



# Report

Report of the Select Committee on  
Legislature Oversight



**Annual Performance Plan and Budget Vote of the  
Mpumalanga Provincial Legislature  
2015/2016**



## **REPORT OF THE SELECT COMMITTEE ON LEGISLATURE OVERSIGHT**

### **BUDGET VOTE OF THE MPUMALANGA PROVINCIAL LEGISLATURE FOR THE 2015/2016 FINANCIAL YEAR (VOTE 02)**

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#### **1. INTRODUCTION**

The **Select Committee on Legislature Oversight** (the Committee) has a Constitutional mandate, in terms of section 114(2)(b) of the Constitution of the Republic of South Africa (Act 108 of 1996) read with Rule 190(4) and Rule 131 of the Rules and Orders of the Mpumalanga Provincial Legislature, 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.

Scrutiny of the budget, Annual Performance Plan (APP) and Strategic Plan is a tool to perform oversight on the programmes planned for the financial year and the budget allocations given to each programme by the Legislature.

The Committee tables this report, in accordance with the provisions of the Rules and Orders of the Mpumalanga Provincial Legislature as an account of its oversight work done for consideration and adoption in order to pass the Budget Vote 02 for the 2015/16 financial year.

#### **2. METHOD OF WORK**

The Speaker referred the following documents to the Committee for deliberations and report back to the House, in accordance with Rule 190(4):

- 2015/2016 Estimates of Legislature Revenue and Expenditure
- 2015/2020 Five Year Strategic Plan
- 2015/2016 Administration Annual Performance Plan
- 2015/16 Parliamentary Committees Annual Performance Plan

- Organisational Structure
- Cost per Head

The Committee met with the Legislature on 26 May 2015 to deliberate on its budget documentation. The draft Committee Report on the Budget 2015/2016 for Vote 02 was considered on 28 May 2015.

### **3. BRIEF OUTLINE ON STRATEGIC POLICY PRIORITIES**

#### **a) Strategic Oriented Goals**

The Legislature has seven strategic outcomes outlined in its Strategic Plan (SP) and Annual Performance Plan (APP) respectively for the five year period. These outcomes have been identified to ensure that the six governing party priorities remain at the centre of the Legislature's intense oversight over the provincial government departments to foster service delivery and to deepen democracy in the province. In the foreword, the Honourable Speaker indicated that: "in order to bring our commitment of improving the lives of our people to fruition, the legislature ought to play a pivotal part in translating into reality the hopes and dreams encapsulated in the highlighted key priorities".

The following are the seven identified strategic outcome-oriented goals of the Legislature will have a life span of over five years (2015-2020):

- i. Strengthened oversight over the Executive and State organs in respect of delivery against the six priorities government in the next five years ;
- ii. Improved involvement of all the people of the province in the legislatures processes in the next five year;
- iii. Improve law-making and effectiveness of the legislation for the benefit of the people of the province in the next five year;
- iv. Improve the capacity of the Legislature to conduct its oversight and public participation and law –making functions in the next five years;
- v. Improve strategic management, corporate and financial governance in the next 5 years
- vi. Increase promotion of the National-Building and social cohesion in the next five (5) years.

- vii. Strengthen participation in inter-parliamentary bodies for improving participatory democracy and co-operation.

#### **b) Millennium Development Goals (MDGs)**

The Legislature is not responsible to implement MDGs. However, it is imperative that the Legislature plays oversight on the Executive Authority to ascertain the extent to which the Mpumalanga Provincial Government has succeeded in implementing the MDGs.

#### **4. PREVIOUS HOUSE RESOLUTIONS (2014/2015)**

The Committee considered an updated report on the progress made by the Legislature in implementing previous House Resolutions, as contained in the 2014/2015 Budget Report.

The updated 2014/2015 progress report is reflected in this Committee report to provide a comprehensive perspective on the implementation of the House Resolutions, as indicated in the **Annexure A** (attached to this report).

However, the Committee noted that some of the House Resolutions were not fully implemented by the Legislature in the previous financial year. The Committee deliberated with the Legislature on the House Resolutions as follows:

- 4.1. The Legislature must continue making follow ups with the Department of Public Works, Roads and Transport (DPWRT) on the development of a policy that will address the purchase of furniture for the Members deployed in the provincial government.
- 4.2. The Committee raised a concern that the Parliamentary Village had been in the plans of the Legislature for previous financial years and enquired whether it is still significant keeping it in the plans of the Legislature. The Committee requested the Legislature to explore other avenues with regards to Members' accommodation whilst the matter regarding the construction of the Parliamentary Village is still considered.
- 4.3. The Committee requested the Legislature to address the concerns that were raised by the Democratic Alliance regarding the searching of people entering the Legislature building with the current Provincial Commissioner of the South African Police Service (SAPS).

