

REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT ON THE 2015/16 ANNUAL REPORT OF THE MPUMALANGA PROVINCIAL LEGISLATURE

1. INTRODUCTION

The Mpumalanga Provincial Legislature is conferred with powers and functions, which include oversight of provincial state institutions, in terms of Section 114(2) in the Constitution.

The **Select Committee on Legislature Oversight**, hereinafter referred to as 'the Committee', is mandated to examine and perform oversight over the expenditure, administration and policy implementation of the Mpumalanga Provincial Legislature, hereinafter referred to as 'the Legislature'.

The scrutiny of the Annual Report is an oversight mechanism established to ensure that the Legislature accounts for its performance and appropriated budget in a manner that is transparent. The Committee, therefore, scrutinised and deliberated on the 2015/16 Annual Report of the Legislature and this report is an output of that exercise.

2. METHOD OF WORK

The Legislature tabled its 2015/16 Annual Report, hereinafter referred to as the Annual Report, in accordance with section 60(3) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (FMMPLA); and the Annual Report was referred to the Committee for its consideration and report back to the House.

The Committee met on 19 October 2016 with the Legislature, which was represented by the Accounting Officer, Mr LJ Mwale, the Secretariat and the Senior Management Team, to deliberate on the Annual Report. The draft Committee Report was considered and adopted at a meeting held on 26 October 2016.

3. BRIEF OUTLINE OF THE LEGISLATURE'S STRATEGIC OUTCOME-ORIENTED GOALS IN THE PERIOD UNDER REVIEW

The Legislature has seven (07) strategic outcome-oriented goals to ensure that it fulfils its constitutional mandate and realises its vision of being a People-Centred, African World Class Legislature. These strategic outcome-oriented goals are:

- i. Strengthened oversight over the Executive and state organs in respect of delivery against the priorities of government in the next five (05) years;
- ii. Improved involvement of all the people of the Province in the Legislature's processes in the next five (05) years;
- iii. Improved law-making and the effectiveness of legislation for the benefit of the people of the Province in the next five (05) years;
- iv. Improved capacity of the Legislature to conduct oversight, public participation and law-making functions in the next five (05) years ;
- v. Improved strategic management, corporate and financial governance in the next five (05) years;
- vi. Increased promotion of nation-building and social cohesion in the next five (05) years; and
- vii. Strengthened participation in inter-parliamentary bodies for enhancing institutional integrity and improving participatory democracy in the next five (05) years.

4. PROGRESS REPORT ON THE IMPLEMENTATION OF HOUSE RESOLUTIONS EMANATING FROM THE 2014/15 ANNUAL REPORT

The Committee considered an updated report on the progress made by the Legislature in implementing previous House Resolutions as contained in the Committee Report on the 2014/15 Annual Report. Find below a comprehensive perspective on the extent to which the Legislature implemented House Resolutions.

RESOLUTION	PROGRESS REPORT	STATUS (Way forward)
1. Align its programme performance with budget and expenditure	Management had aligned the budget plans with programme performance. Quarterly review sessions for the three quarters of the current financial year were conducted for the review of budget and expenditure outcomes and programme performance A template was developed and implemented for budget inputs for the 2016/2017 financial year and budget workshops were conducted	The Resolution must be CLOSED
2. Noting that the Financial Management of Parliament and Legislatures Act (FMPPLA) came into effect on 01 April 2015, the Legislature must maintain this audit	Management has put the following processes and systems in place to facilitate compliance with the act: A FMPPLA compliance checklist was developed and implemented. The policies were reviewed and aligned to the Act and its regulations	The Resolution must be CLOSED

