

WESTERN CAPE PROVINCIAL PARLIAMENT



ANNUAL REPORT 2019/2020

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Annual Report 2019/20

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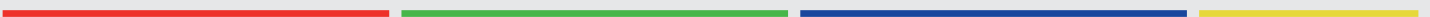
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WESTERN CAPE PROVINCIAL PARLIAMENT



PART A GENERAL INFORMATION





During the first sitting of the Sixth Parliament on 22 May 2019 Hon Masizole Mngasela was elected as Speaker



New and returning Members of the Sixth Parliament were sworn in on 22 May 2019



Premier Alan Winde delivered his first State of the Province Address on 18 July 2019



On 20 February 2020 the Western Cape Provincial Parliament hosted its first remote Official Opening at the Rocklands Civic Centre in Mitchells Plain and the event was attended by 470 guests, most of whom were from Mitchells Plain and surrounding areas

PART A: GENERAL INFORMATION

1. GENERAL INFORMATION

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2. ACRONYMS

AC	Audit Committee
ACDP	African Christian Democratic Party
AFS	Annual Financial Statements
AGSA	Auditor-General South Africa
ANC	African National Congress
AO	Accounting Officer
APP	Annual Performance Plan
AR	Annual Report
ATC	Announcements, Tabling and Committee Reports
BBBEE	Broad-based Black Economic Empowerment
BCP	Business Continuity Plan
DA	Democratic Alliance
DoCS	Department of Community Safety
DoTP	Department of the Premier
DTPW	Department of Transport and Public Works
EFF	Economic Freedom Fighters
ERM	Enterprise Risk Management
ERP	Enterprise Resource Planning
FMIP	Financial Management Improvement Plan
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009)
GOVCOM	Governance Committee
GRAP	Generally Recognised Accounting Practice
ICT	Information and Communications Technology
IFMS	Integrated Financial Management System
JOC	Joint Operations Control
JPC	Joint Planning Committee
LSS	Legislative Sector Support
MOU	Memorandum of Understanding
NCOP	National Council of Provinces
NKP	National Key Point
OHS	Organisational Health and Safety
OPTaMeS	Organisational Performance Management System
PPE	Personal Protective Equipment
QPR	Quarterly Performance Report
SAPS	South African Police Services
SCOPA	Standing Committee on Public Accounts
SLA	Service Level Agreement
SOP	Standard Operating Procedure
SOPA	State of the Province Address
TOR	Terms of Reference
WCARS	Western Cape Archival and Records Services
WCPP	Western Cape Provincial Parliament

3. FOREWORD BY THE SPEAKER



Masizole Mngqasela
Speaker

I hereby table the Annual Report of the Western Cape Provincial Parliament (WCPP) for the 2019/20 financial year.

The Sixth Parliament was successfully constituted with all Members sworn in on 22 May 2019 by the Judge President of the Western Cape High Court, John Hlope. At the same sitting, a Premier, Speaker and Deputy Speaker were elected. Furthermore, four permanent delegates to represent the Western Cape in the National Council of Provinces were appointed. On 28 May the party whips were appointed to ensure the smooth functioning of the WCPP and its committees. The newly elected Members participated in a comprehensive orientation programme over a period of nine days covering all aspects of parliamentary life.

The different committees and other operational structures were established and were fully operational early in the term to start with the very important tasks assigned to them regarding overseeing executive action and involving the public in the processes and work of the WCPP. Further to this, I established a Speaker's Consultative Political Party Forum to provide a platform for parties to engage on matters of concern to Members. The forum operates on a non-partisan basis and decisions are taken by consensus.

A policy on parental leave for parliamentarians was adopted by the House on 3 December 2019 after comprehensive work done by a subcommittee of the Rules Committee on sexual harassment and leave of absence for Members under the able leadership of the Chief Whip, Ms Mireille Wenger.

As Speaker, and mindful of the roles that I play both as the employer of the staff of the WCPP and as the custodian of the dignities, practices and privileges of the House and its Members, I committed to the following:

1. To uphold and protect the dignity and decorum of the House and to serve all Members equally;
2. To ensure that the WCPP fulfils its constitutional obligations of law-making, oversight and public participation to the full;
3. To create an environment where all Members and staff can participate in the proceedings and procedures of the WCPP to their full potential and thereby strengthening our parliamentary democracy;
4. To represent our institution both locally and abroad in the best interests of the people to the best of my ability; and
5. To create and maintain a stable parliamentary organisation to serve our Members and the people of the province optimally with clear lines of authority and accountability respecting the different governance structures.

In this regard, I count on the cooperation of all Members and staff to strengthening our democracy further and to take the people of the Western Cape along on this exciting journey. I acknowledge the role of the Secretary as the Accounting Officer and with my role as the Executive Authority, each having its own accountability structures as provided for in legislation and regulatory frameworks, it is critical that we enable the WCPP together to deliver on its mandate optimally, mindful of possible resource and other limitations we may face.

For the first time the WCPP successfully hosted the opening and State of the Province Address (SOPA) on 20 February 2020 at the Rocklands Civic Centre in Mitchell's Plain in keeping with the commitment to bring the proceeding of the WCPP closer to the people of the province.

I am of the firm view that the Sixth Parliament presents an opportunity to refocus our attention by creating a modern, outcomes-driven institution that values traditional approaches but at the same time embraces the exciting opportunities the new world presents. The challenge will be to create a modern, sharp, focused and fully integrated organisation. The functional enhancement process initiated by my predecessor lays a good foundation and with the optimisation of the ERP system we will go a long way in achieving it. I thank them for their hard work and foresight in this regard. Together with the administration of the WCPP, under the leadership of the Secretary, we have adopted a new vision for the WCPP.

Towards the end of the period under review, the world and indeed our country and all its institutions, public and private, were severely affected by the COVID-19 pandemic, which would entail a rethink and refocus of the way the province and indeed the WCPP would be functioning going forward. In March 2020, the President announced a hard lockdown, effective 27 March 2020, to stem the spread of the virus and to enable provinces to prepare medical facilities to treat victims of COVID-19 appropriately. All the leaders of all the political parties represented in the WCPP, as well as the staff of the legislature, worked together to ensure that measures were put in place to enable the continued functioning of the institution in delivering on its constitutional mandate.

I wish to take this opportunity to thank the Deputy Speaker for her support and assistance, as well as the Secretary to the Western Cape Provincial Parliament, Mr Romeo Adams, and the entire administrative staff for steering the ship successfully during the foundational stage of the Sixth Parliament.

A special word of thanks is extended to the staff in the Speaker's Office, under the able leadership of Mr Madoda Mahlutshana, for their invaluable assistance and support over the reporting period.



Speaker
Masizole Mnqasela
31 August 2020

4. REPORT OF THE ACCOUNTING OFFICER



ROMEO ADAMS
Secretary to Provincial Parliament

4.1. Overview of the operations of the Western Cape Provincial Parliament

The WCPP’s constitutional mandate is to perform oversight over the executive, to make laws and to facilitate public involvement in its activities. The WCPP’s operations therefore revolve around providing procedural and related support to Members, committees and the House. Various activities took place during the reporting period in order to support these functions.

The Sixth Parliament was elected on 8 May 2019 and the resultant political representation in the WCPP was as follows:

Political Party	Seats
Democratic Alliance	24
African National Congress	12
Economic Freedom Fighters	2
Good	1
African Christian Democratic Party	1
Freedom Front Plus	1
Al Jama-ah	1
Total	42

The following key activities took place during the 2019/20 financial year:

During the first part of the 2019/20 financial year most of the WCPP’s activities revolved around the closure of the Fifth Parliament and preparing for the Sixth Parliament. The preparation for the Sixth Parliament entailed the procedural arrangements for the election of the new Speaker and the swearing in of Members; accommodation and logistical arrangements; and the development and implementation of an orientation programme for new and returning Members.

The WCPP successfully hosted the opening and the state of the province address (SOPA) on 20 February 2020, as well as the debate on the SOPA and the reply of the Premier, which took place on 21 February 2020 at the Rocklands Civic Centre, Mitchells Plain. The SOPA was attended by approximately 470 guests, whereas the SOPA debate and reply were attended by approximately 350 guests. This was the first time in the history of the WCPP that the opening and SOPA was held at a remote location. It was also only the second time in the history of the institution that a full sitting of the House was held in a remote location.

The first Secretary’s Report since 2004 was published during March 2020. The significance of this report is that it covers in more detail the broad scope of notable activities that the WCPP was engaged in during a calendar year, thereby aiming to record the institutional memory of the WCPP going forward. This first

publication covers the period from the time of the general election on 8 May 2019 to the end of December 2019, as well as details of events before May 2019 in particular instances, for example certain human resource processes and legal matters emanating from 2018 and earlier, for purposes of context and because I considered them important to record.

On 1 November 2019 the Procedural Hub, an initiative of the administration, made up of key role-players in the WCPP, was formalised. The hub aims to develop the procedural skills and knowledge of procedural officers from the Table and committees in order to improve the quality of procedural advice through group discussions and brainstorming before and after sittings of the House.

The year 2019/20 was also the final year of the WCPP's Strategic Plan for 2015/16 to 2019/20. Much of the planning for the 2019/20 Annual Performance Plan was aimed at consolidating and identifying performance areas which still needed to be addressed in order to ensure that the WCPP achieves what it set out at the start of the planning period.

The 2019/20 financial year was the first year that the Annual Performance Plan was based on the organisational structure that was approved as a result of the functional enhancement project. At the start of the financial year there were four directors, however, sadly, the Director: Parliamentary Support Services, Mr Jabu Nkabinde, passed away. One of the challenges experienced by the WCPP is obtaining suitable employees with appropriate legislative experience to fill the position and therefore this position was still vacant at the end of the reporting period. As at 31 March 2020, of the 117 approved positions on the establishment, 101 positions were filled, equating to a vacancy rate of 13,67¹ per cent.

The WCPP is also still addressing challenges with regard to its Enterprise Resource Planning (ERP) System. Considerable work has already gone into resolving challenges with regard to modules that could not initially be implemented.

Towards the end of the 2019/20 the world saw a rapid growth of the COVID-19 pandemic, which had an impact on the WCPP, the Western Cape and the rest of South Africa. Across South Africa measures were implemented from early March 2020 to flatten the curve and to prepare the health services for a peak in infection rates. This had an impact on the achievement of some of the WCPP's planned annual performance targets during the last month of the financial year.

The following table lists the number of planned programme performance indicators for the year, whether it were achieved or not. The reasons for the deviations for targets not achieved or partially achieved can be found in Part B: Performance Information of this report.

Programme	Number of performance indicators and planned targets according to the APP	Achieved	Not achieved or partially achieved	Not applicable or not achievable
Programme 1: Governance, Leadership and Administration	41	30	8	3
Programme 2: Parliamentary Support Services	11	9	2	-
Programme 3: Public Engagement	7	4	3	-
Programme 4: Members' Support	4	2	1	1
Total	63	45	14	4

¹This percentage does not include the position additional to the approved establishment.

The WCPP had good support from its assurance providers namely Internal Audit, the Audit Committee and the Auditor General together with the Parliamentary Oversight Committee. With this support and the support of the Executive Authority, the Management team and all the staff of the WCPP, the WCPP once again received a clean audit for the 2019/20 financial year.

4.2. Overview of the financial results of the Western Cape Provincial Parliament

4.2.1. WCPP receipts

Receipts	2019/20			2018/19		
	Estimate	Actual Amount Collected	(Over) / Under Collection	Estimate	Actual Amount Collected	(Over) / Under Collection
	R'000	R'000	R'000	R'000	R'000	R'000
Sale of goods and services other than capital assets	6	99	(93)	6	39	(33)
Fines, penalties, and forfeits	-	-	-	-	-	-
Interest, dividends and rent on land	61	408	(347)	58	249	(191)
Sale of capital assets	-	87	(87)	-	49	(49)
Financial transactions in assets and liabilities	-	13	(13)	-	72	(72)
Total	67	607	(540)	64	409	(345)

During the 2019/20 financial year WCPP collected revenue from the payments received for parking; the sale of meals to Members; sales of corporate gifts; commission on insurance; interest on bank account; and the sale of old or redundant assets.

The tariff charged for parking is based on a policy and is below market value. The WCPP retains a portion of parking fees as revenue after paying over an agreed tariff to the Department of Transport and Public Works.

Members of the WCPP pay for meals prepared by a catering service, which is a further source of revenue. The Members' meals are charged in accordance with the Members' Facilities Guide.

4.2.2. Programme expenditure

Programme name	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Governance, Leadership and Administration	68 230	62 124	6 106	63 352	61 249	2 103
Parliamentary Support Services	21 519	20 008	1 511	19 767	19 556	211
Public Engagement	13 206	11 771	1 435	8 997	8 893	104

Programme name	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over)/under expenditure	Final appropriation	Actual expenditure	(Over)/under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Members Support	55 508	51 810	3 698	51 758	48 678	3 080
Total	158 463	145 713	12 750	143 874	138 376	5 498

During the 2019/20 financial year there was an under expenditure of R12 750 million.

Rollovers

For the 2020/21 financial year, Provincial Treasury has requested the WCPP to make provision for R5 million from the 2019/20 savings to supplement the baseline. Taking this into account, an amount of R7 750 million (in respect of the underspending on voted funds) and an amount of R539 thousand (in respect of over-collected own revenue) were approved to be rolled over.

Virements

There were no virements during the period under review.

Irregular, fruitless and wasteful and unauthorised expenditure

There were eight cases of irregular expenditure with a total value of R3 458 099 and two cases of fruitless and wasteful expenditure with a total value of R3 967 reported during the 2019/20 financial year. Five cases of irregular expenditure were condoned while 3 cases were still to be condoned, and the fruitless and wasteful expenditure was recovered.

The root cause analysis for the expenditure will be done and based on the outcome, the WCPP will review its delegations and internal controls accordingly to address the gaps in its procurement and planning processes.

4.2.3. Supply Chain and Asset Management (SC&AM)

No unsolicited bid proposals were received or concluded for the 2019/20 financial year.

SC&AM is an integrated function which deals with the planning, acquisition (or procurement) and deployment of goods and services for the WCPP within the legislative prescripts.

The role of SC&AM extends from assisting with the specification of the goods or services required, through the tendering and bidding process, to the receipt and delivery of the goods and services at the right time, the right quantity, the right place and the right price for consumption and furtherance of the WCPP's strategic objectives.

The contractual administration function resides with SC&AM. The section manages and monitors contracts for compliance and performance. In this regard SC&AM provides a written section 41 report (a FMPPLA requirement) to the executive authority quarterly. SC&AM further facilitates the management of public assets and its subsequent disposal, if required, while maintaining norms and standards as prescribed.

All assets are valued in terms of their cost (or deemed cost, where historical costs were not available) in preparation of a GRAP-compliant asset register.

4.2.4. Gifts and donations received in kind from non-related parties

There were no material gifts or donations received in kind from non-related parties during the 2019/20 financial year.

4.2.5. Exemptions and deviations received from the National Treasury

None.

4.2.6. Events after the reporting date

There were no significant or material events that occurred after the financial year end to the date of approval of the annual financial statements.

4.2.7. Compliance with 30-day payments

During 2019/20 two invoices to the accumulated value of R101 660,77 were settled in more than 30 days. The reason for both cases related to the breakdown of internal controls in submitting the invoices timeously for payment.

The root causes for both cases were investigated and identified, remedial steps and additional controls (where needed) were implemented to eliminate the reoccurrence of such cases.

4.2.8. Acknowledgements or appreciations

I wish to express my gratitude to Speaker Masizole Mngqasela, Deputy Speaker Beverly Schäfer, the Rules Committee, the Parliamentary Oversight Committee, Members and staff for their support over the past year, and I also wish to thank all employees for their continued commitment in enabling Members to fulfil their functions as public representatives optimally.



Accounting Officer
ROMEO ADAMS
31 August 2020

5. STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY FOR THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

- All information and amounts disclosed throughout the annual report are consistent;
- The annual report is complete, accurate and free from any omissions;
- The annual report has been prepared, where applicable to the WCPP, in accordance with the guidelines on annual reports as issued by the National Treasury;
- The annual financial statements (Part E) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice as prescribed by section 56(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act 10 of 2009);
- The Accounting Officer is responsible for the preparation of the annual financial statements and for the judgements made in this information;
- The Accounting Officer is responsible for establishing and implementing a system of internal control that has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human-resources information and the annual financial statements; and
- The external auditors are engaged to express an independent opinion on the annual financial statements.

In my opinion, the annual report fairly reflects the operations, the performance information, the human-resources information and the financial affairs of the WCPP for the financial year ended 31 March 2020.

Yours sincerely,



Accounting Officer
ROMEO ADAMS
31 August 2020

6. STRATEGIC OVERVIEW

6.1. Vision

A dynamic, effective and efficient parliament supporting constitutional democracy.

6.2. Mission

The parliamentary administration will provide quality parliamentary and corporate support to enable Members to fulfil their constitutional functions and to facilitate public involvement in parliamentary activities by:

- Providing quality support to the House and committees;
- Promoting public access and involvement in the law-making and oversight processes;
- Ensuring effective communication with all stakeholders;
- Ensuring seamless and synergistic parliamentary processes and systems;
- Investing in appropriately skilled staff;
- Providing a secure environment that is conducive to empowering and enabling Members and staff;
- Implementing and adhering to good corporate governance systems and monitoring mechanisms; and
- Managing resources effectively, efficiently and economically.

6.3. Core values

In striving for service excellence and best practice, the administration subscribes to the following core values:

Transparency:	The WCPP represents the interests of the people of the Western Cape and is transparent in its operations and records. The WCPP communicates in an open and inclusive way.
Integrity:	The WCPP demonstrates high ethical standards in its processes, systems, conduct and dealings with all stakeholders, both internal and external.
Professionalism:	The WCPP strives towards efficiency of operations, informed decision-making and a general professional attitude by providing advice and services of a high quality. The WCPP strives to act on the basis of sound and established rules of procedure, facts, insight and experience.
Impartiality:	The WCPP seeks to retain an impartial approach to conducting business by being non-partisan.
Efficiency:	The WCPP renders an efficient service by utilising resources responsibly and cost-effectively.

7. LEGISLATIVE MANDATE

7.1. Constitutional mandates

The core objectives of the Western Cape Provincial Parliament are based on the following constitutional mandates:

(i) Constitution of the Republic of South Africa, 1996

The provincial legislatures are established in Chapter 6 of the Constitution of the Republic of South Africa, 1996 ("the Constitution").

(a) Section 114(1) of the Constitution confers the power to make laws on provincial legislatures.

(b) Section 114(2) of the Constitution provides that provincial legislatures must provide for mechanisms–

- to ensure that all provincial executive organs of state are accountable to it; and
- to maintain oversight of the exercise of provincial executive authority in the province, including the implementation of legislation, and of any provincial organ of state.

(c) Section 115 of the Constitution states, among other things, that a provincial legislature may summon any person to appear before it to give evidence; may require any person or provincial institution to report to it; and may receive petitions, representations or submissions from any interested person or institution.

(d) Section 116(1) of the Constitution provides that provincial legislatures may determine and control their internal arrangements, proceedings and procedures; and may make rules and orders concerning their business with due regard to representative and participatory democracy, accountability, transparency and public involvement.

The *Standing Rules of the Western Cape Provincial Parliament*, as amended from time to time, give expression to some of the powers conferred by section 116(1) of the Constitution.

(e) Section 117 of the Constitution concerns, among other things, the privileges of members of provincial legislatures, notably the privilege of freedom of speech, to be enjoyed subject to the rules and orders of the legislatures.

(f) Section 118 of the Constitution places an obligation on provincial legislatures to facilitate public involvement in the legislative and other processes of the provincial legislatures, and to conduct their business in an open manner.

(ii) Constitution of the Western Cape, 1997

The Western Cape is the only province with its own constitution. Together with the Constitution of the Republic of South Africa, 1996, it is the highest law in the Western Cape.

The Provincial Constitution provides for certain distinct legislative and executive structures that differ from certain structures in the Constitution. For example:

- (a) Section 9(1) of the Provincial Constitution refers to the Western Cape's provincial legislature as the Western Cape Provincial Parliament, and section 13 provides that the Provincial Parliament consists of 42 members;

- (b) Where section 111(1) of the Constitution provides that a provincial legislature must elect a Deputy Speaker, section 20(3) of the Provincial Constitution makes the election of a Deputy Speaker by the Provincial Parliament discretionary; and
- (c) Section 42 of the Provincial Constitution refers to Provincial Ministers whereas section 132 of the Constitution refers to members of the Executive Council.

7.2. Statutory mandates

(i) Financial Management of Parliament and Provincial Legislatures Act, 2009

This Act regulates the financial management of Parliament and the provincial legislatures, as well as oversight of the financial management of Parliament and the provincial legislatures.

(ii) Money Bills Amendment Procedure and Related Matters Act, 2009

This Act provides for the amendment of money Bills in Parliament, and for norms and standards for the amendment of money Bills in provincial legislatures.

(iii) Mandating Procedures of Provinces Act, 2008

This Act provides for a uniform procedure for provincial legislatures to confer authority on their delegations to cast votes on their behalf in the National Council of Provinces.

(iv) Western Cape Witnesses Act, 2006

This Act sets out the procedure for summoning witnesses to appear before committees or the House.

(v) Western Cape Law on the Powers and Privileges of the Provincial Legislature Act, 1995

This Act, as amended, deals with the appointment of staff and the fixing of remuneration by the Speaker.

(vi) Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004

This Act delineates the parliamentary precincts of Parliament and the provincial legislatures, and articulates the powers, privileges and immunities of Parliament and the provincial legislatures.

(vii) Members of the Western Cape Provincial Parliament Code of Conduct Act, 2002

This Act gives effect to section 27 of the Provincial Constitution by providing for a Code of Conduct governing the conduct of members of Provincial Parliament. The *Code of Conduct for Members of the Western Cape Provincial Parliament* is premised on this Act.

(viii) Western Cape Provincial Languages Act, 1998

This Act provides for the use of the three official languages of the province, Afrikaans, English and Xhosa, by Provincial Parliament.

(ix) Remuneration of Public Office Bearers Act, 1998

This Act provides a framework for the determination of salaries and allowances of public office bearers.

(x) Determination of Delegates (National Council of Provinces) Act, 1998

This Act provides for the determination of permanent and special delegates to the National Council of Provinces.

(xi) Electoral Act, 1998

This Act provides for the election of the National Assembly, provincial legislatures and municipal councils.

(xii) Independent Commission for the Remuneration of Public Office-bearers Act, 1997

This Act provides for the establishment of a Commission to make recommendations concerning the salaries, allowances and benefits of public office-bearers.

(xiii) National Council of Provinces (Permanent Delegates Vacancies) Act, 1997

This Act makes provision for the filling of vacancies among permanent delegates to the National Council of Provinces.

(xiv) National Key Points Act, 1980

This Act provides for the identification of national key points, and for the safeguarding of national key points. The Western Cape Provincial Parliament, situated at 7 Wale Street, Cape Town, was declared a national key point by the Minister of Police.

7.3. Case law

The following judgments inform the interpretation of the constitutional and statutory mandates of the Provincial Parliament:

(i) Certification of the Constitution of the Western Cape 1997 [1997] ZACC 8, and Certification of the Amended Text of the Constitution of the Western Cape, 1997 [1997] ZACC 15

These judgments culminated in the certification of the Provincial Constitution by the Constitutional Court.

(ii) Doctors for Life International v The Speaker of the National Assembly and Others (CCT 12/05)

This judgment dealt with the interpretation of section 118(1)(a) of the Constitution, and a provincial legislature's duty to facilitate public involvement in the legislative and other processes of the provincial legislature.

(iii) Ex parte President of the Republic of South Africa: In re Constitutionality of the Liquor Bill 2000 SA 732 CC

This judgment dealt with the domain of Schedule 5 exclusive provincial legislative competences in the context of the Constitution's distribution of legislative power.

(iv) Lindiwe Mazibuko, MP, Leader of the Opposition in the National Assembly v Max Vuyisile Sisulu, MP, Speaker of the National Assembly and Another [2013] ZACC 28

In this case the Constitutional Court held that the rules of a legislature must give effect to the rights and obligations imposed by the Constitution, and must provide for the vindication of members' constitutional rights in a legislature.

(v) Mario Gaspare Oriani-Ambrosini, MP v Maxwell Vuyisile Sisulu, Speaker of the National Assembly ZACC 27 [2012]

In this judgment the Constitutional Court held that a legislature cannot restrict the power of an individual (private) member of that legislature to introduce legislation in that legislature.

(vi) Mosiuoa Lekota and Another v The Speaker, National Assembly and Another (Western Cape High Court) case no: 14641/12

This judgment was concerned, in the first instance, with restrictions placed on members' freedom of speech by the rules of a legislature and, in the second instance, with the limits of judicial oversight over legislatures.

(vii) Premier: Limpopo Province v Speaker: Limpopo Provincial Legislature and Others ZACC 25 [2011]

This judgment dealt with section 104 of the Constitution in the context of the provincial legislatures' capacity to legislate on the management of their own financial affairs.

(viii) Stephen Segopotso Tongoane and Others v Minister for Agriculture and Land Affairs and Others CCT 100/09 [2010] ZACC 10

The judgment confirmed that any Bill that substantially affects the interests of the provinces must be enacted in accordance with the procedure stipulated in section 76 of the Constitution.

(ix) Premier of the Province of the Western Cape and Another v Electoral Commission and Another 1999 (11) BCLR 1209 CC

In this judgment the Constitutional Court held that the Province may determine the number of members in its provincial legislature in the Provincial Constitution.

(x) The Speaker of the National Assembly v Patricia de Lille, MP and Another (Supreme Court of Appeal) case no: 297/98

The court held that freedom of speech in a legislature may be limited by the rules and orders of a legislature, provided that the limitation has due regard to representative and participatory democracy, accountability and public involvement.

(xi) Economic Freedom Fighters v Speaker of the National Assembly and Others CCT 143/15

In this case the Constitutional Court found that the structures or measures employed by a legislature to have oversight of executive organs of state are to be determined by the legislature itself, but that such measures must in substance and reality amount to oversight.

(xii) Democratic Alliance v Speaker of the National Assembly and Others CCT 86/15

In this case the Constitutional Court found that section 11 of the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004, that authorised the arrest of members who created or took part in a disturbance in the House, is unconstitutional.

(xiii) Andries Molapi Tlouamma and Others v Speaker of the National Assembly and Others (Western Cape High Court) case no: 3236/15

In this case the court considered the constitutional and legislative framework in which the legislatures in South Africa operate; interrogated the concept of separation of powers; considered the powers of the judiciary in relation to the principle of non-interference by other organs of state in parliamentary proceedings; and analysed the role of the Office of the Speaker in South African law.

