

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

1ST QUARTERLY PERFORMANCE REPORT (APRIL-JUNE) FOR 2018/19 FINANCIAL YEAR, MEETING HELD ON 29 AUGUST 2018

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 1st Quarterly Performance Report (April-June 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. 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 1st 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 29 August 2018 the Committee met with the Legislature to deliberate on the 1st quarterly performance report and the progress report on the implementation of the budget vote resolutions for 2018/19 (House Resolutions). Subsequently, the Committee met on 10 October 2018 to consider the draft Committee Report.

3. GENERAL OBSERVATIONS

The Committee made the following observations:

- a. The legislature's delegation was led by the Deputy Speaker, Hon BA Majuba as the Hon Speaker tendered an apology for the meeting due to prior commitment;
- b. The 1st 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 total spending at the end of the first quarter was R 79 198 000 (22%) and there were no cash flow challenges;
- e. The Legislature achieved 114 out of 116 planned targets (98%) during the period under review.

4. OVERVIEW BY THE HON SPEAKER

The Deputy Speaker, as delegated by the Speaker, presented the overview cited the following issues:

- 4.1. The state of the Legislature, the Hon Speaker noted with concern the following:
 - The instability in the administration following the continued spate of protest actions by the staff in the Legislature;
 - The negative media publicity about the Legislature based on the various allegations of corruption and maladministration;
 - The bad reporting which is equally supported by various media leaks and anonymous persons from within the administration;
 - The insecurity, since the nature of the environment (Legislature) processes confidential information, which includes Members' affairs and matters related to political parties.

In addressing the media publicity, the Hon Deputy Speaker reported that the Hon Speaker is processing all material issues raised by Auditor-General, the SCOPA reports and other issues that are before the media. Further to that, she is meeting with UNION leadership on matters affecting disgruntled staff.

4.2. Disciplinary cases

It was reported that the six (06) officials that were involved in the corruption cases had undergone the disciplinary processes, three (03) were reinstated by the Legislature; while a settlement is being negotiated with the CFO. A detail report would be submitted to the Committee as soon as the investigations are finalised.

In conclusion, the Hon Deputy Speaker, promised the Committee that due processes and diligent shall be paid to resolve these institutional challenges.

Comments by the Committee

Having briefed on the Speaker's overview, the Committee commended the Legislature Leadership, the manner in which has handled the issues of the negative media publicity on the 2017/18 Legislature audit outcome and SCOPA reports.

Regarding the report on the suspended officials, the Committee welcomed the report and accepted that these cases are *lis pendens alternatively it is sub-judicare*.

The Committee entrusted the Hon Speaker, that after her investigations, she would effectively address all these issues, and submit a report to the Committee on the consequence management being implemented.

5.PROGRESS REPORT ON THE IMPLEMENTATION OF HOUSE RESOLUTIONS EMANATING FROM THE 2018/19 BUDGET VOTE 2

The Secretary to the Legislature presented the below progress report to the Committee. The Committee noted and appreciated the report.

RESOLUTIONS	PROGRESS
I. (a) The committee will submit inputs to the Provincial Treasury to consider additional funding for Legislature during budget processes	The committee will engage with the Provincial Treasury during the forthcoming appropriation adjustment budget processes and the next budget cycle.
(b) The accounting Officer must update the committee on progress regarding the engagement on the National Protocol Document that is pioneered by the Speakers' Forum on the best model to fund Provincial Legislatures on an ongoing process	The Speakers Forum established a Reference Group to meet with the Presidency on the funding allocation to the Legislative Sector. The Reference Group is still to meet with The Presidency
II. The accounting officer submit progress reports on the implementation of planned targets on quarterly basis or on the request of the Committee for such information	The institutional performance report will be presented quarterly or as and when the Committee request it.

6. BRIEFING BY THE SECRETARY TO THE LEGISLATURE ON THE 1ST QUARTELY PERFORMANCE REPORT (APRIL-JUNE 2018) OF THE LEGISLATURE

During the 1st quarter, the Secretary reported that the Legislature had planned **116 targets and was able to achieve 114**, which translate to 98% achievement during the period under review.

6.1. 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 five (05) 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; and
- Parliamentary Business

He further reported that out of the five (05) divisions; three (03) achieved 100% of its planned targets for the quarter under review; while two (02) achieved below 100%, namely; Corporate Services and Office of the Secretary which were 98% and 75% respectively.

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	-	22%
	Inner-Office Support Services	8	8	-	
	Treasury	5	5	-	
Office of the Secretary	Management (MGT)	2	1	(1)	23%
	Secretary	7	7	-	
	Governance Support Services	4	4	-	
	Risk Management	2	2	-	
Corporate Services	Management	3	3	-	20.6%
	Human Capital Management	10	10	-	
	Information Technology	8	8	-	
	Communications	5	5	-	
	Library and Document Management	3	3		
	Institutional Support	5	4	(1)	
	Legal Services	7	7	-	
Financial Management	Management	2	2	-	28.2%
	Finance	6	6	-	
	Supply Chain Management	8	8	-	

6.2. 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 Hose 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	4	4	-	15.6%
	House Proceedings & Hansard	4	4	-	
Oversight	Committees & NCOP Support Services	9	9	-	23.9%
	Research Services	4	4	-	
Public Participation	Public Participation & Petitions	7	7	-	24.3%

6.3. CHALLENGES RAISED BY THE LEGISLATURE

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 for 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.