## **5. OBSERVATIONS AND COMMENTS**

The Legislature prepared a thorough presentation that gave a clear indication of what the Legislature intends to do during the 2015/16 financial year. The presentation was composed of the following:

- 2015/20 Strategic Plan,
- 2015/16 Annual Performance Plans (Administration and Parliamentary Committees)
- 2015/16 Budget
- Employment Equity Plan and Recruitment matters
- Progress Report on the implementation of the 2014/15 House Resolutions.

The Committee noted that the Financial Management of Parliament and Provincial Legislatures Act (FMPLA), 2009 (Act No. 10 of 2009) has replaced the Financial Management of Mpumalanga Provincial Legislature Act, 2010 (Act. No. 3 of 2010). The Committee also noted that the Strategic Plan, Annual Performance Plan (APP) and the Budget of the Legislature have both been prepared in terms of Sections 14, 15 & 16 of the FMPLA.

## **6. ANNUAL PERFORMANCE PLAN (APP) 2015/2016**

### **PART A**

#### **6.1. Compliance on framework for Strategic Plan and Annual Performance Plan**

##### **6.1.1. Strategic Plan (SP)**

The Committee noted that the Legislature has tabled its five year strategic plan that will be the Legislature's guiding tool for the next five years. The Legislature has complied with the National Treasury Guideline Framework for Strategic Plan and Annual Performance Plans regarding the foreword and table of contents page pattern. The strategic objectives table does not fully comply with the treasury framework but it is user-friendly and clear. It requires the strategic objective, objective statement and the baseline, which none were provided.

### **6.1.2. Annual Performance Plan**

The Committee noted that the APP provided by the Legislature is compliant with most parts of the framework for strategic plans issued by the National Treasury (NT). The foreword of the APP communicates the principal role of the Legislature in conducting oversight work in the province; provide accelerated actions toward the realisation of being a People-Centred African World Class Legislature and fulfilment of its mandate. The foreword clearly states the key priorities of the Legislature for 2015/16. The Speaker as the Executive Authority of the Legislature gave the Legislature's commitment to achieving the strategic objectives of the Legislature.

The official sign-off has been carried out by all relevant officials. The table of contents has been done consistent with the Framework for Annual Performance Plans issued by the NT. The Legislature does not execute functions stipulated in Part C: Links to other plans, hence Part C does not reflect in the APP.

#### **6.1.2.1. Updated situational Analysis**

The situational analysis of the Legislature gives an outlook of the first Annual Performance Plan of the fifth Mpumalanga Legislature which will focus on fulfilling the constitutional mandate and realisation of the vision of becoming a People-Centred, African World-Class Legislature.

#### **6.2.2.2. Performance delivery environment**

On the performance delivery analysis, the Committee noted that the institution remains committed in ensuring that it delivers on its constitutionally informed services for the benefit of the people of the Mpumalanga Province.

#### **6.2.2.3. Organisational environment**

The Legislature's APP is aligned with the framework for strategic plans and annual performance plans. The institution continues to be monitored and evaluated based on its two programmes which are Administration and Parliamentary Business as stated in their strategic plan 2015/16.

The Legislature's Vision and Mission as per the revised five year Strategic Plan is as follows:

**Vision:** A People-Centred, African, World Class Legislature.

**Mission:** To hold the Executive and other State Organs accountable through intensified oversight, enhanced public involvement and effective law-making supported by professional administrative service.

#### **6.2.2.4. Revisions to the Legislative and other mandate**

The legislature presented a revised or updated legislative mandate in that the Financial Management of Parliament Amendment Act, 2014(Act No.34 of 2014) has replaced the Financial Management of Mpumalanga Provincial Legislature Act, 2010 (Act No.3 of 2010). However, all other legislative mandates as articulated in the five-year Strategic Plan remain the same.

#### **6.2.2.5. Overview of the 2015/16 Budget and MTEF estimates**

The overview of 2015/16 budget and MTEF estimates are aligned with the requirements set out in the National Treasury Guideline framework.

