

REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT ON THE MPUMALANGA PROVINCIAL LEGISLATURE

3RD QUARTERLY PERFORMANCE REPORT (OCTOBER-DECEMBER) FOR 2018/19 FINANCIAL YEAR, MEETING HELD ON 20 MARCH 2019

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 3rd Quarterly Performance Report (October-December 2018) 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 3rd 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, Mr LJ Mwale.

On 20 March 2019 the Committee met with the Legislature to deliberate on the 3rd quarterly performance report. Subsequently, the Committee met on 26 March 2019 to consider the draft Committee Report.

3. GENERAL OBSERVATIONS

The Committee made the following observations:

- a. The legislature's delegation was led by the Speaker, Hon VS Siwela;
- b. The 3rd 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 final adjusted budget for the year under review is R369 824 000;
- d. The total spending at the end of the third quarter was R280 141 000 (75.7%) which is overspending by 0.7%;
- e. The Legislature achieved 117 out of 118 planned targets (99%) during the period under review.

4. OVERVIEW BY THE HON SPEAKER

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

- Appearing before this Committee is a compliance matter and thus the Committee is more than welcome to guide us ;
- As the Speaker of the Institution, I am Treasury, and must ensure that all Governance Structures are functioning effectively and efficiently to ensure accountability;
- We present this report to account for the period under review;
- One of our mandates as a Legislature is to hold Government accountable, we do not need any permission to do oversight; thus as a Legislature we have to be accountable to this very Committee.
- I undertook to intervene in the labour challenges that confronted the Institution and I had to implement the remedial actions recommended by CCMA. I am pleased to report that all affected officials are reinstated in the institution.
- We need to continue with cost curtailment measures as the country is going through an Economic meltdown.

- We must improve our expenditure outlook and avoid wasteful expenditure.

5. BRIEFING BY THE SECRETARY TO THE LEGISLATURE ON THE 3RD QUARTELY PERFORMANCE REPORT (OCTOBER-DECEMBER 2018) OF THE LEGISLATURE

During the 3rd quarter, the Secretary reported that the Legislature had planned 118 targets and was able to achieve 117, which translates to 99% 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; three (03) 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	-	71.1%
	Inner-Office Support Services	8	8	-	
	Treasury	4	4	-	
Office of the Secretary	Management (MGT)	2	2	-	74.0%
	Secretary	9	9	-	
	Governance Support Services	4	3	(1)	
	Risk Management	2	2	-	
Corporate Services	Management	3	3	-	67.9%
	Human Capital Management	10	10	-	
	Information Technology	8	8	-	
	Communications	5	5	-	
	Library and Document Management	3	3	-	
	Institutional Support	5	5	-	
	Legal Services	8	8	-	
Financial Management	Management	3	3	-	78.1%
	Finance	5	5	-	

	Supply Chain Management	8	8	-	
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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 consists 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	-	72.5%
	House Proceedings & Hansard	5	5	-	
Oversight	Committees & NCOP Support Services	9	9	-	72.7%
	Research Services	5	5	-	
Public Participation	Public Participation & Petitions	7	7	-	70.0%

5.3. CHALLENGES RAISED BY THE LEGISLATURE

It was reported that despite the overall quarterly institutional performance achievement of 99%, there was a deficit of 1% due to non-achievement of a target

in the Governance Support services. Measures to address the non-achievement of the target 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 adjusted budget allocation for the year under review is **R369 824 000**.

Expenditure per programme

Programme 1- Administration

During the period under review, an amount of R122 050 000.00 was spent which translates to 70.7% out of the total adjusted budget of R172 556 000.00. It was reported that the low spending was as a result of the delay in finalizing the process of appointing the service provider for building partitioning and Committee Rooms upgrade and the project has started towards the end of the third quarter.

Table 1 Financial performance for the 3rd quarter

R' 000	Final Adjusted Budget 2018/19	Actual to the end of December 2018	Outcome as % Budget
Sub-Programme			
Office of the speaker	21 987	15 625	71.7%
Office of the secretary	24 489	18 130	74.0%
Corporate Services	99 349	67 431	67.9%
Financial Management	26 731	20 864	78.1%
TOTAL	172 556	122 050	70.7%
Economic Classification:			
Compensation of employees	103 897	77 474	74.6%
Goods and services	67 131	44 034	65.6%
Total transfers and subsidies	-	-	-
Payments for capital assets	1 528	542	35.5%
Total	172 556	122 050	70.7%

Programme 2 – Parliamentary Business

It was reported that its adjusted budget allocation is R197 268 000.00. During the period under review, R158 091 000.00 was spent which translates into the outcome of 80.1%.

The slightly high spending was as a result of the two Taking Legislature to the People (TLP) which were held in June and September 2018 and International trips undertaken during the period.

Table 1 Financial performance of programme 2 for the 3rd quarter

R'000	Final Adjusted Budget 2018/19	Actual to the end of December 2018	Outcome as % Budget
Sub-Programme			
Law Making	34 756	25 202	72.5%
Oversight	46 192	33 596	72.7%
Public Participation	16 123	11 279	70.0%
Members Facilities	100 197	88 014	87.8%
TOTAL	197 268	158 091	80.1%

Economic Classification:			
Compensation of employees	88 957	63 820	71.7%
Goods and services	47 815	36 029	75.4%
Total transfers and subsidies	60 496	58 242	96.3%
Payments for capital assets	-	-	-
Total	197 268	158 091	80.1%

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

After the Secretary's presentation on the 3rd quarter performance report, the Committee appreciated the report and noted the following:

- The good performance of the Legislature as it managed to achieve 117 out of 118 planned targets (99%) for the quarter under review.
- The Accruals are cash backed.
- The Legislature must provide a breakdown of high spending on TLPs and International Study Tours.
- The Legislature must provide the Committee with the total cost of upgrading the Committee Rooms.
- Programming of International Study Tours so that Hon Members are informed in time.

8. FINDINGS

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

- 8.1. The Legislature failed to achieve 100% of planned targets instead achieved 99%;
- 8.2. The Legislature failed to provide the Committee with the total cost of upgrading the Committee Rooms;
- 8.3. The Legislature failed to provide the Committee with the breakdown of expenditure on TLPs and International Study Tours.

9. RECOMMENDATIONS

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

- 9.1 Achieve 100% of its planned target next quarter;
- 9.2 Submit a Report on the total cost of upgrading Committee Rooms.
- 9.3 Submit a Report on the breakdown of expenditure on TLPs and International Study Tours.

10. CONCLUSION

The Chairperson expressed his sincere gratitude to the Honourable Committee Members for their constructive inputs during the consideration of the 3rd quarterly performance report of the Legislature for 2018/19 financial year.

The Committee further appreciated the Legislature leadership led by Hon VS Siwela-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 **30 April 2019**.



HON. JJ SKOSANA, MPL

**CHAIRPERSON: SELECT COMMITTEE ON
LEGISLATURE OVERSIGHT**

26-03-2019

DATE