outcome in the 2015/16 financial year		
3. Develop the Public Education Programme and present it to the Committee before the end of January 2016. Furthermore, the Legislature must implement this programme from 01 February 2016 noting that there are Local Government elections taking place in 2016	The voter registration program was developed and implemented	The Resolution must be CLOSED
4. The Legislature must compile a report detailing all the concerns relating to the maintenance of the Legislature building that needs to be addressed by the Department of Public Works, Roads and Transport and send such report to the department by January 2016	<p>A meeting was held to submit a detailed maintenance needs requirement to public works. Public Works has been requested to cost it and to provide to the Legislature a maintenance plan for these needs according to the MTEF budget cycle where applicable.</p> <p>Some maintenance work has been done in the period under review, amongst it the replacement of the flooring of the decks. The department was requested to investigate the bad sewage odor at the entrance of the building's parking area; and to attend to it.</p>	<p>Resolution fully implemented. Ongoing maintenance must be monitored and reported on at Secretariat Level.</p> <p>The Resolution must be CLOSED</p>
5. Make frequent follow ups with the Department of Public Works, Roads and Transport and ensure that the feasibility study is completed by the end of the 2015/16 financial year. A progress report must be submitted by 31 March 2016	<p>A service provider has been appointed and is onsite to conduct the maintenance needs requirement. A report will be coordinated with Public Works for submission to the Committee.</p> <p>A maintenance program on the decks has been completed</p>	<p>Reported progress not relevant to Resolution. The feasibility study relates to the Parliamentary Village. The Resolutions must remain ONGOING until fully implemented.</p>
6. Ensure that Members' cell phones insurance is properly budgeted for in the 2016/17 financial year and that Members' cell phones are insured as from 01 April 2016	The cellphone for members are insured	Resolution fully implemented and must be CLOSED
7. Prioritise females when the vacant advertised positions are filled to comply with the Employment Equity Act	Management is making good progress on the EE compliance issues. For easy reference part of the EE Plan and the letter of endorsement from the Department of Labour is attached	<p>Progress noted and accepted. Compliance to prescripts must be monitored and adhered to at all time.</p> <p>Resolution must be</p>

		CLOSED
8. The Legislature must ensure that the chamber revamp is completed before the end of the 2015/16 financial year. In addition, monthly progress reports must be submitted to the Speaker in this regard	The contract with the service provider was terminated and the contractor has been appointed. In terms of the schedule the chamber revamping will be completed at the end of October 2016.	Progress noted and accepted. Assurance to complete revamp at the end of October was welcomed. Resolution is ONGOING until Committee receives report on completion of project.
9. Ensure that the In Year Monitoring (IYM) reports are produced every month and discrepancies are attended to ensure that there are no accruals at the end of the 2015/16 financial year	The In Year Monitoring (IYM) reports were produced for every month and presentations of the spending outcomes were presented to the management and the Speaker on a monthly and quarterly basis. Discrepancies and the risk of incurring accruals are emphasised to management and the cost containment measures were intensified to improve the trends.	Resolution was implemented and control environment improved and IYM now produced and presented. More effort must be put to minimize accruals. Resolution must be CLOSED

The Committee accepted the efforts put in implementing House Resolutions and welcomed measures put in place to ensure that the Internal Controls environment improves. The Accounting Officer and the management team must ensure that there is monitoring and maintenance of the measures put in place. House Resolutions marked ONGOING must be fully implemented and reported on to the Committee.

5. GENERAL OBSERVATION

The committee welcomed the presentation and appreciated the work of the Legislature done in ensuring and strengthening the fulfilment of the constitutional mandate of the Legislature.

The Legislature adhered to the request to provide additional information relative to the planned targets not achieved and reasons for non-achievement, budget versus the planned targets achieved and the action plan to address the Auditor-General concerns.

6. PART ONE: GENERAL INFORMATION

6.1. COMPLIANCE TO THE NATIONAL TREASURY GUIDE ON THE PREPARATION OF THE ANNUAL REPORT

The Legislature's Annual Report has adhered to the National Treasury Guide for the Preparation of the Annual Report, hereinafter referred to as 'the Guide', for the year ended 31 March 2016. The cover page has provided maximum information prescribed by the Guide. The **table of content** provides a list of all headings and page numbers, as required. On the **general information** part, they provided the minimum information and definitions of abbreviations used throughout the report.

The Annual Report has provided the **Strategic Overview** which has captured the vision, mission, values, and strategic outcome orientated goals consistent with the Strategic Plan and the 2015/16 Annual Performance Plan (APP). The **Legislative and Other Mandate** have been captured by the Annual Report consistent with the information provided in the Strategic Plan and Annual Performance Plan. The Annual Report provides a high level **organisational structure** in line with the Guide.

The **report of the Speaker**, as the Executive Authority, has captured the high level achievements of the Legislature in relation to policy and strategic outcome oriented goals, and the medium to long term goals of the Legislature. The Honourable Speaker has indicated that the Legislature received an unqualified audit opinion with no material findings on the usefulness and reliability of the reported performance information for the financial year under review from the Auditor-General. The Honourable Speaker **has also signed the foreword accordingly** as required by the Guide.