(xiv) UDM v Speaker of the National Assembly and Others (Constitutional Court) case no: CCT 89/17

In this case the court considered the use of open or secret ballots to record a vote in Parliament.

(xv) Primedia Broadcasting (Pty) Ltd and Others v Speaker of the National Assembly and Others (Supreme Court of Appeal) case no: 784/2015

In this case the court considered the principles and values underpinning the public's right to an open Parliament.

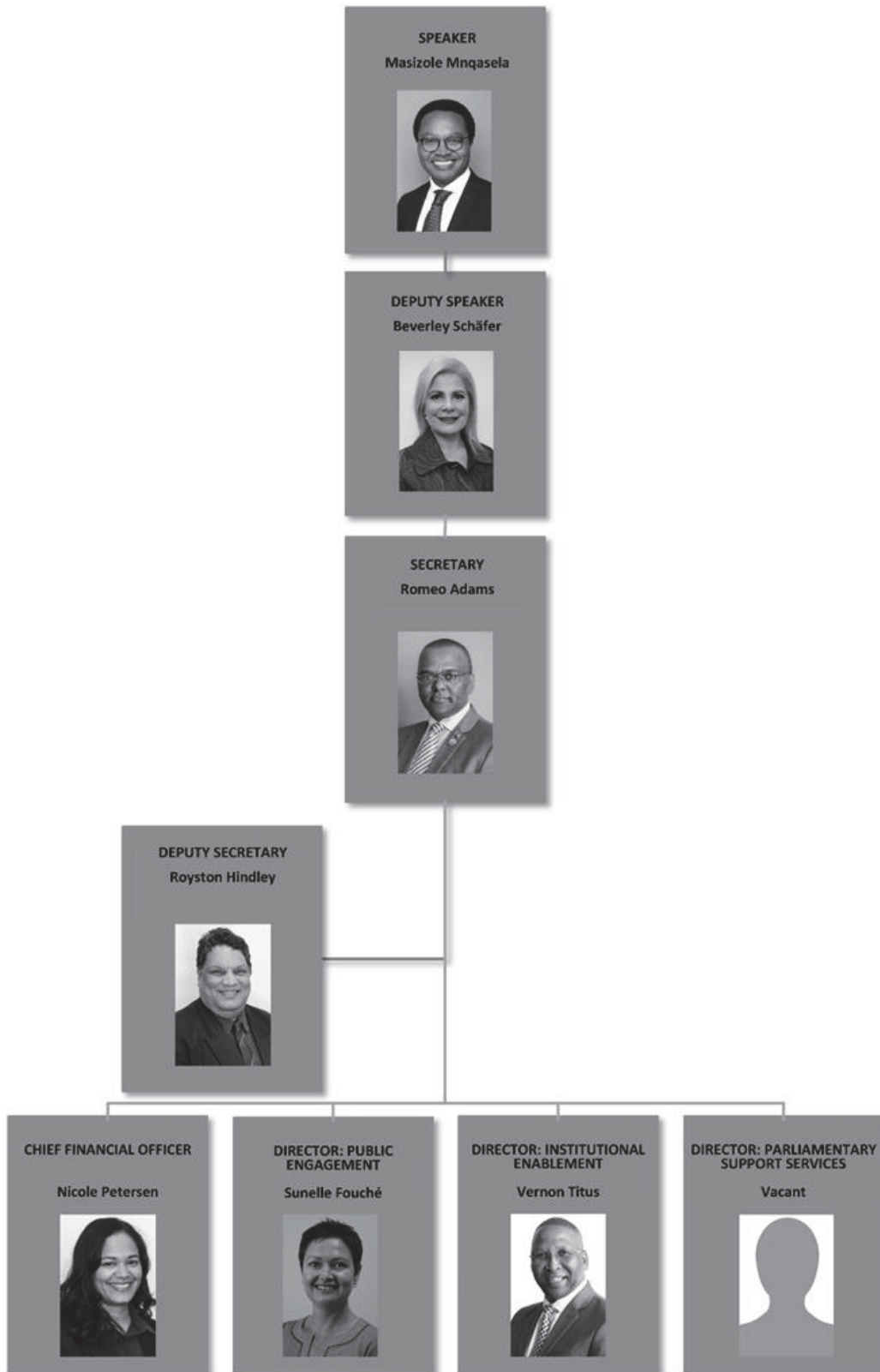
(xvi) Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others (Constitutional Court) case no: CCT 40/15

In this case the court considered the lawfulness of truncated timelines for public involvement.

(xvii) Marius Llewellyn Fransman v Speaker of the Western Cape Provincial Parliament and Another (Western Cape High Court) case no: 13097/2014

In this case the court found that it is not for the judiciary to determine the internal arrangements, proceedings and procedures of legislatures, but that these matters are reserved by the Constitution for determination by the legislatures themselves. The court also found that the proceedings of a parliamentary committee is not administrative action reviewable under the Promotion of Administrative Justice Act, 2000

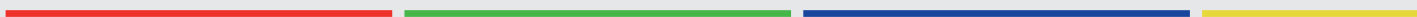
8. ORGANISATIONAL STRUCTURE: EXECUTIVE AUTHORITY AND TOP MANAGEMENT AS AT
31 MARCH 2020



WESTERN CAPE PROVINCIAL PARLIAMENT



PART B PERFORMANCE INFORMATION





Speaker Masizole Mnqasela presented a set of educational materials to the Western Cape Minister for Education Debbie Schäfer at the Jakes Gerwel Technical School in Bonnievale on 24 October 2019



Speaker Masizole Mnqasela and Deputy Speaker Beverley Schäfer received a delegation on 12 December 2019 from the National Parliament of Uganda who was on a study visit to South Africa



Learners and educators from the Crystal High School, Hanover Park, visited the WCPP on 19 September 2019



On 5 March 2020 Premier Alan Winde, Speaker Masizole Mnqasela and Social Development Minister Sharna Fernandez visited the Rocklands Educare crèche to hand out gifts to the children and teachers to thank them for providing their premises for the hosting of the Official Opening and SOPA on 20 February 2020

PART B: PERFORMANCE INFORMATION

1. AUDITOR-GENERAL'S REPORT: PREDETERMINED OBJECTIVES

The Auditor-General of South Africa currently performs certain audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against predetermined objectives is included in the report to management, with material findings being reported under the heading "Report" on the audit of the annual performance report.

Refer to page 129 of the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF THE WCPP'S PERFORMANCE

The 2019/20 financial year was the final year of the WCPP's Strategic Plan 2015/16 to 2019/20. In pursuit of its vision to be a dynamic, effective and efficient parliament supporting constitutional democracy, the WCPP has set two strategic outcome-oriented goals and three strategic objectives, namely:

2.1. Strategic outcome-oriented goal 1:

To provide effective procedural and related support to Members, committees and the House to make laws, conduct oversight and facilitate public involvement

This strategic outcome-oriented goal is linked to Programme 2: Parliamentary Support Services and Programme 3: Public Engagement.

2.1.1. Strategic objective 3:

To enhance effective and timely procedural and related support.

2.2. Strategic outcome-oriented goal 2:

To promote sound governance and improve strategic corporate support

This strategic outcome-oriented goal is linked to Programme 1: Governance, Leadership and Administration and Programme 4: Members' Support.

2.2.1. Strategic objective 1:

To enhance sound governance by establishing structures, processes and procedures in accordance with legislation and relevant guidelines.

2.2.2. Strategic objective 2:

To improve services to stakeholders by providing strategic support and by implementing seamless and synergistic corporate and parliamentary processes and systems.

2.3. Service-delivery environment

The WCPP is mandated by the Constitution to perform oversight over the executive, make laws and facilitate public involvement in its activities. In this regard, the administration provided procedural and related support to Members, committees and the House.

The WCPP's stakeholders are as follows:

- Members;
- Employees;
- People of the Western Cape;
- Office of the Premier (Audit Committee, Internal Audit and Legal Services);
- Government departments;

- Vendors;
- Parliament and other legislatures;
- South African Police Services;
- Political parties; and the
- Auditor-General of South Africa.

2.4. Organisational environment

The Secretary and staff of the WCPP are appointed in terms of the Western Cape Law on the Powers and Privileges of the Provincial Legislature Act, 1995 (Act 3 of 1995).

The Secretary to the Western Cape Provincial Parliament, Mr Romeo Adams, was appointed on 01 April 2019 on a fixed term contract. The organisational structure as at 31 March 2020 is depicted on page 108.

3. PERFORMANCE INFORMATION BY PROGRAMME

3.1. PROGRAMME 1: GOVERNANCE, LEADERSHIP AND ADMINISTRATION

3.1.1. Purpose

The purpose of this programme is the strategic management of the institution and to provide governance, institutional and financial management support services to the WCPP.

3.1.2. Main functional areas

- Exercise strategic and institutional oversight;
- Develop and coordinate parliamentary procedures and systems;
- Ensure effective public engagement;
- Ensure effective institutional support;
- Provide effective and compliant financial management services;
- Provide legal support;
- Maintain effective institutional governance;
- Perform functions in terms of relevant statutory provisions;
- Render secretarial and office support services to presiding officers;
- Formulate and execute policy and operational policies; and
- Establish norms and standards in compliance with relevant legislation and practices.

3.1.3. Strategic outcome-oriented goals; subprogrammes, strategic objectives and strategic objective performance indicators

Strategic outcome-oriented goals	Subprogramme	Strategic objectives	Strategic objective performance indicators	
To promote sound governance and improve strategic corporate support	1. Office of the Speaker	To enhance sound governance by establishing structures, processes and procedures in accordance with legislation and relevant guidelines	Establishing mechanisms year-on-year to monitor mandated functions	
	2. Office of the Secretary		Maintain clean audit outcome on governance	
	<ul style="list-style-type: none"> • <i>Programme Management</i> 		Year-on-year improvement in organisational effectiveness and efficiency	
	<ul style="list-style-type: none"> • <i>Legal Services</i> 			
	<ul style="list-style-type: none"> • <i>Risk Management</i> 			
	3. Financial Management	To improve services to stakeholders by providing strategic support and by implementing seamless and synergistic corporate and parliamentary processes and systems	Clean audit outcome	
	<ul style="list-style-type: none"> • <i>Supply Chain and Asset Management</i> 			
	<ul style="list-style-type: none"> • <i>Financial Management and Accounting</i> 			
	<ul style="list-style-type: none"> • <i>Financial Compliance and Internal Control</i> 			
	4. Institutional Enablement		Modernisation and integration of Human Resources Management	
	<ul style="list-style-type: none"> • <i>Human Resources</i> 			Upward change in the Capability Maturity level year-on-year based on the Control Objectives for Information Technology (COBIT) Maturity Model
	<ul style="list-style-type: none"> • <i>Information Technology and Digital Services</i> 			
<ul style="list-style-type: none"> • <i>Knowledge Management and Information Services</i> 				
<ul style="list-style-type: none"> • <i>Logistical Services</i> 				

3.1.4. Summary of achievements: Governance, Leadership and Administration

The WCPP is committed to good governance in executing its primary functions. The WCPP has a developed corporate Governance Framework that sets out the governance components, principles and requirements that enable the WCPP to implement good governance. It also sets out a robust system of internal controls to enhance the control environment and achieve the fiduciary requirements as set out in section 12 of the FMPPLA.

The WCPP's Governance Framework provides for the management and oversight of the functions within the WCPP, it adequately protects the interests of both internal and external stakeholders and it describes the governance structure and decision-making processes applicable to the WCPP.

Registrar of Members' Interests

The WCPP (House) approved the appointment of a part-time Registrar of Members' Interests, who is independent of the administration, on a two-year retainer in terms of section 3 of the Western Cape Parliament Code of Conduct Act, 2002 (Act 3 of 2002).

The Registrar of Members' Interests is responsible for receiving financial interests of Members and investigating breaches of the Code of Conduct and complaints.

Enterprise Risk Management (ERM) achievements

The ERM function aims to ensure that risk management is embedded in the day-to-day activities of the WCPP to manage risks at all levels (strategic, operational and project) proactively and across the institution. This is done through the implementation of the ERM strategy and plan, which increases current and future risk management maturity. This ensured that the WCPP achieved its objectives, by identifying and assessing the risks that could prevent the WCPP from achieving its objectives and by developing relevant treatment plans to manage these risks. Where risks are deemed outside of the control span of the WCPP, the institution will manage those either through contingency measures or by attempting to influence the decision at specific forums.

An annual assessment of the risk maturity was conducted to inform the ERM strategy and plan for the upcoming 2020/21 financial year. The outcome of the assessment provides a basis to concentrate on continuous improvement of the risk management process and its integration into the decision-making process of the WCPP. This is further enhanced by an active Governance Committee, which meets quarterly and acts as an internal oversight committee over the risk management processes.

The risk registers that are produced are used to inform management decisions and provides the internal audit function from the Department of the Premier with a basis to develop the annual audit plans and to evaluate the adequacy and effectiveness of the risk treatments independently.

Internal audit

The WCPP continued to utilise the services of the Department of the Premier with regard to its internal audit function.

FINANCIAL MANAGEMENT

The annual financial statements have, for a fifth time, been prepared in accordance with the standards of Generally Recognised Accounting Practices (GRAP), as prescribed in section 56(1) of the FMPPLA. The 2019/20 annual financial statements (AFS) were also the first set of AFS drafted by utilising source information from the new SAGE X3 ERP system.

During the prior four financial years, the WCPP had received clean audit opinions for all GRAP sets of AFS (as prescribed in section 56(1) of the FMPPLA), whereby these AFS were manually converted to ensure compliance with this requirement, prior to the implementation of the new SAGE X3 ERP system. The WCPP also ensured that suppliers were paid timeously and in accordance with legislative requirements.

INSTITUTIONAL ENABLEMENT

HUMAN RESOURCES

The WCPP adopted a new organisational structure in November 2018 and implemented the new structure with effect from 1 April 2019. The total staff establishment increased from 108 to 119 posts. By the end of the financial year two posts were abolished after the assessment of the overall

organisational need. One was a service-officer post and the other was a receptionist post. Neither of the posts had direct human resource implications. The number of posts as at 31 March 2020 were therefore 117.

During the financial year under review the WCPP appointed 27 employees. Of these appointments, 12 (44,4%) were internal appointments and 15 (55,5%) were external candidates. In the process, the WCPP also improved its representation of women in management year-on-year. The number of women in management shifted from three women during 2018/19 to five women in management positions in 2019/20. One of these appointments (the HR Manager) unfortunately served her last working day on 31 March 2020 after securing a senior management position in the Western Cape Government. The data tables in Part D of the Annual Report will therefore still reflect the HR Manager as part of the employee complement.

The WCPP embarked on an online recruitment and response handling contract in order to improve the recruitment processes and to alleviate the challenges related to the time consuming capturing of information in databases for all the vacancies that originated from the functional enhancement process.

During 2019/20 the WCPP continued to stabilise and optimise the ERP system. While this process has not formally been identified as a Key Performance Indicator in relation to achieving this objective in line with the overall strategy of Governance, Leadership and Administration, a lot of time and resources in the Human Resources Unit had been dedicated to the process of stabilising and optimising the system. To this end, the WCPP has successfully paid salaries for Members and employees on the new ERP system for a full financial year, with continuous quality improvements being undertaken.

The WCPP has achieved a ten per cent annual staff turnover rate for the year under review. This has largely been influenced by the national election during May 2019 and the subsequent change of employees in the Office of the Speaker during the Sixth Parliament. This percentage, as well as other human resource management interventions, are further unpacked in detail in Part D of the Annual Report.

INFORMATION TECHNOLOGY AND DIGITAL SERVICES (ITDS)

Following the resignation of the previous Information Technology Manager during 2018/19, a new Information Technology and Digital Services Manager was appointed in the first quarter of 2019/20. The following activities represent the prioritised focus of the unit under the new leadership:

Enterprise Resource Planning (ERP)

Enhancing the functionality and the capability of the Sage X3 system has been an ongoing focus for the WCPP. In this regard, service providers specialising in finance, supply chain and asset management and human resources were appointed for application support and system configuration refinements. All support competencies were linked to structured service level agreements with the service providers. Assets and budgeting modules were optimised as prescribed, while the HR and payroll modules were reconfigured for maximum alignment. Full compliance has been achieved with legislation in terms of tax calculations, pension deductions and employment equity. Internal workshops were concluded to identify gaps in supply chain and human resources to aid further optimisation. The benefits realisation process was concluded as prescribed by the ERP terms of reference and under guidance of the ERP Steering Committee. The phased implementation approach complies with objectives as defined in the business case.

Infrastructure

The WCPP's wireless infrastructure was upgraded to improve ease of use and to build coverage, stability, security and performance with ease of administration and support. To date the wireless infrastructure has proven to be effective, efficient and stable. Server and storage capacity were added to support the digitalisation approach over the next five years. The deployment of datacentre sensors and the enhancement of the existing monitoring tool ensured the effective measuring of changes in humidity and temperature by means of short messaging system (SMS) alerts or by email and improved visibility to ensure the maximum uptime of the technology infrastructure.

Systems or applications

The development of the Organisational Performance Management System (OPTaMeS) Dashboard, yielded results in the fourth quarter by producing the Quarterly Performance Report (QPR) parallel to the manual system. The system was custom-developed in house and helped to streamline and automate the tasks of capturing performance indicators, programme and subprogramme in alignment with the WCPP's organisational structure. Workflow processes ensured visibility and quality assurance of the process, while holding managers accountable for targets through data restrictions and electronic sign-offs. Targets cannot be changed once approved on the system and the uploading of evidence on the system improves efficiency and effectiveness of decision-making when capturing and evaluating performance against set targets. The achievement or non-achievement of targets is calculated by the system in accordance with the business rules. Monitoring and evaluation are achieved through dashboard visualisations. The QPR is automatically generated from data in the system and therefore contributes to added efficiency and the overall effectiveness of the system, while eliminating calculation errors. Further to this OPTaMeS Dashboard has a full audit trail and record of amendments, uploads and approvals.

Business continuity and disaster recovery

Disaster recovery was implemented in full for all the WCPP's digital systems and disaster recovery testing validated the integrity of the system and ability to failover to the secondary site, through a planned testing event, which involved stakeholders from key operational teams. The successful off-site SOPA event during February 2020 further supported the business continuity capability of the core business functions.

Cyber security

A successful penetration test and vulnerability assessment were conducted in accordance with the annual best practice requirement, followed by appropriate remedial actions. Parallel to this process, virus and email threats protection were adequately managed to prevent ransomware exploits. The web server was hardened to mitigate reputational damage, while all systems were patched in accordance with information security policies.

The modern-day work environment is prone to attacks by numerous cybersecurity issues, such as phishing, malware, hackers and software bugs. While the WCPP has adequate firewall protection, proactive internal measures were put in place to mitigate the risk that end users may pose to the systems. These risks emanate from human error, which accounts for most of the security exploits worldwide. During the fourth quarter of the financial year, the WCPP approved a continuous internal communications programme designed to raise awareness of information risk and security concepts in order to change behaviour patterns. The programme has been designed for online implementation during the 2020/21 year and is aimed at establishing a widespread, lasting and deep-rooted cyber-security culture at the WCPP.

Information and communication technology (ICT) support

Service delivery to Members and employees continued as the component ensured that logged calls were resolved within the specifications of the service level agreement and in alignment with quarterly targets. The set service standards adhered to the year-on-year improvement expectations, while all the systems complied with the agreed uptime requirements as set out in the Annual Performance Plan.

Tools of trade were issued to Members of the Sixth Parliament and laptop and desktop asset refreshes were executed according to the planned objectives.

The Windows 10 upgrade was concluded; hence providing additional security layers and an improved user experience.

Audiovisual support levels for the Chamber, committee rooms and televisions were maintained without fail.

KNOWLEDGE MANAGEMENT AND INFORMATION SERVICES (KM&IS)

The KM&IS section was established in April 2019 and comprises the following functions namely: research services, library services, records management and language services. The new Knowledge Management and Information Services Manager assumed duty on 1 April 2019.

One of the main focus areas during the 2019/20 year was to structure KM&IS in a way that would realise synergies and efficiency gains between and across the various functions.

Knowledge Management

At the outset of the 2019/20 financial year, the taxonomy of the WCPP's electronic filing system, namely e-filing, was revised to ensure it was aligned and consistent with the new WCPP structure adopted after functional enhancement was implemented. Funding proposals were also drafted and submitted to upgrade the WCPP's e-filing system to enhance the electronic document management features and capabilities in line with the WCPP's modernisation strategy. It is envisaged that the entire taxonomy, as well as the concomitant permissions structure for employees to access the WCPP's electronic records, will be completed during the 2020/21 financial year. The WCPP Data Classification Policy was also finalised and approved during 2019/20. The Data Classification Manual, a guide for information owners on how to implement the policy, will be completed within the first six months of the next financial year.

To further support the WCPP's modernisation strategy, a funding proposal was developed and submitted for creating a WCPP intranet. This electronic platform will form the basis from which to launch knowledge-management initiatives and projects and thereby start the process of embedding and institutionalising knowledge-management norms, standards and practice at the WCPP. The WCPP Knowledge Management Strategic Framework will be finalised and approved during the 2020/21 financial year, after an environmental analysis and KM audit has been conducted to understand the organisation's KM maturity, strengths weaknesses; which will also require constant collaboration to align the KM strategy with the WCPP Digital Improvement Plan.

The need to revise the existing WCPP file plan was recognised following the adoption of the new WCPP structure in April 2019. The purpose of this exercise was to ensure that the file plan was primarily based on WCPP business functions and operations and not its structure. This would firstly enhance monitoring and compliance with the WCPP's Records Management Policy and practice and secondly enhance preservation and access to WCPP records.

A series of meetings were held with all directorates, sections and units to ensure that the file plan correctly and adequately incorporated the current institutional functions and activities of both support and line functions. It is anticipated that the new file plan will be completed, approved and adopted early in 2020 after obtaining approval from the Western Cape Archival and Records Services (WCARS), which will include relevant disposal codes for official WCPP records. The procurement of new shelving and the upgrade of a storage area for the registry were attended to during the year, given that the disposal or destruction of official records was contingent on having storage certified as compliant by WCARS. Additional storage space for WCPP records was therefore requested and made available, and improvements will be made during the next financial year to ensure it adheres to WCARS specifications.

Information Services

WCPP Members and employees were given unlimited online access to JStor as part of the KM&IS's efforts towards making the WCPP an innovative and modern parliament. JStor is a digital library providing access to more than 10 million peer-reviewed academic journal articles, 50 000 books, and 2 million primary source documents across 75 disciplines. Members and employees were also given access to an additional JStor online portal namely, African Cultural Heritage Sites and Landscapes and Struggles for Freedom in Southern Africa. To further enhance information services, Members and employees of the WCPP were also provided access to NewsBank, an online newspaper service. WCPP Members and employees can now access more than 600 national and local titles, including access to the largest collection of African and international news sources. Daily or weekly news alerts can also be created with keyword searches.

The primary benefit is that Members can now explore and compare a wide variety of viewpoints on issues and events at a local, regional, national, continental and international level, as they have access to a diverse range of news sources, which include printed and online-only newspapers, blogs, newswires, journals, broadcast and transcripts. Combined access to NewsBank (mainstream news) and JStor (academic publications) therefore provides Members with a powerful and dynamic tool to enrich and enhance their knowledge and insight on specific topics and issues. This access also helps to overcome information gaps between Members from different backgrounds and political parties who serve on the same committees.

To further enhance Members' access to topical and accurate information services, the library circulated numerous e-publications that promoted awareness about the commemoration of noteworthy provincial, national, continental and international events. E-bulletins were also used as a mechanism to provide Members with easy access to recently published statistics and trends on household demographics, crime, inequality, unemployment and income distribution.

The selection of e-publications was based on, but not limited to, the following thematic areas: Youth Unemployment; Climate Change; Gender-based Violence and Social Inclusion and Cohesion – critical challenges constantly being addressed by the WCPP's standing committees.

A total of 26 new library members were registered in the period under review, while 16 returning members were re-registered. Together with employee registrations the library currently has a total of 144 registered library users. The WCPP also started a process to amend its library policy to make provision for external library membership in order to promote broader and increased access and usage of the WCPP's library resources and material.

The Research Services function was transferred from Committee Support and incorporated in KM&IS with effect from 1 April 2019, but continued to provide research support to all committees and Members as in previous years. The immediate benefit of having both Research Services and Library Services in one section was greater alignment and synergy of information services and the optimal use of staff capacity – one researcher was on maternity leave for six months during 2019/20.

Research Services achieved its key performance target of drafting, reviewing, editing and submitting all requested research reports within the agreed time frames. Research Services completed a total of 15 reactive research requests; six cyclical research reports and eight institutional research products during the period under review.

Institutional research services were introduced as an additional category of research in 2019/20 to support the information needs of the WCPP's administration. Research reports under this category included, among others, identifying guidelines for developing policies on sexual harassment; identifying guidelines on dealing with grievances raised at public engagement activities; and investigating the application of the Ministerial Handbook. Reactive research reports, which are produced on request from the committees, included among others, trends in the matric pass rates; regulations governing energy security; the efficacy of legislation and Standing Rules to amend Money Bills; and identifying best-practice guidelines for establishing the powers and functions of a provincial Commissioner for Children.

Language Services

An independent external assessment of the quality of the WCPP's English to Xhosa and English to Afrikaans translation services was conducted and completed during the third quarter of 2019/20. The standard of translation services was found to be of a satisfactory quality based on the assessment of various translated documents. The assessment metrics included the quality of the language of the source documents, as well as language practitioners' word count and turnaround times. Translation services ensured that all House papers, a key performance indicator, were translated into Xhosa and Afrikaans.

An independent external assessment of the quality of the WCPP's English–Afrikaans, Afrikaans–English, English–Xhosa, Xhosa–English, Afrikaans–Xhosa and Xhosa–Afrikaans interpreting services was conducted and completed during the fourth quarter of 2019/20. The standard of the interpreting services was found to be of satisfactory quality. Quarterly meetings were held with language interpreters (independent service providers) to enhance the service and to address challenges that interpreters were experiencing. The meeting scheduled for the fourth quarter could not take place due to the national COVID-19 lockdown. The WCPP also started the process of recruiting additional interpreters to expand its pool of interpreters by placing an advertisement in various news outlets throughout the Western Cape. SLAs with all interpreters will end in October 2020 and Language Services will use this as an opportunity to enhance the interpreting services further, including exploring the possibility of automating the processing of interpreter claims and invoices. Translation services translated a total of 177 House papers (Written Question Papers, Oral Question Papers, ATCs, Minutes of Proceedings and Order Papers) during the period under review.

