

REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT ON THE 4TH QUARTERLY PERFORMANCE REPORT OF THE MPUMALANGA PROVINCIAL LEGISLATURE FOR 2018/19.

1. INTRODUCTION

The Mpumalanga Provincial Legislature (the Legislature) has a mandate in terms of section 114 of the Constitution of South Africa (Act 108 of 1996), read with the Rules and Orders of the Mpumalanga Provincial Legislature (the Rules), to provide a mechanism enabling it to maintain oversight.

The consideration of the 4th Quarterly Performance Report (January-March 2019) of the Legislature by the Select Committee on Legislature Oversight (the Committee) was to fulfil the oversight responsibilities assigned to it in terms of the Rules and Orders. Having scrutinised and assess the quarterly report, the Committee noted the progress they were making against their planned targets and allocated budget for the 2018/19 financial year which are presented as here below.

2. METHOD OF WORK

The Speaker tabled the 4th quarterly performance report in the Legislature. Subsequently, the report was referred to the Committee for consideration and report back to the House. Invitations to the deliberations were issued to the Speaker and the Secretary to the Legislature.

On 27 June 2019 the Committee met with the Legislature to deliberate on the 4th quarterly performance report. Subsequently, the Committee met to consider the Committee Report.

3. GENERAL OBSERVATIONS

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The Committee made the following observations:

- a. The Legislature's delegation was led by the Speaker.
- b. The 4th Quarterly Performance Report was correctly tabled by the Honourable Speaker within 30 days after the end of the quarter as required by the Rules and Orders of the Mpumalanga Provincial Legislature;
- c. The Legislature's main allocation for the year under review is R346 647 000;
- d. The Legislature achieved 113 out of 115 planned targets (98%) during the period under review.

4. OVERVIEW BY THE HON SPEAKER

The Speaker, presented the overview and cited the following issues:

- It is her singular responsibility to ensure that the necessary Governance structures are functioning effectively and efficiently to enhance accountability and good governance.
- They undertake the responsibility cognisance of the need for this Legislature, as the centre of Oversight, to be exemplary for Government and other state organs.
- The true test of the effective functioning of this Committee will be the ability of this Administration to remain answerable to this Committee.
- The expectation will be the ability of the Committee to detect any short comings and weaknesses particularly in relation to improper conduct and maladministration and hold the Legislature accountable on Taxpayer's money spent.
- This is an opportunity to foster mutual and collective understanding between the Legislature and the Oversight Committee on Institutional programmes and Budget.

Comments by the Committee

- The Committee wanted clarity with regard to the formula used in allocating funds to Political Parties. The Accounting Officer promised to submit it in written form
- The Committee requested clarity on the Accruals, if they were cash backed or not. The CFO confirmed that the Accruals were cash backed.

5. BRIEFING BY THE SECRETARY TO THE LEGISLATURE ON THE 4TH QUARTERLY PERFORMANCE REPORT (JANUARY- MARCH 2019) OF THE LEGISLATURE

During the 4th quarter, the Secretary reported that the Legislature had planned 115 targets and was able to achieve 113, which translate to 98% achievement during the period under review.

5.1. PROGRAMME 1: ADMINISTRATION

The programme provides strategic leadership, management and administrative support to ensure institutional effectiveness and the achievement of the core business of the Legislature. The programme has four (04) key divisions with its own sub-programmes or sections as well as annual performance targets, quarterly targets and medium term targets.

The key divisions are as follows:

- Office of the Speaker;
- Office of the Secretary;
- Corporate Services;
- Financial Management;

He further reported that out of the four (04) divisions; four (04) achieved 100% of its planned targets for the quarter under review.

The sub-programmes are as follows:

- Office of the Speaker: consists of the Chief of Staff, the Inner Office and Treasury;
- Office of the Secretary: consists of Planning, Performance Monitoring and Evaluation, Governance Support Services and Risk Management;
- Corporate Services: consists of Human Capital Management, Information Technology, Communication, Institutional Support, Library and Document Management and Legal Services;
- Financial Management: consists of Finance and Supply Chain Management.

Table 1: Planned and achieved targets for the sub- programmes and its spending

Sub-programme	Performance Indicators	Planned	Achieved	Deviation	Spending Patten
Office of the speaker	Chief of staff	3	3	-	100%
	Inner-Office Support Services	8	8	-	
	Treasury	3	3	-	
Office of the Secretary	Management (MGT)	2	2	-	96.9%
	Secretary	8	8	-	
	Governance Support Services	4	4	-	
	Risk Management	2	2	-	
Corporate Services	Management	2	2	-	94.6%
	Human Capital Management	11	11	-	
	Information Technology	8	8	-	
	Communications	5	5	-	
	Library and Document Management	3	3	-	
	Institutional Support	5	5	-	
	Legal Services	7	7	-	

Financial Management	Management	3	3	-	100%
	Finance	5	5	-	
	Supply Chain Management	8	8	-	

5.2. PROGRAMME 2: PARLIAMENTARY BUSINESS

The programme provides strategic leadership, management and administrative support in relation to parliamentary services to ensure institutional effectiveness in the fulfilment of the constitutional mandate of the Legislature.

The programme has its own sub-programmes with annual performance targets, quarterly targets and medium term targets. The targets are underpinned by clear Programme Performance Indicators (PPI).

The sub-programmes are as follows:

- Law making which consist of House Proceedings and Hansard;
- Oversight that consists of Committees and NCOP, Research Services; and
- Public Participation.

