

# REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT ON THE 2017/18 ANNUAL REPORT OF THE MPUMALANGA PROVINCIAL LEGISLATURE

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## 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 2017/18 Annual Report of the Legislature and this report is an output of that exercise.

## 2. METHOD OF WORK

The Legislature tabled its 2017/18 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 17 October 2018 with the Legislature, which was represented by the Speaker, Hon VS Siwela, the presiding officer, Hon SPD Skhosana, 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 31 October 2018.

## 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 six(6) priorities of government in the next five (05) years;
- ii. Improved public involvement of all people of the Province in the Legislature's processes in the next five (05) years;
  - iii. Improved law-making and 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. 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.

#### 5. PART ONE: GENERAL INFORMATION

##### 5.1 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 2018. 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 2017/18 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.

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 2017/18 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 two (02) 'Taking Legislature to the People' (TLP) projects
- Sector Parliaments
- State Of the Province Address

## 6. PART TWO: PERFORMANCE INFORMATION

### 6.1. BUDGET PERFORMANCE

The Legislature spent an amount of R315 199 000.00 (94.1%) from a total budget of R335 093 000.00 during the 2017/18 financial year.

Programme	Final Appropriation	Actual Amount Spent	Outcome as % Budget	(Over)/Under Expenditure	Final Appropriation	Amount Spent	(Over)/Under Expenditure
	2017/18	2017/18		2017/18	2016/17	2016/17	2016/17
	R'000	R'000		R'000	R'000	R'000	R'000

Administration	171 754	153 809	89,5%	17 945	155 121	146 196	8 925
Parliamentary Business	163 339	161 390	98.8%	1 949	167 358	163 781	3 577
<b>TOTAL</b>	<b>335 093</b>	<b>315 199</b>	<b>94.1%</b>	<b>19 894</b>	<b>291 121</b>	<b>309 977</b>	<b>12 502</b>

The Legislature has spent R315 199 000.00 out of a total final appropriation budget of R335 093 000.00 (94.1%) for the 2017/18 financial year. The underspending was as a result of the reprioritisation of the Legislature Programmes and the savings, which accrued from the cost curtailment measures that the institution implemented in order to fund the envisaged budget pressures.

Programme 1: Administration spent R153 809 000.00 (89.5%) of its final budget of R171 754 000.00 for 2017/18.

Programme 2: Parliamentary Business spent R161 390 000.00 (98.8%) out of its final budget of R163 339 000.00 for 2017/18.

The Legislature achieved 143 (99%) out of its 144 planned targets for the period under review. It was noted that only one (1) planned target could not be achieved due to lack of space to implement the Centralised Registry.

#### Economic Classification spending for 2017/18

Economic Classification	Final Appropriation R'000	Actual Amount Spent R'000	Budget as %	(Over) / Under spending R'000	% (Over) / Under spending %
Compensation of Employees	165 447	159 640	96.5%	5 807	3.4%
Goods and Services	117 753	106 359	90.3%	11 394	8.8%
Transfers and Subsidies	42 948	42 948	100%	-	0.0%
Payments for Capital Assets	8 945	6 373	71.2%	2 572	28.8%
<b>TOTAL</b>					

- **Compensation of Employees:** R 159 640 000.00(96.5%) was spent out of the budget of R165 447 000.00
- **Goods and Services:** R106 359 000.00 (90.3%) was spent out of the budget of R117 753 000.00.
- **Transfers and Subsidies:** R42 948 000.00 (100%) was spent out of the budget of R42 948 000.00.
- **Payments for Capital Assets:** R6 373 000.00 (71.2%) was spent out of the budget of R8 945 000.00.

## 7.1. ACCRUALS

The Legislature had accruals amounting to R5 500 000.00 for the 2017/18 financial year; and it was reported that the full amount was cash-backed.

## 7.2. ALIGNMENT TO THE ANNUAL PERFORMANCE PLAN 2017/18

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.

## 7.3. AUDITOR-GENERAL REPORT

The Legislature obtained an Unqualified Audit Opinion for the 2017/18 financial year. The legislature had no legislation in place in 2014/15 financial year and to that effect it was not qualified on compliance with legislation but soon as there was a legislation in place in 2015/16 financial year there were compliance issues raised by the AG which the legislature did not comply to since then up to the period including 2017/18. The AG raised material findings on non-compliance with material laws and regulations on expenditure management where the Legislature did not take effective steps to prevent irregular expenditure as required by FMPPLA.