## **PART B**

### **7. ANALYSIS OF MAIN OBJECTIVE ORIENTED PROGRAMMES**

#### **7.1. BUDGET ANALYSIS**

In **Table 1** below reflects the Legislature's programme structure and budget breakdown over the past three financial years:

Table1: Programme structure and breakdown per programme

Table 4.1: Summary of Payment and Estimates ('R000)				
	Adjusted Appropriation 2013/14	Adjusted Appropriation 2014/15	Main appropriation 2015/16	Year on year growth

Administration	111,125	136,415	128,291	-6%
Parliamentary Business	118,192	130,909	142,742	9%
Direct Charge	21,560	23,797	23,920	1%
<b>Total</b>	<b>250,877</b>	<b>291,121</b>	<b>294,953</b>	<b>1%</b>

The Legislature has been allocated **R294 953 000** for the 2015/16 financial year which shows an increase of **R3 832 000** (1%) from the **R291 121 000** of the previous financial year (2014/15). The Committee noted that 43.5% is allocated to administrative support and 48.4% to the parliamentary business. 8.1% is allocated as a direct charge for Members remuneration. The allocation for administration has decreased by **R8 832 000** (6%) as compared to the previous financial year. The allocation of Parliamentary Business has increased by **R11 833 000** (9%) when compared to the previous financial year.

### Economic classification

Table 2 below outlines the budget allocation per Economic Classification

Table 2: Budget allocation per Economic Classification

	Adjusted Appropriation	Adjusted Appropriation	Main Appropriation	Year on year growth
	2013/14	2014/15	2015/16	
Compensation of Employees	101,616	124,212	143,563	16%
Goods and Services	110,798	113,045	98,717	-13%
Transfers and Subsidies	37,149	38,068	51,493	35%
Payments for Capital Assets	1,314	15,796	1,180	-93%
<b>Total</b>	<b>250,877</b>	<b>291,121</b>	<b>294,953</b>	<b>1%</b>

Source: EPRE 2015 Pg.109

## 7.2. PROGRAMME 1: ADMINISTRATION

### Programme purpose and budget allocation

The aim of this programme 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 four (04) sub-programmes; namely:

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

Table 3 below outlines the budget per sub-programme:

**Table 3: Budget per sub-programme**

2015/16 Budget allocation per sub-programme ('000)			
	2014/15	2015/16	% growth
Office of the Speaker	10 507	12 377	18%
Office of the Secretary	15 071	15 545	3%
Corporate Services	91 147	77 575	-15%
Financial Management	19 690	22 794	16%
<b>Total</b>	<b>136 415</b>	<b>128 291</b>	<b>-6%</b>

- **Sub-Programme 1: Office of the Speaker:**

The purpose of this sub-programme is to provide political strategic leadership and management support to ensure effective functioning of the legislature and the office of the Speaker respectively towards the fulfilment of the constitutional mandate. This sub-programme has three further Sub-programmes or components: Chief of Staff; Secretariat Services; and Treasury. The budget on the office of the Speaker has increased from by **R1 870 000 (18%)** from **R10 507 000** in 2014/15 financial year to **R12 377 000** currently.

- **Sub-Programme 2: Office of the Secretary:**

The purpose of this programme is to provide overall administrative strategic leadership, management and administration to ensure effective and efficient functioning of the Legislature in achieving its vision and fulfilling its constitutional mandate. This sub-programme has four further sub-programmes: Management; Planning, Performance Monitoring and Evaluation; Internal Audit; and Risk Management. The budget for this sub-

programme increased by **R474 000** (3%) from **R15 071 000** in the previous financial year to **R 15 545 000** in the current financial year.

- **Sub-Programme 3: Corporate Services:**

The purpose of this sub-programme is to provide strategic and leadership support to the legislature in relation to Human Capital Management, information and communication Technology, communications and institutional support to ensure institutional effectiveness, and the achievement of the core business of the legislature. This sub-programme has five further sub-programmes: Management; Human Capital Management; Information Technology; Communications; and Institutional Support. The budget for this sub programme decreased by **R13 572 000** (15%) from **R91 147 000** in the previous financial year to **R77, 575 000** in the current financial year.

- **Sub-Programme 4: Financial Management:**

The purpose of this sub-programme is to provide strategic management and support in relation to financial services to ensure institutional effectiveness in the fulfilment of the constitutional mandate of the Legislature. This sub-programme has three further sub-programmes: Management; Finance; and Supply Chain Management .The budget of this sub-programme has increased by **R3 104 000** (16%) from **R19 690 000** in the previous financial year to **R22 794 000** in the current financial year.