The **report of the Secretary to the Legislature**, as the Accounting Officer, has captured the perspective of the management and has provided the minimum information required by the Guide. The foreword of the Secretary to the Legislature indicates that the Legislature has seen positive results in the period under review. These included cost containment measures that were implemented which enabled the Legislature to have cost savings. Through the cost savings the institution managed to defray expenditures on prior years' accruals, the IT projects and Chamber AV System.

The Annual Report of the Legislature has captured and comprehensively reported all five key elements (parts) prescribed by the Guide. There is no significant repetitions and duplication of information provided in the Annual Report.

During the 2015/16 financial year numerous targeted projects and events were undertaken as part of the Legislature's efforts to fulfil and achieve the constitutional mandate and the vision of the Legislature respectively. These included the following:

- Held eight (08) Sector Parliaments
- Held two (02) 'Taking Legislature to the People' (TLP) projects
- Hosted thirty six (36) Petitions' Clinics
- Processed two hundred and fifty five (255) petitions
- Conducted one hundred and three (103) public education workshops
- Coordinated twenty five (25) Sittings of the House
- Reviewed twelve (12) pieces of legislation and passed three (03)
- Held the State of the Province Address (SOPA)
- Implemented the Oversight Model of Mpumalanga Provincial Legislature
- Produced two hundred and ninety two (292) reports for Parliamentary Committees
- Implemented seven (07) legacy projects for nation building; and
- Developed an Annual Training Programme for Members and coordinated five (05) training sessions.

7. PART TWO: PERFORMANCE INFORMATION

7.1. BUDGET PERFORMANCE

The Legislature spent an amount of R295 621 000.00 (92.3%) from a total budget of R320 195 000.00 during the 2015/16 financial year.

Programme	Final Appropriation	Actual Amount Spent	Outcome as % Budget	(Over)/Under Expenditure	Final Appropriation	Amount Spent	(Over)/Under Expenditure
	2015/16	2015/16		2015/16	2014/15	2013/14	2014/15
	R'000	R'000		R'000	R'000	R'000	R'000
Administration	144 288	134 704	93.4%	9 584	135 335	133 133	2 202
Parliamentary Business	175 907	160 917	91.5%	14 990	155 786	155 786	249
TOTAL	320 195	295 621	92.3%	24 574	291 121	288 670	2 451

The Legislature has spent R295 621 000.00 out of a total final appropriation budget of R320 195 000.00 (92.3%) for the 2015/16 financial year. The amount of R24 574 000.00 (7.7%) has been rolled-over to the 2016/17 financial year. The 7.7% deviation in the expenditure of the appropriated budget was as a result of the allocation for the revamping of the Chamber AV System and the construction of the Parliamentary Village.

Programme 1: Administration spent R134 704 000.00 (93.4%) of its final budget of R144 288 000.00 for 2015/16. The deviation of 6.6% was due to the delays on the revamping of the Chamber AV System project.

Programme 2: Parliamentary Business spent R160 917 000.00 (91.5%) out of its final budget of R175 907 000.00 for 2015/16. The underspending of 8.5% was due to the allocation for the construction of the Parliamentary Village which amount will be rolled over to the 2016/17 financial year. The Committee noted that the Parliamentary Village project with its allocated budget will be moved to the Department of Public Works, Roads and Transport for implementation.

The Legislature achieved 104 (87%) out of its 120 planned targets for the period under review. It was noted that 10 planned targets could not be achieved due to delays in finalising institutional processes, four (04) planned targets were not achieved due to the reprioritisation of the Legislature Programme; and two (02) could not be achieved due to budgetary constraints. The Committee noted that, in order to mitigate the challenges experienced in the period under review, the following measures were implemented:

- The Programming and Implementation Committee (PIC) was established and is responsible to ensure alignment between political and administration programmes; and to better synchronise and coordinate institutional activities.
- The Legislature has introduced and implemented cost curtailment measures.