Sign-language interpreters were also increasingly used during the 2019/20 financial year to support the WCPP's aim to provide access to important WCPP events and House proceedings to the hearing impaired. In this regard, sign-language interpreters were used during all the 2019/20 SOPA events, as well as at the debate on the final SOPA in February 2020. A combined total of 200 House sittings, standing-committee meetings, public hearings and oversight meetings were interpreted during the period under review.

The Language Services section is in the process of exploring entering into an SLA with the Western Cape Deaf Federation to provide cost-efficient and reliable sign-language services.

Logistical Services

The Logistical Services section was established in April 2019 as a breakaway from the former Security and Facilities Management section. This was to ensure that security and precinct management become a fully-fledged function under the Serjeant-at-Arms on the new organisational structure.

During the 2019/20 financial year the section was tasked with the distribution of office effects, parking facilities, office equipment, catering services and transportation services for the Speaker's Office, Members and employees. Further to this, the unit was also responsible for facilitating cleaning services, building repairs and maintenance, telephone and photocopying services, as well as the procurement of personal protective equipment (PPE) as a result of the COVID-19 pandemic.

The WCPP has a current SLA in place with the Department of Transport and Public Works (DTPW), the current owner of the building in which the WCPP is housed. All repair work and cleaning contracts therefore form part of the overall SLA with the DTPW.

During the year under review the unit developed a policy and standard operating procedure for the booking and usage of venues. Although the draft document was submitted for input from various stakeholders, it was not finalised by the end of the financial year. It is envisaged that this would be concluded during the first quarter of the 2020/21 financial year.

The Logistical Services section has further been mandated to contract a long-term service provider for catering services during House sittings. After several engagements with Members, as well as with the leadership of the WCPP, on the particular needs of the Sixth Parliament, a new catering model was proposed. The model is premised on the procurement of a service provider that could provide the following key services:

1. The provision of subsidised traditional and alternative meal options for House sittings;
2. The establishment of a canteen, including a barista at Tafelberg on the seventh floor;
3. The provision of two food-service stations for committee meetings;
4. The provision of a mobile pre-packed food service during the course of the day; and
5. The provision of pre-packed snack packs for visiting schools groups.

The unit is currently in the process of procuring possible service providers who have the capability to implement the specifications.

3.1.5. Annual performance

Strategic objectives performance indicators, performance indicators, planned targets and actual achievements

Strategic objective performance indicators

Programme 1: Governance, Leadership and Administration					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Establishing mechanisms year-on-year to monitor mandated functions	Achieved: Rules Review finalised and submitted to the Rules Committee on 27 March 2019	1	Not applicable	Deviation: -100%	As 2019/20 was an election year, there were no directives identified to be approved.
Maintain clean audit outcome on governance	Achieved: Clean audit outcome for 2018/19	Clean audit outcome	Achieved: Clean audit outcome for 2019/20		
Year-on-year improvement in organisational effectiveness and efficiency	Achieved: Target of 94% exceeded. Achievement 96%	Year-on-year improvement in organisational effectiveness and efficiency	This target was previously linked to the results of a staff survey. The survey has been discontinued. This strategic objective performance indicators now resides in Programme 2: Parliamentary Support Services.		
Clean audit outcome	Achieved: Clean audit outcome for 2018/19	Clean audit outcome	Achieved: Clean audit outcome for 2019/20		
Modernisation and integration of Human Resources Management	Not achieved	Identify projects and implement in financial year	Not applicable	Deviation: There were no projects identified for implementation.	
Upward change in the Capability Maturity level year-on-year based on the Control Objectives for Information Technology (COBIT) Maturity Model	Achieved: 3 – Defined processes	Defined processes	Achieved: Level 3 - Defined processes achieved		

Performance indicators, planned targets and actual achievements

3.1.5.1. Subprogramme: Office of the Speaker

The purpose of the subprogramme is:

- to render support to the presiding officers in the formulation of the strategic direction of the WCPP administration;
- to render support to the presiding officers in the fulfilment of their functions in terms of the relevant statutory provisions and parliamentary rules;
- to render support to the presiding officers in representing the WCPP and participating in legislative activities both locally and internationally; and
- to render secretarial and office support services to presiding officers.

Subprogramme: Office of the Speaker					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage compliance by the Executive Authority with the prescribed legislative obligations and relevant transitional arrangements in terms of the FMPPLA by the required due dates	Achieved: 19 out of 19 compliance indicators were fully complied with	100%	Not achieved: 11 out of 12 compliance actions achieved	Deviation: -8%	Of the 12 compliance actions only one action was not fully achieved – relating to two Financial statements (August and September) that were not tabled within the prescribed date.
Number of directives approved in terms of oversight, law-making and public participation	Achieved: Rules Review finalised and submitted to the Rules Committee for adoption on 27 March 2019	1	Not applicable		As 2019/20 was the first year of the 6th Parliament and there were no directives identified and developed to be approved by the Office of the Speaker.

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Subprogramme: Office of the Speaker					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Percentage compliance by the Executive Authority with the prescribed legislative obligations and relevant transitional arrangements in terms of the FMPPLA by the required due dates – Monitoring mechanisms will be enhanced to ensure compliance with the dates as prescribed by the FMPPLA.</i>					

Changes to planned targets

No changes have been made to this subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Office of the Speaker	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Office of the Speaker	6 602	6 464	138	6 508	6 499	9
Total	6 602	6 464	138	6 508	6 499	9

3.1.5.2. Subprogramme: Office of the Secretary

The purpose of the subprogramme is as follows:

- to formulate operational policies and establish norms and standards in compliance with relevant legislation and practices;
- to perform strategic and institutional oversight;
- to manage public engagement, parliamentary support services, institutional enablement and financial management services;
- to provide legal support services to the administration and committees; and
- to facilitate risk management services.

Subprogramme: Office of the Secretary					
Sub-subprogramme: Legal Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage compliance with the reviewed Performance Management	Achieved: 93% compliance with the reviewed Performance	82%	Achieved: 92% compliance with the reviewed Performance	Deviation: 10% more than planned.	

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Subprogramme: Office of the Secretary Sub-subprogramme: Legal Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Framework for Legal Services	Management Framework for Legal Services		Management Framework for Legal Services		

Changes to planned targets

No changes were made to the sub-subprogramme's performance indicators or targets during the reporting period.

Subprogramme: Office of the Secretary Sub-subprogramme: Risk Management					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Conduct a risk management assessment to benchmark the maturity level of the institution	New Performance Indicator	1	Achieved: Risk management assessment to benchmark the maturity level of the institution conducted		

Changes to planned targets

No changes were made to the sub-subprogramme's performance indicators or targets during the reporting period.

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Subprogramme: Office of the Secretary					
Sub-subprogramme: Organisational Strategy and Performance					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Establishment of the sixth parliament	New Performance Indicator	Establishment of the sixth parliament	Achieved: Sixth Parliament was established and full Members' orientation programme was implemented	Deviation: As at 30 June 2019, two sessions still needed to be completed. As scheduled by the programming authority, sessions were concluded on 8 August 2019.	
Percentage of planned APP annual targets achieved	Not achieved: 84,7% of targets were achieved	96%	Not achieved: 77,78% Of the total of 63 planned APP annual targets, 45 were achieved	Deviation: -18,22% Out of a total of 63 planned annual targets, 45 targets were achieved and 4 were not applicable (not achievable).	Refer to individual subprogrammes for reasons for deviations.
Percentage compliance by the Accounting Officer with the prescribed legislative obligations and relevant transitional arrangements in terms of the FMPPLA by the required due dates	Achieved: 100% compliance with legislative obligations and relevant transitional arrangements, in terms of the FMPPLA (Accounting Officer) by required due date	100%	Achieved: 100% compliance with legislative obligations and relevant transitional arrangements, in terms of the FMPPLA (Accounting Officer) by required due date		
STRATEGY TO ADDRESS UNDERPERFORMANCE					
<i>Percentage of planned APP annual targets achieved</i> – Dedicated monitoring and evaluation capacity to be established in 2020/21. For the 2020/21 financial year, regular focus meetings with managers will be held to support and ensure the achievement of targets.					

Changes to planned targets

No changes have been made to this sub-subprogramme's performance indicators or targets during the reporting period.

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Subprogramme expenditure

Office of the Secretary	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Programme Management (Governance, Leadership and Administration)	10 174	9 666	508	9 611	9 611	-
Legal Services	2 852	2 243	609	2 158	2 158	-
Risk Management	841	841	-	758	758	-
Organisational Strategy and Performance	1 139	919	220	81	81	-
Total	15 006	13 669	1 337	12 608	12 608	-

3.1.5.3. Subprogramme: Financial Management

The purpose of the subprogramme is:

- to render supply chain and asset management services.
- to render financial management services.
- to identify systematic weaknesses and recommend corrective measures to combat irregularities.

Subprogramme: Financial Management					
Sub-subprogramme: Supply Chain and Asset Management					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage of assets reconciling to the Asset Register	Not achieved: 89% of assets reconciled with the asset register	100%	Achieved: All assets reconciled with the Asset Register	Deviation Q2: 98,68% of assets reconciled with the asset register. Total verifiable assets: 6667. Total verified assets: 6579. Q4: 100% of assets reconciled with the asset register.	Some assets could not be verified in Q2, but the verification was effected later in the second count. All assets were reconciled with the Asset Register.

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Subprogramme: Financial Management					
Sub-subprogramme: Supply Chain and Asset Management					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage compliance with service delivery standards, as amended, taking GRAP into consideration	Achieved: 96% compliance with service delivery standards	87%	Achieved: Q1: 95% compliance with service delivery standards Q2: 94% compliance with service delivery standards Q3: 97% compliance with service delivery standards Q4: 95% compliance with service delivery standards		
Percentage compliance with the Supply Chain Management Manual Checklist	Achieved: 100% compliance with the Supply Chain Management Manual Checklist	100%	Achieved: 100% compliance with the Supply Chain Management Manual Checklist		

Changes to planned targets

No changes were made to the sub-subprogramme's performance indicators or targets during the reporting period.

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Subprogramme: Financial Management					
Sub-subprogramme: Financial Management and Accounting					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of verifiable annual financial statements submitted by the statutory due date	Achieved: One verifiable annual financial statement submitted by the statutory due date	1	Achieved: One verifiable annual financial statement submitted by the statutory due date		
Number of finalised Annual Estimates of Provincial Revenue and Expenditure submitted by the required due date	Achieved: One finalised Annual Estimates of Provincial Revenue and Expenditure submitted by the required due date	1	Achieved: One finalised Annual Estimates of Provincial Revenue and Expenditure submitted by the required due date		
Number of meetings held with programme managers prior to the adjustments estimate submission	Achieved: One meeting held with Programme Managers prior to the adjustments estimates	1	Achieved: One meeting held with Programme Managers prior to the adjustments estimates		
Number of meetings held with programme managers prior to the final budget submission	Achieved: One meeting held with Programme Managers prior to the final budget submission	1	Achieved: One meeting held with Programme Managers prior to the final budget submission		
Number of verifiable interim financial statements submitted by the required due date	Achieved: Three verifiable interim financial statements submitted by the required due dates	3	Achieved: Three verifiable interim financial statements submitted by the required due dates		
Number of quarterly in-year monitoring (IYM) narrative reports to track expenditure and identify early warning signals	Achieved: Four quarterly In-Year- Monitoring (IYM) Narrative Reports to track expenditure and	4	Achieved: Four quarterly In-Year- Monitoring (IYM) Narrative Reports to track		

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Subprogramme: Financial Management					
Sub-subprogramme: Financial Management and Accounting					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
	identify early warning signals		expenditure and identify early warning signals		
Percentage of payments processed to creditors within 30 calendar days of receipt of invoice or resolution of dispute	Achieved: 99,9% of payments were processed to creditors within 30 calendar days of receipt of invoice	99%	Achieved: Q1: 100% of payments were processed to creditors within 30 calendar days of receipt of invoice Q2: 99% of payments were processed to creditors within 30 calendar days of receipt of invoice Q3: 100% of payments were processed to creditors within 30 calendar days of receipt of invoice Q4: 100% of payments were processed to creditors within 30 calendar days of receipt of invoice		

Changes to planned targets

No changes were made to the sub-subprogramme's performance indicators or targets during the reporting period.

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Subprogramme: Financial Management					
Sub-subprogramme: Financial Compliance and Internal Control					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of progress reports against the Financial Management Improvement Plan (FMIP)	Achieved: Two progress reports against the Financial Management Improvement Plan	2	Achieved: Two progress reports against the Financial Management Improvement Plan		
Number of inspection reports issued identifying control gaps in processes	Achieved: Three inspection reports issued identifying control gaps in processes	4	Achieved: Four inspection reports issued identifying control gaps in processes		Quarter 1 target was met in quarter 2. For that reason two inspection reports were issued in Q2.
Number of follow-up inspection reports reflecting progress on implementation of recommendations	Achieved: Three follow-up inspection reports reflecting progress on implementation of recommendations	3	Achieved: Three follow-up inspection reports reflecting progress on implementation of recommendations		
Percentage of payment vouchers subjected to post-audit	Achieved: 100% of payment vouchers subjected to post-audit	100%	Achieved: 100% of payment vouchers subjected to post-audit: 2 470 vouchers in total		

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

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Subprogramme expenditure

Financial Management	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Supply Chain and Asset Management	5 445	5 151	294	4 977	4 973	4
Financial Management and Accounting	4 340	4 293	47	4 073	4 069	4
Financial Compliance and Internal Control	5 177	5 151	26	4 803	4 801	2
Total	14 962	14 595	367	13 853	13 843	10

3.1.5.4. Subprogramme: Institutional Enablement

The purpose of this subprogramme is to:

- render human resource management services;
- render administrative and user support services and enhance and maintain information technology infrastructure;
- provide knowledge management and information services (including research, language and interpretation services); and
- provide logistical services including catering, telephony, travelling and transport, cleaning, venue management and parking management services.

Subprogramme: Institutional Enablement					
Sub-subprogramme: Human Resources					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of formal training sessions focused on identified skills gaps and structure	Achieved: Eighteen formal training focused on identified skills gaps and structure were held	17	Achieved: 19 formal training sessions focused on identified skills gaps and structure	Deviation: 2 more than planned	More functional training was arranged than anticipated.
Number of positive quality assurance forms returned	Not achieved	84	Not achieved: None of the forms returned	Deviation: -100%	The quality survey questionnaire was reviewed for implementation during quarter 4. These are feedback forms for client services rendered during the year under review. The

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Subprogramme: Institutional Enablement					
Sub-subprogramme: Human Resources					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
					planned dates for distribution was the last few weeks of March 2020. Due to the lockdown, these forms were not physically distributed and collated. A plan to distribute it electronically was only developed in April 2020.
Number of approved reports on functional enhancement implemented	Achieved: One approved report on Functional Enhancement implemented	2	Achieved: Two approved reports on functional enhancement implemented		
Number of human resource information sessions aimed at adding value to the institution and its employees facilitated	Not achieved: Three 3 information sessions aimed at adding value to the institution and its employees were facilitated	8	Achieved: Ten human resource information sessions facilitated	Deviation: 2 more sessions than planned	It was agreed with the health and wellness service provider to facilitate additional sessions as part of the normal contract.
Number of labour relations training and awareness sessions aimed at adding value to the institution and its employees facilitated	Not achieved	2	Achieved: 2 labour relations training and awareness sessions aimed at adding value to the institution and its employees facilitated		Both training and awareness sessions were conducted in quarter 3.
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Number of positive quality assurance return forms</i> – The survey will be completed during quarter 1 of the 2020/21 financial year.					

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Changes to planned targets

No changes were made to the sub-subprogramme's performance indicators or targets during the reporting period.

Subprogramme: Institutional Enablement Sub-subprogramme: Information Technology and Digital Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage year-on-year improvement of service support delivered against service level agreement (SLA)	Achieved: 79,32%	5% on baseline of 69,45% = 73%	Achieved: 9% increase on baseline	Deviation: 4% more than planned. The actual performance exceeded the expectations and calculated at approximately 180%.	Good service delivery ethic of ITDS staff.
Implement and operationalise disaster recovery	Achieved	Two successful disaster recovery tests	Achieved: Two successful disaster recovery tests conducted in quarters 2 and 3		
Phased implementation of ERP	Not achieved: 80% completion	Implemented phase 5 part 1: Further enhancements to the Finance, SCM and HR processes	Not achieved: Enhancements achieved in Finance (IDU and Asset Management concluded). Processes achieved in HR (salaries, leave, credits or balances, online payslip, online IRP5, online claims). The SCM enhancement process included the purchase requisitions, stock items and assets.	Deviation: -20% Challenges have been experienced in the configuration of the payroll system and its effectiveness.	The ERP Stabilisation and Optimisation Terms of Reference envisaged that optimisation will continue for 12 to 18 months after the go-live date (1 April 2018). The HR payroll challenges proved to be far more complex than initially anticipated, therefore the technical support processes were extended to achieve full

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Subprogramme: Institutional Enablement Sub-subprogramme: Information Technology and Digital Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
			These are already in an advanced stage of completion		efficiencies over a longer period.
Procurement and configuration of technology packages for new Members	Not achieved	100% deployed to new Members	Achieved: 100% deployed to new Members	Deviation External monitors were only deployed after 30 June 2019	External monitors were not delivered within the expected time frame in quarter 1 due to challenges with the availability of local stock and late arrival of stock.
Percentage availability of all IT infrastructure services	Achieved: 95% of all IT infrastructure services were available	95%	Achieved: Q1: 98,7% of all IT infrastructure services were available Q2: 99% of all IT infrastructure services were available Q3: 100% of all IT infrastructure services were available Q4: 96,76% of all IT infrastructure services were available		
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Phased implementation of ERP</i> – Service providers have been appointed to address challenges. The technical support processes were be extended to achieve full efficiencies over a longer period.					

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Changes to planned targets

No changes have been made to this sub-subprogramme's performance indicators or targets during the reporting period.

Subprogramme: Institutional Enablement					
Sub-subprogramme: Knowledge Management and Information Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of year-on-year increases in registry usage by units	Achieved: Increase of 9 in registry usage by units	9	Achieved: Increase of 10 in registry usage by units	Deviation: One more than planned	Usage of registry by one additional unit.
Number of records management training sessions held	Achieved: Sixteen records management training sessions held	16	Achieved: 19 records management training sessions held	Deviation: Three more than planned.	In the new organisational structure there are more sections that had to be covered by the training.
Number of library publications produced per year	Achieved: 85 library publications were produced	86	Not achieved: 77 library publications produced	Deviation: -9	The Knowledge Management and Information Services section did not produce the outstanding publications before the lockdown was implemented. Urgent operational requirements, namely the stock take of library assets before the lockdown commenced, necessitated the reprioritisation of this task.
Percentage of recommendations arising from the external quality assessment of translation services that have been accepted and implemented	Not applicable	98%	Not applicable		The assessor reports became available in the 4th quarter. No recommendations were accepted as the translation of House papers for English-Afrikaans

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Subprogramme: Institutional Enablement					
Sub-subprogramme: Knowledge Management and Information Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
					and English–Xhosa were found to be of a satisfactory quality.
Percentage availability of official House papers in all three official languages of the province	Achieved: 99,5% Availability of official House papers in all three official languages of the Province.	100%	Achieved: 100%		Two ATCs (63 and 66) were not translated within the required time frame in quarter 3. ATC 63 was not translated in time due to the length of the documents. ATC 66 was not translated as the sitting was held on the last day before the closure of the WCPP. ATC 63 and ATC 66 were translated in quarter 4.
Percentage availability of interpreting services for the House and committees where confirmed	Achieved: 100% availability of interpreting services for the House and committees where confirmed	100%	Not achieved: Q1: 100% availability of interpreting services Q2: 99% availability of interpreting services Q3: 100% availability of interpreting services Q4: 100% availability of interpreting services	Deviation: -1%	One language option (Afrikaans) was unavailable during one sitting in the second quarter.

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Subprogramme: Institutional Enablement					
Sub-subprogramme: Knowledge Management and Information Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage of recommendations arising from the external quality assessment of interpreting services that have been accepted and implemented	Not applicable	98%	Not applicable		The recommendations were mostly of a logistical nature. A decision has been made not to renew the SLAs with service providers who scored less than 50% on the external assessment. This affects two interpreters. The overall pool of interpreters is being expanded.
Percentage of requested research services provided in accordance with SOPs to committees, senior management and presiding officers	Not achieved: 92,31% of requested research services provided in accordance with the approved SOP	100%	Achieved: 100% of requested research services provided in accordance with SOPs to committees, senior management and presiding officers		
STRATEGY TO ADDRESS UNDERPERFORMANCE:					
<p><i>Number of library publications produced per year</i> – The standard for library publications has shifted to a more online self-service approach. This allows Members and staff to access publications for research and debate by means of JStor and NewsBank. This approach also provides staff with access to material that would better support the House and the committees.</p> <p><i>Percentage availability of interpreting services for the House and committees where confirmed</i> – An advertisement has already been placed to expand the number of interpreters. The service level agreements with interpreters will also cover areas of cancellation, underperformance or non-performance.</p>					

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Changes to planned targets

No changes have been made to this sub-subprogramme's performance indicators or targets during the reporting period.

Subprogramme: Institutional Enablement Sub-subprogramme: Logistical Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Develop a policy and standard operating procedure for the booking and usage of venues	New Performance Indicator	1	Not achieved	Deviation: -1	A draft policy document was circulated for discussion.
Appoint and contract long-term service provider for catering services	New Performance Indicator	1	Not achieved	Deviation: -1	A decision on the type of service has not been made. The matter has been routed to the Subcommittee: Physical Infrastructure and Internal Related Arrangements, headed by the Deputy Speaker.
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Develop a policy and standard operating procedure for the booking and usage of venues</i> – The policy to be concluded during the first quarter of the 2020/21 financial year. <i>Appoint and contract long-term service provider for catering services</i> – The matter has been discussed by the POC and has been on the agenda of several meetings. A final decision is imminent. This decision will direct the service offering that the WCPP will implement. The overall feasibility of a long term contract given the current state of disaster and the lockdown has to be taken into account in the “new normal” for the WCPP.					

Changes to planned targets

No changes have been made to this sub-subprogramme's performance indicators or targets during the reporting period.

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Subprogramme expenditure

<i>Institutional Enablement</i>	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Human Resources	7 465	4 649	2 816	6 104	5 924	180
ITDS	12 305	12 301	4	11 747	10 316	1 431
Knowledge Management and Information Services	8 394	7 575	819	8 944	8 912	32
Logistical Services	3 496	2 871	625	3 587	3 147	440
Total	31 660	27 396	4 264	30 382	28 299	2 083

3.2. PROGRAMME 2: PARLIAMENTARY SUPPORT SERVICES

3.2.1. Purpose

The purpose of this programme is to provide effective procedural and related support to the House and committees.

3.2.2. Main functional areas

- Provide committee support;
- Provide plenary support;
- Provide security and precinct management services; and
- Manage Hansard services.

3.2.3. Strategic outcome-oriented goals; subprogrammes, strategic objectives and strategic objective performance indicators

Strategic outcome-orientated goal	Subprogramme	Strategic objectives	Strategic objective performance indicator
To provide effective procedural and related support to Members, committees and the House to make laws, conduct oversight and facilitate public involvement	1. Plenary Support	To enhance effective and timely procedural and related support	Year-on-year percentage compliance with SOPs for plenary and committee procedural and related support for all programmed sittings and committee meetings.
	2. Committee Support (including Standing Committees)		
	3. Hansard Services		
	4. Serjeant-at-Arms (Security and Precinct Management)		Year-on-year improvement in organisational effectiveness and efficiency.

3.2.4. Summary of achievements: Parliamentary Support Services

Plenary Support

During the period under review the House met for 22 plenaries, which represented 61 hours and 26 minutes of debating and deliberations. The administration provided seamless support, which included the preparation of the relevant House papers; the preparation of routine guides; and procedural advice as required. The output of procedural support included: four quarterly reports; the compilation, production and circulation of 193 House papers; and the preparation of 22 procedural guides for presiding officers. The House approved a total of 120 resolution during the period under review. All the output of procedural support was quality-assured by management.

Procedural advice was provided to presiding officers and Members according to the standard requirement or in response to requests received. These included recorded advice on procedural matters provided routinely to presiding officers and advice and guidance on procedural matters provided routinely to Members or in meetings of internal committees.

The table below reflects various activities of the House and statistical information on certain of the output related to plenary support services:

Activity	Total
Interpellations debated	19
Questions for oral reply processed	106
Questions for written reply processed	190
Speaker's debates	1
Opportunities for questions to the Premier without notice	6
Subjects for discussion put through debate	4
Matters of urgent public importance debated	0
Minutes of proceedings	22
Published Announcements, Tablings and Committee Reports (ATCs)	95
Extraordinary gazettes published	8

Committee support

As 2019/20 was an election year, the WCPP smoothly transitioned its new Members into their roles and functions and also established the mechanisms for the Sixth Parliament to function and get the parliamentary engine to operate as soon and as smoothly as possible. An orientation and induction programme for Members was prioritised, which assisted with the smooth transition and the fulfilment of their constitutional responsibilities.

Parliamentary committees were provided with the necessary logistical and procedural support that contributed to the successful achievement of its planned oversight and legislative-related activities in accordance with the approved Parliamentary Programme. The activities of the committees were in line with the standard operating procedures and guidelines of the Committee Support Section, despite the severe setback towards the end of the financial year, which was caused by COVID-19 and the state of disaster called by the President of South Africa.

The committees were thus able to deliberate and report successfully on the departmental quarterly and annual reports, the oversight visits, on other oversight activities and on provincial and NCOP legislation. The committees supported their oversight function by contributing to the Parliamentary Programme and the consideration of their respective committee programme activities, especially relating to the legislative process and committee oversight meetings and visits. The standing committees also undertook two successful cluster visit weeks in February 2020.

The table below describes the activities achieved by the committees in the 2019/20 financial year, which excludes the following committees: Rules Committee, Conduct Committee, Disciplinary Committee and any subcommittees:

Number of committee activities	Total
Committee activities held	203
Public hearings held	65
Oversight visits undertaken	16
Cluster visit weeks	2
Provincial Bills considered	3
NCOP Bills considered	3

Hansard Services

Hansard Services for this period included the recording, transcription and publication of the unrevised and final revised record of proceedings of all 22 sittings of the House within the stipulated time frames and in accordance with the SLA.

Serjeant-At-Arms (Security and Precinct Management)

During the 2019/20 reporting period, the Serjeant-at-Arms and Security and Precinct Management established memoranda of understanding (MOU) with the Department of the Premier and the SAPS for consideration by them. MOUs with the Department of Community Safety and the Department of Transport and Roads and Public Works are in the process of being reviewed.

The workings of the OHS Committee has been updated following an internal audit report, resulting in several improvements, including training for the committee members and the chairperson.