- **Human Resource Matters**

The Committee noted the following with regards to human resource related matters:

- The organisational structure of the Legislature is now in the process of being approved;
- The Legislature has a total of 16 vacant and funded positions in terms of the 2014/15 Organisational Structure. In addition, the Legislature reported that out of the 16 vacant positions, eleven (11) positions have been advertised and are yet to be filled.
- The Legislature is on par with the minimum requirement of 2% of people with disabilities.

### **7.3. PROGRAMME 2: PARLIAMENTARY BUSINESS**

## Programme purpose and budget allocation

The purpose of the 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 five (05) sub-programmes; namely:

- Law Making
- Oversight
- Public Participation
- Members Facilities
- Cooperative Governance

Table 4 below outlines the budget for the programme

**Table 4: Budget for the programme**

2014/15 Budget allocation per sub-programme ('000)			
	2014/15	2015/16	% growth
Law Making	55 263	53 502	-3%
Oversight	35 601	40 418	14%
Public Participation	17 913	13 047	-27%
Members Facilities	41 746	54 710	31%
Cooperative Governance	4 183	4 985	19%
<b>Total</b>	<b>154,706</b>	<b>166,662</b>	<b>8%</b>

### • Sub-Programme 1: Law Making

The purpose of this sub-programme is to provide overall strategic leadership, management governance and administration to ensure effective and efficient functioning of the legislature in achieving its vision and fulfilling its constitutional mandate. This sub-programme has two further sub-programmes: Management; and House Proceedings and Hansard. The budget for this sub-programme has decreased by **R1 761 000** (3%) from **R55 263 000** in the previous financial year to **R53 502 000** in the current financial year.

- **Sub-Programme 2: Oversight**

The purpose of this sub-programme is to provide professional and administrative support to Committees, and liaison function between the Legislature and the NCOP for the fulfilment of the constitutional mandate. This sub-programme has three further sub-programmes: Committees and NCOP Support Services; Researches Services; and Legal Services. The budget for this sub-programme has increased by **R4 817 000** (14%) from **R35 601 000** in the 2014/15 financial year to **R40 418 000** currently.

- **Sub-Programme 3: Public Participation**

The purpose of this sub-programme is to provide professional and administrative services regarding public involvement and public participation in support of the core business of the Legislature. This sub-programme has only one further sub-programme: Public Participation and Petitions. The budget for this sub- programme has decreased by **R4 866 000** (27%) from **R17 913 000** in 2014/15 to **R13 047 000** in the current financial year.

- **Sub-Programme 4: Members Facilities**

This sub programme has been excluded in the SP and the APP but it has a budget allocation of **R54 710 000** in the current financial year. The budget has increased by **R12 964 000** (31%) from **R41 746 000** in 2014/15 to **R54 710 000** in 2015/16 financial year.

- **Sub-Programme 5: Cooperative Governance**

This sub programme has been excluded in the SP and the APP but it has a budget allocation of **R4 985 000**. The budget has increased by **R802 000** (19%) from **R4 183 000** in 2014/15 to **R4 985 000** in 2015/16 financial year.

## 8. FINDINGS

The following are the findings of the deliberations with the Legislature:

- 8.1. It was noted that the FMPLA that is to also provide for the financial management legislation of Parliament and provincial legislatures has been finalised and

implemented in the Legislature. It was reported that the FMPLA has replaced the Financial Management of Mpumalanga Provincial Legislature Act, 2010 (Act No 3 of 2010).

- 8.2. The policy that will address the purchase of furniture for Honourable Members deployed in the provincial government had not been developed in the 2014/15 financial year.
- 8.3. In the 2014/15 financial year, the Legislature reported that the feasibility study on the Parliamentary Village will be finalised by September 2014. The Legislature reported that the feasibility study could not be conducted as planned due to budgetary constraints.
- 8.4. **The Committee made the following findings with regards to the budget for Parliamentary Committees:**
  - a) Parliamentary Committees grossly underspent in the 2014/15 financial year;
  - b) The budget allocated to the Select Committee on Public Participation, Petitions and Members Legislative Proposal was inadequate for the select committee to carry out its institutional mandate.
- 8.5. The organisational structure of the Legislature is now in the process of being approved.
- 8.6. The Legislature is on par with the minimum requirement of 2% of people with disabilities.

## 9. RECOMMENDATIONS

The Committee made the following recommendations:

- 9.1. The Accounting Officer must ensure that public funds that are allocated to the institution are properly safeguarded and used for their intended purpose, as per the FMPLA.
- 9.2. The Accounting Officer must make regular follow ups with the DPWRT and ensure that the policy on the purchase of furniture for Honourable Members who are deployed in the provincial government is finalised in the 2015/16 financial year.