Economic Classification spending for 2015/16

Economic Classification	Final Appropriation	Actual Amount Spent	Budget as %	(Over) / Under spending	% (Over) / Under spending
	R'000	R'000		R'000	%
Compensation of Employees	130 744	129 156	98.8%	1 588	1.2%
Goods and Services	100 682	99 972	99.3%	710	0.7%
Transfers and Subsidies	58 742	58 731	99.98%	11	0.0%
Payments for Capital Assets	29 765	7 500	25.2%	22 265	74.8%
Payments for Financial Assets	262	262	100%	-	0.0%
TOTAL	320 195	295 621	92.3%	24 574	7.7%

- **Compensation of Employees:** R129 156 000.00 (98.8%) was spent out of the budget of R130 744 000.00.
- **Goods and Services:** R99 972 000.00 (99.3%) was spent out of the budget of R100 682 000.00.
- **Transfers and Subsidies:** R58 731 000.00 (99.98%) was spent out of the budget of R58 742 000.00.
- **Payments for Capital Assets:** R7 500 000.00 (25.2%) was spent out of the budget of R29 765 000.00. The low expenditure was due to the delays on the procurement of the Chamber AV System and the Parliamentary Village.
- **Payments for Financial Assets:** The total budget amounting R262 000.00 (100%) was spent.

7.2. ACCRUALS

The Legislature had accruals amounting to R5 100 000.00 for the 2015/16 financial year; and it was reported that the full amount was cash-backed. It was noted that the accruals emanated from outstanding invoices; that the majority of invoices have since been paid and that the only outstanding amount to be paid amounts to approximately R900 000.00.

7.3. IRREGULAR EXPENDITURE

The committee was informed that the Auditor-General made a finding in the Department of Community Safety, Security and Liaison 2014/15 annual financial statements pertaining to the appointment of service providers for the provision of security services in the province for a period of three years, namely 1 April 2015 – 31 March 2018. The Auditor-General declared the supply chain processes in this regard in the Department of Community Safety, Security and Liaison as irregular. The service provider providing security services in the Legislature was included in this list of service providers who was appointed in an irregular manner as determined by the Auditor-General. Subsequently, a directive was given that, since the expenditure incurred towards this service provider was deemed as irregular, it must then be disclosed as such in the 2015/16 Annual Report of the affected departments, which included the Legislature. Consequently, the Legislature had to reflect the amount paid towards the security service provider as irregular expenditure; and an amount of R991 248.00 has been duly reflected in the Legislature's Annual Report on page 182. It was also noted that the Legislature paid this amount directly towards the security provider, instead of the amount being transferred to the Department of Community Services, Security and Liaison as the department who appointed and entered into a contract with the service provider.

7.4. ALIGNMENT TO THE ANNUAL PERFORMANCE PLAN 2015/16

Both the programmes are aligned to the Annual Performance Plan as submitted and adopted by the Legislature. The purpose and strategic objectives are also captured consistent with the Annual Performance Plan.

7.5. AUDITOR-GENERAL REPORT

The Legislature obtained an Unqualified Audit Opinion with matters of emphasis; which indicates a slight regression from the 2014/15 Unqualified Audit Opinion with no matters of emphasis.

The Auditor-General report indicated that the financial statements submitted presented fairly, in all material respects, the financial position of the Legislature as at 31 March 2016 and its financial performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP (herein after referred to as 'GRAP') and the requirements of the FMPPLA.

It was noted that the Legislature was one (01) of the four (04) legislatures in the country which had implemented GRAP and being audited on full GRAP. The Legislature started in 2013 to migrate from the accrual system to GRAP and was given three (03) years to adhere to specific schedules which led to the first full audit in terms of GRAP and the requirements of the FMPPLA in the period under review. The slight regression in the audit outcome was mainly because the annual financial statements were, for the first time since it started to migrate to GRAP three years ago, prepared on the new accounting system. This implied that the Auditor-General had to audit Legislature, as per the GRAP and FMPPLA requirements.

The Auditor-General indicated that no material findings were raised on the usefulness of reported performance information or on the reliability of reported performance information. There were misstatements on reported performance identified during the auditing process; however, management subsequently corrected the misstatements and no material findings were raised in that regard.

As part of the mitigation to ensure a clean audit in future, management has compiled an Audit Action Plan which is implemented and monitored on a monthly and quarterly basis.