Compliance with the requirements of the National Key Points Act, 1980 was a critical focus point this year and the Joint Planning Committee (JPC) processed several documents aimed at improving the WCPP's comprehensive implementation of the regulations. These included the terms of reference for the JPC.

A Joint Operations Centre for the WCPP was completed in the 2019/20 financial year. The WCPP will thus no longer have to utilise the SAPS JOC on the ground floor but can function from the new JOC on the sixth floor, next to the Chamber.

3.2.5. Annual Performance

Strategic objective performance indicators, performance indicators, planned targets and actual achievements

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Strategic objective performance indicators

Programme 2: Parliamentary Support Services					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Year-on-year percentage compliance with SOPs for plenary and committee procedural and related support for all programmed sittings and committee meetings	<p>Achieved: 100% in respect of Plenary Support</p> <p>Not achieved: 96% in respect of Committee Support</p> <p>Achieved: 100% in respect of Hansard and Language Services</p>	100%	<p>Achieved: 100% in respect of Plenary Support</p> <p>Not achieved: 98% in respect of Committee Support</p> <p>Not achieved: 92% in respect of Hansard Services</p>	<p>Deviation: -2% in respect of Committee Support</p> <p>-8% in respect of Hansard Services</p>	<p>One draft report was not administratively prepared for vetting during the allocated 15 working days as per the SOP.</p> <p>One contact session was rendered not applicable as there were no sittings in June 2019.</p>
Year-on-year improvement in organisational effectiveness and efficiency	<p>Achieved: Target of 94% exceeded.</p> <p>Achievement of 96%</p>	2% year-on-year increase in the ratings given by the NKP Commanders external assessment of the WCPP's compliance with the National Key Points Act, 1980 (Act 102 of 1980 [98%])	Not achieved: The 2019/20 baseline of 96% compliance with the National Key Points Act, 1980 (Act 102 of 1980), maintained	Deviation: 0% improvement from the 2019/20 baseline of 96%	The reason for the deviation was due to the JOC not being ready. This also resulted in a lower overall score allocated to the WCPP after the evacuation exercise in October 2019.

Performance indicators, planned targets and actual achievements

3.2.5.1. Subprogramme: Plenary Support

The purpose of this subprogramme is to provide procedural advice and administrative support for the sittings of the House.

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Subprogramme: Plenary Support					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage of procedural support services provided in respect of the standard operating procedures (SOPs) on Plenary Support to all plenaries programmed in accordance with approved parliamentary programme programmed in accordance with approved parliamentary programme	Achieved: 100% of procedural support services provided to all plenaries programmed in accordance with the approved parliamentary programme	100%	Achieved: 100% of procedural support services provided to all plenaries programmed in accordance with the approved parliamentary programme		
Percentage of procedural advice provided for Presiding Officers and Members on request	Achieved: 100% procedural advice provided for Presiding Officers and Members on request	100%	Achieved: 100% procedural advice provided for Presiding Officers and Members on request		
Number of working days taken after a sitting to communicate House resolutions to third parties in accordance with the approved SOP	Achieved: Fifteen working days taken after a sitting to communicate House resolutions to third parties in accordance with the approved SOP	15	Achieved: Fifteen working days taken after a sitting to communicate House resolutions to third parties in accordance with the approved SOP		There were not resolutions taken by the House during the first quarter.

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Plenary Support	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	3 589	3 382	207	3 585	3 378	207

3.2.5.2. Subprogramme: Committee Support

3.2.5.2.1. Sub-subprogramme: Committee Administration

The purpose of this sub-subprogramme is to provide procedural advice and administrative support to committees.

Subprogramme: Committee Support Sub-subprogramme: Committee Administration					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage of committee support provided, in accordance with the approved standard operating procedure (SOP) for committees to all programmed committee meetings in accordance with approved parliamentary programme	Achieved: 100% of committee support provided in accordance with the approved SOP for committees to all programmed committee meetings in accordance with approved programme	100%	Not achieved: 98% of procedural support services provided to all plenaries programmed in accordance with the approved parliamentary programme	Deviation: -2%	One draft report was not administratively prepared for vetting during the allocated 15 working days in accordance with the SOP. This type of report, where a matter was referred to the Budget Committee, was not reported on in the past as a practice. This report required drafting of a new template and format.
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Percentage of committee support provided in accordance with the approved standard operating procedure (SOP) for committees to all programmed committee meetings in accordance with approved parliamentary programme</i> – Better monitoring of work and expected compliance.					

Changes to planned targets

No changes have been made to this subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Committee Support	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	12 511	12 086	425	12 737	12 737	-

3.2.5.3. Subprogramme: Hansard Services

The purpose of this subprogramme is to manage the provision of verbatim reports of the proceedings of the House.

Subprogramme: Hansard Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of contact meetings held with the service provider to ensure that Hansard services provided are in accordance with service level agreement and that deviations are addressed	Achieved: 12 contact meetings held with the service provider to ensure that Hansard services provided are in accordance with service level agreement and that deviations are addressed	12	Not achieved: 11 contact meetings held with the service provider to ensure that Hansard services provided are in accordance with service level agreement and that deviations are addressed	Deviation: -1 11 out of 12 contact sessions held.	One contact session was rendered not applicable as there were no sittings in June 2019.

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Hansard services	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	1 000	666	334	648	648	-

3.2.5.4. Subprogramme: Serjeant-at-Arms (Security and Precinct Management)

The purpose of this subprogramme is to provide security and precinct management, including the facilitation of occupational health and safety.

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Subprogramme: Serjeant-at-Arms					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage compliance with requirements of the National Key Points Act, 1980 (Act 102 of 1980)	Achieved: 96% compliance with the requirements of the National Key Points Act, 1980 (Act 102 of 1980)	96%	Achieved: 96% compliance with the requirements of the National Key Points Act, 1980 (Act 102 of 1980)		
Percentage security support provided for standing committees during oversight visits in line with the approved standard operating procedure for oversight visits	Achieved: 89% security support provided to standing committees during oversight visits	96%	Achieved: 100% security support provided to standing committees during oversight visits		
Register the WCPP's accommodation requirements on U-AMP by the specified due date	Achieved: WCPP's accommodation requirements were submitted on the U-AMP by the specified due date	Accommodation requirements registered on U-AMP	Achieved WCPP's accommodation requirements registered on U-AMP by the specified due date		
Number of planned evacuation exercises completed	Achieved: One evacuation exercise completed	1	Achieved: One evacuation exercise completed		
Percentage verification and processing of visitors in the VMS system	Achieved: 100% verification and processing of visitors in the VMS system	100%	Achieved: 100% verification and processing of visitors in the VMS system		
Number of contact sessions with the Department of Transport and Public Works in respect of management of the service level agreement	Achieved: Eight contact sessions with the Department of Transport and Public Works	4	Achieved: Four contact sessions with the Department of Transport and Public Works		

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Subprogramme: Serjeant-at-Arms					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Percentage security support provided for standing committees during oversight visits in line with the approved standard operating procedure for oversight visits</i> – All efforts will be made to ensure full security support records will be meticulously kept.					

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Serjeant-at-Arms	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	2 731	2 485	246	1 994	1 991	3

3.3. PROGRAMME 3: PUBLIC ENGAGEMENT

3.3.1. Purpose

The purpose of this programme is to provide effective procedural and related support to the House and committees and to facilitate public participation.

3.3.2. Main functional areas

- Provides stakeholder management and communication services; and
- Facilitate public education and outreach.

3.3.3. Strategic outcome-orientated goals; subprogrammes, strategic objectives and strategic objective performance indicators

Strategic outcome-oriented goals	Subprogramme	Strategic objectives	Strategic objective performance indicator
To provide effective procedural and related support to Members, committees and the House to make laws, conduct oversight and facilitate public involvement	1. Stakeholder Management and Communication Services	To enhance effective and timely procedural and related support	Year-on-year improvement in organisational effectiveness and efficiency
	2. Public Education and Outreach		Number of year-on-year increases in the planned education initiatives to improve public participation in the legislative and other processes of the legislature

3.3.4. Summary of achievements: Public Engagement

The Public Engagement Directorate became operational on 1 April 2019. This new directorate focuses on the WCPP's interaction with all stakeholders on various platforms. The directorate seeks to establish and build relationships with all stakeholders to foster meaningful public engagement.

Several significant achievements were realised during the directorate's first year. This can be attributed to the team work in the directorate and the ownership that team members take of their areas of responsibility.

The WCPP hosted a Public Engagement Workshop for all Members and other stakeholders to chart a way forward for public engagement in the Western Cape. A Western Cape Youth Parliament was hosted in July and a Western Cape Women's Parliament was hosted in November 2019.

The WCPP hosted a very successful consular cocktail party at the Zeitz Mocaa before the opening of the WCPP in May 2019. The aim of the event was to strengthen relations between the WCPP and the official representatives of foreign countries in Cape Town.

The opening of the WCPP and the state of the province address, which took place at the Rocklands Civic Centre in Mitchells Plain on 20 February 2020, was a tremendous success. Provision was made for 100 seats for Mitchells Plain and Western Cape community.

Stakeholder Management and Communication Services

Stakeholder Management and Communication Services had a hugely successful 2019/2020 year. The media and communications support for WCPP events was exceptional. Stakeholder Management and Communication Services provides media and communications support across the institution. This includes sittings of the House, committee meetings, public hearings and oversight visits, special meetings or sittings and any other WCPP event or function.

For extraordinary events, such as the youth and women's parliaments, the opening of Parliament and SOPA, the Stakeholder Management and Communication Services team developed special logos, created Instagram stories and launched social-media campaigns in order to reach as wide an audience as possible.

Relationships were established with community radio stations and newspapers, which reported on province-wide events, with specific emphasis on the delegates from their districts.

The success of the coverage of these events was clear from the substantial increase in social-media activities across all platforms. During the opening of the WCPP and the state of the province address, the WCPP social media was trending. In the year under review, the WCPP's website had 76 958 visits of which 39 134 were new users.

In terms of WCPP events, the section coordinated two openings of Parliament and state of the province addresses in one year. The opening and SOPA, which took place in Mitchells Plain, in particular were a huge challenge. The detailed planning and absolute dedication of the team are the reasons for this event being a resounding success.

The process and the planning of international relations for the Sixth Parliament were established within a month of the swearing-in of Members. The annual plan for international relations was established and approved.

The International Relations Policy was revised and approved during this year and a high-level International Relations Strategy is in the process of being developed.

During the year under review the WCPP also received seven delegations from foreign countries. These included members of the parliaments of Myanmar and Uganda, and the newly elected chairperson of the Commonwealth Women Parliamentarians.

Public Education and Outreach

With regards to Public Education and Outreach, the WCPP has continued to promote opportunities for the public to have access to and be involved in its law-making and oversight processes. This is done through engagement in pre-hearings, legislative education initiatives and involvement in actual hearings. The WCPP will continue to be responsive to other public outreach initiatives coordinated by the legislative sector, including sectoral parliaments and commemorative events.

The strategic focus for Public Education and Outreach in the WCPP will shift from education to engagement. In establishing the Strategic Plan for the next five years, the strategic objectives will be aligned with that goal.

During the first year in the Public Engagement Directorate, the PEO Section made great strides towards the achievement of the above-mentioned ideal.

A set of five educational posters were printed and packaged in all three official languages of the Western Cape and distributed to 385 government high schools across the province. An official handover from the Speaker to the Minister of Education took place at the Jakes Gerwel Technical School in Bonnievale.

The PEO Section could not achieve the annual performance target of 75 public education workshop, and achieved only 58 of the workshops. All programmes for March had to be cancelled as part of the WCPP's plan to prevent the spread of the COVID-19 disease.

The PEO Section did, however, with the assistance of the rest of the public-engagement team, plan and execute a Western Cape Youth Parliament within one month. In total 38 youth delegates between the ages of 16 and 21 participated in this event. Young men and women from across the province were invited through schools and youth councils. Delegates came from the Central Karoo, Garden Route, Overstrand, West Coast and the Cape metropolitan area.

As mentioned above, the WCPP hosted a Public Engagement Workshop with guest speakers on the Fourth Industrial Revolution and how that has an impact on parliaments' interaction with the public, as well as how Members can build relationships with their constituents. The workshop was attended by Members of the WCPP, secretaries and senior officials from Parliament and other legislatures, as well as stakeholders from the Chapter 9 institutions.

In November 2019, the WCPP hosted the Western Cape Women's Parliament with delegates from all districts in the Western Cape. Members of the WCPP, including NCOP permanent delegates, were invited and each political party was granted the opportunity to deliver a speech on the challenges that women are faced with.

The PEO Section also developed two new educational materials that will be used in PEO workshops to advance the strategic goals of the WCPP.

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3.3.5. Annual performance

Strategic objectives performance indicators, performance indicators, planned targets and actual achievements

Strategic objective performance indicators

Programme 3: Public Engagement					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Year-on-year improvement in organisational effectiveness and efficiency		5% increase from the previous year's baseline in website statistics in respect of website sessions 5% increase on the previous year's baseline in social media presence and activities	Achieved: 34% increase from the previous year's baseline in website statistics using various indicators in respect of website sessions 11% increase on the previous year's baseline using various indicators in social media presence and activities	Deviations: 29% more website session recorded than planned. 6% more social media activities recorded than planned.	Additional social-media activity resulted in additional references to content on the website. Additional opportunities for social-media activities were identified as the year progressed.
Number of year-on-year increases in the planned education initiatives to improve public participation in the legislative and other processes of the legislature	Achieved: 72 Education initiatives rolled out	75	Not achieved: 58 Education initiatives rolled out	Deviation: -17	Instruction were received to host additional programmes that were not included in the PEO plan. These programmes took up additional time and resources. Programmes included: Youth and Women's Parliaments, a

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Programme 3: Public Engagement					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
					handover ceremony for educational material and an extraordinary meeting to combat gender-based violence.

Performance indicators, planned targets and actual achievements

3.3.5.1. Subprogramme: Stakeholder Management and Communication Services

The purpose of this subprogramme is to provide stakeholder management and communication services.

Subprogramme: Stakeholder Management and Communication Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage year-on-year increase in website statistics in respect of website sessions	Achieved: 8% increase from the previous year's baseline in website statistics in respect of website sessions Actual: 57 526 website sessions recorded	5% (60 402)	Achieved: 34% increase from the previous year's baseline in website statistics in respect of website sessions. Actual: 76 958 website session recorded	Deviation: 29% more website session recorded than planned.	Additional social-media activity resulted in additional references to content on the website.
Percentage year-on-year increase in social media presence and activities	Achieved: 15% increase on the previous year's baseline in social media presence and	5% (2576)	Achieved: 11% increase on the previous year's baseline in social media presence and	Deviation: 6% more social-media activities recorded than	Additional opportunities for social media activities were

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Subprogramme: Stakeholder Management and Communication Services					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
	activities 2 453 tweets and Facebook updates		activities 2 723 tweets and Facebook updates	planned.	identified as the year progressed.
Number of international relations or protocol training or briefing sessions held with Members or staff	Achieved: Two protocol training or briefing sessions held	3	Not achieved: Two of the three sessions planned for the year were achieved	Deviation: -1	One training session scheduled for 31 March could not take place due to the national COVID-19 lockdown.
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Number of international relations or protocol training or briefing sessions held with Members or staff</i> – The target for 2020/21 will be adjusted to make provision for an additional international relations or protocol training or briefing session with Members or staff.					

Changes to planned targets

No changes have been made to this subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

SM&CS	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	7 075	6 111	964	5 466	5 466	-

3.3.5.2. Subprogramme: Public Education and Outreach

The purpose of this subprogramme is to facilitate public education and public participation.

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Subprogramme: Public Education and Outreach					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Annual education programme on law-making, oversight, public participation and petitions processes developed by 28 February 2020	Achieved: Annual education programme on the law-making, oversight, public participation and petitions processes developed	Annual education programme developed (2020/21)	Achieved: Annual education programme on the law-making, oversight, public participation and petitions processes developed		
Number of education initiatives rolled out in accordance with the annual programme	Achieved: 72 Education initiatives rolled out.	75	Not achieved: 58 Education initiatives rolled out	Deviation: -17	Instruction were received to host additional programmes that were not included in the PEO plan. These programmes took up additional time and resources. Programmes included: Youth and Women's Parliaments, a handover ceremony for educational material and an extraordinary meeting to combat gender-based violence.
Number of new education items developed	Achieved: Two new education items developed	2	Achieved: Two new education items developed		

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Subprogramme: Public Education and Outreach					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage of petitions processed in accordance with the relevant legislation	Achieved: 100% of petitions processed in accordance with the relevant legislation	100%	Not achieved 50% of petitions processed in accordance with the relevant legislation	Deviation: -50% Out of the two petitions received, one was processed and found to be non-compliant; one was not fully processed.	One petition received in quarter 4 partially processes due to a delayed response from Department.
<p>STRATEGY TO ADDRESS UNDERPERFORMANCE: Number of education initiatives rolled out in accordance with the annual programme – With the focus of the WCPP shifting from education to engagement, the WCPP has adapted its APP to reflect this so that the APP targets are aligned with the strategic objective of the WCPP.</p> <p><i>Percentage of petitions processed in accordance with the relevant legislation</i> – Petition will be fully processed in the new financial year.</p>					

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

PEO	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	4 160	3 722	438	3 531	3 427	104

3.4. PROGRAMME 4: MEMBERS' SUPPORT

3.4.1. Purpose

The purpose of this programme is to provide enabling facilities and benefits to Members and political parties.

3.4.2. Main functional areas

- Manage enabling allowance; and
- Manage constituency and secretarial allowances.

3.4.3. Strategic outcome-orientated goals; subprogrammes, strategic objectives and strategic objective performance indicators

Strategic outcome-oriented goals	Subprogramme	Strategic objectives	Strategic objective performance indicator
To promote sound governance and improve strategic and corporate support	1. Members Administration	To improve services to stakeholders by providing strategic support and by implementing seamless and synergistic corporate and parliamentary processes and systems	Digitising and modernising Members' Affairs services
	2. Enabling Allowances		
	3. Political Party Support (including secretarial and constituency allowances)		

3.4.4. Summary of achievements: Members Support

The office term of the Fifth Parliament came to an end with the general elections on 8 May 2019. As a result, thirteen Members of the WCPP exited the WCPP. Six Members retired, while seven Members across the various political parties were not re-elected to the WCPP. In collaboration with Alexander Forbes and the South African Revenue Services, the WCPP ensured that benefits were paid to these ex-Members as prescribed by legislation.

The newly elected and returning Members of the WCPP were sworn in on 22 May 2019 with the election of a new Speaker and Deputy Speaker as Members of the Sixth Western Cape Provincial Parliament. While the Fifth Parliament had representatives from four political parties (Democratic Alliance, African National Congress, African Christian Democratic Party and the Economic Freedom Fighters), the Sixth Parliament saw the spread of representatives across seven political parties, namely the Democratic Alliance, African National Congress, African Christian Democratic Party, Economic Freedom Fighters, Good Party, Freedom Front Plus and the Al Jama-ah Party.

An orientation programme was scheduled from 20 May 2019 to 12 June 2019 for all Members. The programme covered a variety of topics, such as the role of Members, oversight, remuneration and allowances. Various stakeholders, such as the Political Office Bearers Pension Fund, the Legislative Sector and Parmed, also facilitated sessions during the orientation programme.

The Legislative Sector has developed and successfully implemented academic programmes that are aligned with the responsibilities of the Members of the WCPP in the sixth term. The programme framework is as follows:

University of the Witwatersrand:

Graduate Certificate in Governance and Leadership on NQF level 7;
 Postgraduate Diploma in Governance and Public Leadership on NQF level 8; and
 Master's programme on NQF level 9.

University of Johannesburg:

Continuing Education Programme – Public Policy and African Studies on NQF level 7; and
 Postgraduate Diploma in Public Policy and African Studies on NQF level 8.

Twelve Members of the WCPP applied for the Graduate Certificate in Governance and Public Leadership offered by the University of Witwatersrand. To date, Wits is still busy processing the applications. Five Members applied to the University of Johannesburg and were accepted.

In addition to the professional development and postgraduate training offered by the Legislative

Support Sector (LSS), the WCPP conducted a Members' capacity-building needs assessment. The assessment identified specific training needs by Members, including transversal financial oversight, public speaking, sign language and others. A funding proposal for Members' capacity-building was made to the LSS and was subsequently approved. Training is to ensue during the 2020/21 financial year.

During the year under review the WCPP embarked on enhancements and further refinements to the Members' Self-service Portal. This would enable Members to submit claims for reimbursement electronically and to upload the appropriate source documents. Initial training dates were scheduled in collaboration with the Office of the Chief Whip (of the ruling party) and the Programming Authority for April 2020. Unfortunately, this had to be cancelled due to the national state of disaster and the subsequent COVID-19 lockdown. An online training video is being developed to facilitate this training process and the implementation of the online system.

The Members' Guide to Facilities, which contains Members' benefits and the rules pertaining to Members' allowances, was approved by the Speaker on 22 August 2019. This document will be updated and reviewed during 2020/21 to include all Members' tools of trade and support equipment.

3.4.5. Annual performance

Strategic objectives performance indicators, performance indicators, planned targets and actual achievements

Strategic objective performance indicators

Programme 4: Members' Support					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Digitising and modernising Members' Affairs services	Not achieved Members were set up as users on the Self-service Portal and training was scheduled for them More change management is required for full utilisation	Technology assessment and training	Not achieved	Deviation: Training was not provided.	The Self-service Portal has been updated in the back-end and a training video is being completed by IT and HR in a collaborative approach. The training, as well as the go-live

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Programme 4: Members' Support					
Strategic objective performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
					process, will be completed during quarter 1 of the 2020/21 financial year.

Subprogramme expenditure

Members Administration	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	1 931	1 270	661	1 180	1 180	-

Performance indicators, planned targets and actual achievements

3.4.5.1. Subprogramme: Enabling Allowances

The purpose of this subprogramme is to manage the payment of:

- Membership fees to parliamentary and related associations;
- State contributions to the medical aid of continuation Members; and
- Enabling allowances to compensate Members for expenses relating to official travel, accommodation and telecommunication.

Subprogramme: Enabling Allowances					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Percentage implementation of scheduled training programmes per year for Members	Achieved: 100% implementation of scheduled training programmes per year for Members	80%	Not achieved	Deviation: -80%	Members were only allowed to enrol with Wits and UJ at the end of March 2020. Other training identified by Members were only approved by

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Subprogramme: Enabling Allowances					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
					LSS during quarter 4.
Percentage of claims (submitted electronically, complying with the requirements of the Members' Facility Guide) processed	Not applicable No electronic claims received	100%	Not applicable	Deviation: -100%	No electronic claims were received.
STRATEGY TO ADDRESS UNDERPERFORMANCE: <i>Percentage implementation of scheduled training programmes per year for Members</i> – New training dates and schedules will be issued in collaboration with LSS, universities and training providers.					

Changes to planned targets

No changes have been made to this subprogramme's performance indicators or targets during the reporting period.

Subprogramme expenditure

Enabling Allowances	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	8 530	5 493	3 037	8 134	6 745	1 389

3.4.5.2. Subprogramme: Political Party Support

The purpose of the subprogramme is to manage the payment of:

- Constituency allowances to enable political parties represented in the WCPP to establish and maintain infrastructure in constituencies to serve the interests of constituents;
- Secretarial allowances to enable political parties represented in the WCPP to establish and maintain their own administrative infrastructure in the precincts of the WCPP; and
- Conditional allowances to enable Members to arrange programmes in their constituencies in the interests of oversight, law-making and public participation by the WCPP.

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Subprogramme: Political Party Support Sub-subprogramme: Secretarial Allowances					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of working days to process transfer payments after receipt of required documents in terms of the Members' Guide	Achieved Transfer payments processed within 7 working days after receipt of required documents according to the Members' Facilities Guide	5	Achieved Transfer payment were processed within one working day after receipt of required documents in terms of the Members Guide	Deviation: Allowances were paid four days faster than what the target prescribed.	

Subprogramme: Political Party Support Sub-subprogramme: Constituency Allowances					
Performance indicators	Actual achievement 2018/19	Planned target 2019/20	Actual achievement 2019/20	Deviation from planned target to actual achievement for 2019/20	Comment on or reasons for deviations
Number of working days to process transfer payments after receipt of required documents in terms of the Members' Guide	Achieved Transfer payments processed within 7 working days after receipt of required documents according to the Members' Facilities Guide	5	Achieved: Transfer payment were processed within one working day after receipt of required documents in terms of the Members Guide	Deviation: Allowances were paid four days faster than what the planned target prescribed.	

Changes to planned targets

No changes were made to the subprogramme's performance indicators or targets during the reporting period.

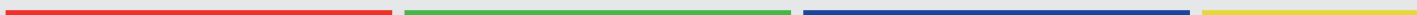
Subprogramme expenditure

Political Party Support	2019/20			2018/19		
	Final appropriation	Actual expenditure	(Over) or under expenditure	Final appropriation	Actual expenditure	(Over) or under expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Total	45 047	45 047	-	42 444	40 753	1 691

WESTERN CAPE PROVINCIAL PARLIAMENT



PART C GOVERNANCE





Rayanha Isaacs from Cape Town Metropolitan and Justin Yawe from the Garden Route district, the winners of the 2019 Youth Parliament, with Deputy Speaker Beverley Schäfer, Speaker Masizole Mngasela and Secretary Romeo Adams on 27 July 2019



Hon Ricardo Mackenzie, Chairperson of the Standing Committee on the Premier and Constitutional Matters, hosted a Women's Day event in his constituency, Mitchells Plain, on 5 August 2019



The St Florianer Sanger Knaben Boys' Choir from Upper-Austria visited the WCPP on 19 September 2019 while on tour of South Africa



Delegates from the Garden Route with Speaker Masizole Mngasela at the Women's Parliament hosted on 21 November 2019

PART C: GOVERNANCE

1. INTRODUCTION

The WCPP recognises that proper risk management and effective internal controls are essential for effective governance and good management. Therefore, the WCPP is committed to maintaining the highest standards of governance and considers good governance fundamental to the management of public finances and resources. At the WCPP there are structures in place to utilise its resources, which are funded by the taxpayer, effectively, efficiently and economically.

2. RISK MANAGEMENT

The Secretary of the WCPP takes responsibility for implementing risk management in terms of section 7(c) of the Financial Management of Parliament Act, 2009, or FMPPLA, as amended by Act 34 of 2014. The National Treasury Regulations 3.2.1 governing risk management were adopted to align with best practice, in the absence of the South African Legislative Sector (SALS) having developed its own set of regulations for risk management in terms of the FMPPLA. Therefore, other prescribed best practices, such as the Public Sector Risk Management Framework, are used as reference points in developing risk management practices and procedures.

