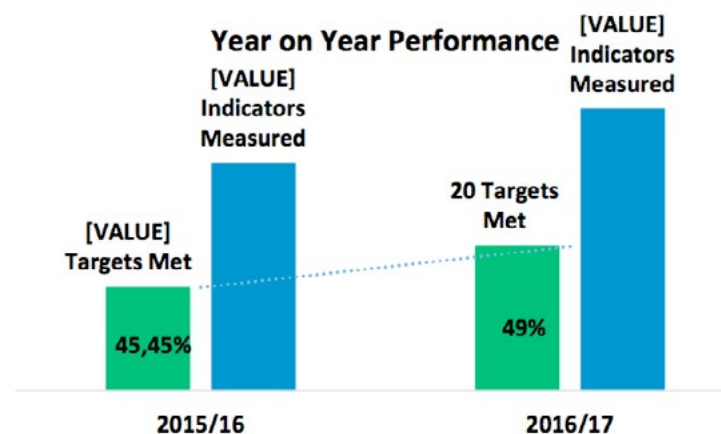


#### c. Performance Per Programme

Performance within each funded programme can be seen below – of the five (5) programmes, three (3) performed above the institutional average (of 51,22%), while one performed slightly below (43% - Support Services). Only one programme was well below the institutional average (32% - Core Business).

**Graph 3:** Performance Per Programme**d. Performance Year on Year**

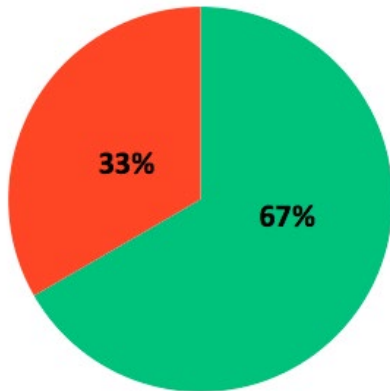
As noted above, performance for 2016/17 is an improvement from that of 2015/16. This improvement can be seen more clearly below.

**Graph 4:** Year on Year Overall Performance

## 2.3 PERFORMANCE PER PROGRAMME

### 2.3.1 Programme 1: Strategic Leadership and Governance

**Chart 1:** Overall Strategic Leadership & Governance Performance



Programme 1 performance was above the institutional average, with two (2) of the three (3) indicators in this programme performing on/above target (67%).

#### **Purpose:**

Provide political and strategic leadership, governance and institutional policy, communication and co-ordination, and oversee the development and the implementation of Parliament's strategic plan, annual performance plan and budget.

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

- Improve strategic, advisory, executive, administrative and logistical support to the Executive Authority.
- Improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019.
  - Capacitation of Parliamentary Budget Office



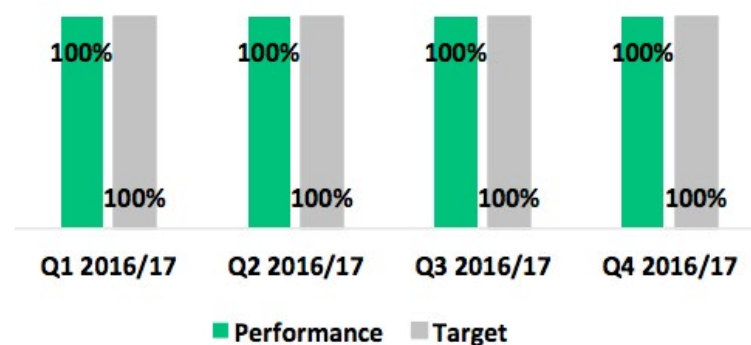
**Performance:**

*Improve strategic, advisory, administrative and logistical support to the Executive Authority*

<b>Strategic Objective</b> Improve strategic, advisory, executive, administrative and logistical support to the Executive Authority					
<b>Performance Indicator</b>	<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
0.1a % of governance schedule implemented	Office of the Speaker & Chairperson	100%	100% (4 out of 4 engagements held)	0%	Not applicable
0.1b % of governance documents tabled for referral (FMPPLA)		100%	21% (4 of 19)	-79%	Ineffective tabling process, thus lack of timely tabling of documents led to underperformance. A standard operating procedure (SOP) for the tabling of governance documents was developed and resulted in improved performance in quarter 4.

**Performance trends**

*Indicator 0.1 a*

**% Governance Schedule Implemented**

This indicator measures the administrative and logistical support given to the Executive Authority and has significant implications for the provision of political and strategic leadership. As seen below, performance on this indicator was consistent throughout the reporting period.



*Improve independent, objective and professional analysis and advice on matters related to the budget and money Bills.*

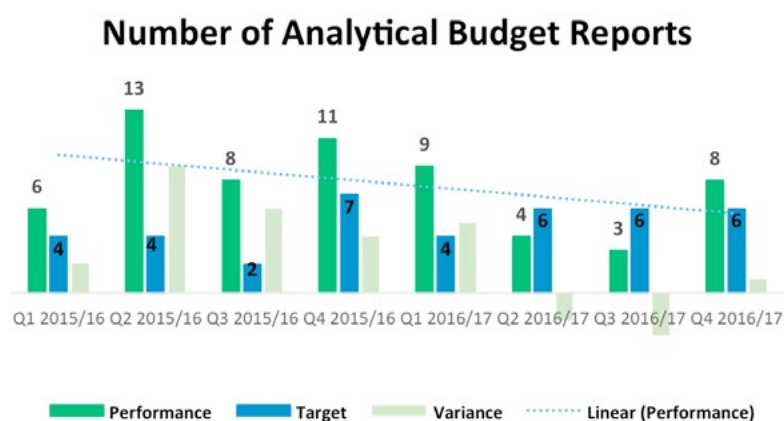
<b>Strategic Objective (SO 2.2)</b>	Improve independent, objective and professional analysis and advice on matters related to the budget and other Money Bills tabled in Parliament by increasing advisory and analytical reports from 8 to 19 by 2019
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.2(a)	Number of analysis reports presented to the finance & Appropriations Committees in both Houses of Parliament	Parliamentary Budget Office	22	23 analysis reports	+1	Targets were exceeded due to the NDP work commissioned by the Presiding Officers

### Performance trends

#### 2.2 a

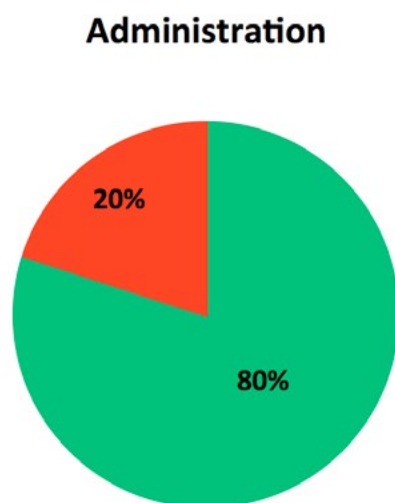
The targeted number of analysis reports was exceeded for the 2016/17 financial year. However, as can be seen from the graph below, the volume of work should be monitored to ensure that there is adequate support given to Finance and Appropriations Committees of both Houses of Parliament. The lack of progress on extending the capacity of the Budget Office as seen below, may contribute to the falling volumes.



***Specific Objectives (Projects)***

<b>Project</b>	<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Status</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
Capacity of Parliamentary Budget Office	Parliamentary Budget Office	Implement capacitation plan	Second phase of expansion on hold	Not Met	Budget constraints due to budget cuts to Parliament

### 2.3.2 Programme 2: Administration



Programme 2 performance is above the institutional performance, with four (4) out of five (5) indicator meeting or exceeding their target.

#### **Purpose:**

Provide strategic leadership support and management, institutional policy and governance, provide development programmes for Members, overall management and administration, internal audit and financial management, and the Registrar of Members' Interests.

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

- Improve usefulness, relevance and accessibility of integrated development programmes for Members by developing and implementing a Members' Capacity-Building and Development strategy by 2019.
  - Establish a parliamentary knowledge institute
- Improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures by implementing a revised Sector Strategy by 2019.
  - Revise and implement Sector Strategy.
  - Legislative sector Bill and regulations.
- Develop and implement efficiency measures to establish the present level of efficiency and to reduce inefficiencies by 1% of total budget per year.
  - Develop measures to increase efficiency and reduce costs.
- Strengthening strategic management, governance and compliance by implementing the prescripts of the Financial Management of Parliament and Provincial Legislatures Act.
  - Draft annual performance plan presented to Executive Authority

- Draft budget presented to Executive Authority
- Performance agreement for Accounting Officer concluded
- Monthly financial statements submitted
- Quarterly performance reports submitted
- Mid-year budget and performance assessment submitted
- Annual report submitted
- % suppliers paid in 30 days
- % of orders within 7 days
- % of tenders awarded within 90 days

### Performance:

*Improve capacity-building and development programmes for Members*

<b>Strategic Objective (SO 1.3)</b>		Improve usefulness, relevance and accessibility of integrated development programmes for Members by developing and implementing a Members' Capacity-Building and Development strategy by 2019				
<b>Performance Indicator</b>		<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
1.3(a)	Progress on implementation of Members' Capacity-Building and Development strategy	Legislative Sector Support	Strategy implemented	Strategy Implemented	Not applicable	Not applicable
1.3(b)	% of capacity building programmes executed		100%	100% (A total of 4/4 programmes were executed)	0%	Not applicable

**Performance trends****1.3(a)**

In relation to IND 1.3 (a) - Progress on implementation of Members' Capacity-Building and Development strategy, the development of the capacity building strategy was finalised and is being implemented. There has been a 53% increase in completion rate.

In relation to IND 1.3 (b) - a total of FOUR programmes were executed and these include the:

Graduate Certificate in Governance and Public Leadership: Wits University  
Masters in Management programme: Wits University Postgraduate Short Learning Programme: University of Johannesburg (Repeat modules only)  
Executive Programme in Human Settlement: Nelson Mandela Metropolitan University

The project on the establishment of the Parliamentary Knowledge Institute – a concept was developed in the previous financial year, a project plan and Business case have now been developed; desktop research and consultation undertaken.

Project on SA Legislative Sector Bill is underway, the Bill was developed and tabled at SALSA and Speakers' Forum. The Bill has now been referred to all legislatures for input, thus far inputs have been received from some legislatures

As can be seen below, implementation on this indicator was consistent throughout the year.

**% of capacity building programmes executed**



*Improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures*

<b>Strategic Objective (SO 1.2)</b>	Improve co-ordination, co-operation and intergovernmental relations of Parliament with Provincial Legislatures by implementing a revised Sector Strategy by 2019
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.2	% of Speakers' Forum and SALSA resolutions followed up and actioned	Legislative Sector Support	100%	100% All resolutions followed up and actioned (SALSA and Speakers' Forum).	0%	Not applicable

#### **Performance trends**

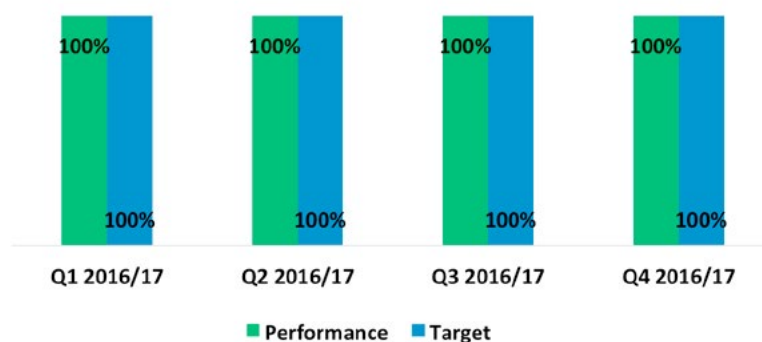
##### **Indicator 1.2**

In relation to the Speakers' Forum, the following resolutions were actioned and followed up: 7 out of 7 in quarter 1 (28 June 2016); 16 out of 16 in quarter 2 (29 September 2016); 10 out of 10 in quarter 3 (6-7 December 2016); and 1 out of 1 in quarter 4 (7 February 2017)

In relation to the SALSA, the following resolutions were actioned and followed up:

15 out of 15 in quarter 1 (9-10 June 2016); 1 out of 1 in quarter 2 (28 July 2016); 13 out of 13 in quarter 3 (10 November 2016); and 15 out of 15 in quarter 4 (16 March 2017). As can be seen below, performance on this indicator was consistent throughout the year, and was unaffected by volumes.

**% of Speakers' Forum and SALSA resolutions followed up and actioned**



*Specific Objectives (Projects)*

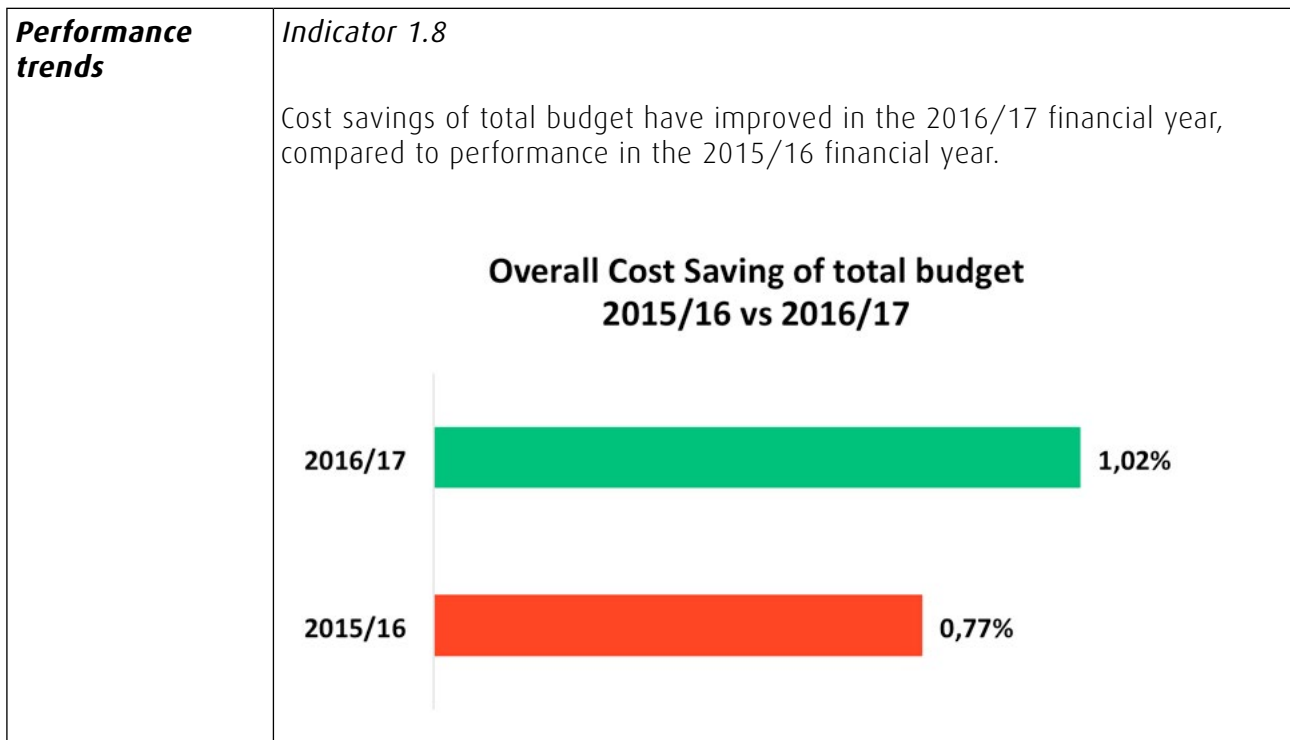
Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/over performance & mitigation strategies
Establish a parliamentary knowledge institute	Legislative Support Services	Concept implemented	Business case developed and approved	Met	Not applicable
Revise and implement Sector Strategy		Strategy implemented	Strategy implemented as planned	Met	Not applicable
Legislative sector Bill and regulations		Consultation on Draft Bill	Draft Bill referred to legislatures for input – inputs received from legislatures	Met	While the target for consultation was met, not all legislatures submitted inputs even though the Bill was sent well in advance and follow ups made

*Increase efficiency of processes and resources*

<b>Strategic Objective (SO 1.8)</b>	Develop and implement efficiency measures to establish the present level of efficiency and to reduce inefficiencies by 1% of total budget per year.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.8	% cost saving of total budget	Finance Management Office	1%	1.02% Savings: R5 537 343 Total Operating Budget: R544 039 000	+0.02%	Not applicable





### ***Specific Objectives (Projects)***

Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/over performance & mitigation strategies
Develop measures to increase efficiency and reduce costs	Financial Management Office	Cost Cutting Measures implemented  Efficiencies Framework implemented  Efficiency indicators	Cost Cutting Measures Implemented Efficiencies Framework implemented  Efficiency indicators not finalised	Not applicable	Not applicable

*Strengthening strategic management, governance and compliance by implementing the prescripts of the Financial Management of Parliament and Provincial Legislatures Act.*

<b>Strategic Objective (SO 1.9)</b>	Strengthening strategic management, governance and compliance by implementing the prescripts of the Financial Management of Parliament and Provincial Legislatures Act.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.9	% compliance with prescripts and regulations	Strategic Management & Governance	100%	50% compliance with prescripts and regulations (6/10 prescripts met)	-50%	<p>This indicator missed its target due to ineffective mechanisms for processing tenders, as well as supplier payments.</p> <p>Mitigation: A mechanism must be developed, and other specific corrective measures to improve compliance must be identified.</p>

### Performance trends

#### Indicator 1.9

As can be seen in the trend below, performance on this indicator has remained under target throughout the reporting year. More concerted measures must be taken early in the financial year to rectify under target performance.