7.6. Departmental receipts

Revenue collection for 2015/16

Departmental receipts	Estimated	Actual Amount Collected R'000	(Over) / Under Collection R'000	% of Actual vs allocation
Sale of goods and services other than capital assets	15	18	3	120%
Transfers received (donations)	0	550	550	0%
Interest, dividends and rent on land	819	1 105	286	135%
Sale of capital assets	295	0	-295	0%
Financial transaction in assets and liabilities	95	725	630	763%
TOTAL	1 224	2 398	1 174	196%

The table above indicates that the projected revenue collection for the Legislature was amounting to R1 224 000.00. However, the Legislature collected an amount of R2 398 000.00 which is an over-collection of an amount of R 1 174 000.00. The main contributor to the over-collection is on interest, dividends and rent on land which yielded an over collection amounting to R286 000.00; and financial transactions in assets and liabilities which yielded an over-collection amounting to R630 000.00. It should be noted that the amount of R550 000.00 which was for SOPA purposes also contributed to the over-collection.

7.7. Donor Funds

The Committee noted in the Annual Report that the Legislature had received donations amounting to R550 000.00 for the support of SOPA activities.

7.8. PROGRAMME 1: ADMINISTRATION

The purpose of the programme was to provide strategic leadership, management and administration support to ensure institutional effectiveness and the achievement of the core business of the Legislature.

This programme has four (04) sub-programmes, with their sub-sub programmes, namely:

- i. Office of the Speaker**
 - Chief of Staff
 - Secretariat Services
 - Treasury
 - Members' Affairs
 - Inter-Parliament and Parliamentary Advisory Service
- ii. Office of the Secretary**
 - Management
 - Planning, Performance Monitoring and Evaluation
 - Internal Audit
 - Risk Management
- iii. Corporate Services**
 - Management
 - Human Capital Management
 - Information Technology
 - Communication
 - Institutional Support
- iv. Financial Management**
 - Management
 - Finance
 - Supply Chain Management

Programme Analysis

The Legislature had achieved **73** out of **84** planned targets for Programme 1: Administration. This indicates that the Legislature has achieved **87%** of the planned targets in this Programme.

The Legislature highlighted the following Key Achievements in this Programme for the period under review:

- Developed four (04) Comprehensive Divisional Governance and Management reports
- Developed four (04) Tabling Registers and four (04) House Resolutions Registers
- Analysed the Legislature annual budget and four (04) budget outcomes
- Analysed twelve (12) in-year monitoring and three (03) quarterly, one (01) half-yearly and one (01) annual financial statements
- Conducted two (02) workshops on FMPPLA
- Developed the Treasury Process and Procedure Manual
- Developed the Members' Service Charter
- Developed the Annual Training Programme for Members
- Coordinated five (05) training sessions for Members
- Compiled four (04) reports on services provided to Members
- Coordinated twenty-two (22) Legislature events in line with twenty-two (22) protocol plans
- Held three (03) colloquium sessions
- Developed the Annual Performance Plan, four (04) quarterly, mid-term performance reports
- Developed four (04) quarterly performance evaluation reports
- Reviewed the Internal Audit Charter and Audit Committee Charter
- Reviewed the Three-year Risk-based Audit Plan and One-year Audit Operational Plan
- Developed the Institutional Corporate Governance Model
- Developed the Internal Audit Methodology
- Held two (02) risk awareness workshops
- Conducted the Strategic Risk Assessment and developed the Strategic Risk Register
- Reviewed four (04) risk management policies, developed and approved risk management framework
- Developed the Risk Management Action Plan and compiled three (03) risk status reports
- Conducted two (02) half-year Performance Management Awareness workshops
- Implemented the HRM Strategy and developed, approved and implemented the HRM Plan
- Developed and implemented the Annual Training Development Plan
- Developed and implemented the Annual EWP
- Maintained Business IT systems and infrastructure
- Enhanced the Business IT systems infrastructure
- Implemented the Communication and Marketing Strategy
- Developed and implemented the File Plan and Document Classification System
- Developed and implemented the Artwork Management Plan
- Established the Visitors' Centre
- Developed and implemented the Library Enhancement Plan
- Developed and implemented the Fleet Acquisition and Management Plan
- Reviewed and implemented the Legislature Security Strategy

- Developed and implemented the Security and Inspection Plan
- Developed and implemented the OHS Strategy
- Compiled the Legislature budget and twelve (12) monthly expenditure reports
- Developed and implemented the Annual Procurement Plan and updated the database of suppliers
- Conducted four (04) quarterly asset verification and inventory counts
- Conducted the Asset Disposal and SCM Compliance Awareness workshop

a. Chamber Revamp

The Legislature reported that through implementation of cost curtailment measures it managed to make savings necessary to complete the project. Furthermore, that the new contractor had been duly appointed and was on site; and that in terms of the contract schedule the chamber revamping will be completed by the end of October 2016.