2.1 Governance Committee (GOVCOM) Report

The WCPP, herewith presents its Annual GOVCOM report for the financial year ended 31 March 2020.

Governance Committee responsibility

The GOVCOM reports that it has complied with its responsibilities arising from section 7(c) of the FMMPLA. The GOVCOM also reports that it has adopted the appropriate formal charter or terms of reference, which was approved on 26 March 2019, to regulate the Committee's affairs and has discharged all its responsibilities as contained therein.

Enterprise Risk Management Committee Members

The GOVCOM comprises the Senior Management Team. In accordance with its terms of reference, the GOVCOM met at least four times (quarterly) during the year under review.

The table below provides information on GOVCOM members:

Member	Position	Scheduled meetings	Attended	Date appointed
Romeo Adams	Secretary to the Western Cape Provincial Parliament (Chairperson)	4	2	N/A
Royston Hindley	Deputy Secretary	4	4	30/03/2019
Nicole Petersen	Chief Financial Officer (CFO)	4	4	30/03/2019
Vernon Titus	Director: Institutional Enablement	4	4	02/04/2019
Sunelle Fouché	Director: Public Engagement	4	3	30/03/2019
Other participants	Position	Scheduled meetings		Attended
Craig Matthee	Senior Risk Officer	4		4

Other participants	Position	Scheduled meetings	Attended
Coby Skriker	Manager: Information Technology and Digital Services	4	3
Charles Dowman	Serjeant-at Arms	4	2
Nonkanyiso Majikijela	Senior Officer: Financial Compliance and Internal Control	4	4
Stefan Malan	Director: Internal Audit DoTP	4	4
Liana Adonis	Deputy Director: Internal Audit DoTP	4	4

Key activities of the GOVCOM

The GOVCOM performed the following key activities during the year:

- Review the risk management policy and strategy and recommend for approval by the Accounting Officer/Secretary;
- Review the risk appetite and tolerance and recommend for approval by the Accounting Officer/Secretary;
- Review the institution's risk identification and assessment methodologies to obtain reasonable assurance of the completeness and accuracy of the risk register;
- Evaluate the effectiveness of mitigating strategies to address the material risks of the Institution;
- Review all risks outside the agreed tolerance levels for further action/attention;
- Review the ethics management strategy and plan and the fraud prevention plan and recommend for approval by the Accounting Officer/Secretary;
- Evaluate the effectiveness of the implementation of the ethics management processes and the fraud prevention plan;
- Review any material findings and recommendations by assurance providers on the system of risk management and monitor that appropriate action is instituted to address the identified weaknesses;
- Develop goals, objectives and key performance indicators to measure the effectiveness of the risk management activity;
- Evaluate the extent and effectiveness of integration of risk management within the institution;
- Assess the implementation of the risk management policy, strategy and implementation plan;
- Evaluate the effectiveness of the combined assurance model in providing assurance to significant risks facing the WCPP;
- Provide ICT governance oversight to assess the implementation of policy on enterprise wide technology, information management and information security management, and to ensure the embedding of it into the day-to-day, medium and long-term decision making, activities and culture of the WCPP;
- Review the compliance and loss management processes and procedures and its effectiveness; and
- Evaluate the effectiveness of the business continuity management practices of the institution.

Key strategic risks considered and addressed during the year

The following strategic risks were considered and addressed:

- Pandemic outbreak of COVID-19 that may result in business discontinuity, mass absenteeism and loss of life
- Significant interruptions to the service delivery of Parliament that may result in extended business discontinuity
- Uncertainty in respect budget envelope that may result in institutional performance stagnation
- System failure and downtime due to inadequate support provided to the ERP system
- Disruption of business systems resulting in the non-availability and loss of information
- Disruption of Parliament resulting loss of productivity in exercising oversight and decision making
- Security breaches at the legislature building
- Security incidents during oversight visits, external events and educational workshops that may result occupational health and safety liability
- Inadequate Information Security Management system resulting in cyber attacks
- Ineffective ICT Governance
- Inadequate procedural advice and support provided to the Committees and Plenary procedures
- Inadequately skilled and trained members of parliament compromises effective law-making and oversight.

Each programme's key risks are deliberated upon and debated at the quarterly GOVCOM meetings. Programme managers or directors are required to provide feedback on progress with the implementation of action plans to reduce the likelihood of risks materialising and/or their impact, if they should materialise. GOVCOM also referred risks back that should be analysed more extensively and recommended additional mitigations or actions to manage risks.

Key emerging risk for the year under review

The following is the key emerging risk that needs to be considered in the next financial year:

- The impact of the Legislative Sector Bill on the autonomy of the WCPP

Conclusion

The GOVCOM remains an important forum within the WCPP's strategic level discussions on range of matters that pose or could pose risks to the operations of the WCPP. During the period under review GOVCOM focused on a number of critical risks that either influence or could potentially influence the operations of the WCPP. Due to the deliberations at GOVCOM, the mitigation measures put in place and the tracking of the implementation of these measures allow the WCPP to minimise the risks within its control and to achieve its goals and objectives as set out in its Annual Performance Plan.



RÓMEO ADAMS
SECRETARY TO THE WESTERN CAPE PROVINCIAL PARLIAMENT
31 August 2020

3. FRAUD AND CORRUPTION

The WCPP's Fraud Prevention Policy maintains a stance of not tolerating corrupt or fraudulent activities, whether internal or external, and commits to pursuing and prosecuting any parties vigorously, by all legal means available, who engage or attempt to engage in such practices. The Fraud Prevention Policy was distributed to all employees and was made available on the document management system.

Fraud risk assessments were conducted to identify fraud risks and reviews of existing fraud risks were conducted quarterly. The fraud risks identified were oversighted quarterly by the Governance Committee (GOVCOM). Fraud awareness sessions were held with staff where the concept of ethics management, the behavioural outcomes of poor ethics management, namely fraud and corruption, and the internal and external reporting processes of the WCPP and the protected disclosure procedures were detailed. The internal newsletter was used to inform and educate employees on fraud and corruption prevention.

The fraud health check survey was completed by the WCPP employees in the third quarter of the 2019/20 financial year. As with the previous financial year, this assisted in gaining a high-level understanding of the extent of employee awareness of fraud control. The results were used to inform the Fraud Prevention Strategy and Implementation Plan for the 2020/21 financial year, which was approved on 16 April 2020.

Furthermore, the WCPP has developed a Whistle-blowing Policy which was approved on 16 March 2020. This policy provides guidelines to employees and workers on how to raise concerns with the appropriate line management, specific designated persons in the WCPP or external institutions where they have reasonable grounds for believing that offences or improprieties have been or are being perpetrated in the WCPP.

The development of a formal ethics management strategy and plan, which will be implemented in the 2020/21 financial year, addresses “the way that we do things” in the WCPP. The strategy will assist the WCPP in aspiring and achieving a culture of integrity that will require coherent efforts to update ethical standards, provide guidance, and monitor and enforce them as a daily practice.

4. MINIMISING CONFLICT OF INTEREST

No conflict of interest was identified or reported in the period under review.

5. CODE OF CONDUCT

Meetings

During the period under review the Conduct Committee met four times.

Disclosure of Members' interests

The closing date for the disclosure of Members' interests after the election was 19 July 2019. Two Members failed to submit properly completed forms by the due date.

Advice to Members on the Code of Conduct

The Registrar provided advice and assistance to four Members on the proper completion of their disclosure forms.

Access to the public part of the disclosure forms

There were no requests for access to the public part of the disclosure forms.

5.1. Supply Chain Management

Supply Chain Management practitioners have completed a declaration of interest for the year under review.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

On 1 April 2020 the Serjeant-at-Arms unit was established in terms of the WCPP's functional

enhancement process to have a dedicated focus on and response to Security, OHS and Precinct Management. The unit comprises three staff members, namely the Serjeant-at-Arms who heads the unit, an administrative officer and an administration clerk.

6.1. Occupational health and safety

A new OHS Committee for 2019/20 was established. The following employees were appointed in writing by the Secretary to the WCPP:

Ms Pamela Marala
Ms Brenda Geldenhuys
Mr Wayne Naidoo
Mr Tafseer Abbas
Mr Charles Dowman (Chairperson)

During the year under review the OHS Committee reviewed the terms of reference for the functioning of the Committee and also reviewed the OHS Policy. The revised OHS Policy was submitted to the Secretary and was approved on 23 March 2020. The policy was sent electronically to all employees.

6.2. COVID-19

On 15 March 2020 the Minister of Cooperative Governance and Traditional Affairs declared the novel coronavirus 2019, also known as COVID-19, as a pandemic in terms of the Disaster Management Act, 2002 (Act 57 of 2002).

The WCPP established a COVID-19 task team to deal with the threat posed by the virus. The President of the Republic of South Africa announced a hard lockdown from 26 March 2020. The committee only dealt with the emergency during the period leading up to 26 March 2020, as the legislature building was closed during this period. At the time of establishing the committee very little was known about the virus and the impact that it would ultimately have on the country.

6.3. Business Continuity Planning (BCP)

The BCP was reviewed by the Serjeant-at-Arms unit and revised to include the new directorates established in terms of the functional enhancement process. All other details of service providers were updated in the document. On 4 December 2019 an awareness session on general BCP principles was held for all employees of the WCPP and presented in the auditorium. The Secretary to the WCPP approved the BCP in March 2020.

6.4. Security and National Key Point

The Serjeant-at-Arms unit prepared for the annual NKP evaluation which was conducted by senior officials from the SAPS Western Cape NKP office. The unit achieved an overall score of 96% for the period under review. One of the areas which was highlighted by the NKP office during the review was the absence of a joint operations control (JOC) room for the NKP. The request was submitted and approved by the Secretary and the JOC room was completed towards the end of March 2020. The JOC room can now be used for meetings related to the COVID-19 pandemic and also during parliamentary sittings.

The WCPP also entered into a new MOU with the Department of Community Safety (DoCS). The DoCS provides security support during public hearings and oversight visits conducted by Members of Parliament. This service has reduced the risk of any incidents at events of the WCPP. No incidents or accidents were reported during the 2019/20 financial year.

7. RULES COMMITTEE

On 28 May 2019 the House resolved that the Rules Committee would consist, apart from the Speaker and the Deputy Speaker, of the following number of members nominated by parties: Democratic Alliance – 4; African National Congress – 2; Economic Freedom Fighters – 1; and GOOD, African Christian Democratic Party, Freedom Front Plus and Al Jama-Ah – 1 jointly (with the latter parties to decide among themselves on the representative on an annual rotational basis in order of electoral support achieved during the past general elections).

The Rules Committee met four times during the year under review on 28 May, 14 June, 16 August and 2 December 2019. The Rules Committee also received reports from its subcommittees.

7.1. Functional Enhancements and the Remuneration Study Report

The Rules Committee was briefed on the status and progress on 3 October 2018 on the Functional Enhancement Project and Remuneration Study Report.

7.2. Subcommittees of Rules Committee

(a) Subcommittee on the Review of the Rules

A subcommittee on the Review of the Rules was established by the Rules Committee on 16 August 2019 with the brief “to assess and review the efficacy of the Standing Rules if and when deemed necessary and to make recommendations to the Rules Committee in this regard”.

The following members were appointed to serve on the Subcommittee: Mr D G Mitchell, Deputy Chief Whip of majority party, as convenor; Ms M M Wenger; Adv D M Baartman; Ms P Z Lekker; and Ms N Makamba-Botya.

During the period under review the Subcommittee had not yet met.

(b) Subcommittee on Physical Infrastructure and Internal Related Arrangements

The Rules Committee on 16 August appointed a subcommittee “to provide guidance and political leadership on the physical infrastructure and related services of the Provincial Parliament and make recommendations to the Rules Committee in this regard”.

The following members were appointed to serve on the Subcommittee: Ms B A Schäfer, Deputy Speaker, as convenor; Ms L M Maseko; Mr B N Herron; Mr D G Mitchell; and Ms P Z Lekker.

The Subcommittee met on 7 October 2019 and was briefed by the Minister of Transport and Public Works on the findings of his Department’s investigation into possible alternative accommodation for a future WCPP, which included the option of part-funding such a project with private-sector assistance. A possible site for a new building was identified in the vicinity of Pinelands and Mowbray. The Subcommittee agreed to visit the site. At the end of the period under review the visit had not yet taken place.

(c) Subcommittee on Sexual harassment policy and Leave of absence for Members

The Rules Committee, at its meeting on 16 August 2019, resolved:

“That, mindful of Rule 31 of the Standing Rules which provides that the House must determine policy providing for exceptions to Rule 29 in respect for parental and other family-related purposes, a subcommittee be appointed to prepare a draft policy document for submission to the Rules Committee, such draft policy document to seek to give effect to the Rule”, and further “to regularly report to the Rules Committee on progress made in preparing and submitting such a draft policy document”.

The Rules Committee also resolved that the subcommittee be tasked to deal with leave of absence, and to also consider and produce a draft policy on sexual harassment relating to Members.

The following members were appointed to serve on the Subcommittee: Ms M M Wenger, Chief Whip of majority party, as convenor; Adv D M Bartaan; Ms P Z Lekker; Ms N Makamba-Botya; and Mr D G Mitchell.

The Subcommittee met on 9 October, 22 November and 2 December 2019. At the meeting on 9 October Advocate Le Roux, Senior Legal Adviser, briefed the Committee on the general principles concerning parental leave of absence contained in applicable South African law. The Subcommittee resolved that the Secretary of the WCPP be requested to task the Research Unit to undertake additional research to include laws of a sample of developed and developing countries, as well as rules and procedures applicable in other jurisdictions, in order to have a broader understanding and options available and then to use the research material on laws, practices and procedures to develop a parental leave policy for Members of the WCPP.

On 22 November 2019 the Subcommittee reviewed the research relating to samples, policies and procedures applicable to parental leave. It was noted that the Members of legislatures and the Parliament in South Africa are not governed by the Basic Conditions of Employment Act. However, the Subcommittee resolved that this legislation would be used as a foundation for drafting the policy.

The Rules Committee, later on 2 December 2019, adopted the report of the Subcommittee and the House adopted the report of the Rules committee on 3 December 2019.

(d) Appointment of whips

At the first meeting of the Rules Committee after the general election, on 28 May 2019, it was agreed, on the motion of the Chief Whip of the majority party, that the ratio of whips to Members be 1:6 and that the majority party and the Official Opposition each be allocated a Chief Whip and a Deputy Chief Whip.

It was also agreed that the DA would be entitled to four whips and the ANC to two. All the whips of the DA and ANC would qualify for the benefits applicable in law to the whippery. Smaller parties could jointly elect one member from among them as their whip, but that person would not qualify for any remuneration in terms of the Independent Commission for Remuneration of Public Office Bearers Act.

The whips of the DA and ANC were subsequently finalised as follows:

DA:

Chief Whip - Ms M M Wenger
Deputy Chief Whip – Mr D G Mitchell
Whip – Ms L J Botha
Whip – Ms W F Philander

ANC:

Chief Whip - Ms P Z Lekker
Deputy Chief Whip - Mr M K Sayed

SMALLER PARTIES:

Whip – Mr B N Herron

(e) Programming Authority

The Programming Authority is established in terms of Standing Rule 121 and consists of Members nominated by parties in accordance with a formula determined by the Rules Committee. At the first meeting of the Rules Committee, on 28 May, it was agreed, on the proposal of the Chief Whip of the majority party, Ms M M Wenger, that the same formula used to determine the representation of members on the Rules Committee be used for determining the representation of Members on the Programming Authority.

The membership of the Programming Authority would therefore be: DA - 6; ANC - 2; EFF - 1; and one further member for the other smaller parties jointly, on an annual rotational basis.

At the first meeting of the Programme Authority, held on 29 May, the Chief Whip of the majority party, Ms M M Wenger, was elected as chairperson.

During the period under review the Programme Authority held 14 meetings.

8. PARLIAMENTARY OVERSIGHT COMMITTEE (POC)

The Parliamentary Oversight Committee conducted oversight over the WCPP during the 2019/20 financial year.

Oversight over the financial year mainly included the following matters:

- The quarterly performance of the WCPP;
- The financial reports of the WCPP; and
- The Annual Report of WCPP for the 2018/19 financial year.

8.1. The report of the POC on the 2018/19 annual report is printed below:

REPORT OF THE PARLIAMENTARY OVERSIGHT COMMITTEE ON THE ANNUAL REPORT OF THE WESTERN CAPE PROVINCIAL PARLIAMENT FOR THE YEAR ENDED 31 MARCH 2019, DATED 20 NOVEMBER 2019

1. Introduction

The Annual Report of the Western Cape Provincial Parliament (WCPP) was tabled for the 2018/19 financial year in terms of section 60(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No.10 of 2009) (FMPPLA), and referred to the Parliamentary Oversight Committee (POC/ the Committee) on Tuesday 1 October 2019 (refer to "ATC 34-2019"). The Annual Report (AR) of WCPP serves to provide a record of the activities and performance of the administration of WCPP and to promote accountability for decisions made during the financial year under review. The performance of WCPP is measured against the performance targets and budget outlined in the WCPP Strategic Plan 2015/16–2019/20, including the Annual Performance Plan of WCPP for the 2018/19 financial year.

The purpose of the FMPPLA is to regulate the performance and financial management of the legislatures in South Africa in a manner consistent with its status in terms of the Constitution; to ensure that all revenue, expenditure, assets and liabilities of Parliament and provincial legislatures are managed efficiently, effectively and transparently; to provide for the responsibilities of persons entrusted with financial management; and to provide for matters connected therewith. In compliance with the spirit of Section 4 of the FMPPLA, the Committee considered the AR of the WCPP to maintain

oversight of the performance indicators and financial management of the WCPP for the specific financial year under review. In addition to regulating the financial management of the WCPP, the FMPPLA mandates the POC to conduct oversight over the performance information, governance and human resource functions of the Institution through its annual reports. Section 4(1)(b) of the FMPPLA provides the Committee with this mandate.

The members of the POC deliberated on the various sections of the Annual Report of the WCPP for the 2018/19 financial year, as follows:

- 1.1. Part A: General Information;
- 1.2. Part B: Performance Information;
- 1.3. Part C: Governance;
- 1.4. Part D: Human Resource Management; and
- 1.5. Part E: Financial Information.

The AR of the WCPP 2018/19 was tabled on time and according to Treasury and other prescripts. The AR programme for the 2018/19 financial year was advertised in newspapers inviting stakeholders and members of the public to attend and participate in the discussions.

2. Overview

The Committee met on 29 October 2019 at 08:00 where it was briefed by the Auditor-General of South Africa (AGSA) on the audit outcomes of the 2018/19 financial year for WCPP. After the briefing by the AGSA, the Committee was briefed by the Audit Committee (AC) whose role is to ensure that WCPP functions according to good governance principles, complies with accounting and audit standards and monitors that appropriate risk-management arrangements are in place. The AC also monitors the adequacy and reliability of the financial information provided by WCPP.

The methodology of the Committee was to meet with these stakeholders to benefit from their findings and possible concerns with the aim of assisting the Committee to have a constructive oversight engagement with WCPP.

The Committee met with WCPP beginning with introductory comments made by the Speaker and the Secretary of the WCPP.

A section-by-section oversight discussion ensued with the management of the WCPP on the aforementioned parts which comprise the AR of the Institution.

3. Audit Opinion

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2018/19 financial year of the Institution, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2017/18 financial year.

The AGSA raised no findings with the Institution on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

4. Corporate Governance

Corporate Governance regulates the exercise of power within an Institution with the aim to ensure that the Institution's purpose is achieved, which encompasses:

- the creation and ongoing monitoring of an appropriate and dynamic system of checks and balances to ensure the balanced exercise of power within a company;

- the implementation of a system to ensure compliance with legal and regulatory obligations;
- the implementation of a process to identify and manage risks to the sustainability of the company's business; and
- the development of practices which make and keep the company accountable to the company's identified stakeholders and the broader society in which it operates.

To realise and strengthen corporate governance within WCPP, the Accounting Officer adopted the Enterprise Risk Management (ERM) Policy. This Policy is in line with the Public Sector Risk Management Framework of National Treasury. The ERM Policy ensured that all risks, which were identified by the Institution during the financial year under review, were covered, which resulted in adequate degrees of assurances. This resulted in potential deviations being mitigated from the strategic and annual performance plans outcomes of the WCPP.

During the 2018/19 financial year, the AC completed the following assurance engagements, as follows:

- Procurement Planning (Assurance);
- Language Services - Interpreting (Assurance);
- Transfer Payments (Assurance);
- Asset Management (Assurance); and
- Enabling Allowances (Consulting).

In addition, the AC conducted a consulting engagement over the enabling allowances of the Institution during the year under review.

The Audit Committee further reported that the Institution paid three invoices beyond the required 30-day payment time frame of National Treasury. The value of the invoices amounted to R19 302. The delayed payments were due to the fact that there were queries between the Institution and service providers, which needed clarification prior to payments being made. Other than these three instances, all invoices were paid within the financial year under review.

The Institution also adopted and implemented a Corporate Governance Framework during the financial year under review. This framework provided for the prudent management and oversight of operational functions within the Institution by protecting the interest of both its internal and external stakeholders.

No fraud and corruption activities were detected or reported during the 2018/19 financial year.

5. Performance Information

Of the 62 targets that were planned for the 2018/19 financial year, 50 were achieved (81%). Of the 9 targets which were not achieved, 7 emanated from Programme 1: Administration; while 2 emanated from Programme 3: Parliamentary Services. The reasons for the non-achievement of the 9 targets were provided as follows:

Programme 1: Administration	
Targets	Reason for deviation
Modernisation and integration of Human Resources Management	Decrease in time achieved in transactions like payments, but due to technical issues with leave, etc. could not be achieved
Percentage of assets reconciling	Completed 25 April 2019

to the Asset Register	
Number of positive quality assurance return forms	Lack of submission of completed forms
Number of Human Resources information sessions aimed at adding value to the institution and its employees facilitated	Three (of the planned four) information sessions aimed at adding value to the institution and its employees were facilitated
Number of labour relations training and awareness sessions aimed at adding value to the institution and its employees facilitated	Due to operational requirements the training was postponed
Phased implementation of ERP	The system is stabilized but not optimised
Digitising and modernising Members' Affairs Services	Members were set up as users on the Self Service Portal and training was scheduled for them. More change management is required for full utilisation
Programme 3: Parliamentary Services	
Percentage of requested research services provided in accordance with the SOP to committees, senior management and presiding officers	One requested research report was not submitted to the research requestor by the agreed due dates This has since been completed
Conduct baseline study for Public participation and related matters	Due to time constraints the baseline study could not be conducted

6. Financial Management

The WCPP spent R138,376 million of an appropriated budget of R143,874 million. This resulted in an under expenditure of R5,498 million (3,8% underspending). The under expenditure occurred under the following programmes:

- Programme 1: Administration (R1,907 million);
- Programme 2: Facilities for Members and Political Parties (R3,261 million); and
- Programme 3: Parliamentary Services (R330 000).

In addition, the Institution's total estimated revenue budget of R64 000 was over-collected by R346 000, which resulted in a departmental receipt of R410 000. The over-collection on revenue occurred under the following line items:

- Sale of goods and services other than capital assets (R47 000);
- Interest, dividends and rent on land (R178 000);
- Sale of Capital Assets (R49 000); and
- Financial Transactions in assets and liabilities (R72 000).

R5,498 million, including the over-collected revenue of R346 000, was approved for roll-over to the 2019/20 financial year. There were no virements between programmes for the year under review, and no irregular, fruitless and wasteful expenditure incidences were reported.

The annual financial statements were prepared in accordance with the standards of the Generally Recognised Accounting Practices (GRAP) Standard, as prescribed in Section 56(1) of the FMPPLA.

7. Matters that were highlighted by the AGSA

Restatement of corresponding figures: As disclosed in Note 38 to the annual financial statements, the corresponding figures for 31 March 2018 has been restated as a result of errors which were discovered during the 2018/19 financial year in the financial statements of WCPP at, and for the year ended 31 March 2019.

8. Emerging Risks

8.1. New pronouncements

8.1.1. The Committee notes the inputs of the AGSA that new pronouncements were issued by the Accounting Standard Board, which might be considered as emerging risks to the standards of GRAP, as follows:

GRAP 18 - <i>Segment reporting</i>	1 April 2019
GRAP 20 - Related-party disclosures	1 April 2019
GRAP 32 - Service concession arrangements: grantor	1 April 2019
GRAP 34 - Separate financial statements	1 April 2019
GRAP 35 - Consolidated financial statements	1 April 2019
GRAP 36 - Investments in associates and joint ventures	1 April 2019
GRAP 37 - Joint arrangements	1 April 2019
GRAP 38 - Disclosure of interests in other entities	1 April 2019
GRAP 105 - Transfer of functions between entities under common control	1 April 2019
GRAP 106 - Transfer of functions between entities not under common control	1 April 2019
GRAP 107 - Mergers	1 April 2019
GRAP 108 - Statutory receivables	1 April 2019
GRAP 109 - Accounting by principals and agents	1 April 2019
GRAP 110 - Living and non-living resources	1 April 2019
IGRAP 17 - Service concession arrangements where a grantor controls a significant residual interest in an asset	1 April 2019
IGRAP 18 - Recognition and derecognition of land	1 April 2019
IGRAP 19 - Liabilities to pay levies	1 April 2019
IGRAP 20 <i>Accounting for adjustments to revenue</i>	1 April 2019
Guideline Accounting for arrangements undertaken in terms of the national housing programme	1 April 2019

8.2. Risk that requires continuous monitoring by WCPP

The Auditor General advised as follows:

Procurement of legal services through the State Attorney: Even though the State Attorney is mandated to represent the government in any court of law, there are instances where Parliament specifically requests the State Attorney to appoint an external legal services provider to represent them in a court of law in relation to certain cases they are facing. The Institution would do so via an instruction letter to the State Attorney, which would include details of the external legal service providers to be appointed by the State Attorney on their behalf or to represent them in a particular case. Where the above arrangement takes place, Parliament and the Department of Justice would enter into a principal-agent relationship through a binding arrangement.

Furthermore, the request for a specific external legal services provider is considered a deviation from competitive procurement processes. The WCPP is advised to ensure that the deviation is properly

motivated and approved by them to prevent or safeguard them against irregular expenditure. At present, the Department of Justice and Constitutional Development does not motivate and approve any deviations in this regard, which could therefore result in irregular expenditure for all client legislatures who requested specific external legal service providers. Irregular expenditure will therefore be incurred if the client legislature pays the external legal services provider directly.

Material irregularities: In terms of section 1(g) of the Public Audit Amendment Act, 2018 (Act No. 5 of 2018), a material irregularity is defined as any non-compliance with, or contravention of, legislation, fraud, theft or a breach of a fiduciary duty identified during an audit performed under this Act that resulted in or is likely to result in a material financial loss, the misuse or loss of a material public resource or substantial harm to a public sector institution or the general public.

