

REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT

FIRST QUARTERLY PERFORMANCE REPORT OF THE MPUMALANGA PROVINCIAL LEGISLATURE HELD ON 28 AUGUST 2019 FOR 2019/20 (VOTE 02)

1. INTRODUCTION

The **Select Committee on Legislature Oversight** (the Committee) has a mandate to ensure fiscal discipline, accountability, efficient co-ordination and good governance by holding the Mpumalanga Provincial Legislature (the Legislature) accountable through various measures, which the Committee may undertake during the course of a financial year. This mandate is in line with section 4 of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) read with Rule 135(h) of the Rules and Orders of the Mpumalanga Provincial Legislature. Therefore, the Committee has powers to interrogate the budget, Annual Performance Plan, Strategic Plan and quarterly performance reports of the Legislature to ensure compliance to policies and legislative requirements for the achievement of its vision of a people-centred African world class Legislature.

The Committee tables this report, in accordance with rule 218 of the Rules and Orders as an account of the work done regarding the 2019/20 first quarterly performance and budget outcomes.

2. METHOD OF WORK

The Speaker referred the following documents to the Committee for deliberations and report back to the House, in accordance with section 17(2) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) read with Rule 190(4) of the Rules and Orders of the Mpumalanga Provincial Legislature:

- First Quarterly Performance Report for 2019/20
- First Quarterly Expenditure Report for 2019/20

The Committee met with the Legislature on 28 August 2019 to deliberate on the above matters.

3. BRIEF OUTLINE ON STRATEGIC POLICY PRIORITIES

The Legislature has seven (07) strategic outcome-oriented goals (SOOGs) outlined in its Strategic Plan and Annual Performance Plan respectively for the five year period. These outcomes have been identified to ensure that the fourteen (14) National Government Priority Outcomes as indicated below remain at the centre of the Legislature's intense oversight over the provincial government departments and provincial public entities. These outcomes emanate from the six (6) priorities of the ruling party's manifesto to foster service delivery and to deepen democracy in the Province.

The seven (07) identified strategic outcome-oriented goals of the Legislature for the period 2015 – 2020 are as follows:

- Strengthened oversight over the Executive and State organs in respect of delivery against the six (06) priorities of government in the next five (05) years;
 - Improved involvement of all the people of the Province in the Legislature's processes in the next five (05) years;
 - Improved law-making and the effectiveness of the legislation for the benefit of the people of the Province in the next five (05) years;
 - Improved capacity of the Legislature to conduct its oversight, public participation and law-making functions in the next five (05) years;
 - Improved strategic management, corporate and financial governance in the next five (05) years;
 - Increased promotion of nation-building and social cohesion in the next five (05) years;
- and

3.1. Summary Of The FIRST Quarterly Performance Report For 2019/20

1. Summary of the 1st quarter financial performance report

Table 1: Provincial Legislature 2018/19 Actual Expenditure v/s Allocated Budget

Programme Allocation R'000	Main Budget 2019/20	Actual to end of June 2019	% Actual V/S Allocation
Sub-Programme	R'000		
Administration	181 333	42 054	23,2%
Parliamentary Business	193 550	48 954	25,3%
Total	374 883	91 008	24,3%

Table 1 seeks to indicate the spending pattern of the MPL for the first quarter of 2016/20 financial year. At the end of June 2019, the MPL had spent its allocated budget at **24.3% i.e. R 91 008 000.00** out of an allocated budget of **R 374 883 000.00**. The overall spending is underspent by **0.7%** when compared to the periodic benchmark of **25%** for the 1st quarter. The Legislature has indicated that the spending of 24.3% includes payment of accruals from the previous financial year amounting to R 8 087 000.00 and further emphasized that there were no cash flow challenges for the reporting period under review.

4. Analysis of Programme Performance

4.1. Programme 1: Administration

The programme 1: Administration's purpose is to provide strategic leadership, management and administrative support to ensure institutional effectiveness and the achievement of the core business of the Legislature. The Programme has 4 Sub-Programme, namely: Office of the Speaker, Office of the Secretary, Corporate Services and Financial Management.