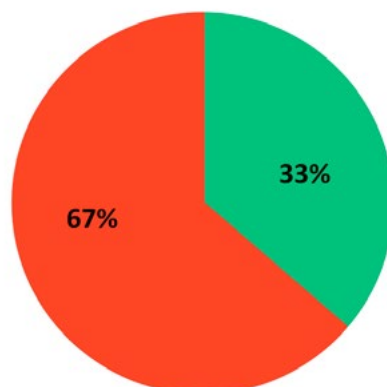
**% Compliance with Prescripts & Regulations**



Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/ over performance & mitigation strategies
Draft annual performance plan presented to Executive Authority before 31 May	Office of the Secretary	31 May	Annual performance plan presented to Executive Authority before 31 May	Met	Not applicable
Draft budget presented to Executive Authority before 31 May		31 May	Draft budget presented to Executive Authority before 31 May	Met	Not applicable
Performance agreement for Accounting Office conducted by 7 April		07 April	Performance agreement for Accounting Office not conducted by 7 April	Not Met	Performance agreement of AO concluded after 07 April due to budget revisions a revised APP for 2016/17 must be approved by the EA - the revised APP forms the basis of the agreement.
Monthly financial statements submitted before 15 <sup>th</sup>		15 <sup>th</sup>	All monthly financial statements not submitted before 15 <sup>th</sup>	Not Met	This indicator missed its target due to ineffective tabling mechanism.
Quarterly performance reports submitted within 30 days		30 Days	Quarterly performance reports submitted within 30 days	Met	Not applicable
Mid-year budget and performance assessment submitted before 31 October		31 Oct	Mid-year budget and performance assessment submitted before 31 October	Met	Not applicable
Annual report submitted before 31 August		31 Aug	Annual report submitted before 31 August	Met	Not applicable
% suppliers paid in 30 days		100%		Not Met	This indicator missed its target due to ineffective mechanisms for processing tenders.
% of orders within 7 days		100%		Met	Not applicable
% of tenders awarded within 90 days		100%		Not Met	Bids not awarded due to unforeseen delays

### 2.3.3 Programme 3: Core Business

**Core Business**



Performance for programme 3 is below the institutional average at 50%, with Seven (7) indicators out of twenty-two (22) meeting their targets.

#### **Purpose:**

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

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

- Improve average turnaround time for provision of procedural and legal advice, content advice, research products, minutes and reports and other products to the Houses, Committees and Members by 2019.
  - Develop uniform norms and standards for information services
  - Develop and implement a knowledge management strategy
- Refine and implement the Oversight and Accountability Model to ensure that the Executive implements objectives of the MTSF 2014-2019 by 2019.
- Develop and implement a legislative model to ensure enhanced quality of support, advice and systems for law-making by 2019.
  - Conduct an assessment of the impact of legislation.
  - Implement a legislative drafting system.
- Develop and implement a co-operative government oversight mechanism to ensure enhanced co-ordination of programmes of government by 2019.
- Increase access and improve the quality of participation in the processes of Parliament through enhanced programmes to ensure participatory democracy.

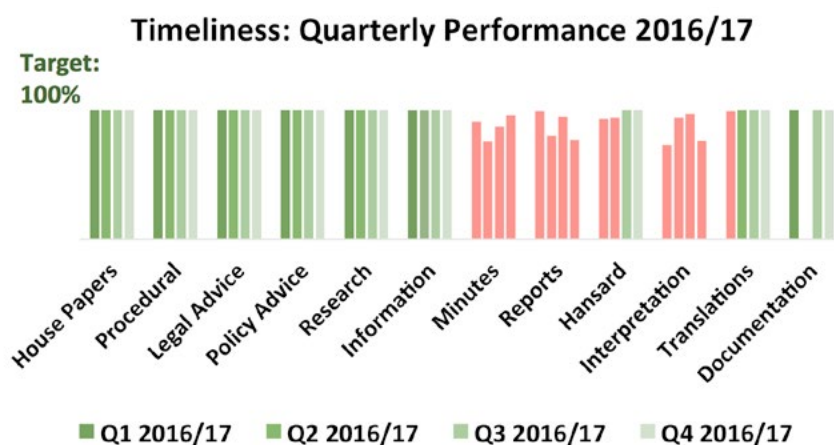
- Number of Taking Parliament to the People campaigns
  - Number of People's Assembly campaigns
  - Number of Women's Parliament campaigns
  - Number of Youth Parliament campaigns
- Enhance parliamentary international engagement by increasing the percentage of reports on parliamentary international relations engagements, for consideration, from 75% to 95% by 2019.
    - Develop and implement an international agreement monitoring system. (Part of Oversight system)

## Performance:

*Improve timeliness and quality of advisory and information services and products.*

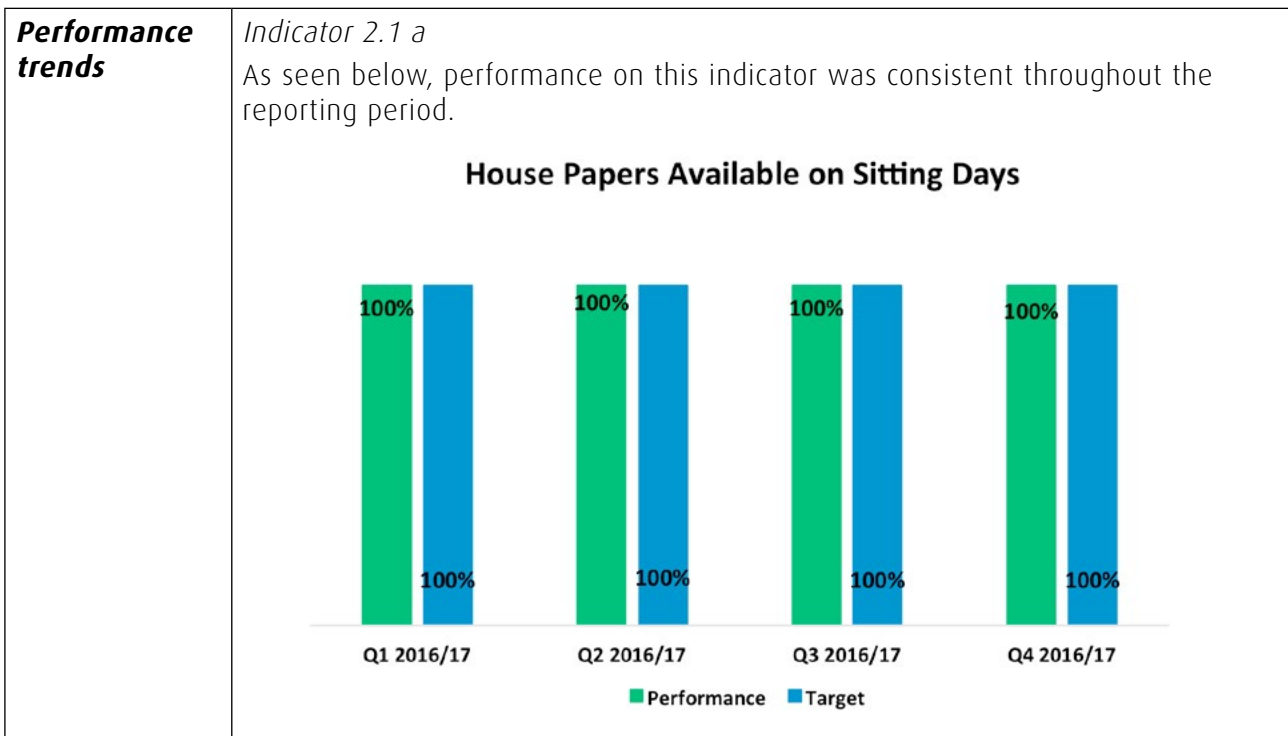
### Strategic Objective (SO 2.1)

Improve average turnaround time for provision of procedural and legal advice, content advice, research products, minutes and reports and other products to the Houses, Committees and Members by 2019.

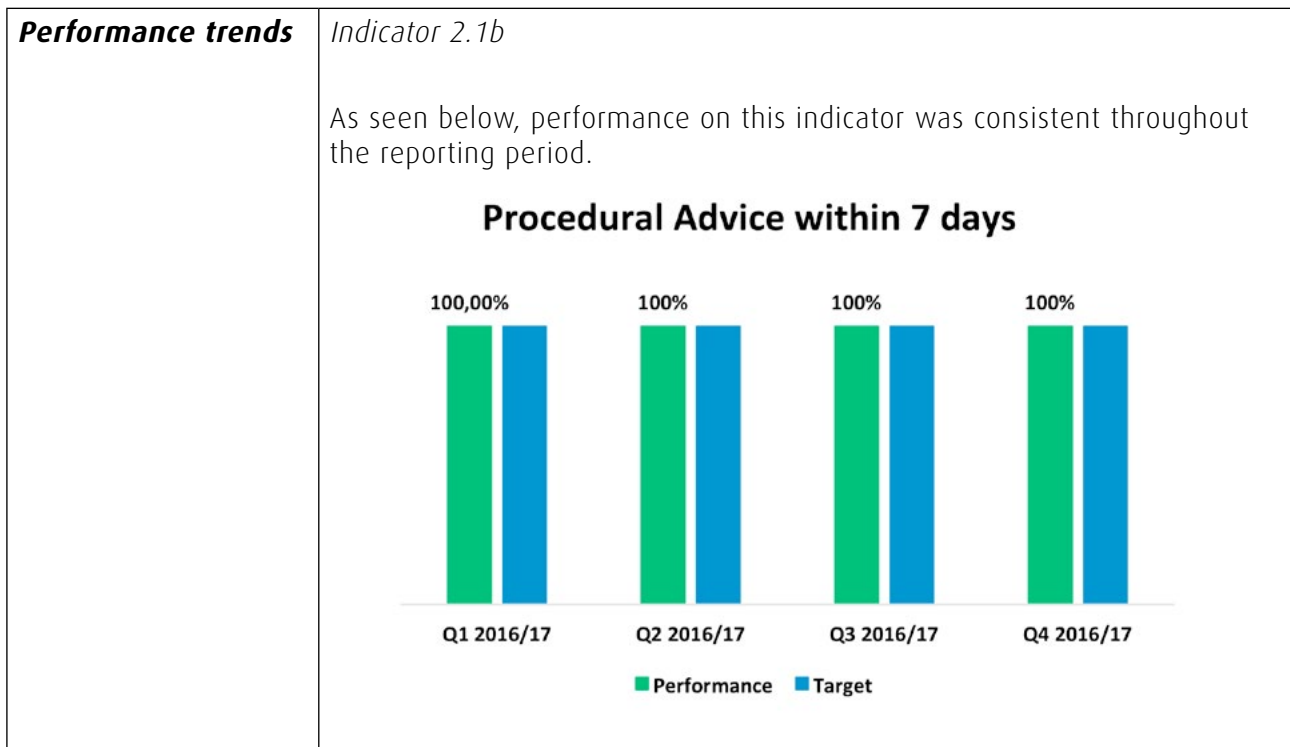


Progress in delivering information services in a timely manner must be strengthened if Parliament is to be able to effectively exercise its oversight mandate. Below is more detailed analysis of timeliness indicators.

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(a)	% House Papers available on sitting days	NA & NCOP & Committees	100%	100% House Papers available on Sitting Days 335/335	0%	Not applicable




Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(b)	% Procedural advice within 7 days average		100%	100% Procedural advice within 7 days 698/698	0%	Not applicable

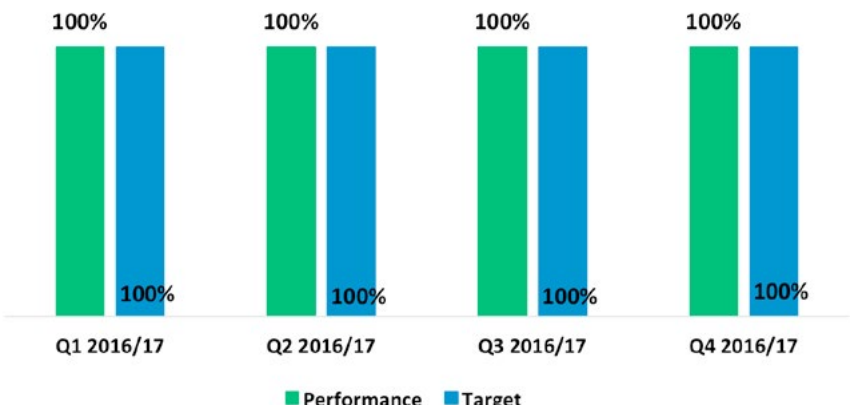


Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(c)	% Legal advice within 7 day average	Core Business Support Division	100%	100% Legal Advice within 7 days  72/72 written sound legal advice provided	0%	Not applicable

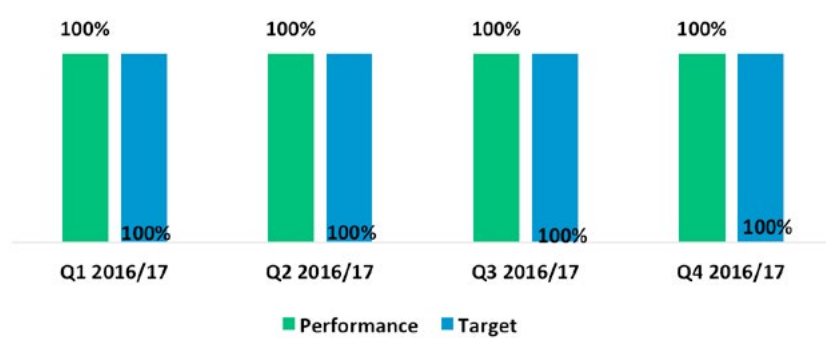


<b>Performance trends</b>	<b>Indicator 2.1 c</b>  As seen below, performance on this indicator was consistent throughout the reporting period.  <div><b>Legal Advice Provided</b> <table><thead><tr><th>Quarter</th><th>Performance (%)</th><th>Target (%)</th></tr></thead><tbody><tr><td>Q1 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q2 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q3 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q4 2016/17</td><td>100%</td><td>100%</td></tr></tbody></table></div>	Quarter	Performance (%)	Target (%)	Q1 2016/17	100%	100%	Q2 2016/17	100%	100%	Q3 2016/17	100%	100%	Q4 2016/17	100%	100%
Quarter	Performance (%)	Target (%)														
Q1 2016/17	100%	100%														
Q2 2016/17	100%	100%														
Q3 2016/17	100%	100%														
Q4 2016/17	100%	100%														

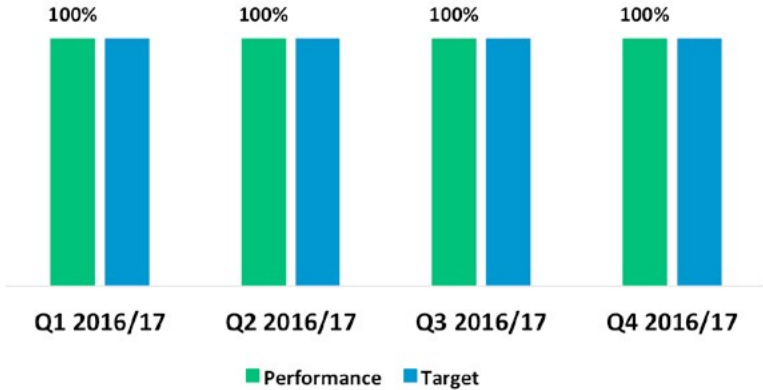
Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(d)	% Policy advice within 7 day average	IR&P Division	100%	91 policy advice provided	Not applicable	It could not be determined that policy advice was provided within agreed timeframes. Internal controls to be strengthened to ensure reliability of performance information.

<b>Performance trends</b>	<i>Indicator 2.1d</i>															
As seen below, performance on this indicator was consistent throughout the reporting period.																
<div><h3>Policy Advice on International Relations</h3><table><caption>Policy Advice on International Relations Data</caption><tr><th>Quarter</th><th>Performance (%)</th><th>Target (%)</th></tr><tr><td>Q1 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q2 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q3 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q4 2016/17</td><td>100%</td><td>100%</td></tr></table></div>		Quarter	Performance (%)	Target (%)	Q1 2016/17	100%	100%	Q2 2016/17	100%	100%	Q3 2016/17	100%	100%	Q4 2016/17	100%	100%
Quarter	Performance (%)	Target (%)														
Q1 2016/17	100%	100%														
Q2 2016/17	100%	100%														
Q3 2016/17	100%	100%														
Q4 2016/17	100%	100%														

Performance Indicator	Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(e)	% Research available within time allocated	100%	100% 1320/1320 research papers	0%	Not applicable

<b>Performance trends</b>	<p><i>Indicator 2.1e</i></p> <p>Performance on this indicator was constituted as follows: KISD:100% within allocated time [1320 out of a total of 1320 research papers] NA: 0%</p> <p>As seen below, performance on this indicator was consistent throughout the reporting period.</p> <div><p><b>Research Papers Provided Within agreed timeframes</b></p><p>The bar chart displays performance against targets for four quarters. Performance is consistently at 100% for all quarters, matching the target.</p><table><tr><th>Quarter</th><th>Performance</th><th>Target</th></tr><tr><td>Q1 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q2 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q3 2016/17</td><td>100%</td><td>100%</td></tr><tr><td>Q4 2016/17</td><td>100%</td><td>100%</td></tr></table></div>	Quarter	Performance	Target	Q1 2016/17	100%	100%	Q2 2016/17	100%	100%	Q3 2016/17	100%	100%	Q4 2016/17	100%	100%
Quarter	Performance	Target														
Q1 2016/17	100%	100%														
Q2 2016/17	100%	100%														
Q3 2016/17	100%	100%														
Q4 2016/17	100%	100%														

Performance Indicator	Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(f) % Information requests within time allocated	KIS Division	100%	76% information requests within time  555/729	-24%	Unavailability of information due to inactive databases. Information had to be found from alternative sources. Information required was subsequently supplied.

<b>Performance trends</b>	<p><i>Indicator 2.1f</i></p> <p>Performance on this indicator has remained consistent throughout the reporting period, and managed to maintain 100% performance.</p> <p style="text-align: center;"><b>Information Request within Time Allocated</b></p>  <p>The bar chart displays performance against a target of 100% for the indicator 'Information Request within Time Allocated' across four quarters: Q1 2016/17, Q2 2016/17, Q3 2016/17, and Q4 2016/17. In each quarter, the performance (green bar) and the target (blue bar) are both at 100%.</p>
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(g)	% minutes within 3 days	Core Business Support Division	100%	84% 1251/1498	-16%	Capacity constraints and ineffective monitoring system <b>Mitigation</b> Broader capacity plan, more effective performance management

Performance trends
Indicator 2.1g

While performance on this indicator has stayed below target for the duration of the reporting year, it has achieved an overall performance above 80% for the year, which above the institutional average performance. In addition, on average, performance is slightly increasing over the medium term.