7. 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

During the period under review, an amount of R36 599 million was spent which translate to 22.4% out of the total allocated budget of R163 721 million. It was reported that the low spending was as a result of performance based annual salary pay progression and incentives not yet paid and the low spending on capital assets.

Table 1 Financial performance for the 1st quarter

R' 000	Allocated Budget 2018/19	Actual to the end of June 2018	Outcome as % Budget
Sub-Programme			
Office of the speaker	21 987	4 831	22,0%
Office of the secretary	22 972	5 291	23,0%
Corporate Services	92 162	18 969	20,6%
Financial Management	26 600	7 508	28,2%
TOTAL	163 721	36 599	22,4%
Economic Classification:			
Compensation of employees	103 333	24 570	23,8%
Goods and services	58 860	11 869	20,2%
Total transfers and subsidies	-	-	-
Payments for capital assets	1 528	160	10,5%
Total	163 721	36 599	22,4%

Programme 2 – Parliamentary Business

It was reported that its main budget allocation is R182 926 million. During the period under review, R42 588 million was spent which translate into the outcome of 23.3%.

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

R'000	Allocated Budget 2018/19	Actual to the end of June 2018	Outcome as % Budget
Sub-Programme			
Law Making	30 409	4 752	15,6%
Oversight	45 013	10 761	23,9%
Public Participation	14 123	3435	24,3%
Members Facilities	93 381	23 640	25,3%
TOTAL	182 926	42 588	23,3%
Economic Classification:			
Compensation of employees	88 626	20 309	22,9%
Goods and services	33 804	7 155	21,2%
Total transfers and subsidies	60 496	15 124	25,0%
Payments for capital assets	-	-	-
Total	182 926	42 588	23,3%

The low spending was due to the outstanding cost of living adjustments for Hon Members and performance based annual salary pay progression and incentives and accruals relating to TLP which was held in the last week of June 2018.

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

After the Secretary's presentation on the 1st quarter performance report, the Committee appreciated the report and noted the following:

- The good performance of the Legislature as it managed to achieve 114 out of 116 planned targets (98%) for the quarter under review.
- The expenditure was in line with the targets planned for the period under review.
- The challenges and requested a progress report after implementing the mitigating factors.

2017/18 Legislature Audit come

The Committee expressed its serious concern regarding the negative media publicity on the 2017/18 Legislature audit outcome. Despite having many questions on the 2017/18 audit outcome; and after being reported that the Legislature obtained an unqualified audit opinion; and is not yet been formally tabled in the Legislature; resolved to refer this matter to the next meeting.

Maintenance of the Legislature building

A concern was raised on the poor maintenance of the Legislature building as well as the escalators as were not been working for about four months.

9. FINDINGS

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

- 9.1. There is a negative media publicity about the Legislature based on the various allegations of corruption and maladministration
- 9.2. Disciplinary cases not yet finalized and some officials have won their cases
- 9.3. There is instability in the administration following the continued spate of protest actions by the staff in the Legislature;
- 9.4. The Speakers Forum established a Reference Group to meet with the Presidency on the funding allocation to the Legislative Sector. The Reference Group is still to meet with the Presidency;
- 9.5. The Legislature failed to achieve 100% planned targets instead achieved 98%;
- 9.6. The Legislature failed to spend 100% of its allocated budget during the period under review;
- 9.7. There is lack of maintenance of the Legislature infrastructure, e.g the non-functioning of escalators
- 9.8. Sound systems bought by the Legislature are malfunctioning, sometimes just stop working while busy in public meetings.

10.RECOMMENDATIONS

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

- 10.1. Submit a report to the Committee after the Hon Speaker finalised her investigations on findings 9.1, 9.2 and 9.3. The report must include the consequence management being implemented;
- 10.4 Provide a progress report on the outcome of the Reference Group that still to meet with the Presidency.
- 10.5 Achieve 100% of its planned target next quarter;
- 10.6 Ensure 100% spending of its allocated budget during the next quarter;
- 10.7 Ensure that the Legislature infrastructure is maintained; especially the escalators. A detailed report must be provided to the Committee on reasons why the escalators were neglected for such a long time; the action taken against those responsible for the maintenance; and a maintenance plan for future use by the Legislature.

11. CONCLUSION

The Chairperson expressed his sincere gratitude to the Honourable Committee Members for their constructive inputs during the consideration of the 1st quarterly performance report of the Legislature for 2018/19 financial year.

The Committee further appreciated the Legislature leadership led by Hon BA Majuba-Deputy 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 November 2018.**



HON. JJ SKOSANA, MPL

**CHAIRPERSON: SELECT COMMITTEE ON
LEGISLATURE OVERSIGHT**



DATE