## 7.4. Legislature receipts

Revenue collection for 2017/18

Legislature 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	17	99	82	82.8%
Transfers received (donations)	0	470	470	100%
Interest, dividends and rent on land	905	1 887	982	52%
Sale of capital assets	327	0	327	0%
Financial transaction in assets and liabilities	105	326	221	67.8%

TOTAL	1 354	2 782	1 428	51.3%
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The table above indicates that the projected revenue collection for the Legislature was amounting to R1 354 000.00. However, the Legislature collected an amount of R2 782 000.00 which is an over-collection of an amount of R 1 428 000.00. The main contributor to the over-collection is on interest, dividends and rent on land which yielded an over collection amounting to R982 000.00; and financial transactions in assets and liabilities which yielded and over-collection amounting to R221 000.00. It should be noted that the amount of R470 000.00 which was for SOPA purposes and Speaker's Legacy project also contributed to the over-collection.

### 7.5. Donor Funds

The Committee noted in the Annual Report that the Legislature had received donations amounting to R470 000.00 for the support of SOPA activities.

### 7.6. PROGRAMME 1: ADMINISTRATION

**The purpose of the programme is 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
- Inner Support Services
- Treasury

#### **ii. Office of the Secretary**

- Planning, Performance Monitoring and Evaluation
- Governance Support Services
- Risk Management

#### **iii. Corporate Services**

- Human Capital Management

- Information Technology
- Communications
- Institutional Support
- Library and Document
- Legal Services

**iv. Financial Management**

- Finance
- Supply Chain Management

**Programme Analysis**

The Legislature has achieved **105** out of **106** planned targets for Programme 1: Administration. This indicates that the Legislature has achieved **99%** of the planned targets in this Programme.

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

- Developed operational plans based on the approved APP
- Implemented integrated Divisional Business Process Manual
- Compiled four(4) quarterly monitoring reports on the implementation of recommendations
- Considered Parliamentary Committee Performance reports
- Implemented four(4) Legislature Legacy Projects
- Developed and Implemented Inter-parliamentary Engagement Framework
- Coordinated twenty-eight (28) Legislature events, twenty-eight (28) protocol implementation plans, and twenty-eight(28) reports
- Conducted Analysis of the Legislature annual budget
- Conducted four(4) quarterly budget outcome analysis of the Legislature
- Conducted twelve(12) In-Year Monitoring (IYM) analysis
- Conducted an analysis of three(3) quarterly, one(1) half- yearly and one(1) annual financial statements
- Monitored funds allocated to political parties and compiled four(4) quarterly reports
- Conducted two(2) workshops on FMPPLA and Regulations
- Developed and Implemented Legislature Sector Plan and compiled and submitted four(4) reports
- Held five(5) Legislature colloquium sessions
- Implemented Legislature Security Strategy

- Implemented Security Inspection Plan
- Developed Annual Performance Plan , mid-term assessment and four(4) quarterly reports
- Developed and submitted four(4) quarterly, four(4) evaluations, one (1) mid-year and one(1) mid-term assessment reports
- Reviewed and updated the Manual for Managing Programme Performance
- Reviewed and updated Draft MPL Planning and reporting framework
- Developed and implemented Internal Audit Coordination Action Plan
- Developed and implemented combined Assurance Model
- Reviewed , updated and implemented the Legislature Governance Framework
- Conducted two(2) risk awareness workshops and compiled and submitted two(2) reports
- Conducted and implemented Strategic Risk Assessment for 2018/19 and Strategic Risk Register
- Assessed, developed and implemented Operational Risk Register
- Reviewed, updated and implemented Business Continuity Management Plan
- Developed, approved and implemented Annual HR Plan
- Conducted institutional quarterly employee performance reviews and annual assessments
- Developed and implemented Annual Training Workplace, Annual Skills Plan and compiled and submitted three(3) quarterly reports
- Developed and implemented Specialised Academic programmes for Members and employees
- Developed and implemented Annual EWP
- Developed and implemented OHS Plan
- Implemented Induction and Orientation Policy Programme
- Developed and implemented the Presiding Officer's Manual
- Implemented and monitored Outcomes of the Skills Audit
- Developed the Competency Framework for all job categories at the MPL
- Developed the MPL Officials' Development programme
- Developed and undertaken a benchmarking exercise on other Legislature Exchange Programme
- Developed a concept document and programme for coaching and Mentorship
- Reviewed and implemented Members Service Charter
- Maintained Business IT systems infrastructure, Systems software, Licences and contracts
- Enhanced Business IT Systems and infrastructure
- Reviewed, developed and implemented Disaster Recovery Management Plan
- Developed and implemented Knowledge Management Portal
- Developed and implemented Business intelligence for the Legislature
- Developed and implemented DMS and CRM