Accounting officers have a legal obligation to prevent all irregularities and take action if it occurred. The AGSA's focus is only on material irregularities. Accounting officers commit financial misconduct if they:

- wilfully or negligently contravene sections 6 to 10 of the FMPPLA which deal with their responsibilities; and
- incur or permit unauthorised, irregular or fruitless and wasteful expenditure misconduct.

Officials commit financial misconduct if they wilfully or negligently fail to exercise duty or power assigned by the accounting officer. Financial misconduct must be investigated and appropriate action taken. Auditors will take the following action upon detection of known or suspected material irregularities:

- The accounting officer will be notified without delay of the material irregularity in writing;
- The content of the notification and the response required from the accounting officer are prescribed in the material irregularity regulations; and
- The notification will provide all the relevant information on the material irregularity and will request written feedback, substantiating documents and other forms of proof within 20 working days that appropriate steps are being taken to:
 - stop the irregularity (if ongoing);
 - prevent any loss, misuse or harm, or recover any losses; and
 - determine who the responsible person or entity (e.g. supplier or implementing agent) is and take appropriate action.

The material irregularity will be reported in the Audit Report. A certificate of debt can be avoided by implementing the directive to quantify the financial loss and take steps to recover the losses. The commencement date agreed upon with the President is 1 April 2019. For the 2018/19 financial year, a phased-in approach was implemented on selected auditees only, but the requirements of the Act will be applicable to all auditees for the 2019/20 financial year's audit process.

9. Recommendations by the Committee:

9.1. The Committee RECOMMENDED that WCPP:

- 9.1.1. Ensure that mechanisms are in place to provide assurance in respect of the independence of internal audit provided by the Western Cape Government.
- 9.1.2. Investigate whether sign language can be incorporated into live House Sitting broadcasts, as reflected on page 25 of the AR.
- 9.1.3. Provide the Committee with the Public Education and Outreach's timeline and programme of action to ensure that the Unit's targets are met.
- 9.1.4. Inform the Committee whether there is a plan to insource advertising.

9.1.5. Provide the Committee with information on the link between the knowledge management function and the Enterprise Resource Planning system of the Institution, including whether these functions will be integrated or whether these will operate as separate systems.

9.1.6. Provide the a report on ICT infrastructure, specifically WIFI at the WCPP, which should include: costs associated with the provision of this service (WIFI); what upload and download speeds are guaranteed and optimal; specifics of vendor (non-) compliance indicated on page 25 of the AR; as well as contingency planning to avoid repetition of the challenges experienced with the WIFI tender.

10. Information requested from WCPP

10.1. The Committee REQUESTED that WCPP provide it with the following information by 31 January 2020:

10.1.1. A report which provides reasons for the salary overpayments and debts to staff members of the Institution, including supplier overpayments, as reflected on page 149 of the AR.

10.1.2. A report on the Functional Enhancement project, including the objectives versus the outcomes of the project and the timeline in respect of the implementation of the recommendations of the project, as reflected on pages 24 to 25 of the AR.

10.1.3. A plan of action on how the Institution will preserve its heritage assets, as reflected on page 155 of the AR.

10.1.4. The Occupational Health and Safety Plan of the Institution for the 2018/19 financial year, as derived from page 60 of the AR.

10.1.5. A copy of the WCPP social media and YouTube coverage strategies of sittings of the House, as reflected on page 25 of the AR.

10.1.6. A copy of the Employment Equity Plan of the Institution.

10.1.7. A report on whether any interns were employed in the 2018/19 financial year, and if so, how many, for what purpose and whether they were remunerated.

10.1.8. A copy of the Conduct Policy for the WCPP staff members which addresses the discriminatory or derogatory remarks made, including the inappropriate use of language, within the Institution, which was recorded during the financial year under review, as reflected on page 96 of the AR.

11. Inputs received from the public

Members of the public were provided an opportunity to pose questions or make oral submissions, based on the contents of the 2018/19 AR of the WCPP. However, no members of the public were present to pose questions or to make oral submissions.

12. Conclusion

The Committee commends the WCPP for maintaining an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations.

The Committee will continue to engage with the Institution on its budget, implementation of the FMMPLA regulation, and outstanding matters that were identified in the aforementioned sections, which contains the Committee's recommendations and requests for information.

13. Acknowledgments

The Chairperson expressed the appreciation of the Committee for the input of the various role players, such as the Auditor-General of South Africa and the Audit Committee, to enhance the oversight work of the Committee which relates to the AR of WCPP for the year ending 31 March 2019. In addition, the Committee thanked the presiding officers and the WCPP administration for their efforts and contributions in this regard.

8.2. Information requested by POC

The WCPP has submitted all the information requested by the POC in accordance with paragraph 10.1 of the report.

8.3. WCPP response to the POC recommendations

The WCPP responded to the recommendations in accordance with paragraph 9.1 of the report as follows:

Recommendations		Response by the WCPP	Resolved Yes/No
9.1.1.	Ensure that mechanisms are in place to provide assurance in respect of the independence of internal audit provided by the Western Cape Government.	Response and/or information was provided to the POC on 30 January 2020.	Yes
9.1.2.	Investigate whether sign language can be incorporated into live House sitting broadcasts, as reflected on page 25 of the AR.	Response and/or information was provided to the POC on 30 January 2020.	Yes
9.1.3.	Provide the Committee with the Public Education and Outreach's timeline and programme of action to ensure that the unit's targets are met.	Response and/or information was provided to the POC on 30 January 2020.	Yes
9.1.4.	Inform the Committee whether there is a plan to insource advertising.	Response and/or information was provided to the POC on 30 January 2020.	Yes
9.1.5.	Provide the Committee with information on the link between the knowledge management function and the Enterprise Resource Planning system of the institution, including whether these functions will be integrated or whether these will operate as separate systems.	Response and/or information was provided to the POC on 30 January 2020.	Yes

Recommendations		Response by the WCPP	Resolved Yes/No
9.1.6.	Provide the a report on ICT infrastructure, specifically Wi-Fi at the WCPP, which should include: costs associated with the provision of this service (Wi-Fi); what upload and download speeds are guaranteed and optimal; specifics of vendor (non-) compliance indicated on page 25 of the AR; as well as contingency planning to avoid repetition of the challenges experienced with the Wi-Fi tender.	Response and/or information was provided to the POC on 30 January 2020.	Yes

Furthermore, the following POC recommendation for the Annual Report of the 2016/17 financial year, as reported in the 2017/18 financial year on 17 November 2017, is also included as it was resolved in the 2019/20 financial year.

Recommendations		Response by the WCPP	Resolved Yes/No
8.3.2.6	The Rules Committee engage with the WCPP on the Oversight and Accountability Policy, as well as the Public Participation Strategy.	The Procedural Officer had discussion with the Chairperson and it was decided that the resolution should be dealt off the POC resolution project document of WCPP. This matter was closed off and recorded as ratified at a POC meeting.	Yes

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit report during the 2019/20 financial year.

10. COMPLIANCE WITH THE 30 DAY PERIOD

During 2019/20 two invoices to the accumulated value of R101 660,77 were settled in more than 30 days. The reason for both cases related to the breakdown of internal controls in submitting the invoices timeously for payment.

The root causes for both cases were investigated and identified, remedial steps and additional controls (where needed) were implemented to eliminate the reoccurrence of such cases.

11. FINANCIAL COMPLIANCE AND INTERNAL CONTROL UNIT

The Financial Compliance and Internal Control Unit focused on identifying control gaps through inspections and assisting in audit preparation through post-auditing all transactional documentation.

The following areas were completed during the year under review:

- Cashier duty processes

- Predetermined objectives
- Leave
- Financial reporting processes

Follow-up inspections were conducted on the previous year's findings, to ensure progress and implementation where there were management action plans.

The unit also regularly followed up on management action plans stemming from the Auditor-General's findings in the previous year, as well as internal-audit reports issued.

Loss control investigations are also dealt with by Internal Control. Once a thorough investigation is completed, recommendations are made to the Accounting Officer to write off or recoup a loss.

12. INTERNAL AUDIT AND AUDIT COMMITTEES

Internal Audit provides management with independent, objective assurance and consulting services designed to add value and to continuously improve the operations of the Institution. It assists the Institution to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of Governance, Risk Management and Control processes.

The following key activities are performed in this regard:

- Assess and make appropriate recommendations for improving the governance processes in achieving the Institution's objectives;
- Evaluate the adequacy and effectiveness and contribute to the improvement of the risk management process;
- Assist the Accounting Officer in maintaining efficient and effective controls by evaluating those controls to determine their effectiveness and efficiency, and by developing recommendations for enhancement or improvement.

Internal Audit work completed during the year under review for the Provincial Parliament included five assurance engagements and six follow-up areas. The details of these engagements are included in the Audit Committee report.

The Audit Committee is established as an oversight body, providing independent oversight over governance, risk management and control processes in the Provincial Parliament, which include oversight and review of the following:

- Internal Audit function;
- External Audit function (Auditor General of South Africa - AGSA);
- Accounting and reporting;
- Accounting Policies;
- Review of AGSA management and audit report;
- Review of In year Monitoring;
- Risk Management;
- Internal Control;
- Pre-determined objectives;
- Ethics and Forensic Investigations.

Annual Report for the 2019/20 Financial Year
Vote 2: Western Cape Provincial Parliament
PART C: Governance

The table below discloses relevant information on the audit committee members:

Name	Qualifications	Internal or external	If internal, position in the WCPP	Date appointed	Date Resigned	No. of Meetings attended
Mr Francois Barnard (Chairperson)	BProc ; BCompt (Honours); MComm; Postgraduate Diploma in Auditing; CTA CA(SA) MTP(SA)	External	N/A	01 January 2019 (1 st term)	N/A	7
Ms Merle Kinnes	BA; LLB; Higher Certificate in Forensics Examination; Attorney of the High Court	External	N/A	01 January 2019 (2 nd term)	N/A	7
Mr Mohamed Yaseen Ismail	BCom, PGDA, Certificate in Advanced Taxation, Certificate in Forensic and Investigative auditing, CA(SA), RA(SA), CFE	External	N/A	01 May 2019 (2 nd term)	N/a	5
Mr Andrew Davids	BCom; Professional Post-Graduate Qualification: Company Secretarial and Governance Practice, ACG(CS)	External	N/A	01 January 2020 (1 st term)	N/a	1
Mr Jeremy James Fairbairn	Certificate in General Management and Consultancy; HONS B COM (BUS. MANAGEMENT), B. COM (Hons.), Higher Diploma in Education; B COM (LAW)	External	N/A	01 January 2017 (1 st term)	Contract expired on 31 December 2019	5

AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2020.

Audit Committee Responsibility

The Audit Committee reports that it has complied with its responsibilities arising from **Section 48** of the Financial Management of Parliament and Provincial Legislatures Act (**FMPPLA**). The Audit Committee also reports that it has adopted an appropriate formal Terms of Reference, has regulated its affairs in compliance with these Terms and has discharged all its responsibilities as contained therein.

The Effectiveness of Internal Control

In line with the FMPPLA, Internal Audit provides the Audit Committee and Management with reasonable assurance that the internal controls are adequate and effective. This is achieved by an approved risk-based internal audit plan, Internal Audit assessing the adequacy of controls mitigating the risks and the Audit Committee monitoring implementation of corrective actions.

The following engagements were approved by the Audit Committee and completed by Internal Audit during the year under review:

Assurance engagements:

- Security Management
- Enterprise Resource Planning
- Occupational Health and Safety
- Human Resource Strategy
- Public Outreach and Education

The areas for improvement, as noted by internal audit during performance of their work, were agreed to by management. The Audit committee monitors the implementation of the agreed actions on a quarterly basis.

In-Year Management and Monthly/Quarterly Report

The Audit Committee is satisfied with the content and the quality of the quarterly in year management and performance reports issued during the year under review by the Accounting officer of the Western Cape Provincial Parliament (WCPP) in terms of FMPPLA.

Evaluation of Financial Statements

The Audit Committee has:

- reviewed and discussed the Audited Annual Financial Statements to be included in the Annual Report, with the Auditor-General South Africa (AGSA) and the Accounting Officer;
- reviewed the AGSA's Management Report and Management's responses thereto;
- reviewed changes to accounting policies and practices as reported in the Annual Financial Statements;
- reviewed material adjustments resulting from the audit of the Institution.

Compliance

The Audit Committee has reviewed the WCPP's processes for compliance with legal and regulatory provisions. We note their responses.

Performance Information

The Audit Committee has reviewed the information on predetermined objectives as reported in the Annual Report.

Report of the Auditor-General South Africa

We have on a quarterly basis reviewed the Institution's implementation plan for audit issues raised in the prior year. The Audit Committee has met with the AGSA to ensure that there are no unresolved issues that emanated from the regulatory audit.

Corrective actions on the detailed findings raised by the AGSA will continue to be monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the Auditor-General of South Africa's opinion regarding the Annual Financial Statements, and proposes that these Audited Annual Financial Statements be accepted and read together with their audit report.

The Audit Committee commends the Institution for maintaining an unqualified audit opinion with no material findings.

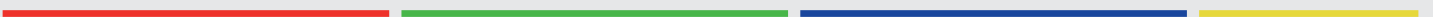


Mr Francois Barnard
Chairperson of the Governance and Administration Cluster Audit Committee
Western Cape Provincial Parliament
Date: 11 September 2020

WESTERN CAPE PROVINCIAL PARLIAMENT



PART D HUMAN RESOURCE MANAGEMENT





Advocate Praise Kambula from the Department of Justice and Constitutional Development made a presentation at the Combating Gender-based Violence and Femicide Consultation on 28 October 2019



Hon Khalid Sayed pledged his support for the 16 Days of Activism for No Violence Against Women and Children campaign on 26 November 2019



Members of the Sixth Parliament commenced with their Orientation Programme on 20 May 2019



On 20 September 2019 employees enjoyed a fun-filled afternoon in celebration of Heritage Day and the start of the 2019 Rugby World Cup

PART D: HUMAN RESOURCE MANAGEMENT

1. INTRODUCTION

The Human Resource Management section of the Annual Report provides in-depth information on all human-resources-related activities of the WCPP for the year under review. While most of the information tends to be statistical, graphs and analyses are included to provide readers with a better sense of the impact or significance of the statistics reflected.

NOTE: Please note that in some statistical information provided the figures will relate to all employees who were employed for the entire financial year. Only where it is expressly stated "as at 31 March 2020" or "1 April 2019" will the figures reflect the positions on that particular day.

2. HUMAN RESOURCES

Significant organisational structural changes were implemented during 2019/20. These changes were forthcoming from the functional enhancement project, which was approved for implementation in November 2018. The new structure was implemented on 1 April 2019. The total staff establishment increased from 108 to 119 posts. As at the end of March 2020 two posts were abolished: a service officer and a receptionist.

All these changes affected the Human Resources section directly in more than one way:

- The previous Human Resources Manager was appointed in the position of Director, and the position was therefore vacant from 1 April 2019.
- Human Resources became part of the new Directorate: Institutional Enablement.
- A new Director: Institutional Enablement was appointed on 1 April 2019.
- A new Human Resources Manager was appointed in August 2019.
- Recruitment and selection had to be accelerated to appoint 27 employees.
- New employment-equity numerical goals were approved as part of the revision process for the Employment Equity Plan in order to correlate with the new organogram.

For the first time the WCPP appointed the services of an online recruitment and response handling service provider. As the time-consuming compilation of application databases was no longer done internally, a substantial amount of time was freed up which could be used for the qualitative process of finding and appointing suitably qualified and experienced employees to enhance the work and services of the WCPP. The filling of some of the vacancies were challenging, especially in the Directorate: Parliamentary Support Services. The number of WCPP staff exits (10) are noted to be the highest in eight years. It sadly included the passing away of a senior WCPP employee who was appointed to this role on 1 April 2019. Thirty per cent of these exits resulted from the change of Speakers after the 2019 elections.

In 2019/2020 the Human Resources section continued to stabilise and optimise the ERP system to ensure accurate and timeous salary and benefit payments, and effective benefit administration for all employees. The management reporting module of the system was further developed and refined to guarantee worthwhile management information used for strategic planning.

The new employment-equity numerical goals have especially set out a strategy to correct the employment-equity figures for management and senior-management salary levels. The disparity between the remuneration of male and female employees is as a result of fewer women in management positions (see table 4.2.2). This is one of the key focus areas in addressing employment equity in the WCPP strategically. All the numerical goals on the Employment Equity Plan have been approved by the WCPP Accounting Officer.

Late in the financial year a collaborative HR policy task team was established to review and update critical HR policies. The goal of this process is to ensure long-term professional benefits for the WCPP, as well as its employees. The overall aim is to ensure that the WCPP remains an employer of choice for current employees and prospective new recruits.

The task team consists of representatives of the recognised union (NEHAWU) and nominated employees and managers from different directorates. The following policies were listed for review:

- Overtime Policy
- Cellular and Mobile Internet Policy
- Leave Policy
- Study Assistance Policy
- Working Hours Policy
- Reward Policy
- Probation Policy
- Performance Management Policy
- Disciplinary Policy

During the year under review five employees were beneficiaries of the WCPP Study Assistance Programme. The three study programmes undertaken by these employees were Law (2), Information Technology (2) and Communication Science (1). With the review of the Study Assistance Policy the intention is also to increase the number of beneficiaries and to encourage the ongoing professional development of employees.

The HR section remains concerned about the average number of sick-leave days taken during the calendar year. In this regard the following should be noted: the statistics include a few outliers who used their full three-year sick leave allocation in this calendar year, because of major injuries, medical procedures and serious chronic medical conditions. If these outliers are removed from the average sick-leave calculation, the average drops pointedly from 7,65 days to 6,5 days per employee. The new three-year sick-leave cycle started on 1 January 2019.

The new employee-wellness service provider, Careways, assisted the WCPP to implement a valuable Employee Health and Wellness Programme for all employees. All the events and activities are listed in paragraph 13 of this section and it included online questionnaires, workshops, poster campaigns and specialist speakers on a variety of current and relevant topics. For the first time, the Indian Consulate made available a yoga instructor who presented yoga classes for employees. Two employee-wellness events, including the important annual health and wellness day, were unfortunately postponed due to the COVID-19 pandemic and the subsequent national state of disaster announced in March 2020.

WCPP employees attended 19 different skills development interventions to enhance employees' competencies, ability and effectiveness. This included formal study programmes, professional seminars and international study visits.

The Human Resources section administered and arranged a long-service awards presentation to employees. These awards serve as a token of appreciation and recognition of employees for their commitment and loyalty to the WCPP and its mandate. The following long-service awards were presented during the financial year under review:

Long-service award category	Number of qualifying employees receiving awards during 2019/20	Nature of award
5 years of service	2	Certificate, additional vacation leave days
10 years of service	5	Certificate, additional vacation leave days, monetary award
15 years of service	1	Certificate, monetary award, corporate gift
20 years of service	2	Certificate, monetary award, corporate gift
30 years of service	1	Certificate, monetary award, corporate gift

An award ceremony was also convened during the first semester of the 2019/20 financial year to affirm qualifying employees of the previous year who had already received their financial rewards, but who were not publicly commended for their services.

Below is a tabular display of some indicators in human-resources management and the organisational landscape over the past eight years:

Indicator	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Personnel expenditure	32 million	39 million	46 million	49 million	53 million	57 million	63 million	67 million
Vacancy rate	9,3%	6,6%	3,8%	4,8%	8,6%	3,7%	6,5%	12,82%
Employee complement (as at 31 March 2020)	88	99	101	99	96	103	107	102
Appointments	16	15	11	12	5	17	4	27
Exits	4	3	5	5	9	3	7	10
Average sick leave (days)	5	6	8,18	9	9,2	8,6	7,6	7,65
Study assistance (number of employees)	12	12	12	16	17	11	8	5

EXPENDITURE

The WCPP budgets in terms of clearly defined programmes. The following tables summarise final audited expenditure by programme (Table 4.1) and by salary bands (Table 4.2). In particular, it provides an indication of the amounts spent on personnel costs in terms of each of the programmes or salary bands.

4.1. Personnel costs by programme, 2019/20

Programme	Personnel expenditure R'000	Total expenditure R'000	Training expenditure R'000	Personnel cost as a % of total expenditure	Average personnel cost per employee R'000	Number of employee per programme
Programme 1 Governance, Leadership and Administration	41 092	62 161	798	66.10%	604	68
Programme 2: Parliamentary Service Support	16 843	20 008	-	84.18%	623	27
Programme 3: Public Engagement	8 783	11 770	-	74.62%	585	15
Programme 4: Members' Support	1 270	51 809	-	2.45%	635	2
Total	67 988	145 748	798	46.64%	607	112

Note:

This table refers to the number of employees remunerated for the period under review. This includes the Registrar and employees who have exited the institution during the period.

4.2. Personnel costs by salary band, 2019/20

Salary bands	Number of employees	Personnel expenditure R'000	Percentage of total personnel cost	Average personnel cost per employee R'000
Lower skilled (Band A1–B1)	3	803	1.18%	268
Skilled (Band B2–C3)	69	32 058	47.15%	465
Highly skilled production (Band C4–C5)	16	12 464	18.33	779
Highly skilled supervision (Band D1–D3)	17	13 981	20.56%	822
Senior management (Band D4–E2)	7	8 682	12.77%	1 240
Total	112	67 988	100%	607

Note:

The personnel expenditure in 4.1 and 4.2 corresponds, but due to different groupings and rounding of figures it reflects differently.

4.2.1. Personnel costs by population group, 2019/20

Demographic profile	Number of employees	Personnel cost by race R'000	Percentage of total personnel cost
African	26	13 198	19.41%
Indian	4	2 882	4.24%
Coloured	65	39 661	58.34%
White	17	12 247	18.01%
Total	112	67 988	100.00%

4.2.2. Personnel costs by gender, 2019/20

Demographic profile	Number of employees	Personnel cost by gender R'000	Percentage of total personnel cost
Male	54	37 702	55.45%
Female	58	30 286	44.55%
Total	112	67 988	100.00%

The following tables provide a summary per programme and salary bands as a percentage of total personnel cost. The tables further reflect the expenditure as a result of salaries, overtime, home owners' allowance and medical assistance. These tables exclude Interns and expenses such as pension contributions.

4.3 Salaries, overtime, home owner's allowance and medical aid by programme, 2019/20

Programme	Salaries		Overtime		Home owner's allowance		Medical assistance	
	Amount R'000	Salaries as a % of personnel cost per programme	Amount R'000	Overtime as a % of personnel cost	Amount R'000	HOA as a % of personnel cost	Amount R'000	Medical assistance as a % of personnel cost
Programme 1	29 134	71.00%	84	0.20%	2 254	5.49%	358	0.87%
Programme 2	11 122	66.03%	88	0.52%	1 342	7.97%	206	1.22%
Programme 3	5 939	67.62%	60	0.68%	626	7.13%	94	5 939
Programme 4	902	71.02%	1	0.08%	125	9.84%	12	0.94%
Total	47 097	69.27%	233	0.34%	4 347	6.39%	670	0.99%

4.4 Salaries, overtime, home owner's allowance and medical aid by salary bands, 2019/20
(percentage of the total personnel cost)

Salary bands	Salaries		Overtime		Home owner's allowance		Medical assistance	
	Amount R'000	Salaries as a % of total personnel cost	Amount R'000	Overtime as a % of total personnel cost	Amount R'000	HOA as a % of total personnel cost	Amount R'000	Medical assistance as a % of total personnel cost
Lower skilled (Band A1–B1)	459	0.68%	1	0.00%	151	0.22%	-	-
Skilled (Band B2–C3)	22 344	32.86%	150	0.22%	3 241	4.77%	419	0.62%
Highly skilled production (Band C4–C5)	8 653	12.73%	82	0.12%	955	1.40%	161	0.24%
Highly skilled supervision (Band D1–D3)	9 787	14.40%	-	-	-	-	55	0.08%
Senior management (Band D4–E2)	5 854	8.61%	-	-	-	-	35	0.05%
Total	47 097	69.27%	233	0.34%	4 347	6.39%	670	0.99%

4.5 Salaries, overtime, home owner's allowance and medical aid by salary bands, 2019/20
(percentage of the respective salary bands)

Salary bands	Salaries		Overtime		Home owner's allowance		Medical assistance	
	Amount R'000	Salaries as a % of personnel cost per salary band	Amount R'000	Overtime as a % of personnel cost per salary band	Amount R'000	HOA as a % of personnel cost per salary band	Amount R'000	Medical assistance as a % of personnel cost per salary band
Lower skilled (Band A1–B1)	459	57.16%	1	0.12%	151	18.80%	-	-
Skilled (Band B2–C3)	22 344	69.70%	150	0.47%	3 241	10.11%	419	1.31%
Highly skilled production (Band C4–C5)	8 653	61.89%	82	0.66%	955	7.66%	161	1.29%
Highly skilled supervision (Band D1–D3)	9 787	70.00%	-	-	-	-	55	0.39%
Senior management (Band D4–E2)	5 854	67.43%	-	-	-	-	35	0.40%
Total	47 097	69.48%	233	0.34%	4 347	6.39%	670	0.99%

Note:

The personnel expenditure in 4.4 and 4.5 corresponds, but due to different groupings and rounding of figures it reflects differently.

5. EMPLOYMENT AND VACANCIES

The following tables summarise the number of posts, funded and unfunded, on the establishment, the number of employees and the vacancy rates. The information is presented in terms of three key variables: Programme (Table 5.1), Salary band (Table 5.2) and Critical occupations (Table 5.3).

5.1 Employment and vacancies by programme, 31 March 2020

Programme	Number of posts	Number of funded posts	Number of filled posts	Additional to establishment	Vacancy rate	Percentage unfunded posts
Programme 1	71	71	59	-	16,90%	-
Programme 2	27	27	25	1	7,41%	-
Programme 3	16	16	15	-	6,25%	-
Programme 4	3	3	2	-	33,33%	-
Total	117	117	101	1	*12,82%	-

Note:

*Additional post included in calculation of total vacancy rate.

5.2 Employment and vacancies by salary bands, 31 March 2020

The information in each case reflects the situation as at 31 March 2020. For an indication of the staffing changes during the period under review, please refer to Section 7 of this report.

Salary band	Number of posts	Number of funded posts	Number of posts filled	Additional to establishment	Vacancy rate	Percentage unfunded posts
Lower skilled (Band A1–B1)	3	3	3	-	-	-
Skilled (Band B2–C3)	67	67	62	-	7,46%	-
Highly skilled production (Band C4–C5)	23	23	15	-	34,78%	-
Highly skilled supervision (Band D1–D3)	18	18	16	1	10,53%	-
Senior management (Band D4–E2)	6	6	5	-	16,67%	-
Total	117	117	101	1	*12,82%	-

Note:

*Additional post included in calculation of total vacancy rate.