Table 4.1.1 Financial performance of programme 1 for the 1st quarter

Programme Allocation R'000	Main Budget 2019/20	Actual to end of June 2019	% Actual V/S Allocation
Sub-Programme	R'000		
Office of the Speaker	21 642	5 404	25,0%
Office of the Secretary	25 725	5 970	23,2%
Corporate Services	103 911	21 844	21,0%
Financial Management	30 055	8 836	29,4%
TOTAL	181 333	42 054	23,2%
Economic Classification:			
Compensation of employees	120 560	28 268	23,4%
Goods and services	53 273	12 085	22,7%
Total transfers and subsidies	0	0	0,0%
Payments for capital assets	7 500	1 701	22,7%
Total	181 333	42 054	23,2%

Table 3 above seeks to illustrate the planned and achieved targets against the spending for the 1st quarter. The MPL has been allocated a budget amounting to **R 181 333 000.00** and the budget has been by **R 42 054 000.00** i.e. **23.2%** at the end of the 1st quarter of 2019/20 financial year. The MPL has indicated that in overall the low spending was influenced by delays in procurement of office furniture due to the office partitioning project not yet finalized.

Sub-programme office of the Secretary and Corporate services underspent its budget by **1.8% and 4%** respectively as compared to the **25%** periodic benchmark. Sub-programme Financial management has overspent its budget by **4.4%** for the 1st quarter of the 2019/20 financial year and no reasons were provided for the overspending under Financial Management.

Again the economic classification indicates under spending for compensation of employees, goods and services and payment for capital assets by **1.6%, 2.3% and 2.3%** respectively. The Programme has 19 planned targets per performance indicator and managed to achieve all planned targets as planned.

5. Programme 2: Parliamentary Business

The purpose of the programme is to provide strategic management and support in relation to Parliamentary Services to ensure institutional effectiveness in the fulfillment of the constitutional mandate of the Legislature. The programme has 3 sub-programmes, namely: **Law making, Oversight and Public Participation**

Table 5.1: Planned and achieved targets vs spending

Sub-programme	Indicator	Planned	Achieved	Deviation	Spending Patten
Law Making	Management	3	3	-	13.5%
	House Proceedings & Hansard	5	3	(2)	
Oversight	Committees & NCOP Support Services	8	7	(1)	21.5%
	Research Services	5	5	-	
Public Participation	Public Participation & Petitions	7	5	(2)	46.2 %

Table 5.1.1 Financial performance of programme 2 for the 1st quarter

Programme Allocation R'000	Main Budget 2019/20	Actual to end of June 2019	% Actual V/S Allocation
Sub-Programme	R'000		
Law Making	35 948	4 869	13,5%
Oversight	48 719	10 489	21,5%
Public Participation	15 193	7 017	46,2%
Members Facilities	93 690	26 576	28,4%
TOTAL	193 550	48 951	25,3%
Economic Classification:			
Compensation of employees	100 643	21 792	21,7%
Goods and services	39 366	9 646	24,5%
Total transfers and subsidies	53 541	17 516	32,7%
Total	193 550	48 954	25,3%

Table 4 above seeks to illustrate the planned and achieved targets against the spending for the 1st quarter. The MPL has been allocated a budget for programme 2 amounting to **R 193 550 000.00** and the MPL has spent **R 48 954 000.00** by the end of the 1st quarter which translate to **25.3%**. The spending is slightly high when considering the **25%**.

The sub-programme Law Making and Oversight has spent its budget low by **11.5%** and **3.5%** respectively while Sub-programme Public Participation and Members facilities overspent its budget by **21.2%** and **3.4%**. The MPL has indicated that the overall slight high spending was caused by the overspending on Voter education programme.

6. FINDINGS

- I. The Legislature has 120 planned targets for the 1st quarter of the 2019/20 financial year and has managed to achieved 115 or 95.8%
- II. The Legislature spent its allocated budget at 24.3% which is R91 008 000.00.
- III. The Legislature did not submit the progress report on house resolutions to the Committee on time.
- IV. The legislature did not submit responses to questions on the first quarterly report of the 2019/20.

7. RECOMMENDATIONS

- I. The legislature must ensure that all targets planned in the Annual Performance Plan (APP) are achieved.
- II. That the legislature spent the allocated budget as per the planned targets and avoid overspending
- III. Ensure that the progress report on House Resolutions is submitted to the Committee timeously.
- IV. That the legislature must comply and submit responses prior to Committee meetings timeously.

8. CONCLUSION

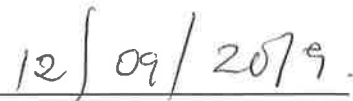
The Chairperson thanked Members of the Select Committee for their participation and attendance. The Secretary to the Legislature and his team were commended for the performance in the First Quarter 2019/20.

This Committee report on the 2019/20 First Quarterly Performance Report of the Legislature is hereby tabled to the House with a request to adopt it with its recommendations for implementation by the Legislature.



HON FV MLOMBO

**CHAIRPERSON: SELECT COMMITTEE
ON LEGISLATURE OVERSIGHT**



DATE