7.9. PROGRAMME 2: PARLIAMENTARY BUSINESS

The purpose of this programme is to provide strategic management and support in relation to parliamentary services to ensure institutional effectiveness in the fulfilment of the constitutional mandate of the Legislature.

This programme has two (02) sub-programmes, with their sub-sub programmes, namely:

- i. Law Making**
 - Management
 - House Proceedings and Hansard
- ii. Oversight**
 - Committees and NCOP Support Services
 - Research Services
 - Legal Services
 - Public Participation and Petitions

Programme Analysis

The Legislature has achieved 31 out of 36 planned targets for Programme 2: This indicates that the Legislature has achieved 86% of the planned targets in this Programme.

The Legislature highlighted the following Key Achievements in this Programme for the period under review:

- Developed and implemented the MPLOM Framework
- Developed, approved and implemented the House Resolution Tracking Manual
- Developed and implemented the Hansard Standard Operating Procedure Manual
- Developed, implemented and updated the Annual Programme of Committees of the Legislature and Incorporated and updated the NCOP activities fortnightly
- Produced one hundred and twenty-four (124) committee reports
- Produced two hundred and sixteen (216) sets of minutes
- Compiled and submitted eight (08) mandates
- Produced and submitted eighteen (18) budget analysis reports
- Produced and submitted eighteen (18) annual analysis reports
- Produced seventeen (17) financial statements and submitted to SCOPA
- Produced and submitted forty-four (44) research reports to parliamentary committees
- Reviewed forty (40) institutional policies
- Developed, implemented, reviewed and updated the Research, Policy and Knowledge Management Plan
- Drafted and submitted forty-four (44) requested Legal Opinions
- Reviewed and submitted twelve (12) pieces of legislation
- Compiled report on eighteen (18) annual legal analysis on the implementation of legislation by provincial organs of state
- Compiled and submitted four (04) reports on Annual Digest on Rulings made by the Presiding Officer
- Attended litigation matters pertaining to the Legislature
- Drafted and vetted the Legislature contracts and compiled four (04) reports
- Monitored, updated and submitted the legislative compliance register
- Conducted and compiled reports on two (02) training sessions on legislation and Rules
- Conducted one hundred and three (103) public education workshops
- Held two (02) feedback sessions with targeted groups on Sectoral Parliaments
- Processed two hundred and fifty-five (255) petitions
- Hosted thirty-six (36) Petition's Clinics

8. PART THREE: GOVERNANCE

The information presented in the Annual Report of the Legislature was consistent with the provisions of the Guide.

The Legislature had conducted risk management activities in line with its approved risk management policy to determine the level of exposure on strategic, IT and fraud risks, and updated the risk action plan on a quarterly basis.

The fraud and prevention plan was developed and approved by the Legislature during the year under review. The plan was implemented and yielded the desired results. The Legislature indicated that there were no fraud and corruption cases that were reported during the period under review.

The Legislature attended two (02) select committee meetings during the period under review. Various matters were raised by the Select Committees for implementation by the management of the Legislature. These matters included SCOPA resolutions, and to that effect there was progress reported by the Legislature (Annual Report page 83-89).

9. PART FOUR: HUMAN RESOURCE MANAGEMENT

The Legislature operates under the political leadership of the Honourable Speaker of the Legislature, Hon. BT Shongwe, and the administrative leadership of the Secretary to the Legislature, Mr L. Mwale. The high level organisational structure contained in the Annual Report indicates 11 posts and the Legislative Service Board.

There were only five (05) terminations for the financial year 2015/16; namely three (03) resignations, one (01) death and one (01) retirement.

According to page 105 of the Annual Report the four (04) top management posts were filled with three (03) males and one (01) female. This means that the Legislature was at 25% of women representation at top management posts. A similar trend permeates on the 19 senior management posts wherein 12 were male and seven (07) female. This meant that the Legislature was at 37% of women representation in terms of employment equity. However, at the lower levels the Legislature was dominated by females who are at 60% as opposed to 40% male representation.