5.3 Employment and vacancies by critical occupation, 31 March 2020

No critical occupation was identified at the beginning of the 2019/20 financial year. However, the Director: PSS and the Manager: House Proceedings have been identified as key positions.

6. SENIOR MANAGEMENT SERVICE INFORMATION

6.1 Filling of senior management service posts

The tables in this section provide information on employment and vacancies as it relate to senior management by salary level. It also provides information on advertising and filling of senior- management posts. The stipulations of the Public Service Regulations do not apply to the WCPP and hence they cannot be reported on.

Senior management service post information as at 31 March 2020

SMS level	Total number of funded SMS posts	Total number of SMS posts filled	% of SMS posts filled	Total number of SMS posts vacant	% of SMS posts vacant
E2	1	1	100,00%	-	-
E1	1	1	100,00%	-	-
D4	4	3	75,00%	1	25,00%
Total	6	5	83,33%	1	16,67%

6.2. Advertising and filling of senior management service posts for the period 1 April 2019 to 31 March 2020

The one senior-management position became vacant due to the passing away of the previous incumbent, Mr Jabu Nkabinde. The post has been advertised and the recruitment process is underway.

7. JOB EVALUATION

The following 8 positions were evaluated in the 2019/20 financial year to determine the salary level and grade. These refer to posts and not individual employees. The WCPP has adopted the Paterson model of job grading.

Positions	Approved job grade
Senior Information Communication and Digital Services	C4
Information Communication and Technology Officer	C3
Personal Assistant – Deputy Speaker	C2
Administrative Assistant or Registry Clerk	C1
Procedural Officer: NCOP and Plenary Support	C3
Administration Officer	C3
Manager: Financial Compliance and Internal Control	D2
Senior Members' Affairs Officer	C4

Note:

These positions have been identified as part of the new establishment applicable from 1 April 2019. Although this is outside the current reporting period, management proactively graded and advertised these positions with the aim of timeously filling the posts.

7.1 Profile of employees whose positions were upgraded due to their posts being upgraded

Occupation	Number of employees	Original level	Job evaluation level
-	-	-	-

The following table summarises the number of cases where remuneration bands exceeded the grade determined by job evaluation. Reasons for the deviation are provided in each case.

7.2 Employees with salary levels higher than those determined by job evaluation by occupation

Occupation	Number of employees	Job evaluation level	Remuneration level	Reason for deviation
Administrative Clerk	1	B3	B5	Historical grade creep
Percentage of total employed (as at 31 March 2020)				0,98%

Note:

This employee is red-circled and specific principles apply to his/her remuneration.

The following table summarises the beneficiaries of the above in terms of race, gender, and disability.

7.3 Profile of employees who have salary levels higher than those determined by job evaluation

Beneficiary	African	Asian	Coloured	White	Total
Female	-	-	1	-	1
Male	-	-	-	-	-
Total	-	-	1	-	1
Employees with a disability	-	-	-	-	-

8. EMPLOYMENT CHANGES

This section provides information on changes in employment during the financial year. Turnover rates provide an indication of trends in the employment profile of the WCPP. The following tables provide a summary of turnover rates by salary band.

8.1 Annual turnover rates by salary band for the period 1 April 2019 to 31 March 2020

Salary band	Number of employees per band as at 1 April 2019	*Appointments and transfers into the WCPP		Terminations and transfers out of the WCPP	Turnover rate
		Internal	External		
Lower skilled (Band A1–B1)	3	-	-	-	-
Skilled (Band B2–C3)	61	5	8	7	11,47%
Highly skilled production (Band C4–C5)	17	1	-	1	5,88%
Highly skilled supervision (Band D1–D3)	16	4	5	-	-
Senior management (Band D4–E2)	3	2	2	2	66,67%
Total number of employees	100	12	15	10	10,00%

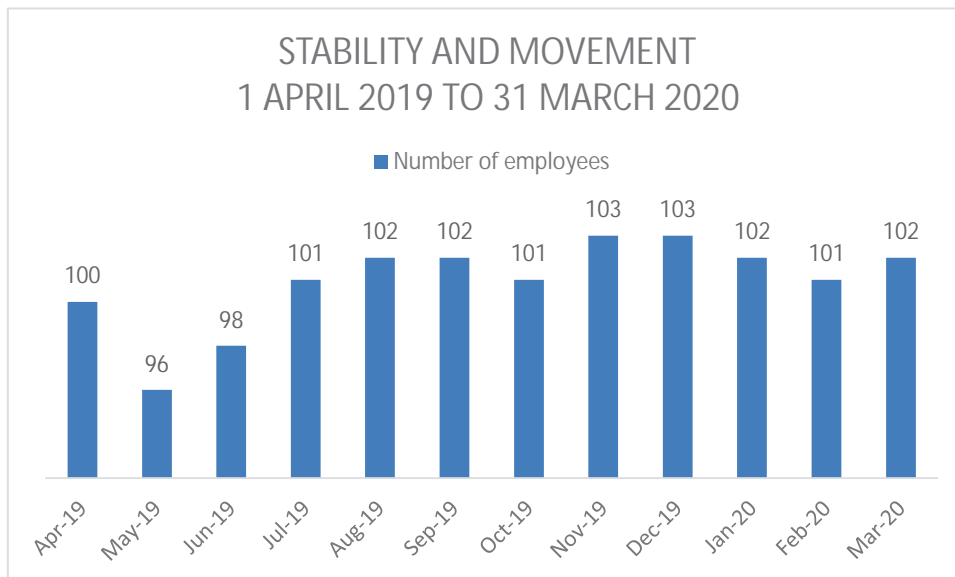
Note:

These appointments include the appointment of the Registrar of Members' Interests, as well as employees in posts additional to the establishment. The 12 internal appointments advanced the careers of these employees, but did not impact on the vacancy rate.

8.1.1 WCPP appointment and resignation trends over the past seven years

Item description	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Appointments	15	5	11	5	17	4	27
Resignations	3	3	5	9	3	7	5
Ratio	5:1	1,7:1	2,2:1	0,55:1	5,6:1	0,57:1	5,4:1

The staff complement of the WCPP increased during this financial year (see employee movement and stability graph). Twenty seven appointments were made, while five employees resigned from the institution. The contracts of four employees expired and we had one death in service.



8.2 Annual turnover rates by critical occupation for the period 1 April 2019 to 31 March 2020

None. Although no critical occupations were identified, the WCPP acknowledges that certain positions could be regarded as key positions. These include the Director: Parliamentary Support Services and the Manager: House Proceedings.

8.3 Reasons why employees are leaving the WCPP

Termination type	Number	% of total
Resignation	5	50%
Expiry of contract	4	40%
Dismissal – operational reasons	-	-
Dismissal – misconduct	-	-
Discharged due to ill health	-	-
Retirement	-	-
Death in service	1	10%
Transfers to other public-service departments	-	-
Total	10	100%
Total number of employees who exited as a % of the total employment, using 1 April 2019 as the baseline.		10,00%

8.4 Promotions by critical occupation

The WCPP's Recruitment and Selection Policy does not make provision for promotion. The principle of open competition is applied for all vacant positions. No critical occupations were identified.

8.5 Promotions by salary bands

The WCPP's Recruitment and Selection Policy does not make provision for promotion.

9. EMPLOYMENT EQUITY

9.1 Total number of employees (including employees with disabilities) in each of the following occupational bands as at 31 March 2020

Occupational levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management (Bands D4–E2)	-	2	-	-	-	1	-	1	4
Management and professionally qualified (Band D1–D3)	1	6	1	2	1	1	-	1	13
Experienced specialists and middle management (Band C4–C5)	2	4	1	2	2	3	-	1	15
Skilled technical and academically qualified workers, junior management, supervisors (Bands B2–C3)	4	13	2	2	12	23	-	3	59
Semi-skilled and discretionary decision-making (Band A1–B1)	-	3	-	-	-	-	-	-	3
Total	7	28	4	6	15	28	-	6	94
Contract employees (non-permanent employees)	1	1	-	3	-	1	-	2	8
Grand total	8	29	4	9	15	29	-	8	102
People with disabilities included in the statistics above: Experienced specialist and middle management (Band C4–C5)		-	-	1	-	-	-	-	1

9.2 Recruitment for the period 1 April 2019 to 31 March 2020

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management (Band D4–E2)	1	2	-	-	-	-	-	1	4
Highly skilled supervision (Band D1–3)	2	2	-	3	1	-	-	1	9
Highly skilled production (Band C4–C5)	1	-	-	-	-	-	-	-	1
Skilled (Band B2–C3)	1	3	-	-	2	4	-	3	13
Lower skilled (Band A1–B1)	-	-	-	-	-	-	-	-	-
Total	5	7	-	3	3	4	-	5	27
Employees with disabilities	-	-	-	-	-	-	-	-	-

9.3 Promotions for the period 1 April 2019 to 31 March 2020

The WCPP policies do not make provision for promotions.

9.4 Terminations for the period 1 April 2019 to 31 March 2020

Occupational bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management	1	1	-	-	-	-	-	-	2
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	1	-	-	-	-	-	-	1
Semi-skilled and discretionary decision-making	-	1	-	-	2	4	-	-	7
Total	1	3	-	-	2	4	-	-	10
Employees with disabilities	-	-	-	-	-	-	-	-	-

9.5 Disciplinary action for the period 1 April 2019 to 31 March 2020

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	-	1	-	-	-	-	-	-	1

9.6 Skills development for the period 1 April 2019 to 31 March 2020

9.6.1 Training recipients

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	2	8	1	2	1	2	-	2	18
Professionals	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	1	7	2	-	4	9	-	3	26
Clerks	1	1	-	-	3	2	-	-	7
Service workers	-	-	-	-	-	-	-	-	-
Total	4	16	3	2	8	13	0	5	51
Interns	-	-	-	-	-	-	-	-	-
Employees with disabilities	-	-	-	-	-	-	-	-	-

Note:

Please note that this refers to individuals who attended training. Internal training programmes are included.

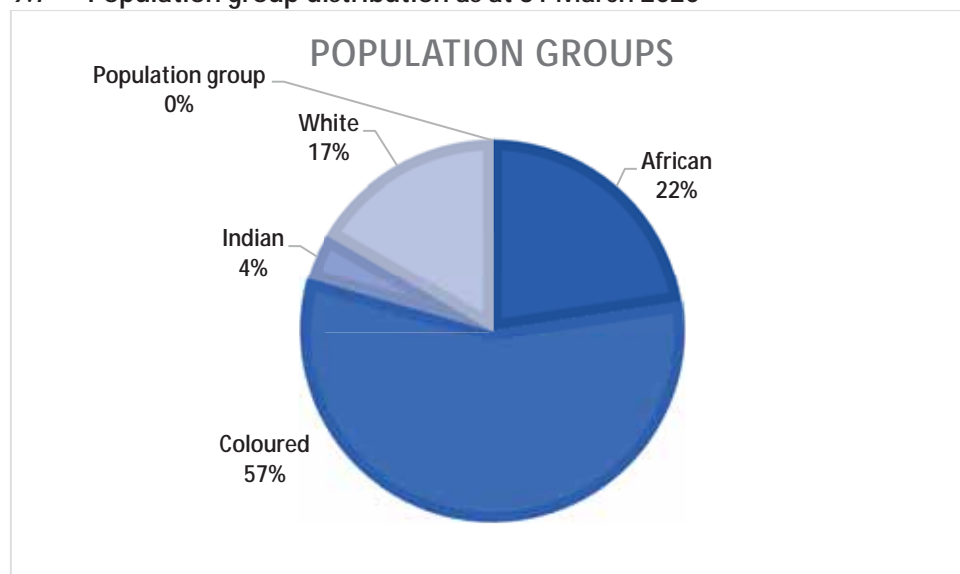
9.6.2 Study assistance provided for formal education

Occupational categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers	-	-	-	-	-	-	-	-	-
Professionals	-	-	-	-	-	-	-	-	-
Technicians and associate professionals	1	-	-	-	-	3	-	-	4
Clerks	-	-	-	-	-	1	-	-	1
Service workers	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	-	4	-	-	5
Employees with disabilities	-	-	-	-	-	-	-	-	-

9.6.3 Skills development and capacity building trends for seven years

Summary of interventions	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Skills development (training interventions)	247	186	169	339	86	185	79
Study assistance (number of employees)	12	13	12	17	6	8	5
Internships	1	2	1	3	3	-	-

9.7 Population group distribution as at 31 March 2020



Demographic description	Employees as at 31 March 2020	WCPP	Western Cape*
African	23	22.54%	38,1%
Coloured	58	56.86%	45,5%
White	17	16.67%	15,1%
Indian	4	3.92%	1,3%
Total	102	100%	100%

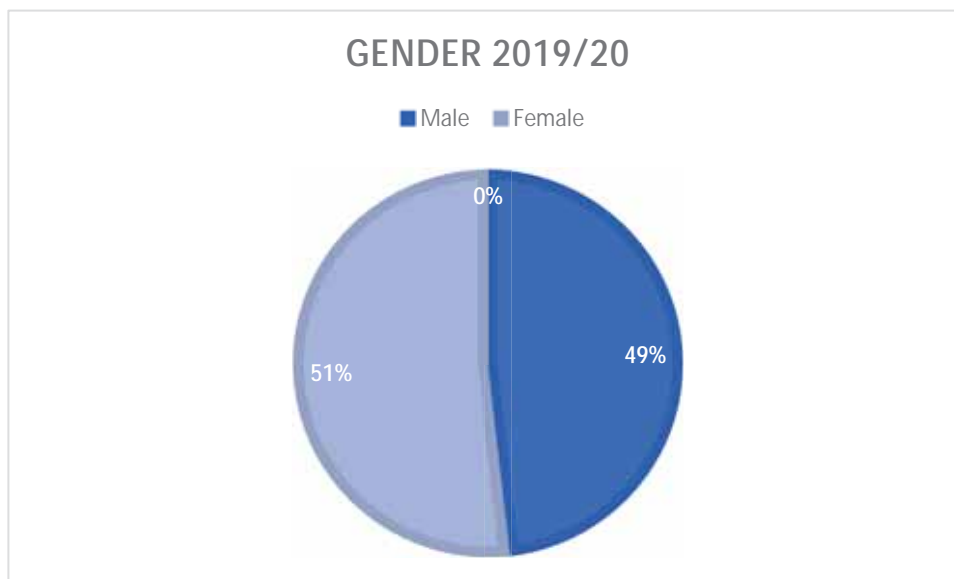
Note:

*Economically active population (Quarterly Labour Force Survey Q4, 2018; Statistics SA).

Demographic representation trend for the past seven years:

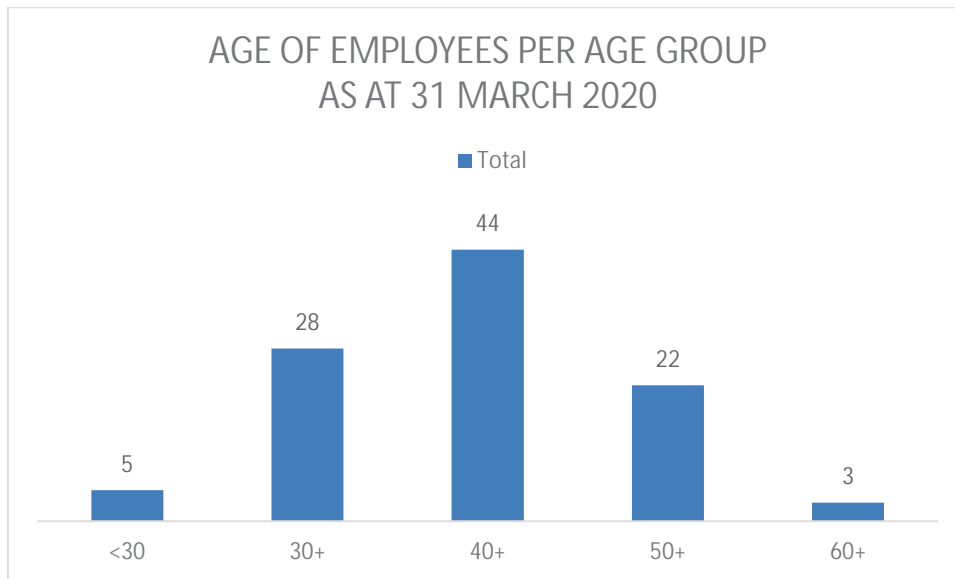
Demographic description	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Coloured	55,6%	56%	58%	60%	62%	62%	56,86%
African	26,3%	24%	24%	21%	19%	21%	22,54%
White	13,1%	13%	12%	14%	15%	13%	16,67%
Indian	5%	7%	5%	5%	4%	4%	3,92%

9.8 Gender composition



As at 31 March 2020, 52 of the 102 employees in the WCPP were female and 50 were male.

9.9 Age distribution



10. PERFORMANCE REWARDS

To encourage good performance, the WCPP has granted the following performance rewards during the year under review. The information is presented as population group, gender, disability and salary bands. Kindly note that these rewards have been granted in respect of performance during the 2018/19 financial year.

10.1 Performance increases by population group, gender and disability, 1 April 2019 to 31 March 2020 in respect of 2018/19 financial year

There were no performance increases awarded in respect of the 2018/19 financial year.

10.1.1 Pay progression

87 employees received a 1% pay progression after having achieved a performance rating of at least 60%.

Salary bands	Number of employees (1 April 2019)	Number of beneficiaries	Africans		Coloured		Indian		White	
			Male	Female	Male	Female	Male	Female	Male	Female
Lower skilled (Band A1–B1)	3	3	-	-	3	-	-	-	-	-
Skilled (Band B2–C3)	61	57	4	13	11	22	2	-	2	3
Highly skilled production (Band C4–C5)	17	16	1	2	6	3	1	-	2	1
Highly skilled supervision (Band D1–D3)	16	8	-	-	4	1	1	-	2	-

Salary bands	Number of employees (1 April 2019)	Number of beneficiaries	Africans		Coloured		Indian		White	
			Male	Female	Male	Female	Male	Female	Male	Female
Senior management (Band D4–E2)	3	3	-	-	1	1	-	-	-	1
Total	100	87	5	15	25	27	4		6	5

10.1.2 Performance bonuses were paid from 1 April 2019 to 31 March 2020 in respect of 2018/19 financial year to employees who received a performance percentage of 70% or above

Salary bands	Number of posts (1 April 2019)	Number of beneficiaries	Africans		Coloured		Indian		White		Cost	
			Male	Female	Male	Female	Male	Female	Male	Female	Cost R'000	Average cost per employee R'000
Lower skilled (Band A1–B1)	3	2	-	-	2	-	-	-	-	-	14	7
Skilled (Band B2–C3)	61	44	2	11	9	18	2	-	1	1	550	13
Highly skilled production (Band C4–C5)	17	14	1	1	5	3	1	-	2	1	264	19
Highly skilled supervision (Band D1–D3)	16	-	-	-	-	-	-	-	-	-	-	-
Senior Management (Band D4–E2)	3	-	-	-	-	-	-	-	-	-	-	-
Total	100	60	3	12	16	21	3	-	3	2	828	14

10.2 Performance by critical occupations, 1 April 2019 to 31 March 2020

No critical occupations were identified for the period 1 April 2019 to 31 March 2020.

11. FOREIGN WORKERS

The information below summarises the employment of foreign nationals in the WCPP.

11.1 Foreign workers, 1 April 2019 to 31 March 2020, by salary band

No foreign workers were appointed.

11.2 Foreign workers, 1 April 2019 to 31 March 2020, by major occupation

No foreign workers were appointed.

12. LEAVE UTILISATION

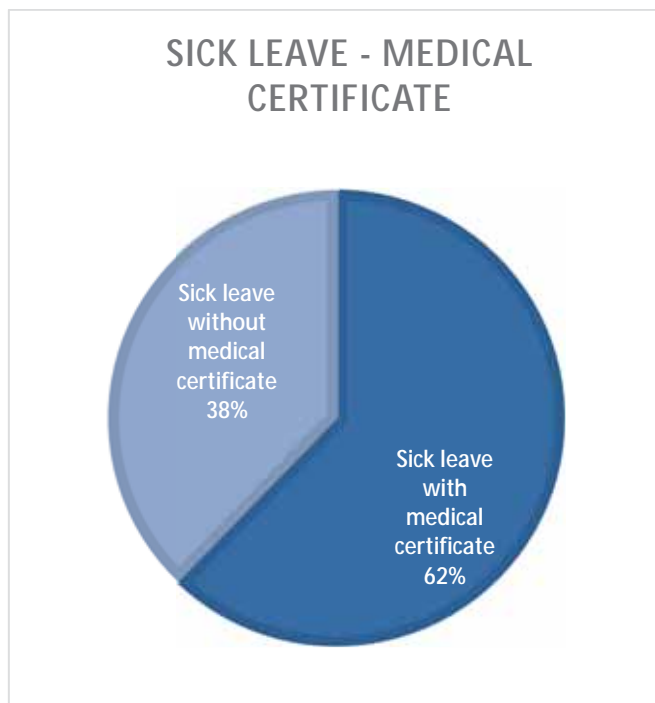
The following tables indicate the use of sick leave, with an estimated cost. The use of annual leave utilisation and payouts are also provided.

12.1 Sick leave, 1 January 2019 to 31 December 2019

Salary band	Total qualifying employees	Total days	% of days with medical certification	Number of employees using sick leave	% of total employees per band using sick leave	Average days per employee*	Estimated cost R'000
Lower skilled (Band A1–B1)	3	27	59,3	3	100	9	24
Skilled (Band B2–C3)	69	554,5	60,8	52	75,36%	8,04	1 153
Highly skilled production (Band C4–C5)	16	176,5	67,7	13	81,25	11,03	510
Highly skilled supervision (Band D1–D3)	15	59	62,7	9	60	3,93	230
Senior management (Band D4–E2)	7	25	56	5	71,43%	3,57	145
Total	110*	842	62,2	82	74,55	7,65	2 063

Note:

*Refers to all employees remunerated for the period. Two employees are contracted per hour and therefore did not qualify for sick leave.



12.2 Employees who were granted additional sick leave from 1 April 2019 to 31 March 2020

During this period two employees were granted additional sick leave.

Salary Band	Male	Female	Approval Category
Skilled (Band B2–C3)	1	1	Surgical

12.3 Annual leave, 1 January 2019 to 31 December 2019

Salary bands	Total days taken	Average per employee
Lower skilled (Band A1–B1)	80,5	26,8
Skilled (Band B2–C3)	1 480,5	20,9
Highly skilled production (Band C4–C5)	308,0	19,3
Highly skilled supervision (Band D1–D3)	278,5	19,9
Senior management (Band D4–E2)	121,5	17,4
Total	2 269	20,4

12.4 Leave pay-outs upon termination of employment for the period 1 April 2019 to 31 March 2020

Band	Total number of employees	Total costs R'000	Average cost per employee R'000
Lower skilled (Band A1–B1)			
Skilled (Band B2–C3)	9	100,6	11,1
Highly skilled production (Band C4–C5)	2	122,8	61,4
Highly skilled supervision (Band D1–D3)			
Senior management (Band D4–E2)	2	194,1	97
Total	13*	417,5	32
Interns	-	-	-

Note:

*This total includes two employees who exited during the 2018/19 financial year, but their leave pay-out was effected during 2019/20. The total also includes one employee whose nature of appointed changed from contract to permanent. The leave days were paid out to the employee concerned.

12.5 Capped leave, 1 April 2019 to 31 March 2020

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 March 2020	Total capped leave days as at 31 March 2020	Average capped leave per employee as at 31 March 2020
Lower skilled (Band A1–B1)	-	-	-	-	-	-
Skilled levels (Band B2–C3)	-	-	-	6	99,5	16,58
Highly skilled production (Band C4–C5)	-	-	-	2	22	11
Highly skilled supervision (Band D1–D3)	-	-	-	3	55	18,33
Senior management (Band D4–E2)	-	-	-	2	138,5	69,25

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Number of employees with capped leave as at 31 March 2020	Total capped leave days as at 31 March 2020	Average capped leave per employee as at 31 March 2020
Total	-	-	-	13	315	24,23

13. HIV AND AIDS AND HEALTH PROMOTION PROGRAMMES

13.1 Steps taken to reduce the risk of occupational exposure

As reported last year, universal infection control measures are maintained.

13.2 Details of health promotion and HIV and AIDS (2019/20)

Employee wellness activities for the 2019/20 financial year included these main events:

- Personal development and emotional intelligence workshop
- Personality type questionnaire and analysis
- Yoga classes sponsored by the Indian Consulate
- Poster campaign against sexual harassment and workplace bullying
- Career development workshop
- Cultural diversity workshop
- Commemorating SA democracy and its leaders talk
- Physical fitness event

14. LABOUR RELATIONS

14.1 Collective agreements, 1 April 2019 to 31 March 2020

Subject matter	Date
2019/20 salary agreement	11 November 2019

14.2 Misconduct and disciplinary hearings finalised, 1 April 2019 to 31 March 2020

Outcomes of disciplinary hearings	Number	% of total
Correctional counselling	-	-
Verbal warning	-	-
Written warning	1	100%
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	1	100%

14.3 Types of misconduct addressed, 1 April 2019 to 31 March 2020

Type of misconduct	Number	% of total
Dereliction of duty	-	-
Discriminatory or derogatory remarks	-	-
Inappropriate language	-	-
Poor performance	-	-

Type of misconduct	Number	% of total
Negligently failing to adhere to WCPP procedures	1	100%
Absenteeism	-	-
Timekeeping	-	-
Irregular expenditure	-	-
Fraudulently altering official documents	-	-
Insubordination	-	-
Misuse of Parliament's property	-	-
Total	1	100%

14.4 Grievances lodged for the period 1 April 2019 to 31 March 2020

Six formal grievances were lodged during the year under review. This was related to performance management and recruitment and selection.

14.5 Disputes lodged with councils for the period 1 April 2019 to 31 March 2020

Disputes	Number	% of total
Number of disputes upheld	-	-
Number of disputes dismissed	1	50%
Number of disputes resolved	1	50%
Total number of disputes lodged	2*	100%

Note:

*The disputes above refer to matters concluded by the CCMA.

14.6 Strike actions for the period 1 April 2019 to 31 March 2020

No strike action was embarked upon during the period under review.

14.7 Precautionary suspensions for the period 1 April 2019 to 31 March 2020

None.