Minutes within 3 Days: 8 Quarter Trend

Quarter	Performance (%)	Target (%)
Q1 2015/16	84%	84%
Q2 2015/16	84%	84%
Q3 2015/16	69%	84%
Q4 2015/16	86%	84%
Q1 2016/17	91%	84%
Q2 2016/17	76%	84%
Q3 2016/17	87%	84%
Q4 2016/17	90%	84%

Performance

Target

Linear (Performance)

Performance Indicator	Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(h)	% Reports within 8 days	100%	92% 316/345	-10%	Capacity constraints and ineffective monitoring system <b>Mitigation</b> Broader capacity plan, more effective performance management

Performance trends
Indicator 2.1 h

Performance on this indicator has remained below target, however overall performance is at 90% for the 2016/17 reporting year. While this is a decrease in performance compared to the 2015/16 performance (92%), it should be noted that performance in the 2015/16 measured reports produced within 10 days, and not the reduced timeframe of 8 days for the 2016/17 reporting period.

Reports Produced within 8 Days

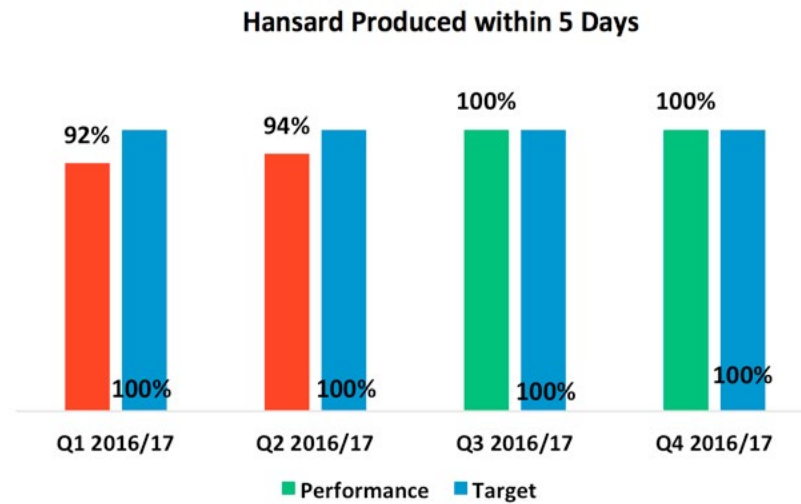
Period	Performance (%)	Target (%)
Annual 2015/16	92%	80%
Q1 2016/17	99%	100%
Q2 2016/17	80%	100%
Q3 2016/17	95%	100%
Q4 2016/17	77%	100%

■ Performance
■ Target
..... Linear (Performance)

Performance Indicator	Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(i) % Official report (Hansard) within 5 days	KIS Division	100%	95,49% 127 out of 133	-4,51%	<p>Weaknesses in coordination and unavailability of staff due to leave and unprotected strike.</p> <p><b>Mitigation:</b> Upskilling of Managers and Controllers and establishment of management processes established to ensure business continuity in the absence of other levels of staff. Finalisation of Minimum Service Agreement with organised labour</p>

**Performance trends****Indicator 2.1 i**

While performance on this indicator remains below target for the annual period, it has shown improvement throughout the year, as seen below.

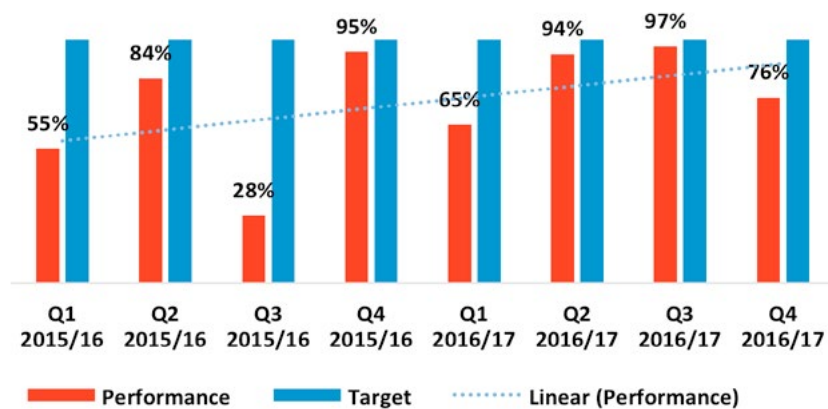


Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(j)	% Interpretation available	KIS Division	100%	79% 105 out of 133	-21%	<p>Weaknesses in coordination, capacity constraints and unavailability of staff due to leave and unprotected strike.</p> <p><b>Mitigation</b></p> <p>Upskilling of Managers and Controllers and establishment of management processes established to ensure business continuity in the absence of other levels of staff. Finalisation of Minimum Service Agreement with organised labour. Rapid access to freelance interpreters as a contingency</p>



**Performance trends****Indicator 2.1 j**

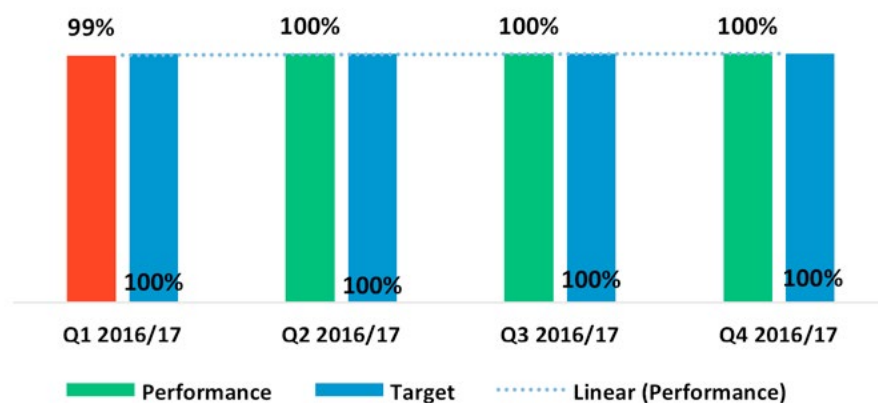
While this indicator has remained below target over the last eight (8) straight quarters, it is clear from the trend below that performance is on an upward trend.

**Interpretation Available: 7 Quarter Trend**

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(k)	% Translations within agreed time	KIS Division	100%	99%  6726 out of a total of 6822 translations	-1%	Weaknesses in coordination, capacity constraints and unavailability of staff due to leave and unprotected strike.  <b>Mitigation</b> Refinement of mechanism of reallocation of work. Continuous and timeous communication with clients. Improvement of interim plan during unforeseen periods where majority of staff are unavailable

**Performance trends***Indicator 2.1 k*

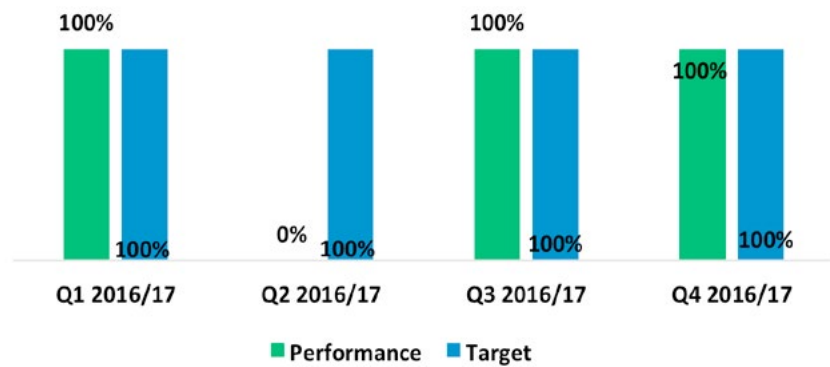
While this indicator remains below target for the 2016/17 reporting period, it has maintained 100% for three (3) of the four (4) quarters, as seen below.

**% Translations within Agreed Time**

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.1(I)	% documentation responses to PAIA requests within agreed time	KIS Division	100%	100% 4 out of 4 PAIA requests	0%	Not applicable

**Performance trends***Indicator 2.1 I*

This indicator has performed on target, and maintained consistent performance throughout the reporting period.

**Documentation requests within Time**

*Refine and implement the Oversight and Accountability model.*

<b>Strategic Objective (SO 2.3)</b>		Refine and implement the Oversight and Accountability Model to ensure that the Executive implements objectives of the MTSF 2014-2019 by 2019				
<b>Performance Indicator</b>		<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
2.3	Phase of Model implementation	Core Business Support Division	Model implemented	Draft Refined Model developed; Implemented existing model	Not Met	Lack of alignment between work done and the APP. The four Models were implemented as a Programme (i.e. Oversight and Accountability Programme): Oversight and Accountability; Legislative; Cooperative Governance; Public Participation Models
<b>Performance trends</b>		<p><i>Indicator 2.3</i></p> <p>The refinement and implementation of the oversight and accountability model seeks to ensure that the executive implements objectives of the MTSF 2014-2019 by 2019. The Model provides guidelines for the implementation of mechanisms to ensure that all executive organs of state in the national sphere of government are accountable to Parliament and to maintain oversight of the exercise of national executive authority and organs of state as per the Constitution.</p>				

*Develop and implement a legislative model.*

<b>Strategic Objective (SO 2.4)</b>	Develop and implement a legislative model to ensure enhanced quality of support, advice and systems for law-making by 2019.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.4	Phase of Model implementation	Core Business Support Division	Model developed	Draft Model developed	Not Met	The four Models were implemented as a Programme (i.e. Oversight and Accountability Programme): Oversight and Accountability; Legislative; Cooperative Governance; Public Participation Models

<b>Performance trends</b>	<p><i>Indicator 2.4</i></p> <p>The development and implementation of a legislative model contribute to efforts to enhance quality of support, advice and systems for law-making by 2019. The model records the law-making processes of Parliament and addresses areas requiring improvement.</p>
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*Develop and implement a co-operative government oversight mechanism*

<b>Strategic Objective (SO 2.5)</b>	Develop and implement co-operative government oversight mechanism to ensure enhanced co-ordination of programmes of government by 2019.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.5(a)	Phase of mechanism implementation	Core Business Support Division	Mechanism developed	Draft Mechanism developed	Not Met	The four Models were implemented as a Programme (i.e. Oversight and Accountability Programme): Oversight and Accountability; Legislative; Cooperative Governance; Public Participation Models

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
2.5(b)	% publication of tracking document	Core Business Support Division	100%	100% 147/147	0%	Not applicable

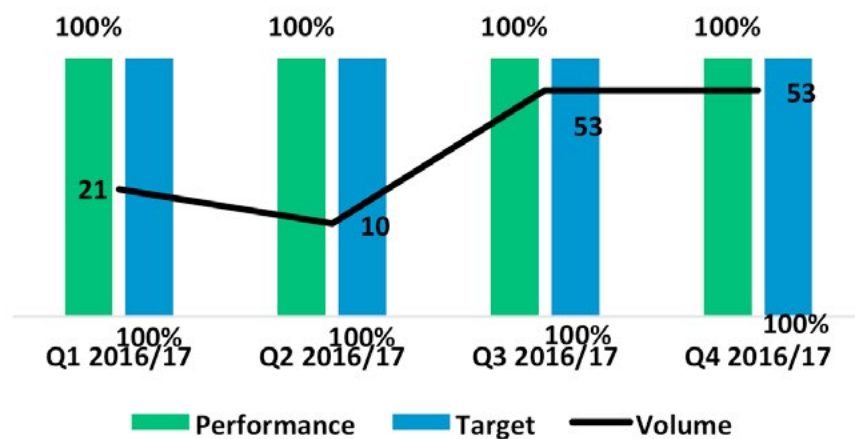
**Performance trends***Indicator 2.5 a*

The development and implementation of a cooperative government oversight mechanism seeks to enhance coordination of programmes of government by 2019. the development and implementation of a cooperative government oversight mechanism seeks to ensure that the three spheres of government cooperate with each other on matters of mutual interest, thereby ensuring enhanced and coordinated oversight over government programmes.

*Indicator 2.5 b*

This indicator has performed on target, and maintained consistent performance throughout the reporting period.

### **% Weekly Updates to the Office of the Leader of Government Business**



*Increase public access and opportunities to participate in all processes of Parliament.*

<b>Strategic Objective (SO 3.1)</b>	Increase access and improve the quality of participation in the processes of Parliament through enhanced programmes to ensure participatory democracy.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1(a)	Phase of Public Participation Model implementation	Core Business Support Division	Model Implemented	Model implementation commenced in 4 <sup>th</sup> Quarter	Not Met	Lack of alignment between work done and the APP. The four Models were implemented as a Programme (i.e. Oversight and Accountability Programme): Oversight and Accountability; Legislative; Cooperative Governance; Public Participation Models

<b>Performance trends</b>	<i>Indicator 3.1a</i> The public participation model seeks to increase access and improve the quality of participation in the processes of parliament through enhanced programmes to ensure participatory democracy. the model sets out milestones aimed at improving the facilitation of public involvement in the legislative and other processes of parliament and its committees.					
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1(b)	Population having access to participate in parliamentary processes	Core Business Support Division	5%	11.5% (independent survey report)	+6.5%	Access increased more than anticipated

<b>Performance trends</b>	<p><i>Indicator 3.1b</i></p> <p>Parliamentary activities supported through public education and mobilisation suggests that more than 6900 members of the public participated directly in parliamentary activities. This excludes the HLP totals of 9000 participants for the year under review. At least 16000 members of the public accessed parliamentary processes.</p>
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.1(c)	Population participating in parliamentary processes	Core Business Support Division	12.5%	8.7% (independent survey report)	-3.8%	The scope, research design and sampling of the survey may have impacted on the research result.

<b>Performance trends</b>	<p><i>Indicator 3.1c</i></p> <p>There is growing participation in Sectoral Parliaments, Taking Parliament to the People and the High Level Panel. Achievement of strategic objective of Increased participation in the processes of parliament to ensure participatory democracy. The public participation model seeks to increase access and improve the quality of participation in the processes of parliament through enhanced programmes to ensure participatory democracy. the model sets out milestones aimed at improving the facilitation of public involvement in the legislative and other processes of parliament and its committees.</p>
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*Enhance parliamentary international engagement and co-operation*

<b>Strategic Objective (SO 3.2)</b>	Enhance parliamentary international engagement by increasing the percentage of reports on parliamentary international relations engagements, for consideration, from 75% to 95% by 2019
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.2(a)	% of international parliamentary delegation reports submitted for consideration	IR&P Division	100%	77% 37/48 international delegation reports were prepared	-23%	The international participation reports were not submitted at PGIR due to non-sitting of the PGIR at the allocated time. Mitigation The reports will be submitted to the PGIR at the May 2017 PGIR meeting

**Performance trends***Indicator 3.2a*

While this indicator performed above the institutional average, it has performed below its 100% target. However, it managed to maintain 100% performance in all except one (1) quarter.

**% of international reports**

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.2(b)	% of international agreements analysed	IR&P Division	100%	72% 13/18 international agreements were analysed	-28%	Internal controls to be strengthened.

<b>Performance trends</b>	<i>Indicator 3.2b</i>  While this indicator performed above the institutional average, it has performed below its 100% target.					
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
3.2(c)	% adherence to state protocol at Parliament	IR&P Division	100%	38% 6/16 reports on protocol provision	-62%	Approach to reporting on the provision of protocol services impacted on reported performance. Internal controls to be strengthened.

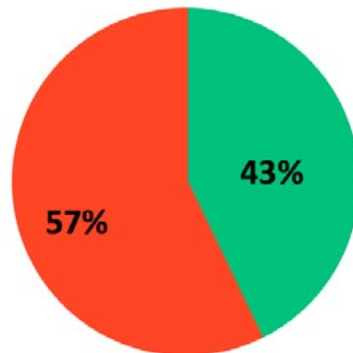
<b>Performance trends</b>	<i>Indicator 3.2c</i>  While this indicator performed above the institutional average, it has performed below its 100% target.					
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**Specific Objectives (Projects)**

<b>Project</b>	<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Status</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
Conduct an assessment of the impact of legislation	Core Business Support	Assessment conducted	Assessment Conducted	Met	Not applicable
Implement a legislative drafting system		Public engagements			
		n/a	n/a	n/a	Not applicable
Number of Taking Parliament to the People campaigns		1	2	Met	Not applicable
Number of People's Assembly campaigns		n/a	n/a	n/a	Not applicable
Number of Women's Parliament		1	1	Met	Not applicable
Number of Youth Parliament		1	1	Met	Not applicable
Develop and implement an International agreement monitoring system (Part of Oversight system)	IR&P Division	Requirements determined	n/a	n/a	Not applicable
Develop uniform norms and standards for information services	Knowledge and Information Services	Standards developed	Codification Plan developed;	Not met	Not applicable
Develop and implement a knowledge management strategy		Plan approved Strategy implemented	Revised KM Implementation Plan submitted; Knowledge Sharing Concept and Programme developed; Knowledge collaboration initiatives with StatsSA and HSRC established.	Not met	Not applicable

### 2.3.4 Programme 4: Support Services

#### Support Services



Performance for programme 4 is below the institutional average of 49% at 57%, with four (4) indicators out of seven (7) meeting their targets.

#### Purpose:

Provide institutional communication services, human resource management, information communication technology, institutional support services and Members' support services.