The Legislature was at 1.7% in terms of people with disabilities as at the end of the financial year 2015/16 and had failed to meet the 2% target.

The Legislature instituted an investigation involving five (05) officials at the end of the 2014/15 financial year based on allegations of possible financial misconduct. It was noted on page 121 of the Annual Report that these proceedings have not been completed. The cost of the suspension of the five (05) officials amounts to R2 954 086 000.000 as indicated on page 115 of the Annual Report.

10. PART FIVE: FINANCIAL INFORMATION

The Legislature included its financial performance information in the Annual Report as required.

11. FINDINGS

- 11.1. The Legislature has implemented 104 out of 120 planned targets. The overall programme analysis of the Annual Report indicates that the Legislature has achieved 87% of the planned targets. The Legislature spent 92.3% of its budget during the financial year under review.
- 11.2. The Legislature obtained an Unqualified Audit Opinion with matters of emphasis; which indicates a slight regression from the 2014/15 Unqualified Audit Opinion with no matters of emphasis. In terms of the usefulness and reliability of the reported performance information, there were no material findings found by the Auditor General.
- 11.3. The Legislature was indirectly implicated in a finding by the Auditor-General in the annual financial statements of the Department of Community Services, Security and Liaison for 2014/15; indicating that the appointment of service providers for security services for the period 1 April 2015 – 31 March 2018 was irregular. It was found that the service provider providing security services for the Legislature was included in this list of service providers who were appointed in an irregular manner as determined by the Auditor General. Subsequently, the Legislature reflected an amount of R991 248.00 as irregular expenditure in its Annual Report as per the directive given. It was also noted that the amount was paid directly towards the service provider, instead of the amount been transferred to the Department of Community Services, Security and Liaison as

being the department who appointed and entered into a contract with the service provider.

- 11.4. The Legislature has not attained the 50/50 female representation at top and senior management level as prescribed by the Employment Equity Act. Furthermore, the Legislature was at 1.7% in terms of people with disabilities as at the end of the financial year 2015/16 and had failed to meet the 2% target.
- 11.5. Another service provider has been duly appointed to finalise the project to revamp the Chamber; and it was reported that the project will be completed by end of October 2016.
- 11.6. There were funds underspent due to being ring-fenced for the implementation of the Parliamentary Village.

12. RECOMMENDATIONS

After the deliberations, the Committee recommended that the Legislature must:

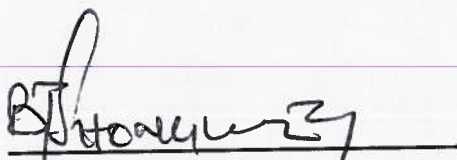
- 12.1. Pay particular attention to the implementation of targets to ensure 100% achievement of planned targets in the next financial year. Furthermore, Legislature must ensure that there are effective mechanisms in place to ensure achievement of all planned targets; and 100% utilisation of its appropriated budget.
- 12.2. Strictly implement the audit action plan developed to mitigate the challenges raised by the Auditor-General to ensure a clean audit opinion in the 2016/17 financial year.
- 12.3. Correct the payment towards the service provider for security services by transferring the money to the Department of Community Safety, Security and Liaison as being the department who appointed and entered into a contract with the service provider.
- 12.4. Prioritise employment of females at senior management level and people with disabilities to comply with the Employment Equity Act requirements.
- 12.5. Submit a report on completion of the revamping of the Chamber project by 30 November 2016.

- 12.6. Transfer the Parliamentary Village project and its budget to the Department of Public Works, Roads and Transport for implementation of the project.

13. CONCLUSION

In conclusion, the Chairperson would like to thank the Honourable Members of the Select Committee on Legislature Oversight, the Secretary and his management team and the support staff of the Legislature for their availability, dedication and commitment shown during the deliberations.

This Committee report on the 2015/16 Annual Report of the Legislature is hereby tabled to the House with a request to adopt it with its recommendations for implementation by the Legislature; a progress report must be tabled to the Committee by no later than **27 January 2017** and thereafter, on quarterly basis.



HON BT SHONGWE, MPL

CHAIRPERSON

SELECT COMMITTEE ON LEGISLATURE OVERSIGHT

4. 11. 2016

DATE