- Developed, implemented and supported Intranet Hosting Platform
- Developed and implemented ICT Governance Framework
- Reviewed, updated and implemented Communication Plan in line with Communication and Marketing Strategy
- Implemented Audio-Visual Library
- Monitored website, social and mainstream media
- Implemented Intranet
- Developed and implemented the Legislature Stakeholder Engagement Strategy
- Operated Visitor's Centre
- Implemented Building Maintenance Plan
- Implemented fleet Acquisition Plan
- Reviewed, updated and implemented Electronic Record Management
- Reviewed, updated and implemented Library Service Enhancement Plan
- Drafted and submitted fifty(50) requested Legal Opinions
- Facilitated and reviewed sixteen(16) pieces of Legislation
- Conducted eighteen(18) annual legal analysis on the implementation of legislation by provincial organs of the state
- Compiled four(4) quarterly reports and annual Digest on rulings made by the Presiding Officer
- Attended litigation matters pertaining to the Legislature
- Drafted and vetted the Legislature contracts
- Monitored and updated the Legislature compliance register
- Conducted two(2) training sessions on the Legislature Rules
- Conducted two(2) Financial Governance Awareness Workshops
- Reviewed and updated Finance and SCM Policies and Procedures in line with FMPPLA and GRAP Standards
- Compiled and submitted the Legislature Budget for 2017/18 and held Budget Workshop
- Reviewed, updated and implemented Finance Service Standards
- Prepared and submitted four(4) financial statements
- Conducted two(2) Awareness Workshops on Financial Regulations and compiled and submitted two(2) reports
- Developed and implemented Annual Procurement Plan
- Updated (2017/18) database of suppliers
- Conducted four(4) quarterly asset verification and inventory counts
- Reviewed and implemented SCM Service Standards
- Conducted asset disposal and two(2) SCM Compliance Awareness workshop
- Developed and implemented Contract Management Framework

- Conducted two(2) Awareness Workshops on SCM and compiled and submitted two reports
- Implemented the code of conduct for Employees and Suppliers

## **7.7. 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
- Public Participation and Petitions

## **Programme Analysis**

The Legislature has achieved **38** out of **38** planned targets for Programme 2: This indicates that the Legislature has achieved **100%** 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 Cross Functional Framework for Integrated Parliamentary Support Services
- Coordinated Legislative Sector Initiatives relating to Core Business

- Implemented House Resolution Tracking Manual
- Compiled twenty-two(22) Hansard records and published Hansard year-book for previous calendar year
- Coordinated twenty-two(22) Sittings of the Legislature and published one(1) Digest of the Minutes of the House
- Produced two(2) Procedural Development reports
- Tracked House Resolutions and analysis submitted on progress implemented by the Executive
- Developed and implemented Presiding Officer's Manual
- Reviewed and implemented MPLOM Implementation Framework
- Developed, updated and implemented Annual Programme of the Committees of the Legislature fortnightly
- Produced and submitted one hundred and forty-one(141) Committee Reports each within four (4) days of relevant Committee deliberations
- Produced one hundred and eighty-three sets of minutes each within two(2) days of relevant Committee deliberations
- Compiled and submitted eight(8) Mandates within a day of relevant Committee deliberations
- Incorporated and updated NCOP activities fortnightly in the Legislature programme
- Produced Parliamentary Committees Performance Reports
- Produced and submitted eighteen(18) budget analysis reports
- Produced and submitted twenty(20) Annual report analysis for Parliamentary Committees
- Produced and submitted seventeen(17) Financial Statement analysis and Questions on Annual Reports for SCOPA
- Produced and submitted sixty(60) quarterly analysis reports for Parliamentary Committees
- Produced and submitted seventy-four(74) research reports for Parliamentary Committees
- Reviewed fifteen(15) institutional policies
- Implemented, reviewed and updated Knowledge Management Plan
- Developed, reviewed and implemented Policy Development and Management Framework
- Conducted one hundred and thirty-one(131) public educational workshops
- Mobilised twelve thousand eight hundred and thirteen(12,813) members of the public to attend the Business of the Legislature
- Held four(4) feedback sessions with targeted groups on Sectoral Parliaments
- Coordinated the 2017/18 Widows Forum
- Processed three hundred and twenty-seven(327) petitions
- Hosted forty-five(45) Petitions' Clinics
- Developed and implemented Public Participation and Involvement Strategy and Implementation Plan