#### Strategic & Specific Objectives:

- Improve relationship with stakeholders by developing and implementing a stakeholder management plan and by increasing Members' satisfaction through an integrated and independent scientific survey by 2019.
  - Conduct institutional survey (internal and external stakeholders)
  - Review the service charter.
- Improve the communication of the business of Parliament in order to increase public involvement, by developing and implementing a comprehensive communications strategy by 2019.
- Leverage current, new and innovative technologies to meet the information and communication needs of Members and staff by increasing universal access of integrated information services from 40% to 80% by 2019.
  - Enterprise Resource Planning
  - Oversight system
  - Enterprise content management (central document management, Web content management and records management)
  - Appropriate IT tools for Members and staff
  - Platform migration
  - Branch Reporting System
  - My Parliament App
  - Video-broadcast infrastructure

- Optimise facilities' usage and provide adequate and appropriate functional space by creating a conducive working environment to achieve an increased level of satisfaction, from 68% to 85% by 2019.
  - Create a conducive environment (optimising space, readily available venues).
  - Establish fleet management capacity.
  - Implement measures to ensure and secure Parliament and related facilities.
  - Establish a consolidated historical parliamentary museum.
  - Develop and implement Catering Standard Operating Procedures.
- Increase availability of strategic competencies, talent and skills by developing and increasing performance on the talent management index by 15% by 2019.
  - Organisational alignment to the Strategic Plan of the 5th Parliament

### Performance:

#### Improve stakeholder management

<b>Strategic Objective (SO 1.1)</b>		Improve relationship with stakeholders by developing and implementing a stakeholder management plan and by increasing Members' satisfaction through an integrated and independent scientific survey by 2019				
Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.1(a)	Progress on implementation of stakeholder management plan	DSTP: Support Services Branch	Finalise and implement stakeholder management plan (phase 2)	Stakeholder Engagement Plan has been completed	Not applicable	Engagement Plan not approved
1.1(b)	Client satisfaction level (% of clients satisfied with service levels)		70%	71.5%	+1.5%	Not applicable
<b>Performance trends</b>		<i>Indicator 1.1a</i> The Stakeholder Management Plan has been developed. The independent scientific client satisfaction survey was administered by a Specialist Research Service Provider.				

**Specific Objectives (Projects)**

Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/over performance & mitigation strategies
Conduct institutional survey (internal & external stakeholders)	DSTP: Support Services Branch	Internal Survey	Conducted	Met	Not applicable
Review the service charter		Service Charter	Reviewed	Met	Not applicable

**Improve the communication of the business of Parliament**

<b>Strategic Objective (SO 1.5)</b>	Improve the communication of the business of Parliament in order to increase public involvement, by developing and implementing a comprehensive communication strategy by 2019.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.5(a)	Phase of strategy implementation	Parliamentary Communication Service Division	Implement comprehensive communication strategy	The Comprehensive Communication Strategy that was developed internally and approved in Quarter 4 – however, 2 milestones not met	n/a	Senior staff in PCS during Quarter 4 was then tasked to develop the strategy internally

Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.5(b)	% of population who are aware of business of Parliament	Parliamentary Communication Service Division	10.75%	9,75%	-1%	Although the 9,75% is less than the expected 10,75%, it is however still a marginal increase of 0,5% from the previous survey results in 2015 of 9,25%.

<b>Performance trends</b>	<p><i>Indicator 1.5a</i></p> <p>The Comprehensive Communication Strategy that was developed internally was approved. Media monitoring services contract was signed. Training on the use of the Media Monitoring tool for accredited senior management and Members took place. The Website Contract was not renewed because the maintenance was done by internal resources. The Feasibility study report on Information Centre was not conducted.</p>					
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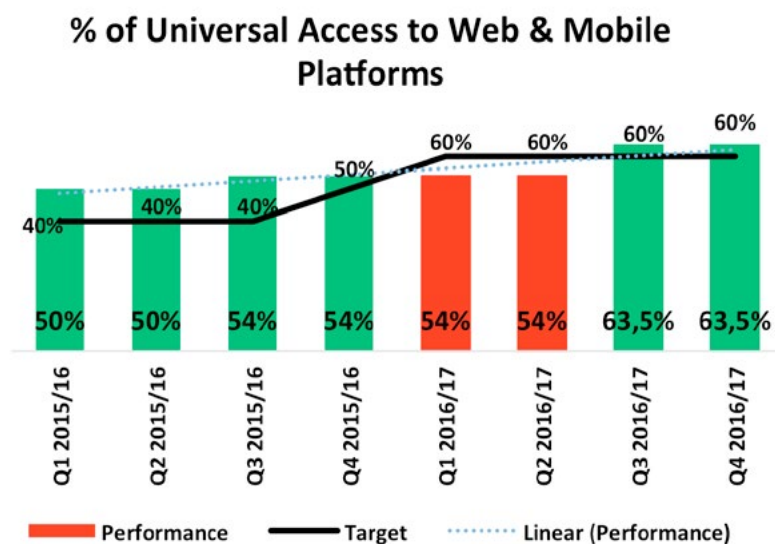
*Leverage current, new and innovative technologies to meet the information needs of Members and staff.*

<b>Strategic Objective (SO 1.4)</b>	Leverage current, new and innovative technologies to meet the information and communication needs of Members and staff by increasing universal access of Integrated Information Services from 40% to 80% by 2019.					
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.4	% of universal access to Web-based and mobile platforms	Information Communication Technology (ICT)	60% Web-based access 60% Mobile access	63% web-based 63% mobile	+3%	Not applicable

**Performance trends***Indicator 1.4*

As seen below, performance on this indicator has improved throughout the reporting year.





**Specific Objectives (Projects)**

Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/over performance & mitigation strategies
Enterprise Resource Planning	Information Communication Technology	ERP Review completed (Feasibility/Due diligence; Business Case)	Business case developed and endorsed.	Met	Not applicable
Oversight system		1. House Resolutions implemented 2. Questions implemented 3. Committee Scheduling implemented	1. House Resolutions automated 2. Questions Processes automated	Met	Not applicable
Enterprise content management (central document management, Web content management and records management)		Embed central documentation management;	Document management solution implemented  [Accessible to all staff in Parliament. 144 business units + 53 committee's sites implemented. 99% Roadshows completed. Total Trained: 825 (including 101 refresher training)]	Met	Not applicable
Appropriate IT tools for Members and staff		IT tools of trade reviewed and implemented	Tools of Trade policy reviewed and adopted by Policy Review committee; Tools of trade (central procurement) - 345 computer devices procured and issued to managers and staff.	Met	Not applicable

Project	Reporting Division	Performance target	Performance level (actual performance)	Status	Reasons for under/over performance & mitigation strategies
Enterprise Resource Planning	Information Communication Technology	ERP Review completed (Feasibility/Due diligence; Business Case)	Business case developed and endorsed.	Met	Not applicable
Platform migration		a) Email (Exchange) b) Intranet platform change c) Website platform change	Migration 50% complete (technical); Change management activities in progress and on target  New website migrated  25% complete	50% complete    75% complete	Installation and testing of the server and associated equipment not completed in time due to delays in the supply. - Availability of technical resource
Branch Reporting system		Automation of support services, core branch, and unit level reporting system implemented	Technical development completed for 2* Branches 2. Training and roll out completed for SS Branch and CS Branch 3. Development extended for OSTP divisions completed; Go-live (6 March) 4. Training completed for Office of the Speaker, PBO, IA, Office of StP	Met	Not applicable
My Parliament App		a) Technical development of phase II completed b) My Parliament App completed and rolled out	Technical development completed Roll-out of the My Parliament App to 175 Members.	Met	Not applicable
Video-broadcast infrastructure		Upgrade of Broadcast control room completed	The broadcast control room upgrade completed.	Met	Not applicable

*Improve the usage and management of space, facilities and conducive environment*

<b>Strategic Objective (SO 1.6)</b>	Optimise facilities' usage and provide adequate and appropriate functional space by creating a conducive working environment to achieve an increased level of satisfaction, from 68% to 85% by 2019
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
1.6	Client satisfaction level (% clients satisfied with service levels)	DSTP: Support Service Branch	70%	66.6%	-3.4%	Challenges in relation to the provision of household, catering and operational health and safety contributed to the lower rating.  The current re-engineering of ISSD services will result in improvements in satisfaction levels for the next reporting cycle

<b>Performance trends</b>	<p><b>Indicator 1.6</b></p> <p><b>Conducive Working Environment</b></p> <ul style="list-style-type: none"> <li>– Provided the daily cleaning of offices service using the NCCA standards and Standard Operating Procedures.</li> <li>– Provided and monitored recess cleaning services.</li> <li>– Provided venue management for all events.</li> <li>– Monitored the performance of cleaning contractors and conducted monthly and ad hoc meetings with the cleaning contractors.</li> <li>– Held stakeholder meetings with the Union (Nehawu) and Office Managers of Political Parties with regard to the service to Members.</li> <li>– Monitored the daily performance through the Helpdesk of the on-site Facilities Management Company, AMFS, services and held meetings to discuss challenges and for them to present solutions in order to mitigate risk. The Helpdesk analyses information gathered and produces reports.</li> <li>– Held meetings with DPW to discuss small Projects, challenges and the service rendered to customers.</li> <li>– A proposal with 3 options for the cleaning services model was drafted and submitted to the Division Manager for comments and further processing.</li> </ul> <p><b>Fleet Management</b></p> <ul style="list-style-type: none"> <li>– Household Services procured three (3) 15-seater mini bus vehicles and installed vehicle tracking systems in each vehicle.</li> <li>– Provided a motivation on how the 15-seater and other vehicles will be utilised: <ul style="list-style-type: none"> <li>▪ Transport Members to the villages and to the airport when required.</li> <li>▪ To parking facilities outside the precinct after hours.</li> </ul> </li> <li>– Secured parking bays for the vehicles.</li> <li>– A staff member attended Fleet Management and Proxy training.</li> <li>– In the process of recruiting additional drivers for the three (3) 15-seater mini bus vehicles.</li> </ul> <p>A plan to acquire additional parking bays in Hope Street parking by requesting DPW to allocate all the bays to Parliament and for Parliament to install a boom that will exclusive access by Parliament. Officials within the precinct will be relocated to Nieuwemeester Parking to avail bays for the newly procured mini-bus vehicles.</p>
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**Specific Objectives (Projects)**

<b>Project</b>	<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Status</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
Create a conducive environment (optimising space, readily available venues)	DSTP: Support Service Branch	SLA with DPW	SLA was concluded from Parliaments' side but have not received input from DPW	Not Met	Require intervention with DPW
Establish fleet management capacity		Policy and plan	Policy has been developed, vetted and submitted for approval	Met	Not applicable
Implement measures to ensure and secure Parliament and related facilities		Update Security policy	Policy has been developed, vetted and submitted for approval	Met	Not applicable
Establish a consolidated historical parliamentary museum		Museum & Artworks policy and plan	Policy has been developed, vetted and submitted for approval	Met	Not applicable
Develop and implement Catering Standard Operating Procedures		Upgrade dining facilities and infrastructure	RFQ for upgrade of Point of Sale completed. Submitted for approval.	Not Met	Time constraints due to having to remove the inventory management system from the original memo.

*Increase the availability of strategic competencies, talent and skills*

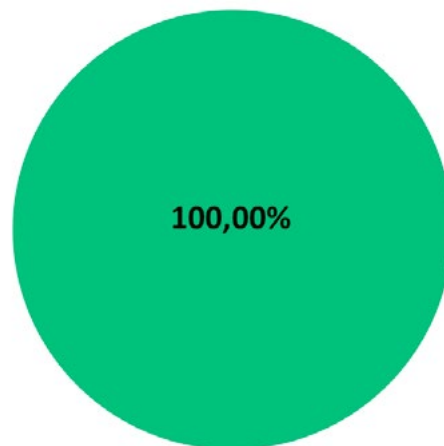
<b>Strategic Objective (SO 1.7)</b>		Increase availability of strategic competencies, talent and skills by developing and increasing performance on the talent management index by 15% by 2019.				
<b>Performance Indicator</b>		<b>Reporting Division/ Office</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>
1.7	% Increase in talent management index	Human Resources Division	5%	6.4%	+1.4%	Not applicable

<b>Performance trends</b>		<p><i>Indicator 1.7</i></p> <p>This indicator measures the extent to which the institution is successful in acquiring, growing and retaining the talent it needs and ensuring that the talent performs so that the strategic objectives could be met. The index is calculated by adding the weighted scores of the 4 sub-indices (<i>acquisition, growth, retention and performance</i>). The weighted scores of each sub-index is derived by multiplying the average ratings from all the KPI by the weight of that dimension (25%). All the KPIs are rated using the 5 point-rating scale (<i>1=poor performance, 2= target not met, 3=target met, 4= target exceeded, 5=excellent performance</i>). The weighted scores from all the four dimensions are added to get an overall rating out of 5. This rating is converted to 100% to determine the percentage increase from the baseline. Performance was as follows:</p> 
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### 2.3.5 Programme 5: Associated Services

#### Associated Services



Programme 5 is the only programme to achieve 100% (4 of 4 indicators met) of its targets as set for the 2016/17 reporting year.

#### **Purpose:**

Provide travel, communication and other facilities for Members of Parliament to fulfil their duties as elected public representatives. Provide financial support to political parties represented in Parliament, their leaders and constituency offices.

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

- Ensure greater effectiveness of Members in fulfilling their functions by reviewing the facilities needs of Members and by integrating services into a seamless support service by 2019.
- Reduce average turnaround time for the processing and payment of reimbursements to Members from 3 to 2 working days by 2019.
- Ensuring effective financial management by improving payment and compliance of transfer payments by 2019.

**Performance:**

*Improve facilities for Members and related support and reduce the administrative burden presented by claims*

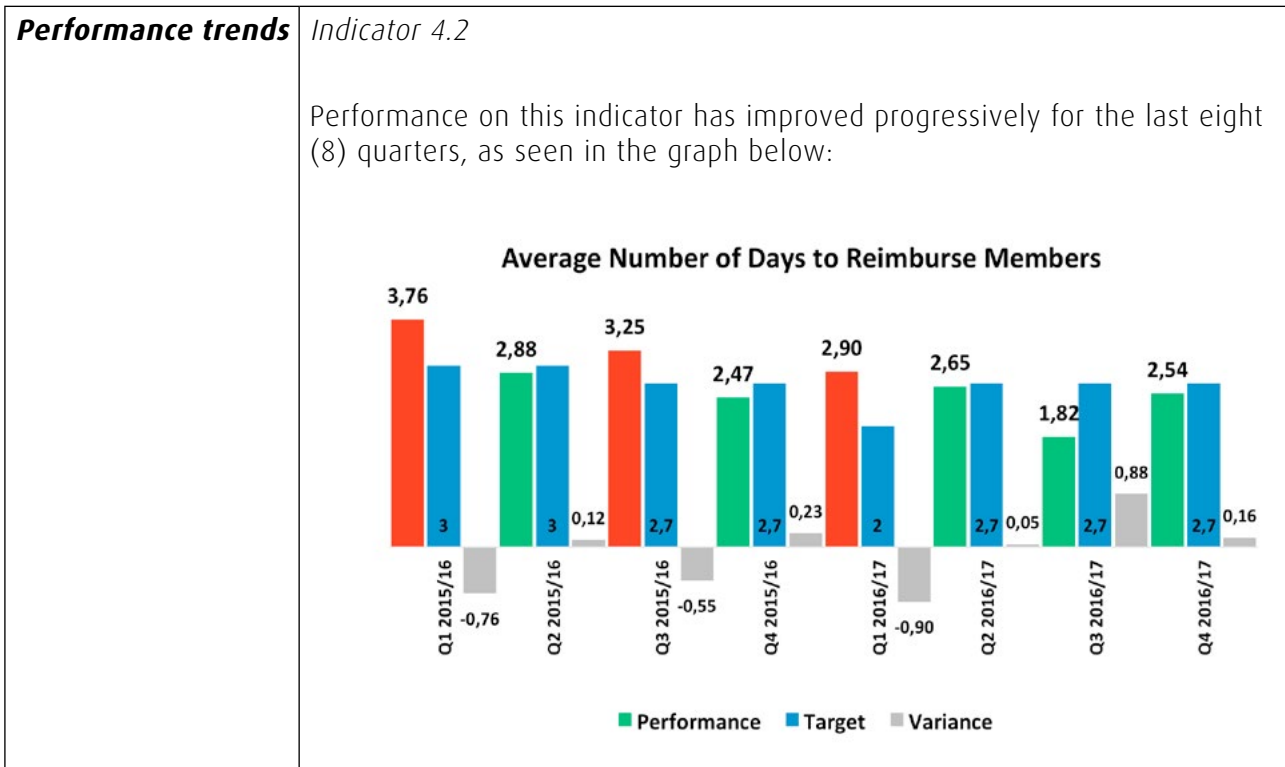
<b>Strategic Objective (SO 4.1)</b>	Ensure greater effectiveness of Members in fulfilling their functions by reviewing the facilities needs of Members and by integrating services into a seamless support service by 2019.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
4.1(a)	Phase of integrated services strategy implementation	Members Facilities	Integrated seamless service implemented	Seamless service design framework report completed; Business case submitted for approval;	Not applicable	Not applicable
4.1(b)	Handbook published by 31 October		Published by 31 Oct	Handbook published by 31 October 2016	Not applicable	Not applicable

<b>Strategic Objective (SO 4.2)</b>	Reduce average turnaround time for the processing and payment of reimbursements to Members from 3 to 2 working days by 2019.
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Performance Indicator		Reporting Division	Performance target	Performance level (actual performance)	Variance	Reasons for under/over performance & mitigation strategies
4.2	Average number of days to reimburse Members	Members Facilities	2.7	2.44	+0.26	Not applicable





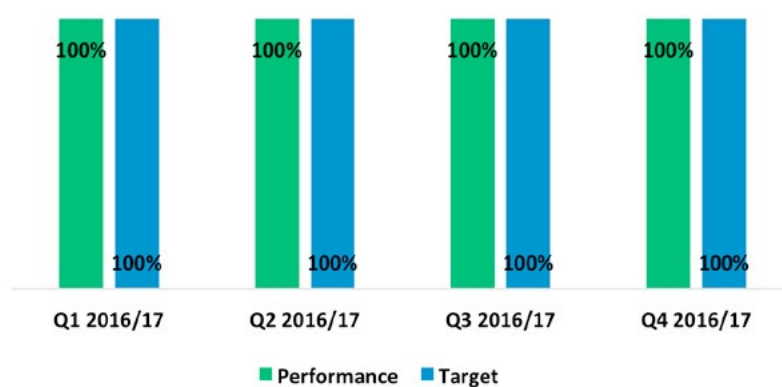
### Ensuring effective financial management of transfer payments

<b>Strategic Objective (SO 5.1)</b>		Ensuring effective financial management by improving payment and compliance of transfer payments by 2019.				
<b>Performance Indicator</b>	<b>Reporting Division</b>	<b>Performance target</b>	<b>Performance level (actual performance)</b>	<b>Variance</b>	<b>Reasons for under/over performance &amp; mitigation strategies</b>	
5.1 % of payments made compliant to policy	Finance Management Office	100%	100% (62)	0%	Not applicable	

**Performance trends***Indicator 5.1*

This indicator has performed on target, and maintained consistent performance throughout the reporting period.