- 9.3. The Legislature must explore other avenues with regards to Members accommodation while the construction of the parliamentary village is being considered.
- 9.4. **With Regards to the budget allocated to Parliamentary Committees, the Committee recommends that:**
- a) The Accounting Officer must ensure that Parliamentary Committees develop programme of activities that will ensure that the constitutional mandate of the Legislature, which is Oversight, Law Making and Public Participation, is properly carried out. In addition, the Committee recommends that support staff to Committees must ensure that expenditure reports are provided to Committee Chairpersons on a quarterly basis.
  - b) The Legislature must ensure that the budget allocated to Parliamentary Committees is properly allocated to individual committees, more specially the budget for the Select Committee on Public Participation, Petitions and Members Legislative Proposal. The re-worked budget allocation must be submitted for the Committee's consideration within 7 days after the date of tabling of this Committee Report.
- 9.5. The Legislature must follow correct processes and ensure that the revised organisational structure is approved in the current financial year.
- 9.6. The Committee commends the Legislature for achieving the 2% National Benchmark for people with disabilities.

#### **CONCLUDING RECOMMENDATIONS:**

- a) The Committee requests the House to adopt this report with its recommendations, thereby approving the **R294 953 000** budget allocated to Vote 2.
- b) In support of the allocated Budget Vote 2 for the 2015/16 financial year, the Committee hereby approves the 2015/16 Annual Performance Plan of the Mpumalanga Provincial Legislature.
- c) The Legislature must submit a progress report on the implementation of the House Resolutions contained in this report by no later than **30 September 2015**.

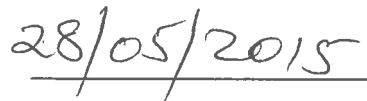
## 10. CONCLUSION

The Chairperson takes this opportunity to thank the Members of the Select Committee for their active participation and constructive contributions during the deliberations on the Mpumalanga Provincial Legislature Budget for 2015/2016.

In addition, the Chairperson extends a word of thanks to the Acting Secretary and his top management team for availing themselves to deliberate on matters pertaining to the Legislature.

A special word of appreciation is also extended to the support staff for contributing to the production of this report.

  
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HON BT SHONGWE

  
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DATE

**CHAIRPERSON**

**SELECT COMMITTEE ON LEGISLATURE OVERSIGHT**

**ANNEXURE (A): UPDATED PROGRESS REPORT ON THE 2014/15 BUDGET VOTE  
5 HOUSE RESOLUTIONS**

<b>DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS</b>	
<b>House Resolution 2014/15</b>	<b>Updated Progress Report</b>
1) The Legislature must keep the Committee informed on a regular basis on the developments on the amendment of the FMMPLA that is currently being addressed by the legislative sector through the Speaker's forum	The Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No 10 of 2009) has been passed and came into effect on 1 April 2015.
2) The DG as the custodian of the Legislature building in terms of the National Key Points Act, must be invited to a meeting and ensure that the DPWRT adheres to, and implements the resolutions that are taken. The Legislature must provide an update on the resolutions of the meeting and the progress to the Speaker. The meeting between the relevant stakeholders must be conducted before the end of August 2014.	There have been two meeting at a political level, one between the Speaker and the MEC: DPWRT. The other meeting was between the Speaker and the MEC: Finance. The meeting between the Speaker and the MEC for DPWRT resolved that the DPWRT will prioritise the maintenance of Building 1 and 2 as National Key-Points. The meeting between the Speaker and the MEC for Finance resolved that the MEC should look at the possibility of transferring the maintenance fund to the Legislature.
3) The DPWRT must develop a policy, in consultation with the Legislature that will address the purchase of furniture for the Members deployed in the provincial government. The policy must look at saving the costs of purchasing furniture every term of the Administration. A progress report on this matter must be submitted to the Legislature before the end of October 2014.	During the Legislature's interaction with HOD: DPWRT the Legislature was informed that the policy had not yet been developed.
4. The Legislature must submit a progress report on the envisaged feasibility study on the Parliamentary Village after the finalization at the of September 2014.	The DPWRT indicated their willingness to assist the Legislature provided there is funding for the project.

<p>5. The Legislature must ensure that the alignment of its organizational structure is finalized during the 2014/15 financial year and is ready to be implemented in the 2015/16 financial year.</p>	<p>The Legislature's review process has taken into consideration the alignment of the organizational structure and it is now in the process of being approved.</p>
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