❑ Reviewed and implemented Public Participation Framework

## **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 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.

## **9. PART FOUR: HUMAN RESOURCE MANAGEMENT**

The Legislature operates under the political leadership of the Honourable Speaker of the Legislature, Hon. VS Siwela, and the administrative leadership of the Secretary to the Legislature, Mr LJ Mwale. To her support there are 10 posts as per the high level Organizational structure on the AR: page 18. The high level Organizational structure does not indicate any vacant post or acting.

### **I. Personnel costs by salary band**

The Guide requires that financial information provided in the HRD part of the AR must agree with the amounts disclosed in the AFS (NT. Guide pg.34). The Personnel Cost of **R 166 016 000** reported by the AR (pg. 108, table 4.1.2) is the same with the Compensation of Employees total of **R 166 016 000** reported in the AFS (AR Pg.176).

### **II. Termination**

There are only 14 terminations for the financial year 2017/18. A higher number was on resignation and retirement i.e. 7 & 1 respectively, while the remaining 6 are on death (1), expiry of contract (2) and dismissal due to misconduct (3).

### **III. Employment Equity**

According to page 112 of the AR the Legislature has filled 23 vacancies for the period under review and resulting in their vacancy rate standing at 8% which is under the 10% regarded as best practice in human resource practices. Out of the 23 employees employed during the year under review, 14 were males and 9 were females. Furthermore, page 114-115 of the AR indicates that the Legislature has 17 senior management posts wherein 11 are males and 6 are females. This means that the Legislature is at 35% of women representation in terms of employment equity. However at the lower levels the Legislature is dominated by females who are at 57% as opposed to 43% male representation. The Legislature is at 1.02% in terms of people with disabilities as at end of the financial 2017/18. This means that the Legislature has not yet met the 2% target.

## **PART FIVE: FINANCIAL INFORMATION**

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

### **10. FINDINGS**

- 10.1. The Legislature has implemented 143 out of 144 planned targets. The overall programme analysis of the Annual Report indicates that the Legislature has achieved 99% of the planned targets. The Legislature spent 94% of its budget during the financial year under review.
- 10.2. The Legislature obtained an Unqualified Audit Opinion with material findings for the period under review.
- 10.3. 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 1.02% in terms of people with disabilities as at the end of the financial year 2017/18 and had failed to meet the 2% target.

- 10.4. The Legislature, through its Public Participation Unit tends to mobilise irrelevant stakeholders for Public Hearings.

## **11. RECOMMENDATIONS**


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

- 11.1. Pay particular attention to the implementation of the target 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.
- 11.2. All findings by the Auditor General must be complied with.
- 11.3. Prioritise employment of females at senior management level and people with disabilities to comply with the Employment Equity Act requirements; and a report must be submitted on a quarterly basis on progress made in this regard.
- 11.4. The Public Participation unit must be encouraged to mobilise relevant Stakeholders for the Public Hearings.

## 12. CONCLUSION

In conclusion, the Chairperson would like to thank the Honourable Members of the Select Committee on Legislature Oversight, the Speaker in absentia, 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 2017/18 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 **30 November 2018** and thereafter, on quarterly basis.

  
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HON JJ SKOSANA, MPL  
CHAIRPERSON  
SELECT COMMITTEE ON LEGISLATURE OVERSIGHT

05-11-2018  
DATE