### % Payments made Compliant to Policy







3

ANNUAL FINANCIAL STATEMENTS

### 3. ANNUAL FINANCIAL STATEMENTS

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### General Information

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<b>Country of incorporation and domicile</b>	South Africa
<b>Legal form of entity</b>	Constitutional entity
<b>Postal address</b>	P O Box 15 Cape Town 8000
<b>Bankers</b>	Nedbank
<b>Auditors</b>	Auditor General of South Africa Registered Auditors
<b>Secretary to Parliament</b>	G Mgidlana

#### Reporting on Parliament's mandate

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

The principal activities of the Parliament are to:

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

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

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Statement of Financial Performance

Statement of Changes in Net Assets

Cash Flow Statement

Statement of Comparison of Budget and Actual Amounts

Accounting Policies

Notes to the Financial Statements

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Accounting Officer's Report

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

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

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

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

The Accounting Officer has reviewed Parliament's cash flow forecast for the year ended 31 March 2018 and in the light of this review, is satisfied that Parliament has or has access to adequate resources to continue in operational existence for the foreseeable future. Although the statement of financial position indicates a net deficit which is mostly due to the provision made for the post retirement medical benefits for current and former members of Parliament and Provincial Legislatures, Parliament has sufficient budgeted amount to make the contributions for the qualifying former members.

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

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

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**Ms. P N Tyawa**  
Acting Secretary to Parliament

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Statement of Financial Position as at March 31, 2017

Figures in thousand	Note(s)	2017	2016 Restated*
<b>Assets</b>			
Current Assets			
Inventories	2	635	969
Receivables from non - exchange transactions	3	2,447	18,366
Receivables from exchange transactions	4	3,348	1,769
Prepayments	5	7,546	6,713
Assets held for sale		43	43
Cash and cash equivalents	6	311,605	332,017
		<b>325,624</b>	<b>359,877</b>
Non-Current Assets			
Property, plant and equipment	7	93,292	106,192
Intangible assets	8	15,186	16,413
Heritage assets	9	55,234	55,226
		<b>163,712</b>	<b>177,831</b>
<b>Total Assets</b>		<b>489,336</b>	<b>537,708</b>
<b>Liabilities</b>			
Current Liabilities			
Finance lease obligation	10	184	449
Payables from exchange transactions	11	66,016	59,462
Payables from non-exchange transactions	12	54,285	43,587
VAT payable		5	27
Unspent Statutory appropriation	13	93,310	62,836
Current employee benefits	14	-	21,298
		<b>213,800</b>	<b>187,659</b>
Non-Current Liabilities			
Finance lease obligation	10	50	89
Employee benefit obligation	15	1,130,548	1,326,303
		<b>1,130,598</b>	<b>1,326,392</b>
<b>Total Liabilities</b>		<b>1,344,398</b>	<b>1,514,051</b>
<b>Net Assets/ (Liabilities)</b>		<b>(855,062)</b>	<b>(976,343)</b>
Accumulated surplus (Deficit)		(855,062)	(976,343)



## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Statement of Financial Performance

Figures in thousand	Note(s)	2017	2016 Restated*
<b>Revenue</b>			
<b>Revenue from exchange transactions</b>			
Sale of goods		3,625	6,443
Other revenue		82	339
Commissions received		407	372
Bad debts recovered		24	73
Interest earned		25,777	21,983
<b>Total revenue from exchange transactions</b>		<b>29,915</b>	<b>29,210</b>
<b>Revenue from non-exchange transactions</b>			
<b>Taxation revenue</b>			
Annual appropriation	16	1,659,631	1,594,238
Statutory appropriation	17	436,488	440,296
<b>Transfer revenue</b>			
Public contributions and donations	18	164	38,937
<b>Other revenue</b>			
Other revenue non-exchange		2,613	-
<b>Total revenue from non-exchange transactions</b>		<b>2,098,896</b>	<b>2,073,471</b>
<b>Total revenue</b>		<b>2,128,811</b>	<b>2,102,681</b>
<b>Expenditure</b>			
Compensation of employees and Members	19	(1,395,286)	(1,350,309)
Administrative expenses	37	(1,695)	-
Depreciation and amortisation	20	(37,098)	(41,058)
Impairment loss/ Reversal of impairments	20	(699)	-
Finance costs	21	(59)	(74)
Debt Impairment	22	(167)	(326)
Debt written off ( No work no pay)	38	(16,799)	-
Transfer to non-profit institutions	23	(405,958)	(371,837)
Cost of sales	24	(5,028)	(6,538)
General Expenses	25	(430,052)	(450,701)
<b>Total expenditure</b>		<b>(2,292,841)</b>	<b>(2,220,843)</b>
<b>Operating deficit</b>		<b>(164,030)</b>	<b>(118,162)</b>
Loss on disposal of assets and liabilities		(702)	(3,760)
Actuarial gains/losses	15	286,818	12,188
Gains/(Losses): Change in accounting estimates	35	(120)	-
		<b>285,996</b>	<b>8,428</b>
<b>Surplus (deficit) for the year</b>		<b>121,966</b>	<b>(109,734)</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Statement of Changes in Net Assets

Figures in thousand	Accumulated surplus(deficit)	Total net assets ( Liabilities)
Opening balance as previously reported	(883,426)	(883,426)
Adjustments		
Correction of errors	15,915	15,915
<b>Balance at April 01, 2015 as restated*</b>	<b>(867,511)</b>	<b>(867,511)</b>
Changes in net assets		
Surplus for the year	(109,734)	(109,734)
Prior period error adjustment	902	902
Total changes	(108,832)	(108,832)
Opening balance as previously reported	(978,810)	(978,810)
Adjustments		
Prior year adjustments	2,467	2,467
<b>Restated* Balance at April 01, 2016 as restated*</b>	<b>(976,343)</b>	<b>(976,343)</b>
Changes in net assets		
Surplus for the year	121,966	121,966
Other Adjustment	(685)	(685)
Total changes	121,281	121,281
<b>Balance at March 31, 2017</b>	<b>(855,062)</b>	<b>(855,062)</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Cash Flow Statement

Figures in thousand	Note(s)	2017	2016 Restated*
<b>Cash flows from operating activities</b>			
<b>Receipts</b>			
Annual appropriation		1,659,631	1,594,238
Statutory appropriation		529,798	503,132
Departmental revenue		4,434	9,196
Interest received		24,581	24,535
Transfers, sponsorship and donations		-	38,685
		2,218,444	2,169,786
<b>Payments</b>			
Employee costs		(1,317,480)	(1,266,087)
Suppliers		(430,650)	(479,405)
Finance costs		(58)	(60)
Statutory Funds surrendered to National Revenue Fund		(62,836)	-
Transfer to non-profit institutions		(403,264)	(371,737)
		(2,214,288)	(2,117,289)
<b>Net cash flows from operating activities</b>	28	<b>4,156</b>	<b>52,497</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	7	(22,119)	(9,874)
Proceeds from sale of property, plant and equipment	7	181	-
Purchase of intangible assets	8	(2,004)	(6,777)
Purchases of heritage assets	9	(8)	-
<b>Net cash flows from investing activities</b>		<b>(23,949)</b>	<b>(16,651)</b>
<b>Cash flows from financing activities</b>			
Finance lease payments		(619)	(718)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>(20,412)</b>	<b>35,128</b>
Cash and cash equivalents at the beginning of the year		332,017	296,889
<b>Cash and cash equivalents at the end of the year</b>	6	<b>311,605</b>	<b>332,017</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### 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
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Figures in thousand

#### Cash Flow Statement

##### Cash flows from operating activities

###### Revenue

Annual appropriation	1,659,631	-	1,659,631	1,659,631	-	
Statutory appropriation	529,798	-	529,798	529,798	-	
Departmental receipts ( Other revenue)	36,213	-	36,213	29,015	(7,198)	34.1
	<b>2,225,642</b>	<b>-</b>	<b>2,225,642</b>	<b>2,218,444</b>	<b>(7,198)</b>	

###### Expenses

Compensation of employees	(778,816)	-	(778,816)	(880,992)	(102,176)	34.2
Compensation of members	(529,798)	-	(529,798)	(436,488)	93,310	34.3
Goods and services	(491,579)	8,950	(482,629)	(430,650)	51,979	34.4
Transfer to non- profit institutions	(385,478)	(8,950)	(394,428)	(403,264)	(8,836)	
	<b>(2,185,671)</b>	<b>-</b>	<b>(2,185,671)</b>	<b>(2,151,394)</b>	<b>34,277</b>	

<b>Net cash flows from operating activities</b>	<b>39,971</b>	<b>-</b>	<b>39,971</b>	<b>67,050</b>	<b>27,079</b>	
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##### Cash flows from investing activities

Acquisition of property, plant and equipment	(3,758)	-	(3,758)	(22,118)	(18,360)	34.5
Proceeds from sale of property, plant and equipment	-	-	-	181	181	
Purchase of other intangible assets	-	-	-	(2,004)	(2,004)	
Purchases of heritage assets	-	-	-	(8)	(8)	

<b>Net cash flows from investing activities</b>	<b>(3,758)</b>	<b>-</b>	<b>(3,758)</b>	<b>(23,949)</b>	<b>(20,191)</b>	
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Net increase/(decrease) in cash and cash equivalents	36,213	-	36,213	43,101	6,888	
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<b>Cash and cash equivalents at the end of the year</b>	<b>36,213</b>	<b>-</b>	<b>36,213</b>	<b>43,101</b>	<b>6,888</b>	
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#### Reconciliation

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

###### Basis difference

Interest paid	(58)
Statutory funds surrendered	(62,836)

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

###### Basis difference

Finance lease payments	(619)
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<b>Actual Amount in the Cash flow statement</b>	<b>(20,412)</b>
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# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1. Basis of presentation

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

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

#### 1.1 Significant judgements

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

##### Impairment of trade receivables

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

##### Employee benefits and contingent liabilities

Management's judgment is required when recognising and measuring employee benefits, and when measuring contingent liabilities, as set out in Notes 14, 15 and 29 respectively. Employee benefits are discounted where the effect of discounting is material using actuarial valuations.

##### Going concern assumption

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

##### Post-retirement benefits

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

##### Property, plant and equipment

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

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

##### Hierarchy of standards used

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1.1 Significant judgements (continued)

#### Adoption of new and revised standards

In the current financial year Parliament has adopted the revised standards and interpretations issued by the Accounting Standards Board (ASB) as set out in Directive 5 that are relevant to its operations, and effective. The adoption of these revised standards and interpretations did not result in the changes to the accounting policies.

Parliament has not adopted any SA Standards of GRAP that are not yet effective, except GRAP 20 that had been earlier adopted in the 2014 reporting period.

At the date of submission of these annual financial statements for the year ended 31 March 2017, the following standards were approved and not yet effective.

GRAP 32 - Service Concession Arrangements: Grantor

GRAP 34 - Separate Financial Statement

GRAP 35 - Consolidated Financial Statements

GRAP 36 - Investment in Associates and Joint Ventures

GRAP 37 - Joint Arrangements

GRAP 38 - Disclosure of Interests in Other Entities

GRAP 108 - Statutory receivables

GRAP 109 - Accounting by Principals and Agents

GRAP 110 - Living and Non-Living Resources

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

### 1.2 Comparative figures

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

### 1.3 Revenue from exchange transactions

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1.3 Revenue from exchange transactions (continued)

#### Recognition

Sale of goods

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

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

#### Rendering of services

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

Interest

Interest revenue is recognised on a time proportion basis if it is probable that the economic benefits or service potential associated with the transaction will flow to Parliament and the amount can be measured reliably.

Measurement

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

### 1.4 Revenue from non-exchange transactions

Revenue from non-exchange transactions refers to transactions that are not exchange transactions. In a non-exchange transaction, Parliament either 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:

- Annual appropriation;
- Statutory appropriation and
- Transfers, sponsorship and donations

#### Recognition

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

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

#### Measurement

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Accounting Policies

#### 1.5 Grants, sponsorship and donations

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

#### 1.6 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 where assets have been acquired through donation 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 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 other than for motor vehicles. The gain or loss arising from the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying value, and is recognised in the Statement of Financial Performance.

Depreciation commences when the asset is ready 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. The annual depreciation rates are based on the following estimated average lives of assets of property, plant and equipment :

S:

Item	Depreciation method	Average useful life
Furniture	Straight line	5 to 15 years
Motor vehicles	Straight line	5 to 12 years
Office equipment	Straight line	5 to 15 years
Computer equipment	Straight line	3 to 15 years
Library books	Straight line	5 years
Finance assets - cell phones and modems	Straight line	2 years

The residual value, and the useful life and depreciation method of each asset are reviewed at the end of each reporting date and the change is accounted for as a change in accounting estimate.

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

Items of entity 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.

#### 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.



# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## 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.

### 1.8 Intangible assets

#### Recognition

An intangible asset is an identifiable non-monetary asset without physical substance. Parliament recognises intangible assets in its Statement of Financial Position when it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to Parliament for more than one 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. Amortisation is charged so as to write off the cost or valuation of intangible assets over their estimated useful lives, using the straight line method. The annual amortisation rates are based on the following estimated average asset lives.

Item	Useful life
Computer software, other	3 to 9 years

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Accounting Policies

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#### 1.9 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 are their 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 or current replacement cost 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 or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

#### 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.

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

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

Parliament has the following types of financial assets (and liabilities) as reflected on the face of the Statement of Financial Position or in the notes thereto:

##### - Trade and other receivables

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

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

A provision for impairment of trade receivables is established when there is objective evidence that Parliament will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's 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. 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

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1.10 Unauthorised expenditure

The FMPPLA defines unauthorised expenditure as: (a) overspending of Parliament's approved budget or a main division within that budget; (b) any expenditure from Parliament's approved budget or a main division within that budget, for a purpose unrelated to the approved budget or main division; and (c) any expenditure of donor funds for a purpose not specified in the agreement with the donor.

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

### 1.11 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 and where recovery is highly probable is recognised as an asset in the Statement of Financial Position and revenue in the Statement of Financial Performance.

### 1.12 Fruitless and wasteful expenditure

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

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

### 1.13 Provisions

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

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

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

### 1.14 Leases

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

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

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

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1.14 Leases (continued)

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.

### 1.15 Budget information

The statement of financial performance is prepared on accrual basis, while the budget is prepared on cash basis. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis. The variance between budget and the actual amounts of five per cent are regarded as material and the variances are explained in Note 34.

### 1.16 Employee benefits

#### Short-term employee benefits

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

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

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

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

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

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

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

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

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

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

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

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Accounting Policies

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#### 1.17 Impairment of assets

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

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. If it is not possible to estimate the recoverable service amount of the individual asset, the recoverable service amount of the 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.

#### 1.18 Presentation currency

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

#### 1.19 Offsetting

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

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Accounting Policies

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### 1.20 Assets held for sale

Non current assets are classified as held for sale if 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.

### 1.21 Commitments

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

### 1.22 Contingent liabilities

Contingent liabilities are not recognised as liabilities because they are possible obligations and yet to be confirmed that could lead to an outflow of resources embodying economic benefits or service potential. The contingent liabilities are disclosed in the note to the financial statements.

### 1.23 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 the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

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

### 1.24 Prepayments

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>2. Inventories</b>		
Food and beverage	635	969
<b>Catering stock</b>		
Opening balance	969	755
Additions	4,694	6,752
Cost of sales	(5,028)	(6,538)
	<b>635</b>	<b>969</b>

### 3. Receivables from non - exchange transactions

Staff and Members debt	3,230	19,087
Control: Members - Pension Fund	70	-
Provision for doubtful debts	(853)	(721)
	<b>2,447</b>	<b>18,366</b>

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

### Reconciliation of the doubtful debt provision

Opening balance	721	535
Contribution to provision	153	193
Reversal of provision	(21)	(7)
	<b>853</b>	<b>721</b>

### 4. Receivables from exchange transactions

Government organisations	100	19
Other receivables from exchange transactions	525	210
Accrued Income	2,816	1,620
Provision for doubtful debts (exchange transaction)	(93)	(80)
	<b>3,348</b>	<b>1,769</b>

### Reconciliation of doubtful debt provision

Opening balance	80	69
Provision for impairment	13	11
	<b>93</b>	<b>80</b>

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>5. Prepayments</b>		
Prepayments balances	7,546	6,713
Prepayments to DIRCO*	1,569	3,074
Prepaid expenses	5,743	3,150
Advances - short term	132	16
S&T advances	102	473
	<b>7,546</b>	<b>6,713</b>

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

### 6. Cash and cash equivalents

Cash and cash equivalents consist of:

Cash on hand	201	117
Bank balances	135,756	166,820
Short-term deposits	175,648	165,080
	<b>311,605</b>	<b>332,017</b>

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



## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand 2017 2016

#### 6. Cash and cash equivalents (continued)

Cash and cash equivalents comprises of the following bank accounts

##### Balances

Figures in thousand	Bank Statement Balances		Cashbook Balances	
	March 2017	March 2016	March 2017	March 2016
Nedbank Limited: Primary Bank. Account - 1452064776	70,659	92,278	70,659	92,278
Nedbank Limited: Salary Account - 1452064784	298	155	298	155
Nedbank Limited: Petty Cash Account - 1452064970	51	41	51	41
Nedbank Limited: EU Account - 1452064903	64,757	74,346	64,757	74,346
Subtotal	135,765	166,820	135,765	166,820
	<b>135,765</b>	<b>166,820</b>	<b>135,765</b>	<b>166,820</b>

##### Short-term deposits

Short term deposits do not exceed three months and are kept at the following institutions:

Figures in thousand	Bank Statement Balances		Cashbook Balances	
	March 2017	March 2016	March 2017	March 2016
Nedbank Limited: Call Deposit ( 30 Days) - 037881095598-01	175,648	165,080	175,648	165,080
Subtotal	175,648	165,080	175,648	165,080

The 30 days notice deposit account bears interest at 6.8% per annum and the interest is compounded monthly.