Table 2: Planned and achieved targets vs spending

Sub-programme	Indicator	Planned	Achieved	Deviation	Spending Patten
Law Making	Management	3	3	-	95.9%
	House Proceedings & Hansard	6	6	-	
Oversight	Committees & NCOP Support Services	9	9	-	94.4%
	Research Services	3	3	-	
Public Participation	Public Participation & Petitions	7	5	(2)	82.3%

5.3. CHALLENGES RAISED BY THE LEGISLATURE

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It was reported that despite the overall quarterly institutional performance achievement of 98%, there was a deficit of 2% due to non-achievement of some few targets. Measures to address the non-achievements of the targets are as follows:

- Management continues to review quarterly performance at institutional level;
- Review at divisional level is encouraged;
- Preparation and validation of mode of verification files for reported performance information is undertaken;
- Verification and validation checklists have been developed and implemented;
- Regular engagements with the oversight committee, audit committee and internal audit is conducted;
- Development, implementation and monitoring of action plan on audit findings (AG and Internal Audit) are taking place;
- Regular engagements with divisions and sections are undertaken to address planning, monitoring and evaluation matters.

6. BUDGET EXPENDITURE

It was reported that the Legislature's main budget allocation for the year under review is **R346 647 000**.

Expenditure per programme

Programme 1- Administration

The MPL has been allocated a budget amounting to R163 721 million which was adjusted by R8 835 000.00 to a total final budget of R172 556 000.00 for the 2018/19 financial year in this programme. This adjusted budget has been spent at 96.5% or R166 484 000.00. It was reported that the low spending by 3.5% was as a result of the

delay in finalizing the process of appointing the service provider for Building partitioning and Committee rooms upgrade.

Table 1 Financial performance for the 4th quarter

R' 000	Allocated Budget 2018/19	Adjustment as per AEPRE	Post Adjustments	Final Budget	Actual Expenditures @ March 2019	% Actual V/S Allocation
Sub-Programme						
Office of the Speaker	21 987	0	119	22 106	22 106	100,0%
Office of the Secretary	22 972	1517	-119	24 370	23 608	96,9%
Corporate Services	92 162	7187	-1 343	98 006	92 696	94,6%
Financial Management	26 600	131	1 343	28 074	28 074	100,0%
Total	163 721	8835	0	172 556	166 484	96,5%
Economic Classification						
compensation of employees	103 333	564	361	104 258	104 258	100,0%
Good and Services	58 860	8271	-361	66 770	61 294	91,8%
Total transfers and subsidies	0	0	0	0	932	0,0%
Payments for capital assets	1 528	0	0	1 528	0	0,0%
Total	163 721	8835	0	172 556	166 484	96,5%

Programme 2 – Parliamentary Business

It was reported that its main budget allocation is R182 926 million which was adjusted by R17 342 000.00 resulting in a final adjusted budget of R200 268 000.00. The MPL spent R191 295 000.00 which translate to 95.5%; and that underspending is material

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as it is above the 2.5%. The MPL indicated that the low spending was caused by Voter Education Project not completed by the end of the financial year as the second adjustment was appropriated towards the end of the financial and goods and services delivered/rendered not paid as at 31 March 2019.

Table 1 Financial performance of programme 2 for the 4th quarter

R' 000	Allocated Budget 2018/19	Adjustment as per AEPRE	Post Adjustments	Final Budget	Actual Expenditures @March 2019	% Actual V/S Allocation
Sub-Programme						
Law Making	30 409	4347	0	34 756	33 336	95,9%
Oversight	45 013	1179	0	46 192	43 611	94,4%
Public Participation	14 123	5000	0	19 123	15 742	82,3%
Members Facilities	93 381	6816	0	100 197	98 606	98,4%
Total	182 926	17 342	-	200 268	191 295	95,5%
Economic Classification						
compensation of employees	88 626	331	0	88 957	85 582	96,2%
Good and Services	33 804	17011	0	50 815	45 217	89,0%
Total transfers and subsidies	0	0	0	0	60 496	0,0%
Payments for capital assets	60 496	0	0	60 496	0	0,0%
Total	182 926	17 342	0	200 268	191 295	95,5%

7. COMMENTS BY THE COMMITTEE ON THE SECRETARY'S PRESENTATION

After the Secretary's presentation on the 4th quarter performance report, the Committee appreciated the report and noted the following:

- The good performance of the Legislature as it managed to achieve 113 out of 115 planned targets (98%) for the quarter under review.
- The expenditure was in line with the targets planned for the period under review.

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8. FINDINGS

After the deliberations on the 1st quarterly performance report, the Committee found that:

- 8.1. The Legislature failed to achieve all planned targets (100%) for the quarter under review.
- 8.2. The cash backed accruals.
- 8.3. The upgrading of Committee Rooms; and office partitioning.

9. RECOMMENDATIONS

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

- 9.1 Achieve 100% of its planned target next quarter;
- 9.2 Ensure that it adheres to policy of effecting payment within 30 days in order to deal decisively with Accruals.
- 9.3 (a) The Legislature must submit a costed plan on the project of upgrading Committee Rooms; and office partitioning on or before the 19th of July 2019.

(b) The Legislature must also submit a detailed explanation on the upgrade of Committee Room 7: it must in the process give thorough explanation on the project's value for money.

10. CONCLUSION

The Chairperson expressed his sincere gratitude to the Honourable Committee Members for their constructive inputs during the consideration of the 4th quarterly performance report of the Legislature for 2018/19 financial year.

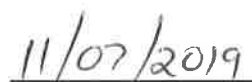
The Committee further appreciated the Legislature leadership led by Hon BP Shiba -the Speaker, as well as the Legislature's administration, as led by the Secretary to the Legislature, Mr LJ Mwale for their attendance and participation during the interactions.

The Committee requests the House to adopt the Committee report with its findings and recommendations. A progress report be submitted to the Legislature by **15 August 2019.**



HON. FV MLOMBO, MPL

**CHAIRPERSON: SELECT COMMITTEE ON
LEGISLATURE OVERSIGHT**



DATE