#### 7. Property, plant and equipment

	2017			2016		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture	44,289	(36,824)	7,465	43,297	(32,944)	10,353
Motor vehicles	8,569	(6,497)	2,072	7,478	(6,303)	1,175
Office equipment	114,931	(58,282)	56,649	111,168	(38,189)	72,979
Computer equipment	82,539	(56,354)	26,185	68,855	(47,986)	20,869
Library books	31,149	(30,228)	921	30,932	(30,116)	816
<b>Total</b>	<b>281,477</b>	<b>(188,185)</b>	<b>93,292</b>	<b>261,730</b>	<b>(155,538)</b>	<b>106,192</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand 2017 2016

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

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

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture	10,353	737	(48)	(3,577)	-	7,465
Motor vehicles	1,175	1,234	(45)	(292)	-	2,072
Office equipment	72,979	4,451	(44)	(20,038)	(699)	56,649
Computer equipment	20,869	15,473	(308)	(9,849)	-	26,185
Library books	816	217	-	(112)	-	921
	<b>106,192</b>	<b>22,112</b>	<b>(445)</b>	<b>(33,868)</b>	<b>(699)</b>	<b>93,292</b>

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

**Parliament of the Republic of South Africa**

Financial Statements for the year ended March 31, 2017

**Notes to the Financial Statements**

Figures in thousand

**7. Property, plant and equipment (continued)****Reconciliation of property, plant and equipment - 31 March 2016**

	Opening balance	Additions	Depreciation	Disposals	Transfers to Non asset held for sale	Re- instatement (Note 36)	Total
Furniture	12,593	1,008	(3,366)	(219)	-	337	10,353
Motor vehicles	2,531	130	(1,383)	(60)	(43)	-	1,175
Office equipment	93,350	1,902	(20,960)	(1,485)	-	172	72,979
Computer equipment	31,772	4,159	(13,215)	(2,067)	-	220	20,869
Library books	611	378	(173)	-	-	-	816
	<b>140,857</b>	<b>7,577</b>	<b>(39,097)</b>	<b>(3,831)</b>	<b>(43)</b>	<b>729</b>	<b>106,192</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand 2017 2016

#### 8. Intangible assets

	2017			2016		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software, other	24,339	(9,153)	15,186	22,335	(5,922)	16,413

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

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

Included in the cost is an amount of R 597 000 in respect of the enhancement of digital recording and transcript system still under development.

#### Reconciliation of intangible assets - 31 March 2016

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software, other	11,773	6,777	(175)	(1,962)	16,413

#### Additional information

Included in the cost is an amount of R13 890 000 in respect of software still under development.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

2017

2016

#### 9. Heritage assets

	2017			2016		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Art Collections, antiquities and exhibits	55,234	-	55,234	55,226	-	55,226

#### Reconciliation of heritage assets 2017

	Opening balance	Additions	Total
Art Collections, antiquities and exhibits	55,226	8	55,234

#### Reconciliation of heritage assets - 31 March 2016

	Opening balan	Re-instateme	Total
Art Collections, antiquities and exhibits	54,856	370	55,226

#### 10. Finance lease obligation

##### Minimum lease payments due

- within one year	201	487
- in second to fifth year inclusive	51	92
	252	579
less: future finance charges	(18)	(41)

**Present value of minimum lease payments** **234** **538**

Non-current liabilities	50	89
Current liabilities	184	449
	<b>234</b>	<b>538</b>

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

Leases have fixed monthly payments. However, lease payments vary due to contingent rentals (airtime, data-packages, etc).

Transfer of ownership and risk takes place at the end of the lease term.

#### 11. Payables from exchange transactions

Trade payables	18,882	12,851
Accrued expense	47,134	46,611
	<b>66,016</b>	<b>59,462</b>

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

Standard credit terms of 30 days apply.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>12. Payables from non-exchange transactions</b>		
Employee related payables	50,879	43,650
Unspent aid assistant	13	13
No work no pay refunds	2,657	-
Other payables from non-exchange transactions	736	(76)
	<b>54,285</b>	<b>43,587</b>
<b>Reconciliation of payables from non-exchange transactions</b>		
Leave entitlements	40,726	29,755
Capped leave commitments	5,503	5,297
Staff salary savings	3,190	3,394
Overtime	1,322	1,034
Shift and stand in allowances	26	106
Member's gratuities	-	1,897
Other payables	736	28
Danger allowance	30	-
Performance bonus	82	2,063
No work no pay	2,657	-
*Unspent aid assistant	13	13
	<b>54,285</b>	<b>43,587</b>
<b>*Reconciliation of unspent aid assistant</b>		
Opening balance	13	-
Amount received	-	832
Utilised	-	(819)
	<b>13</b>	<b>13</b>
<b>13. Unspent Statutory appropriation</b>		
<b>Reconciliation of unspent statutory appropriation</b>		
Amount received	529,798	503,132
Utilised	(436,488)	(440,296)
	<b>93,310</b>	<b>62,836</b>

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
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#### 14. Current employee benefits

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

	Opening Balance	Reversed during the year	Total
Performance awards	21,298	(21,298)	-

##### Reconciliation of employee benefits -31 March 2016

	Opening Balance	Additions	Utilised during the year	Total
Performance awards	16,318	21,298	(16,318)	21,298

#### Performance Bonus

The performance bonuses are calculated on 3% of the total package of employees who completed 12 month service as at 31 March 2016. The performance bonus provided for the 2016 financial year has been reversed during the current year in terms of the agreement between management and NEHAWU.

The number of employees qualifying for the bonus is based on management's best estimate taking into consideration historical trends.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>15. Non-current employee benefits</b>		
<b>The Government Employees Pension Fund (GEPF)</b>		
Retirement benefits are provided by membership to GEPF which is a defined benefit fund. Parliament's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the NRF and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.		
Contributions to the GEPF for the reporting period	49,076	44,431
<b>The Pension Scheme for Officers of Parliament (PSOP)</b>		
The PSOP is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund. This responsibility is governed by the General Pensions, Act 29 of 1979.		
The Political Office - Bearers Pension Fund (POBF)		
The POBF has a defined contribution and a defined benefits section in term of which the basis of funding or retirements is on a defined benefits basis through additional service and equalisation benefits provided by National Treasury and on a defined contribution basis through the utilisation of bearers Pension Scheme Act, 1984 (Act No. 112 of 1984) as amended in 1992. Parliament's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees.		
Contributions to the POBF for the reporting period	58,137	58,505
<b>Post-retirement medical aid plan</b>		
In terms of existing practice, Parliament provides to contribute a maximum of 66.67% to the Parmed scheme for retired Members of Parliament and Provincial Legislatures. This defined benefit liability for potential post-retirement medical aid costs in respect of existing employees has been actuarially valued as at 31 March 2017		
Post-Retirement Medical provisions	1,010,304	1,219,332
<b>Reconciliation of movement in liability</b>		
Opening balance	1,219,332	1,151,275
Current service cost	40,635	57,074
Interest cost	89,164	76,841
Benefits paid	(52,009)	(53,670)
Actuarial (gain)/loss	(286,818)	(12,188)
	<b>1,010,304</b>	<b>1,219,332</b>

The interest cost is based on the discount rate assumption for the current valuation which is based on the zero-coupon bond yield curve of South Africa as at 31 March 2017 and the liability accrued as at 31 March 2017.

The annual average contribution for the post retirement medical aid amounts R 53 million and is funded by National Treasury. The provision of R 1.010 billion is in terms of actuarial valuations for contributions to be made until the former Members of Parliament and Provincial Legislatures and/or their spouses passes away, children until their are 21 years or 26 years if they are still studying and children with disabilities until they passes away.

#### Member's gratuity

This provision is calculated for all current Members of Parliament with service exceeding five years, assuming termination of service at the reporting date. It is calculated as 4 months pensionable salary for every five years in service or pro-rata share of the five-year period. Pensionable salary is 60% of their total gazetted remuneration package.



## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand 2017 2016

#### 15. Non-current employee benefits (continued)

Liability has also been raised for member's who have not completed five years of service as at (31 March 2017). There is a probability that 82.17 per cent of these Members will complete five years of service based on the past five year's termination rate.

The liability is not discounted due to the fact that the salary increase rate will be the same as the inflation rate or the difference would be minimal

Provisions: Member's gratuity	120,224	106,971
<b>Reconciliation of Member's gratuity</b>		
Opening Balance	106,971	104,530
Contributions during the year	17,426	5,726
Utilised during the year	(4,153)	(3,285)
	<b>120,244</b>	<b>106,971</b>

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

<b>Carrying value</b>		
Post-retirement medical aid plan	(1,010,304)	(1,219,332)
Members Gratuity	(120,244)	(106,971)
	<b>(1,130,548)</b>	<b>(1,326,303)</b>

#### Principal actuarial assumptions

##### Sensitivity results

The present value of obligations of Parliament was recalculated to show the effect of:

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

#### Key Financial Assumptions

Assumptions	Value p.a
Discount rate	9.29%
Health care cost inflation rate	7.80%
Net effective discount rate	1.38%

The tables below shows the accrued liability with the altered assumptions as listed, as well as the proportional sensitivity relative to the results shown above. The reader should note that these sensitivities apply to the accrued liabilities only.

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Notes to the Financial Statements

Figures in thousand		2017	2016
<b>15. Non-current employee benefits (continued)</b>			
<b>31 March 2017</b>	Discount rate Base Assumptions X%	-1.0%	+1.0%
Accrued Contribution Liability ( R' million)	1 010.30	1 141.39	902.79
% Change	-%	13%	-11%
<b>31 March 2017</b>	Health Care Inflation Base Assumptions X%		
Accrued Contribution Liability ( R' million)	1 010.30	902.67	1 139.37
% Change	- %	-11%	13%
<b>31 March 2017</b>	Average commencement age Base Assumptions 63 years	-1yr	
Accrued Contribution Liability ( R' million)	1 010.30	1 028.85	
% Change	- %	2%	
<b>31 March 2017</b>		Continuation of membership at cessation of service base assumptions	-10%
Accrued Contribution Liability ( R' million)		1 010.30	980.81
% Change		-%	-3%
			780.12
<b>31 March 2016</b>	Discount rate Base Assumption X%	-1.0 %	+1.0 %
Accrued Contribution Liability ( R' million)	1 219.33	1 062.9	1 414.98
% Change	- %	-12.83%	16.06%
<b>31 March 2016</b>	Health care inflation Base Assumptions X%	+1.0 %	-1.0 %
Accrued Contribution Liability ( R' million)	1 219.33	1 062.90	1 002.01
% Change	- %	12.83%	16.06%

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>15. Non-current employee benefits (continued)</b>		
<b>31 March 2016</b>		
	Average retirement age Base Assumptions 65 Years %	+10%      -10%
Accrued Contribution Liability ( R' million)	1 219.33	1 216.23      1 222.34
% Change	-%	-0.25 %      0.25 %

### 16. Annual Appropriation

#### Programmes

Strategic Leadership & Governance	72,801	459,572
Administration	115,991	402,774
Core Business	525,983	125,722
Support Services	318,139	234,170
Associated Services	626,717	372,000
	<b>1,659,631</b>	<b>1,594,238</b>

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

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

### 17. Statutory Appropriation

#### Amount utilised

Statutory funds	436,488	440,296
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Amount forming a direct charge on the NRF in respect of salaries, allowances and other benefits of Members of the National Assembly and the National Council of Provinces - in terms of the Payment of Members of Parliament Act (Act No.6 of 1994).

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

### 18. Public contributions and donations

European Union (EU)	-	37,852
United Nations High Commissioner for Refugees (UNHCR)	-	819
Library books donations	164	266
	<b>164</b>	<b>38,937</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>19. Compensation of employees and Members</b>		
<b>Compensation of employees</b>		
Basic remuneration	762,071	691,665
Performance awards*	(21,298)	21,098
Annual leave	13,709	3,680
Contribution to Pension Funds	49,076	44,431
Cellular phone allowance	745	1,017
Remuneration - UIF	2,416	2,462
Compensative/circumstantial	10,701	12,312
	<b>817,420</b>	<b>776,665</b>
The 2015/16 performance bonus was reversed during the current financial year in terms of the agreement between Management and NEHAWU.		
<b>Compensation of Members</b>		
Basic remuneration	264,063	265,228
Contributions Pension Funds	58,137	58,505
Members gratuities	17,426	6,361
Other non pensionable allowances	108,442	109,636
Medical aid contribution	129,798	133,914
	<b>577,866</b>	<b>573,644</b>
<b>Reconciliation of medical aid contributions</b>		
Post -Retirement medical aid contributions	52,009	53,669
Movement in long-term employee benefits	77,789	80,245
<b>Total</b>	<b>129,798</b>	<b>133,914</b>
<b>Total Compensation of employees and Members</b>		
Compensation of employees	817,420	776,665
Compensation of Members	577,866	573,644
	<b>1,395,286</b>	<b>1,350,309</b>
<b>Average number of employees and Members</b>		
Average number of employees	1,352	1,389
Average number of Members	382	384
	<b>1,734</b>	<b>1,773</b>
<b>20. Impairment, depreciation and amortisation</b>		
<b>Impairments</b>		
Property, plant and equipment	699	-
Office Equipment that were partial damaged due to water.		
<b>Depreciation</b>		
Motor vehicles	292	1,383
Computer equipment	9,848	13,215
Depreciation - Owned	20,039	20,960
Library books	112	173
Furniture and fixtures	3,576	3,365
<b>Amortisation</b>		
Intangible assets	3,231	1,962
	<b>37,098</b>	<b>41,058</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>21. Finance costs</b>		
Finance leases	59	61
Late payment of tax	-	13
	<b>59</b>	<b>74</b>
<b>22. Debt impairment contribution</b>		
Bad debt written off	-	(50)
Contributions to provision for bad debts	(167)	(276)
	<b>167</b>	<b>326</b>
<b>23. Transfers to non-profit institutions</b>		
Party Leadership Support	9,766	8,825
Party Support Allowance	104,242	94,791
Constituency Allowance	284,421	267,517
Disability Support	1,008	704
Transfers to Provincial Legislatures	6,521	-
	<b>405,958</b>	<b>371,837</b>
These transfers were made to political parties represented in Parliament in terms of section 34 of the FMPPLA		
<ul style="list-style-type: none"> <li>• Party Leadership Support, Party Support Allowance and Constituency Allowance are transferred to political parties represented in Parliament in terms of section 34 of the FMPPLA.</li> <li>• The Disability Support is transferred to political parties represented in Parliament which have Members with special needs in terms of the policy on facilities for Members with special needs.</li> <li>• Transfer to Provincial Legislatures were made to Provincial Legislatures as reimbursement for the cost of expenses related to accommodation and travelling to the youth and women Parliaments in terms of approvals by the Executive Authority ( as Treasuries of the South African Legislatures dated the 15 June 2016 and 18 August 2016 respectively as well as reimbursements to Provincial Legislatures for expenses related to the High Level Panel</li> </ul>		
<b>24. Cost of sales</b>		
Cost of goods sold	5,028	6,538

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>25. General expenses</b>		
Advertising	19,654	22,387
Auditors fees	4,259	3,683
Bank charges	126	100
Bereavement support	164	143
Bursaries	1,715	2,122
Catering	13,712	14,315
Consultants, contractors and special services	16,707	22,991
Consulting and professional fees - legal costs	7,996	15,107
Consumables	1,723	1,470
Communications	28,346	33,626
Entertainment	430	555
Flowers and other decorations	2,209	1,636
Insurance	4,857	4,257
Lease rentals on operating lease	11,834	7,714
Motor vehicle expenses	714	861
Printing and stationery	14,425	22,247
Postage and courier	714	914
Personnel agency fees	578	1,794
Protective clothing	706	1,135
Registration and membership fees	3,544	3,048
Repairs and maintenance	6,658	4,747
Re-settlement costs	2,039	3,246
Sports material	29	21
Subscriptions	16,684	14,466
Training and staff development	4,936	11,037
Translations and transcriptions	657	479
Travel - local	221,050	214,361
Travel - overseas	37,823	37,694
Transport costs	3,151	3,439
Venue expenses	2,612	1,103
Waste dumping fees	-	3
	<b>430,052</b>	<b>450,701</b>
<b>26. Irregular expenditure</b>		
Opening balance	15,031	14,776
Add: Irregular expenditure - incurred in current period	528	255
Less: Amounts condoned	(13,116)	-
	<b>2,443</b>	<b>15,031</b>
<b>Details of irregular expenditure</b>		
Tax certificate not provided	164	191
Supply chain management process not followed	1,756	2,384
Use of service provider after contract expired	-	11,751
Procurement of goods without prior approval	-	470
Procurement without formal contract	-	11
Awarded to Member of Parliament	20	-
Local content not specified	503	191
No approval to deviate	-	33
	<b>2,443</b>	<b>15,031</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
<b>27. Fruitless and wasteful expenditure</b>		
Opening balance	830	554
Fruitless and wastful expenditure - incurred in current period	255	276
Condoned - current period	(18)	-
	<b>1,067</b>	<b>830</b>
<b>Incidents</b>		
Cancellation fees - under investigation	206	206
Interest on late payments	218	218
Damaged/lost hired goods	207	18
Unaccredited course	116	116
Traffic fine admin fees	14	13
Backlog due to unavailability of Parliament staff	257	257
Other	49	2
	<b>1,067</b>	<b>830</b>
<b>28. Cash generated from operations</b>		
Surplus (deficit)	121,966	(109,734)
<b>Adjustments for:</b>		
Depreciation and amortisation	37,098	41,058
Loss on sale of assets and liabilities	702	3,760
(Gains)/losses in changes in estimate	120	-
Interest received	24,582	24,535
Finance costs	59	74
Impairment loss	699	-
Debt impairment contribution	167	326
Movements in non current employee benefits	(195,755)	70,498
Movements in current employee benefits	(21,298)	4,980
Interest earned	(25,777)	(21,983)
<b>Changes in working capital:</b>		
Inventories	334	(214)
Receivables from non - exchange transactions	15,919	(17,007)
Receivables from exchange transactions	(1,579)	2,912
Prepayments	(833)	1,856
VAT receivables	41	-
Assets held for sale	-	(43)
Payables from exchange transactions	6,554	(6,062)
VAT payable	(15)	(62)
Payable from non exchange transactions	10,698	(5,233)
Unspent Statutory appropriation	93,310	62,836
Statutory appropriation surrendered to NRF	(62,836)	-
	<b>4,156</b>	<b>52,497</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
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#### 29. Contingencies

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

##### Staff litigation

Labour - related disputes and claims by current and former employees	48,481	8,067
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##### Other litigation

Ongoing litigation in which Parliament could be liable either ex parte or as a respondent in civil action	9,584	19,500
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## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand	2017	2016
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#### 30. Related parties

Related party relationship exists with all national government departments, trading entities, major state-owned entities (Schedule 2), national government business enterprises (Schedule 3B) and national public entities (Schedule 3A) within the National Sphere of Government due to Parliament's oversight of these entities.

Related party transactions are consistent with normal supplier and client relationship on terms and conditions no more or less favourable than those which it is reasonable to expect Parliament to have adopted if dealing with an individual entity or person in the same circumstances. Transactions with these entities occur within terms and conditions within the normal operating parameters established by Parliament.

#### Services and goods provided by Departments

Parliament owes the Departments and other government entities as at 31 March 2017 for various services that were rendered to Parliament and not paid for.

#### Catering Services

Departments and Government entities uses the catering services of Parliament. The balances disclosed below are for the catering services that were provided to the Departments and entities and did not pay yet as at 31 March 2017.

#### Related party balances

	-	-
	-	-
<b>Amounts included in trade receivables</b>		
<b>Intergovernmental receivables</b>		
<b>Departments</b>		
Planning, Monitoring and Evaluation	-	4
Social Development - Ministry	3	-
South African Police Services	-	10
Co-Operative Governance and Traditional Affairs	97	-
	100	14
<b>Other government entities</b>		
Office of the President: Cabinet section	-	5
	-	5
	<b>100</b>	<b>19</b>
<b>Intergovernmental payables</b>		
<b>Departments</b>		
Justice	1,284	3,782
Public Works	2,026	2,066
South African Police Service	2,196	2,075
	5,506	7,923
<b>Other government entities</b>		
Government Motor Transport	113	338
Government Printing Works	22	21
National School of Government (PALAMA)	318	32
	453	391
	<b>5,959</b>	<b>8,314</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 30. Related parties (continued)

##### Services in kind

Parliament occupies complexes which are owned by Department of Public Works (DPW). Parliament occupies these complexes for free and does not pay any costs to DPW. These complexes were occupied for the entire year ended 31 March 2017. Parliament is provided with the protection services by the South African Police Services for free and these services were made available for the entire year ended 31 March 2017.

#### 31. Remuneration of management

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

##### Executive Authority

##### 31 March 2017

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

##### 31 March 2016

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

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 31. Remuneration of management (continued)

##### Senior Management

##### 31 March 2017

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

##### 31 March 2016

	Basic Salary	Post employment benefits	Performance bonus	Total
Mr G Mgidlana - Secretary to Parliament	2,597	2	78	2,677
Ms P N Tyawa - Deputy Secretary to Parliament : Support Services	1,765	2	53	1,820
Adv M Phindela - Acting Deputy Secretary to Parliament : Core Services	1,686	170	50	1,906
Mr M Xaso - Secretary to the National Assembly	1,507	141	48	1,696
Mr M Manenzhe - Chief Financial Officer	1,416	2	42	1,460
	<b>8,971</b>	<b>317</b>	<b>271</b>	<b>9,559</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 31. Remuneration of management (continued)

##### Divisional Managers

31 March 2017

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

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

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

31 March 2016

	Basic Salary	Performance bonus	Post employment benefits	Total
Mr M Mokonyana - Acting Human Resources Executive	1,145	42	1	1,188
Ms NTT Manyela - Human Resource Executive	56	-	89	145
Mr L Jacobs - Spokesperson	1,549	50	144	1,743
Ms M Zungu - Institutional Support Services	576	-	73	649
Adv Z Adhikarie - Legal Services	1,419	47	144	1,610
Ms S Schalk - Legislative Support Programme	1,486	45	2	1,533
Ms RK Begg - Core Business Support	433	-	61	494
Ms M Shivambu - Chief Audit Executive	219	-	-	219
Mr N Nel - Acting Knowledge and Information Services	879	-	1	880
Ms N Sonjica - Acting International Relations & Protocol	1,409	33	97	1,539
Mr K Somgqeza - International Relations & Protocol	716	-	250	966
Mr R Poliah - Acting Chief Information Officer	1,411	38	103	1,552
Ms JD Nkomo-Abonta - Acting Institutional Support Services	806	37	55	898
Mr K Zweni - Office of the Speaker	1,345	42	150	1,537
Dr LK Gabriel - Knowledge and information Systems	576	-	73	649
Ms ML Brandt - Head Office of the Speaker	461	-	61	522
Mr LH Makele - Human Resource Executive	363	-	52	415
Professor M Jahed- Director Parliamentary Budget Office	2,119	64	2	2,185
Ms MS Mangqalaza - Office of the Chairperson	1,287	42	144	1,473

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 31. Remuneration of management (continued)

Mr S Nyenyiso - Acting Chief Audit Executive	836	28	58	922
	<b>19,091</b>	<b>468</b>	<b>1,560</b>	<b>21,119</b>

Ms NTT Manyela - Human Resources Executive was on suspension and Mr M Nkonyana was acting until December 2015. Mr Makele was appointed as Human Resources Executive from January 2016.

Mr K Somgqeza - Division Manager for International Relations & Protocol was on suspension and resigned in September 2015. Ms N Sonjica is acting Division Manager for International Relations & Protocol.

Ms M Shivambu resigned as Chief Audit Executive in May 2015 and Mr S Nyenyiso was acting in the position.

Ms J Nkem-Abonta was acting Division Manager Institutional Support Services until October 2015 and Ms M Zungu was appointed to the position in November 2015.

Mr N Nel was acting Division Manager Knowledge and Information System until October 2015 and Dr LK Gabriel was appointed to the position in November 2015.

Mr K Zweni was the Head Office of the Speaker until November 2015 when he was appointed Director of Institutions Supporting Democracy.

#### 32. Risk management

##### Liquidity risk

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

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

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

##### Payables from exchange transactions

Payable within 1 year	66,021	59,489
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##### Finance leases

Payable within 1 year	184	449
Payable within 2- 5 years	50	89
	<b>234</b>	<b>538</b>

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Notes to the Financial Statements

Figures in thousand

### 32. Risk management (continued)

#### Credit and interest rate risks

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

Credit risk consists mainly of cash deposits, cash equivalents and receivables. Parliament only deposits cash with major bank with high quality credit standing.

Receivables mainly comprises of related parties which lowers the counter-party risk.

Interest rate risk results from the cash inflows due to uncertainty arising from the interest rate fluctuations.

Financial assets exposed to credit and interest risk as at 31 March 2017 are as follows:

<b>Financial instruments</b>		
Bank balances	135,756	166,820
Short-term deposits	175,648	165,080
Receivables from non - exchange transactions	2,447	18,366
Receivables from exchange transactions	3,348	1,769
	<b>317,199</b>	<b>352,035</b>

### 33. Commitments

#### Commitments in respect of capital expenditure

• Capital works	6,977	10,898
<b>Total capital commitments</b>		
Already contracted for but not provided for	6,977	10,898

This committed expenditure relates to property, plant and equipment and will be financed by existing cash resources.

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

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

<b>Minimum lease payments due</b>		
- within one year	1,176	1,819
- in second to fifth year inclusive	335	1,541
	<b>1,511</b>	<b>3,360</b>

Operating lease payments represent rentals payable by Parliament for office equipment and rental of Parliamentary Democracy Offices. Leases of equipment are negotiated for an average term of three years and rentals are fixed for the entire lease term. Parliament still uses some leases which had expired on a month to month basis whilst still negotiating new lease agreements. These leases (expired) do not have any commitment as they can be terminated at any time.

### 34. Budget differences

#### Material differences between budget and actual amounts

Parliament's budget is approved on a cash basis by functional classification. The approved budget covers the fiscal period from 1 April 2016 to 31 March 2017. The comparison of Parliament's actual performance with the budget is set out in the statement of comparison of budget and actual amounts on page 8.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 34. Budget differences (continued)

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

The budget and the accounting basis differ. The financial statements are prepared on the accrual basis using a classification based on the nature of expenses in the statement of financial performance. The financial statements differ from the budget, which is approved on the cash basis.

The budget for transfers in respect of disability support, high level panel, youth and women Parliament were under goods and services. The budget had to be moved to transfers to non-profit institutions as a consequence of re-allocation of the expenditure.

Explanations for variances above five per cent between final budget and actual outcome prepared on a cash basis:

##### 34.1 Departmental receipts

The variance on the departmental receipts is due to the reduction in the sales as a result of the Departments cancelling post budget speech diners as part of cost cutting measures.

##### 34.2 Compensation of employees

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

##### 34.3 Compensation of Members

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

##### 34.4 Goods and services

The variance on the goods and services is a result of delayed committed programmes which were not completed as at the end of the financial year. The unspent funds will be available for use in the next financial year in terms of sections 16(2)(b) of the FMPPLA.

##### 34.5 Acquisition of property, plant and equipment and intangible assets

The budget for property, plant and equipment for the financial year was less than the required funds for capital expenditure. The shortfall had to be funded from the unspent funds as indicated under paragraph 34.2 above.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 35. Change in accounting estimates

Parliament has reassessed the useful lives of the assets which were going to be fully depreciated by the end of the financial year. The re-assessment of the useful lives of assets is based on the fact that Parliament's management is still intending to use these assets as they are still in good working condition.

The useful lives of furniture and fittings were revised from 12 to 15 years equipment have been increased from 5 -12 years to 5-15 years.

The useful lives of computer equipment has been increased from 3-12 to 3-15 years.

The effect of the changes is the reduction in current years depreciation as indicated below.

Increase(Decrease) in Depreciation	(R 1 117)
Increase(Decrease) in Accumulated Depreciation	R 965
Increase/(Decrease) in Profit or loss on Disposal of Assets	R 32
Effect of Change in Accounting estimates	R 120



# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Notes to the Financial Statements

Figures in thousand

### 36. Prior period errors

#### 36.1 Changes to description

The descriptions of the following items were changed to reflect the nature of the expenses as follows:

##### Note 12

- 13th cheque changed to staff salary savings as Parliament does not pay 13th cheque and the savings are due to the fact that Parliament allows requests from staff to save portion of their salaries and pay it out only in December.

##### Note 16

The names of the following programmes has been changed as follows:

Administration changed to Strategic leadership & Governance  
Legislation and Oversight to Administration  
Public and International Participation to Core Business  
Member's Facilities to Support Services

##### Note 25

Included in venue expenses was expenditure for catering expenses. This was subsequently reclassified and disclosed on its own.

#### 36.2 General expenses

General expenses were overstated by R2 257 000 due to the following:

- (a) An amount of R 704 000 for disability support which was allocated to general expenses instead of transfers.
- (b) An amount of R 1 997 000 for services/goods being queried and credit notes not received for the amounts.
- (c) An amount of ( R 501 000) in respect of rental of property for the seconded officials relating to 2015/16 financial year but only paid in February 2017.
- (d) An amount of R 93 000 in respect of prior year expenditure queried and credit notes not received.
- (e) An amount of (R 35 000) in respect of membership fees paid in 2016/17 and not accrued for.

#### 36.3 Property, plant and equipment

Property, plant and equipment was understated by R 826 000 due to depreciation which was calculated incorrectly and assets found on the floor during the asset verification but were not on the asset register.

#### 36.4 Receivables from exchange-transactions

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 36. Prior period errors (continued)

Receivables from exchange transactions was overstated by R 922 000 due to the following.

- (a) An amount of R 929 000 in respect of accrued income recognised twice.
- (b) An amount of R 14 000 in respect of credit card expenses that were not recognised during the last financial year.
- (c) An amount of (R 22 000) received in respect of receivable of prior year which was not raised.

Government organisations included an amount of R150 000 which were reclassified as other receivables.

#### 36.5 Remuneration of Management.

The remuneration of senior management and divisional managers was understated by an amount of R 739 000 in the remuneration of management note as performance bonus was not included in the note disclosure.

#### 36.6 Loss on sale of assets

Loss on sale of assets was overstated by an amount of R 13 000 due to depreciation of disposed assets which were incorrectly calculated.

#### 36.7 Irregular expenditure

Irregular expenditure was overstated by R 451 582 due to the following:

\* An amount of R 53 750 in respect of payment to a service provider which did not provide tax certificates being recorded twice, during the 2013/14 and 2014/15 financial year. The service was rendered during the 2013/14 financial year but the payment made in the 2014/15 financial year, and the irregular expenditure inadvertently recorded in both financial years.

\* An amount of R 494 332 in respect of the difference between initially quoted price and the actual price paid for accommodation at the 13th IPU which occurred during the 2015/15 financial year was not recorded.

\* An amount of R 11 000 in respect of the difference between irregular expenditure disclosed and irregular expenditure confirmed during audit.

#### 36.8 Compensation of employees and Members.

Compensation of employees and Members were understated by R 12 324 000 as a result of the following:

- (a) An amount of R 12 188 000 in respect of actuarial gain which was used to reduce compensation of Members instead of being allocated to actuarial gain.
- (b) Performance bonus were understated by R 63 000 due to appeals only concluded in 2016/17
- (c) Compensation for seconded staff was understated by R 72 000

#### 36.9 Other Income

Other income was understated by an amount of R 242 000 as a result of the 2015/16 incentive from the South African Airways not recognised.

#### 36.10 Interest earned

Investment Income was overstated by an amount of R 929 000 as a result of accrued income (Interest) that was recognised twice.

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 36. Prior period errors (continued)

##### 36.11 Transfer to non-profit institutions

Transfer to non profit insitutions were understated by R 804 000 due to the following:

(a) An amount of R 704 000 transferred to a political party in respect of disability support but inadvertently allocated to general expenses.

(b) An amount of R 100 000 transferred to a political party relating to prior financial year which was withheld due to queries.

##### 36.12 Gain in actuarial valuation

The gain on actuarial valuation was understated by an amount of R 12 188 due to the fact that the gain on actuarial valuation was not disclosed separately but was used to reduce compensation of employees and Members.

##### 36.13 Receivables from non-exchange transactions.

Receivables from non-exchange transactions were understated by R 59 000 this is due to.

(a) An amount of ( R 88 000) which was reversed for no work no pay debt in respect of employees who were not on strike.

(b) An amount of R 152 000 in respect of overpayment of Telkom.

(c) An amount of (R 5 000) in respect of refund for no work no pay deductions

##### 36.14 Prepayments

Prepayments was understated by an amount of R 8 000 due to contingencies relating to prior financial year which were not recognised received during the current financial year.

##### 36.15 Payables from exchange transactions

Payables from exchange transations was overstated by R 1 824 000 due to the following

(a) R 1 997 000 relating to general expenses accrued which were queried and credit notes received.

(b) An amount of R 14 000 in respect of expenses incurred from the credit card expenses.

(c) An amount of (R 187 000) in respect of legal fees paid in 2016/17 and not accrued for.

# Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

## Notes to the Financial Statements

Figures in thousand

### 36. Prior period errors (continued)

#### 36.16 Payables from non-exchange transactions

Payables from exchange transactions were overstated by R 306 000 due to the following.

- (a) An amount of R 232 000 in respect of salary overpayment.
- (b) An amount of R 142 000 due to overstatement in provisions.
- (c) An amount of ( R 54 000) in respect of members accrual that was paid in current financial year and was not accrued for.
- (d) An amount of (R13 000) in respect of donor assistant not utilised.

#### 36.17 Public Contributions and donations

Public contributions and donations was overstated by an amount of R 13 000 due to unutilised aid assistance recognised.

#### 36.18 Intangible assets

Intangible assets were overstated by an amount of R 4 000 due to amortisation which was calculated incorrectly and assets found during the asset verification but were not on the asset register.

#### 36.19 Heritage Asset

Heritage assets were understated by R 370 000 due to assets found on the floor during the asset verification but were not on the asset register.

### Statement of financial position

Increase in property plant and equipment	-	826
Decrease in intangible assets	-	(4)
Increase in prepayments	-	8
Decrease in receivables from non-exchange transactions	-	59
Decrease in receivables from exchange transactions	-	(922)
Decrease in payables from exchange transactions	-	(1,824)
Decrease in payables from non-exchange transactions	-	(306)
Increase in heritage assets	-	370
<b>Total</b>	-	<b>(1,793)</b>

### Statement of Changes in Net Asset

Decrease in accumulated deficit	-	2,467
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### Statement of Financial Performance

Decrease in general expenses	-	2,257
Decrease in transfer revenue	-	(13)
Decrease in revenue	-	(687)
Increase compensation of employees and Members	-	(12,324)
Increase in depreciation	-	94
Increase in transfers to non-profit institutions	-	(804)
Other changes in net assets	-	(50)
Decrease in loss on sale of assets	-	13
Increase in gain on actuarial valuation	-	12,188
<b>Total</b>	-	<b>674</b>

## Parliament of the Republic of South Africa

Financial Statements for the year ended March 31, 2017

### Notes to the Financial Statements

Figures in thousand

#### 37. Administrative expenditure

Administrative expenses	1,695	-
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Administrative expenses refers to deductions made in March 2016 in respect of no work no pay which must be refunded to the respective employees in terms of the agreement reached between management and NEHAWU.

#### 38. Debt written off

Debt written off ( No work no pay)	16,799	-
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During the current financial year a debt in respect of 2015 no work no pay was written off in terms of the agreement between management and NEHAWU.

#### 39. Events after the reporting date

39.1 The following adjustment events occurred after the reporting date:

(a) The Executive Authority condoned irregular, fruitless and wasteful expenditure amounting to R 15 151 928 and the amounts disclosed in the financial statements were adjusted accordingly.

(b) Management and organised labour reached an agreement to cancel the no work no pay deductions, refund the deductions made in March 2016 and all employees of Parliament will forfeit the 2015/16 and 2016/17 performance bonus and the amounts disclosed in the financial statements were adjusted accordingly. The agreement was signed on the

39.2 Parliament is not aware of any non- adjusting events after the reporting date.



4

GOVERNANCE REPORT

## 4. GOVERNANCE REPORT

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

#### Report on the audit of the financial statements

#### Opinion

1. I have audited the financial statements of the Parliament of the Republic of South Africa set out on pages 4 to 49, which comprise the statement of financial position as at 31 March 2017, and the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Parliament of the Republic of South Africa as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with the South African Standards on Generally Recognised Accounting Practices (SA Standards on GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) (FMPPLA)

#### Basis for opinion

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

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

6. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with the SA Standards of GRAP and the requirements of the FMPPLA and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
7. In preparing the financial statements, the accounting officer is responsible for assessing the Parliament of the Republic of South Africa's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless there is an intention either to liquidate the Parliament of the



Republic of South Africa or to cease operations, or there is no realistic alternative but to do so.

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

8. 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 International Standards on Auditing (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.
9. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this report.

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

#### **Introduction and scope**

10. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof I have a responsibility to report material findings on the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify findings but not to gather evidence to express assurance.
11. My procedures address the reported performance information, which must be based on the approved performance planning documents of the Parliament of the Republic of South Africa. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures also did not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
12. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the Parliament of the Republic of South Africa for the year ended 31 March 2017:

<b>Programmes</b>	<b>Pages in the annual performance report</b>
Programme 3: core business	55 – 77
Programme 5: associated services	89 – 92

13. 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.

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

Programme 3 – core business

Programme 5 – associated services

### **Other matters**

15. I draw attention to the matters below.

#### **Achievement of planned targets**

16. Refer to the annual performance report on pages 43 to 92 for information on the achievement of planned targets for the year and explanations provided for the under and overachievement of targets.

#### **Adjustment of material misstatements**

17. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of Programme 3: core business. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

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

### **Introduction and scope**

18. In accordance with the PAA and the general notice issued in terms thereof I have a responsibility to report material findings on the compliance of the Parliament of the Republic of South Africa with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
19. I did not identify any instances of material non-compliance in respect of the compliance criteria for the applicable subject matters.

## **Other information**

20. The Parliament of the Republic of South Africa's accounting officer is responsible for the other information. The other information comprises the information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in the auditor's report.
21. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.

22. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work I have performed on the other information obtained prior to the date of this auditor's report, I conclude that there is a material misstatement of this other information, I am required to report that fact.

#### Internal control deficiencies

23. 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 thereon. I did not identify any significant deficiencies in internal control.

#### Other reports

24. I draw attention to the following engagement conducted by the audit committee that could have, an impact on the matters reported in Parliament's financial statements, reported performance information, compliance with applicable legislation and other related matters. This report did not form part of my opinion on the financial statements or my findings on the reported performance information or compliance with legislation.
25. Subsequent to the year end the audit committee was requested to perform an investigation against the Secretary to Parliament based on allegations levelled against him. As at the date of this report the investigation is still in progress.

*Auditor-General*

Cape Town

31 July 2017



AUDITOR - GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*

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

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

### Financial statements

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

### Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and here applicable, related safeguards.

## REPORT OF THE AUDIT COMMITTEE

The Audit Committee (Committee) operated in terms of our mandate as set out in our Charter and as required by the Financial Management of Parliament and Provincial Legislatures Act (FMPPLA). We are pleased to present our report for the financial year ended 31 March 2017.

### Audit Committee Members and Attendance

The Committee comprised five independent non-executive members in line with Section 47(3) of the FMPPLA and best practice. The Committee is mandated by the Charter to meet at least four (4) times a year or more frequently as deemed necessary. During the period under review, the Committee held seven (7) meetings as outlined in the table below.

Name of Member	No. of Meetings Attended
Ms. K.T Mdlulwa (Chairperson)	7
Ms. P.N Sibiya	6
Mr. G. Harris	7
Mr. C. de Kock	7
Mr. L. Nevondwe	7

### Audit Committee Responsibility

We have performed our oversight responsibilities in respect of the Parliament of the Republic of South Africa (Parliament) independently and objectively, and have as far as possible, discharged our duties and responsibilities in compliance with section 48 of the FMPPLA.

### The effectiveness of Internal Controls

Based on the assurance provided by management and Internal Audit, and discussions with the Auditor-General of South Africa (AGSA) on the audit results, overall the key controls were implemented. We have also noted improvements in the internal control environment, including the filling of some executive positions, which improves leadership stability in the institution. While further improvement is still required, the Committee is encouraged by the management's efforts to implement audit action plans to further strengthen the internal control environment.

The Committee is of the view that continuous focus by management is required to resolve the challenges in the following areas:

- strengthen the performance management and reporting system to ensure quality reporting, thus enhancing the delivery against strategies and plans;
- normalise labour relations; and

- enhance the Institutional image in the eyes of key stakeholders to minimise reputational damage.

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

The Committee has reviewed the quality and the contents of the In-Year Monitoring (IYM) reports of the Accounting Officer. Quarterly performance reports were also submitted and reviewed. Management's effort is still required in these areas to ensure further improvement on the institutional performance and the quality of performance reporting.

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

The framework for the preparation of financial statements is in accordance with Generally Recognised Accounting Practice (GRAP), and is in compliance with the FMPPLA. The Committee has reviewed:

- the Annual Financial Statements to be included in the Annual Report, and discussed them with the AGSA and management;
- the AGSA's Management Report and management's responses thereto and discussed it with the AGSA and management;
- an audit opinion of the AGSA and discussed it with the AGSA and management;
- changes in accounting policies and practices; and
- adjustments resulting from the audit.

The Committee is pleased that Parliament has once again achieved Clean Audit on its Annual Financial Statements for the year ended 31 March 2017. Parliament has maintained its clean audit status for the third consecutive period, a significant achievement, which symbolises resilience in the processes of governance, financial management and compliance with laws and regulations. However, there were control gaps identified by the audit process, although not material.

### **Effectiveness of Risk Management**

The Risk Management Committee (RMC) which comprises senior members of management was in place and reported quarterly to the Committee, no Audit Committee member participated in the risk committee deliberations. While the risk management process has not fully matured, significant progress was reported during the period under review in embedding of risk management culture. This included the development a Risk Maturity Assessment Matrix. The Committee will continue to monitor and provide guidance in the maturity of the risk management process as Parliament focuses more on the mitigation and proactive management of risks.

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


The Internal Audit function developed and presented the Annual Audit Plan for approval by the Committee and reported against the approved plan, quarterly. Despite the increasing vacancy rate in the Internal Audit function, the Committee is satisfied with the continuous improvement. The function has operated effectively and has addressed the risks pertinent to the institution in its audits. The Committee will continue to provide oversight, guidance and optimal support for the function to sustain its effectiveness.

### **Audit Committee Evaluation**

Based on the result of the Committee assessments, we conclude that we have operated effectively during the reporting period. An overall rating of 4.06 out of 5 was received, with the rating for all the key processes above a performance rating of three (3). We will leverage on current processes to further strengthen oversight in the organisation.

### **Conclusion**

The Committee would like to take this opportunity to congratulate Parliament on its achievement of Clean Audit opinion in the 2016/17 Financial Year as reported by the AGSA. We would also like to congratulate the Executive Authority, the Accounting Officer and Management for the good audit results received and the AGSA for the professional manner in which the audit was conducted. Lastly, the Committee would like to thank Parliamentary staff for their hard work, determination and support. We stand ready to guide management on areas relating to audit and risk. We look forward to further enhance governance, accountability and effective stakeholder management in Parliament.



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

**Date: 31 July 2017**





5

HUMAN RESOURCE MANAGEMENT



## 5. HUMAN RESOURCE MANAGEMENT

### 5.1 Personnel Related Expenditure

**Table: Personnel costs by salary band**

SALARY BAND	Personnel Expenditure	% of Total Personnel Cost	Total Employee	Average Personnel Cost Per Employee
Lower Skilled (Level A)	R 35 074 320,67	4,30%	127	R 276 175,75
Skilled (Level B)	R 91 458 345,50	11,21%	274	R 333 789,58
Highly Skilled Production (Level C)	R 406 881 579,83	49,88%	739	R 550 584,01
Highly Skilled Supervision (Level D)	R 244 866 065,58	30,02%	225	R 1 088 293,62
Senior Management (Level E)	R 32 724 899,00	4,01%	23	R 1 422 821,70
Top Management (Level F)	R 4 719 501,00	0,58%	2	R 2 359 750,50
<b>Grand Total</b>	<b>R 815 724 711,58</b>		<b>1390</b>	<b>R 586 852,31</b>

**Table: Salaries and overtime by salary band**

SALARY BAND	SALARIES		OVERTIME	
	Amount	Salaries as a % of Personnel Expenditure	Amount	Overtime as a % of Personnel Expenditure
Lower Skilled (Level A)	R 35 074 320,67	4,30%	R849 766,44	7,89%
Skilled (Level B)	R 91 458 345,50	11,21%	R3 961 050,40	36,78%
Highly Skilled Production (Level C)	R 406 881 579,83	49,88%	R5 958 847,27	55,33%
Highly Skilled Supervision (Level D)	R 244 866 065,58	30,02%	R0,00	0,00%
Senior Management (Level E)	R 32 724 899,00	4,01%	R 0,00	0,00%
Top Management (Level F)	R 4 719 501,00	0,58%	R 0,00	0,00%
<b>TOTAL</b>	<b>R 815 724 711,58</b>		<b>R 10 769 664,11</b>	

## 5.2 Employment and vacancies

**Table: Employment and vacancies by salary band**

SALARY BAND	Number of Posts	Number of Posts Filled	Active Vacant	Frozen	Vacancy Rate
Lower Skilled (Level A)	154	118	9	27	<b>0,65%</b>
Skilled (Level B)	359	266	8	85	<b>0,58%</b>
Highly Skilled Production (Level C)	878	702	35	141	<b>2,52%</b>
Highly Skilled Supervision (Level D)	291	210	14	67	<b>1,01%</b>
Senior Management (Level E)	29	22	1	6	<b>0,07%</b>
Top Management (Level F)	3	2	0	1	<b>0,00%</b>
<b>Grand Total</b>	<b>1714</b>	<b>1320</b>	<b>67</b>	<b>327</b>	<b>4,83%</b>

## 5.3 Employment Changes

**Table: Annual turnover rate by salary band**

SALARY BAND	Number of Employees per band as on 1 Apr 2016	Resignations	Turnover Rate
Lower Skilled (Level A)	127	0	0,00%
Skilled (Level B)	273	3	1,10%
Highly Skilled Production (Level C)	737	32	4,34%
Highly Skilled Supervision (Level D)	218	10	4,59%
Senior Management (Level E)	19	1	5,26%
Top Management (Level F)	2	0	0,00%
<b>Grand Total</b>	<b>1376</b>	<b>46</b>	<b>3,34%</b>

**Table: Reasons for employees leaving Parliament**

Termination Type	Number of Terminations	% of Total
Deceased	0	0,00%
Dismissal	0	0,00%
End of Contract	3	4,11%
End of Political Term	0	0,00%
Resignation	46	63,01%
Retirement	4	5,48%
Retirement Early	11	15,07%
Retirement: Due to Ill Health	9	12,33%
<b>Grand Total</b>	<b>73</b>	<b>100,00%</b>

**Table: Promotions by salary band**

SALARY BAND	Number of Employees per band as on 1 Apr 2016	Promotion to another Salary level [Promotion by Appointment]	Salary level promotion as a % of employees by occupation [Salary Band]	Progression to another notch within a salary level [Notch Progression]	Notch progression as a % of employees by salary band
Lower Skilled (Level A)	127	0	0,00%	0	0,00%
Skilled (Level B)	273	1	0,37%	0	0,00%
Highly Skilled Production (Level C)	737	3	0,41%	0	0,00%
Highly Skilled Supervision (Level D)	218	5	2,29%	0	0,00%
Senior Management (Level E)	19	0	0,00%	0	0,00%
Top Management (Level F)	2	0	0,00%	0	0,00%
<b>Grand Total</b>	<b>1376</b>	<b>9</b>	<b>0,65%</b>	<b>0</b>	<b>0,00%</b>

## 5.4 Employment Equity

**Table: Total number of employees in each of the following occupational bands**

SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level A)	23	53	0		4	31	0	4	<b>127</b>
Skilled (Level B)	84	46	3	4	57	60	4	15	<b>273</b>
Highly Skilled Production (Level C)	259	116	4	40	221	68	8	21	<b>737</b>
Highly Skilled Supervision (Level D)	49	23	9	16	83	13	8	17	<b>218</b>
Senior Management (Level E)	4	2	1	0	9	0	2	1	<b>19</b>
Top Management (Level F)	1	0	0	0	1	0	0	0	<b>2</b>
<b>Grand Total</b>	<b>420</b>	<b>240</b>	<b>17</b>	<b>72</b>	<b>375</b>	<b>172</b>	<b>22</b>	<b>58</b>	<b>1376</b>
Employees with Disability	0	1	0	1	4	1	1	1	<b>9</b>

**Table: Recruitment/Appointments**

SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Skilled (Level B)	2	0	0	0	0	0	0	0	2
Highly Skilled Production (Level C)	1	1	0	0	1	1	0	0	4
Highly Skilled Supervision (Level D)	3	0	0	0	2	1	1	0	7
Senior Management (Level E)	1	0	0	0	3	0	1	0	5
Top Management (Level F)	0	0	0	0	0	0	0	0	0
<b>Grand Total</b>	<b>7</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>6</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>18</b>
Employees with Disability	0	0	0	0	0	0	0	0	<b>0</b>

**Table: Promotions**

SALARY BAND	Female				Male				Grand Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Lower Skilled (Level A)	0	0	0	0	0	0	0	0	<b>0</b>
Skilled (Level B)	0	0	0	0	0	0	0	1	<b>1</b>
Highly Skilled Production (Level C)	0	0	0	0	1	2	0	0	<b>3</b>
Highly Skilled Supervision (Level D)	1	0	1	0	3	0	0	0	<b>5</b>
Senior Management (Level E)	0	0	0	0	0	0	0	0	<b>0</b>
Top Management (Level F)	0	0	0	0	0	0	0	0	<b>0</b>
<b>Grand Total</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>9</b>
Employees with Disability	0	0	0	0	0	0	0	0	<b>0</b>

## 5.5 Performance Rewards

**Table: Performance rewards (performance bonus) by salary band for personnel below senior management level – level E**

SALARY BANDS		Beneficiary Profile		Cost			
	Number of Beneficiaries	Number of Employees	% of Total within Salary Band	Total Cost	Avg Cost Per Employee	Total Personnel Expenditure [Variable Cost]	Total Cost as a % of the total personnel expenditure
Lower Skilled (Level A)	None	None	None	None	None	None	None
Skilled (Level B)	None	None	None	None	None	None	None
Highly Skilled Production (Level C)	None	None	None	None	None	None	None
Highly Skilled Supervision (Level D)	None	None	None	None	None	None	None
Senior Management (Level E)	None	None	None	None	None	None	None
Top Management (Level F)	None	None	None	None	None	None	None
Grand Total	None	None	None	None	None	None	None

**Table: Performance rewards (notch progression) by salary band for personnel below senior management level – level E**

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

## 5.6 Leave Utilisation

**Table: Sick Leave**

SALARY BAND	Total Days Taken	Number of Employees Using Sick Leave	% of Employees using Sick Leave	Average Days Per Employee	Total Package Value	Average Package	Average Daily Rate	Estimated Cost
Lower Skilled (Level A)	1542	118	10,50%	13,07	R34 201 457,00	R 289 842,86	R 1 110,51	R 14 511,91
Skilled (Level B)	2279	244	21,71%	9,34	R83 148 606,00	R 340 772,98	R 1 305,64	R 12 194,93
Highly Skilled Production (Level C)	5028	594	52,85%	8,46	R333 011 313,00	R 560 625,11	R 2 147,99	R 18 181,97
Highly Skilled Supervision (Level D)	926	161	14,32%	5,75	R182 425 992,00	R 1 133 080,70	R 4 341,31	R 24 969,25
Senior Management (Level E)	33	7	0,62%	4,71	R11 807 462,00	R 1 686 780,29	R 6 462,76	R 30 467,30
Top Management (Level F)	0	0	0,00%	0,00	R 0,00	R 0,00	R 0,00	R 0,00
<b>Grand Total</b>	<b>9808</b>	<b>1124</b>		<b>8,73</b>	<b>R 644 594 830,00</b>	<b>R 573 482,94</b>	<b>R 2 197,25</b>	<b>R 19 173,18</b>



**Table: Annual Leave**

SALARY BAND	Total Days Taken	Average Per Employee
Lower Skilled (Level A)	3171	25,78
Skilled (Level B)	6584	24,30
Highly Skilled Production (Level C)	16450	22,53
Highly Skilled Supervision (Level D)	4853	21,86
Senior Management (Level E)	283	14,15
Top Management (Level F)	19	9,50
<b>Grand Total</b>	<b>31360</b>	<b>22,92</b>

**Table: Capped Leave**

SALARY BAND	Number of Employees with Capped Leave	Total Days of Capped Leave as at 1 APR	Number of Days Taken	Total Days of Capped Leave as at 31 MAR	Average Number of Days Taken per Employee	Average Capped Leave Per Employee as at 31 MAR
Lower Skilled (Level A)	59	1250	36	1214	1,64	20,58
Skilled (Level B)	54	1176	123	1053	0,44	19,50
Highly Skilled Production (Level C)	68	1538	61	1477	1,11	21,72
Highly Skilled Supervision (Level D)	13	250	2	248	6,50	19,08
Senior Management (Level E)	0	0	0	0	0,00	0,00
Top Management (Level F)	0	0	0	0	0,00	0,00
<b>Grand Total</b>	<b>194</b>	<b>4214</b>	<b>222</b>	<b>3992</b>	<b>0,87</b>	<b>20,58</b>

**Table: Leave Pay-outs**

REASON	Total Amount (R'000)	Number of employee	Average payment per employee
Leave payouts on termination of service for	R2 357 714,65	94	R25 082,07
<b>Total</b>	<b>R2 357 714,65</b>	<b>94</b>	<b>R25 082,07</b>







**PARLIAMENT**  
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