15. SKILLS DEVELOPMENT

15.1 Training needs identified for the period 1 April 2019 to 31 March 2020

Occupational categories	Gender	Training needs identified	Total training needs identified
Legislators, senior officials and managers	Female	3	22
	Male	19	
Technicians and associate professionals	Female	37	66
	Male	29	
Administrative workers and clerks	Female	14	18
	Male	4	
Service workers	Female		2
	Male	2	
Subtotal	Female	54	
	Male	54	
Total		108	108

15.2 Training provided for the period 1 April 2018 to 31 March 2019

Occupational categories	Gender	Number of employees as at 31 March 2020	Skills programmes and other short course	Total
Legislators, senior officials and managers (1)	Female	5	9	32
	Male	15	23	
Professionals (2)	Female	-	-	-
	Male	-	-	
Technicians and associate professionals (3)	Female	29	18	35
	Male	27	17	
Clerks (4)	Female	18	9	12
	Male	5	3	
Service workers (5)	Female	-	-	-
	Male	3	-	
Subtotal	Female	52	36	79
	Male	48	43	
Total		102	79	79
Interns	Female	-	-	-
	Male	-	-	-

16. INJURY ON DUTY

16.1 Injury on duty, 1 April 2019 to 31 March 2020

Nature of injury on duty	Number	% of total
Required basic medical attention only	1	0,89%
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
Total	1	0,89%

Note:

The totals were calculated against the number employees who have been employed for the period under review – 112.

17. UTILISATION OF CONSULTANTS

17.1 Report on consultant appointments using appropriated funds

Project title	Total number of consultants that worked on the project	BBBEE status	Duration: work days	Contract value in rand (R)
Recruitment assessment	The Assessment Toolbox	Level 4	Service agreement	141 334,00
Job evaluations	Workdynamics		On request	12 075,00
Job evaluations	The Assessment Toolbox	Level 1	On request	6 325,00
Total number of projects	3		Varies	159 734,00

17.2 Analysis of consultant appointments using appropriated funds in terms of the Broad-Based Black Economic Empowerment Act (BBBEE)

See table 17.1.

17.3 Report on consultant appointments using donor funds

None.

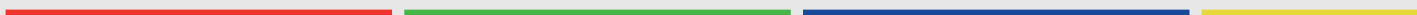
17.4 Analysis of consultant appointments using donor funds, in terms of Broad-Based Black Economic Empowerment Act (BBBEE)

None.

WESTERN CAPE PROVINCIAL PARLIAMENT



PART E FINANCIAL INFORMATION





Public Education and Outreach Officer Irma de Lange conducted an education workshop with learners from the Jakes Gerwel Technical School on 24 October 2019



On 24 April 2019 the WCPP received a delegation of members and officials from the Parliament of Myanmar



Ten officials from the WCPP, seven from the Gauteng Provincial Legislature and three from the KZN Provincial Legislature attended a training course in parliamentary affairs from 13 to 17 January 2020 which was presented by the International Centre for Parliamentary Studies based in the United Kingdom



Political parties united in their #StopTheSpread message at a media briefing on parliamentary activities in light of the COVID-19 pandemic on 19 March 2020

PART E: FINANCIAL INFORMATION

REPORT OF THE AUDITOR-GENERAL TO WESTERN CAPE PROVINCIAL PARLIAMENT ON VOTE NO. 2: WESTERN CAPE PROVINCIAL PARLIAMENT

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Western Cape Provincial Parliament set out on pages 139 - 194, which comprise the statement of financial position as at 31 March 2020, statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget and actual amounts for the year then ended, as well as the notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Parliament as at 31 March 2020, and its financial performance and cash flows for the year then ended in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislature Act, 2009 (Act No. 10 of 2009) (FMPPLA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the auditor-general's responsibilities for the audit of the financial statements section of this auditor's report.
4. I am independent of the provincial parliament in accordance with sections 290 and 291 of the Code of ethics for professional accountants and parts 1 and 3 of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA codes) as well as the ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA codes.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matter

6. I draw attention to the matter below. My opinion is not modified in respect of this matter.

Material underspending of the budget

7. As disclosed in the statement of comparison of budget and actual amounts and in note 38 to the financial statements, the provincial parliament has materially underspent the budget on a comparable basis to the amount of R15 128 541.

Responsibilities of accounting officer for the financial statements

8. The accounting officer is responsible for the preparation and fair presentation of the financial statements in accordance with SA Standards of GRAP and the requirements of the FMPPLA, and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
9. In preparing the financial statements, the accounting officer is responsible for assessing the provincial parliament's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the provincial parliament or to cease operations, or has no realistic alternative but to do so.

Auditor-general's responsibilities for the audit of the financial statements

10. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
11. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report.

Report on the audit of the annual performance report

Introduction and scope

12. In accordance with the Public Audit Act of South Africa 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report on the usefulness and reliability of the reported performance information against predetermined objectives for selected programmes presented in the annual performance report. I performed procedures to identify material findings but not to gather evidence to express assurance.
13. My procedures address the usefulness and reliability of the reported performance information, which must be based on the approved performance planning documents of the legislature. I have not evaluated the completeness and appropriateness of the performance indicators included in the planning documents. My procedures do not examine whether the actions taken by the provincial parliament enabled service delivery. My procedures also do not extend to any disclosures or assertions relating to planned performance strategies and information in respect of future periods that may be included as part of the reported performance information. Accordingly, my findings do not extend to these matters.
14. I evaluated the usefulness and reliability of the reported performance information in accordance with the criteria developed from the performance management and reporting framework, as defined in the general notice, for the following selected programmes presented in the annual performance report of the provincial parliament for the year ended 31 March 2020:

**Annual Report for the 2019/20 Financial Year
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PART E: Report of the Auditor-General for the year ended 31 March 2020**

Programmes	Pages in the annual performance report
Programme 2 – Parliamentary Support Services	59 - 67
Programme 3 – Public Engagement	67 - 74

15. I performed procedures to determine whether the reported performance information was consistent with the approved performance planning documents. I performed further procedures to assess the reliability of the reported performance information to determine whether it was valid, accurate and complete.
16. I did not identify any material findings on the usefulness and reliability of the reported performance information for the following:
- Programme 2 – Parliamentary support services
 - Programme 3 – Public engagement.

Other matters

17. I draw attention to the matters below.

Achievement of planned targets

18. Refer to the annual performance report on pages 59 to 74 for information on the achievement of planned targets for the year.

Adjustment of material misstatements

19. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information of parliamentary support services and public engagement. As management subsequently corrected the misstatements, I did not raise any material findings on the usefulness and reliability of the reported performance information.

Report on the audit of compliance with legislation

Introduction and scope

20. In accordance with the PAA and the general notice issued in terms thereof, I have a responsibility to report material findings on the provincial parliament’s compliance with specific matters in key legislation. I performed procedures to identify findings but not to gather evidence to express assurance.
21. I did not identify any material findings on compliance with the specific matters in key legislation set out in the general notice issued in terms of the PAA.

Other Information

22. The accounting officer is responsible for the other information. The other information comprises the information included in the annual report which includes the audit committee's report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported in this auditor's report.
23. My opinion on the financial statements and findings on the reported performance information and compliance with legislation do not cover the other information and I do not express an audit opinion or any form of assurance conclusion thereon.
24. In connection with my audit, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report, or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
25. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information and if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. If the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected, this will not be necessary.

Internal control deficiencies

26. I considered internal control relevant to my audit of the financial statements, reported performance information and compliance with applicable legislation; however, my objective was not to express any form of assurance on it. I did not identify any significant deficiencies in internal control.

Auditor-General

Cape Town
31 August 2020



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Annexure – Auditor-general’s responsibility for the audit

1. As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the provincial parliament’s compliance with respect to the selected subject matters.

Financial statements

2. In addition to my responsibility for the audit of the financial statements as described in this auditor’s report, I also:
 - identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
 - obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the provincial parliament’s internal control
 - evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the accounting officer
 - conclude on the appropriateness of the accounting officer’s use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the Western Cape Provincial Parliament to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor’s report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor’s report. However, future events or conditions may cause a provincial parliament to cease operating as a going concern
 - evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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PART E: Report of the Auditor-General for the year ended 31 March 2020**

Communication with those charged with governance

3. I communicate with the accounting officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.
4. I also confirm to the accounting officer that I have complied with relevant ethical requirements regarding independence, and communicate all relationships and other matters that may reasonably be thought to have a bearing on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

Annual Report for the 2019/20 Financial Year
Vote 2: Western Cape Provincial Parliament
PART E: Annual Financial statements for the year ended 31 March 2020

General Information

Legal form of entity	Provincial Legislature
Nature of business and principal activities	<p>The main services offered by the Western Cape Provincial Parliament are as follows:</p> <ul style="list-style-type: none">• Sustain a legislative process that produces good and just laws• Provide support for vigorous oversight of the Executive• Provide an enabling environment for Members to be effective• Effective, efficient and economical management of resources• Ensure good governance• Effective and meaningful public participation, education and awareness.

The Administration of the Provincial Parliament, in support of this, provides an enabling environment for Members to achieve their constitutional objectives.

Speaker	Mnqasela, M
Deputy Speaker	Schäfer, B
Secretary	Adams, R
Deputy Secretary	Hindley, RG
Chief Financial Officer	Petersen, NL
Director Institutional Enablement	Titus, V
Director Parliamentary Support Services	Vacant
Director Public Engagement	Fouche, SIJ
Business address	Provincial Legislature Building 7 Wale Street CAPE TOWN 8001
Postal address	PO Box 648 CAPE TOWN 8000
Bankers	Nedbank
Auditors	Auditor-General of South Africa

Annual Report for the 2019/20 Financial Year
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PART E: Annual Financial statements for the year ended 31 March 2020

Index

The reports and statements set out below comprise the annual financial statements presented to the Parliamentary Oversight Committee:

Index	Page
Accounting Officer's Responsibilities and Approval	137
Statement of Financial Position	139
Statement of Financial Performance	140
Statement of Changes in Net Assets	141
Cash Flow Statement	142
Statement of Comparison of Budget and Actual Amounts	143 - 144
Accounting Policies	145 - 164
Notes to the Annual Financial Statements	165 - 194

Annual Report for the 2019/20 Financial Year
Vote 2: Western Cape Provincial Parliament
PART E: Annual Financial statements for the year ended 31 March 2020

Accounting Officer's Responsibilities and Approval

The accounting officer is required by the Financial Management of Parliament and Provincial Legislators Act No. 10 of 2009, to maintain adequate accounting records and is responsible for the content and integrity of the annual financial statements and related financial information included in this report. It is the responsibility of the accounting officer to ensure that the annual financial statements fairly present the state of affairs of the legislature as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The accounting officer acknowledges that he is ultimately responsible for the system of internal financial control established by the legislature and places considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting officer sets standards for internal control aimed at reducing the risk of error or deficit in a cost effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the legislature and all employees are required to maintain the highest ethical standards in ensuring the legislature's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the legislature is on identifying, assessing, managing and monitoring all known forms of risk across the legislature. While operating risk cannot be fully eliminated, the legislature endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

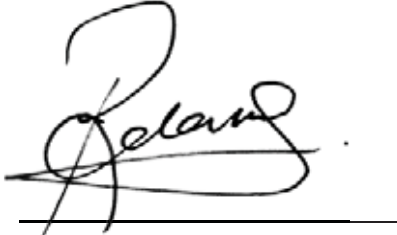
The accounting officer is of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the annual financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or deficit.

The accounting officer has reviewed the legislature's cash flow forecast for the year to 31 March 2021 and, in the light of this review and the current financial position, he is satisfied that the legislature has or has access to adequate resources to continue in operational existence for the foreseeable future.

The legislature is wholly dependent on Provincial Treasury for continued funding of operations. The annual financial statements are prepared on the basis that the legislature is a going concern and that Provincial Treasury has neither the intention nor the need to liquidate or materially curtail the scale of the legislature.

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PART E: Annual Financial statements for the year ended 31 March 2020

The annual financial statements set out on pages 139 to 194, which have been prepared on the going concern basis, were approved by the accounting officer on 31 May 2020.

A handwritten signature in black ink, appearing to read 'R. Adams', written over a horizontal line.

ROMEO ADAMS
SECRETARY TO THE WESTERN CAPE PROVINCIAL PARLIAMENT

Statement of Financial Position as at 31 March 2020

Figures in Rand	Note(s)	2020	2019 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	16,058,241	19,413,726
Inventories	4	1,299,087	1,069,912
Receivables from non-exchange transactions	5	69,400	66,400
Receivables from exchange transactions	6	650,643	139,466
Prepayments	7	510,599	556,845
		18,587,970	21,246,349
Non-Current Assets			
Long term receivables from non-exchange transactions	8	10,741	13,141
Long term receivables from exchange transactions	9	-	-
Property, plant and equipment	10	14,014,519	12,430,742
Intangible assets	11	2,556,595	2,933,654
Heritage assets	12	4,732,002	4,732,002
		21,313,857	20,109,539
Total Assets		39,901,827	41,355,888
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	1,371,028	1,319,577
Payables from non-exchange transactions	20	-	8,054,989
Direct charge liability	14	2,414,018	4,176,534
Finance lease obligation	15	259,006	596,290
Employee benefit obligation	16	10,777,124	9,382,815
		14,821,176	23,530,205
Non-Current Liabilities			
Finance lease obligation	15	1,488,222	1,250,957
Employee benefit obligation	16	20,469,000	22,278,000
		21,957,222	23,528,957
Total Liabilities		36,778,398	47,059,162
Net Assets/(Liabilities)		3,123,429	(5,703,274)
Accumulated surplus/(deficit)		3,123,429	(5,703,274)

* See Note 39

Statement of Financial Performance

Figures in Rand	Note(s)	2020	2019 Restated*
Revenue			
Revenue from exchange transactions			
Recoveries	17	12,844	72,067
Interest received	18	537,782	359,304
Other income	19	24,824	40,448
Total revenue from exchange transactions		575,450	471,819
Revenue from non-exchange transactions			
Transfer revenue			
Fines, Penalties and Forfeits		-	13,424
Assets transferred in		28,014	-
Services in kind: Rental	37	9,842,760	9,842,760
Annual appropriation	20	152,554,407	135,759,011
Statutory appropriation	20	45,151,000	43,497,000
Total revenue from non-exchange transactions		207,576,181	189,112,195
Total revenue		208,151,631	189,584,014
Expenditure			
Employee related costs	21	(69,881,319)	(64,350,378)
Members remuneration	22	(42,717,242)	(42,067,021)
Depreciation, amortisation and impairments		(3,923,151)	(3,752,573)
Finance costs	23	(727,085)	(706,047)
Lease rentals on operating lease	24	(759,043)	(533,787)
Transfer payments	25	(45,046,843)	(40,753,387)
General expenses	26	(24,055,764)	(28,394,014)
Services in kind: Rental	37	(9,842,760)	(9,842,760)
Total expenditure		(196,953,207)	(190,399,967)
Operating surplus (deficit)		11,198,424	(815,953)
Gain/(Loss) on the disposal of assets		(109,509)	(6,417)
Actuarial (loss)/gain	16	151,806	882,000
		42,297	875,583
Surplus before funds surrendered		11,240,721	59,630
Transfer to direct charge liability		(2,414,018)	(4,176,534)
Surplus (deficit) for the year		8,826,703	(4,116,904)

* See Note 39

Statement of Changes in Net Assets

Figures in Rand	Accumulated surplus/(deficit)	Total net assets
Opening balance as previously reported	(18,337,370)	(18,337,370)
Prior period error	16,751,000	16,751,000
Balance at 1 April 2018 as restated*	(1,586,370)	(1,586,370)
Deficit for the year	(4,116,904)	(4,116,904)
Restated* Balance at 1 April 2019	(5,703,274)	(5,703,274)
Surplus for the year	8,826,703	8,826,703
Balance at 31 March 2020	3,123,429	3,123,429

* See Note 39

Cash Flow Statement

Figures in Rand	Note(s)	2020	2019 Restated*
Cash flows from operating activities			
Receipts			
Cash receipts from services		(430,440)	378,935
Cash receipts from appropriation		197,705,407	179,256,011
Interest income		537,782	359,304
		<u>197,812,749</u>	<u>179,994,250</u>
Payments			
Cash paid to employees and members		(112,861,446)	(104,542,702)
Cash paid to suppliers		(78,094,186)	(61,637,911)
Direct charge surrendered		(4,176,534)	(3,683,291)
Finance costs		(727,085)	(706,047)
		<u>(195,859,251)</u>	<u>(170,569,951)</u>
Net cash flows from operating activities	27	<u>1,953,498</u>	<u>9,424,299</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(4,378,222)	(2,242,123)
Proceeds from sale of property, plant and equipment	10	161,172	49,008
Purchase of other intangible assets	11	(855,813)	(934,117)
Long term receivables from non-exchange transactions		2,400	2,200
		<u>(5,070,463)</u>	<u>(3,125,032)</u>
Net cash flows from investing activities		<u>(5,070,463)</u>	<u>(3,125,032)</u>
Cash flows from financing activities			
Finance lease obligation		(238,520)	(253,244)
		<u>(238,520)</u>	<u>(253,244)</u>
Net increase/(decrease) in cash and cash equivalents		<u>(3,355,485)</u>	<u>6,046,023</u>
Cash and cash equivalents at the beginning of the year		19,413,726	13,367,703
Cash and cash equivalents at the end of the year	3	<u>16,058,241</u>	<u>19,413,726</u>

* See Note 39

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis

	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Recoveries	-	-	-	12,844	12,844	38.1
Other income	6,000	-	6,000	24,824	18,824	38.2
Interest received	61,000	-	61,000	407,579	346,579	38.3
Total revenue from exchange transactions	67,000	-	67,000	445,247	378,247	
Revenue from non-exchange transactions						
Transfer revenue						
Transfer received	750,000	-	750,000	-	(750,000)	
Annual appropriation	158,277,000	(631,000)	157,646,000	158,463,000	817,000	
Statutory appropriation	43,000,000	2,151,000	45,151,000	45,151,000	-	
Total revenue from non-exchange transactions	202,027,000	1,520,000	203,547,000	203,614,000	67,000	
Total revenue	202,094,000	1,520,000	203,614,000	204,059,247	445,247	
Expenditure						
Employee related costs	(78,449,000)	5,822,146	(72,626,854)	(67,988,478)	4,638,376	38.4
Members remuneration	(44,657,000)	(2,151,000)	(46,808,000)	(44,044,557)	2,763,443	38.5
Finance costs	(957,000)	(285,527)	(1,242,527)	(1,242,528)	(1)	
Lease rentals on operating lease	(489,000)	(38,975)	(527,975)	(499,606)	28,369	
Transfer payments	(42,854,000)	(2,192,844)	(45,046,844)	(45,046,843)	1	
General expenses	(34,688,000)	(2,673,800)	(37,361,800)	(29,663,447)	7,698,353	38.6
Total expenditure	(202,094,000)	(1,520,000)	(203,614,000)	(188,485,459)	15,128,541	
Operating surplus	-	-	-	15,573,788	15,573,788	
Gain on disposal of assets and liabilities	-	-	-	161,172	161,172	
Surplus for the year	-	-	-	15,734,960	15,734,960	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement	-	-	-	15,734,960	15,734,960	

Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference
Figures in Rand						
Reconciliation						
Basis difference						
LSS account movements				124,746		
Employee benefits				414,691		
Payover and voting of funds				(9,072,611)		
Lease accounting				36,011		
Accrual adjustments				89,004		
Loss on disposal				(270,681)		
Depreciation				(3,923,151)		
Inventory adjustments				229,176		
Capitalising of assets				5,464,558		
Actual Amount in the Statement of Financial Performance				8,826,703		

Accounting Policies

1. Presentation of Annual Financial Statements

The annual financial statements have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP), issued by the Accounting Standards Board in accordance with Section 56 of the Financial Management of Parliament and Provincial Legislators Act No. 10 of 2009.

These annual financial statements have been prepared on an accrual basis of accounting and are in accordance with historical cost convention as the basis of measurement, unless specified otherwise. They are presented in South African Rand. All figures have been rounded to the nearest Rand.

A summary of the significant accounting policies are disclosed below.

These accounting policies are consistent with the previous period.

1.1 Going concern assumption

These annual financial statements have been prepared based on the expectation that the legislature will continue to operate as a going concern for at least the next 12 months.

1.2 Significant judgements

In preparing the annual financial statements, management is required to make estimates and assumptions that affect the amounts represented in the annual financial statements and related disclosures. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the annual financial statements. Significant judgements include:

Receivables

The legislature assesses its receivables for impairment at the end of each reporting period. In determining whether an impairment loss should be recorded in surplus or deficit, the surplus makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

The impairment for receivables is calculated on a portfolio basis, based on historical loss ratios, adjusted for national and industry-specific economic conditions and other indicators present at the reporting date that correlate with defaults on the portfolio. These annual loss ratios are applied to loan balances in the portfolio and scaled to the estimated loss emergence period.

Impairment testing

The recoverable amounts of cash-generating units and individual assets have been determined based on the higher of value-in-use calculations and fair values less costs to sell. These calculations require the use of estimates and assumptions.

Value in use of cash generating assets:

The legislature reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. Assets are grouped at the lowest level for which identifiable cash flows are largely independent of cash flows of other assets and liabilities. If there are indications that impairment may have occurred, estimates are prepared of expected future cash flows for each group of assets. Expected future cash flows used to determine the value in use of goodwill and tangible assets are inherently uncertain and could materially change over time. They are significantly affected by a number of factors including economic factors such as inflation and interest.

Value in use of non-cash generating assets:

The legislature reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairment may have occurred, the remaining service potential of the asset is determined. The most appropriate approach selected to determine the remaining service potential is dependent on the availability of data and the nature of the impairment.

Useful lives of property, plant and equipment and other assets

The legislature's management determines the estimated useful lives and related depreciation charges for the property, plant and equipment and other assets. This estimate is based on industry norm. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Accounting Policies

12 Significant judgements (continued)

Post retirement benefits

The present value of the post retirement obligation depends on a number of factors that are determined on an actuarial basis using a number of assumptions. The assumptions used in determining the present value include the discount rate, medical inflation and mortality rates. Any changes in these assumptions will impact on the carrying amount of post retirement obligations.

Other key assumptions for pension obligations are based on current market conditions. Additional information is disclosed in Note 16.

Effective interest rate

The legislature used the government bond rate to discount future cash flows.

Allowance for impairment

On receivables an impairment loss is recognised in surplus and deficit when there is objective evidence that it is impaired. The impairment is measured as the difference between the debtors carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

13 Property, plant and equipment

Property, plant and equipment are tangible non-current assets (including infrastructure assets) that are held for use in the production or supply of goods or services, rental to others, or for administrative purposes, and are expected to be used during more than one period.

The cost of an item of property, plant and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the legislature; and
- the cost of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

The cost of an item of property, plant and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at date of acquisition.

Where an item of property, plant and equipment is acquired in exchange for a non-monetary asset or monetary assets, or a combination of monetary and non-monetary assets, the asset acquired is initially measured at fair value (the cost). If the acquired item's fair value was not determinable, it's deemed cost is the carrying amount of the asset(s) given up.

When significant components of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Costs include costs incurred initially to acquire or construct an item of property, plant and equipment and costs incurred subsequently to add to, replace part of, or service it. If a replacement cost is recognised in the carrying amount of an item of property, plant and equipment, the carrying amount of the replaced part is derecognised.

Recognition of costs in the carrying amount of an item of property, plant and equipment ceases when the item is in the location and condition necessary for it to be capable of operating in the manner intended by management.

Items such as spare parts, standby equipment and servicing equipment are recognised when they meet the definition of property, plant and equipment.

Major inspection costs which are a condition of continuing use of an item of property, plant and equipment and which meet the recognition criteria above are included as a replacement in the cost of the item of property, plant and equipment. Any remaining inspection costs from the previous inspection are derecognised.

Property, plant and equipment is carried at cost less accumulated depreciation and any impairment losses.

Accounting Policies

13 Property, plant and equipment (continued)

Property, plant and equipment are depreciated on the straight line basis over their expected useful lives to their estimated residual value.

The useful lives of items of property, plant and equipment have been assessed as follows:

Item	Depreciation method	Average useful life
Furniture and office equipment	Straight line	2 - 25 years
Other machinery and equipment	Straight line	2 - 23 years
Computer equipment	Straight line	2 - 20 years
Finance lease assets - Vehicles	Straight line	4 - 7 years
Finance lease assets - cell phones	Straight line	2 - 5 years

The depreciable amount of an asset is allocated on a systematic basis over its useful life.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation method used reflects the pattern in which the asset's future economic benefits or service potential are expected to be consumed by the legislature. The depreciation method applied to an asset is reviewed at least at each reporting date and, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential embodied in the asset, the method is changed to reflect the changed pattern. Such a change is accounted for as a change in an accounting estimate.

The legislature assesses at each reporting date whether there is any indication that the legislature expectations about the residual value and the useful life of an asset have changed since the preceding reporting date. If any such indication exists, the legislature revises the expected useful life and/or residual value accordingly. The change is accounted for as a change in an accounting estimate.

The depreciation charge for each period is recognised in surplus or deficit unless it is included in the carrying amount of another asset.

Items of legislature are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use of the asset.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in surplus or deficit when the item is derecognised. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item.

14 Intangible assets

An asset is identifiable if it either:

- is separable, i.e. is capable of being separated or divided from an entity and sold, transferred, licensed, rented or exchanged, either individually or together with a related contract, identifiable assets or liability, regardless of whether the entity intends to do so; or
- arises from binding arrangements (including rights from contracts), regardless of whether those rights are transferable or separable from the legislature or from other rights and obligations.

A binding arrangement describes an arrangement that confers similar rights and obligations on the parties to it as if it were in the form of a contract.

An intangible asset is recognised when:

- it is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the legislature; and
- the cost or fair value of the asset can be measured reliably.

The legislature assesses the probability of expected future economic benefits or service potential using reasonable and supportable assumptions that represent management's best estimate of the set of economic conditions that will exist over the useful life of the asset.

Intangible assets are initially recognised at cost.

Accounting Policies

14 Intangible assets (continued)

Where an intangible asset is acquired through a non-exchange transaction, its initial cost at the date of acquisition is measured at its fair value as at that date.

Expenditure on research (or on the research phase of an internal project) is recognised as an expense when it is incurred.

An intangible asset arising from development (or from the development phase of an internal project) is recognised when:

- it is technically feasible to complete the asset so that it will be available for use or sale.
- there is an intention to complete and use or sell it.
- there is an ability to use or sell it.
- it will generate probable future economic benefits or service potential.
- there are available technical, financial and other resources to complete the development and to use or sell the asset.
- the expenditure attributable to the asset during its development can be measured reliably.

Intangible assets are carried at cost less any accumulated amortisation and any impairment losses.

An intangible asset is regarded as having an indefinite useful life when, based on all relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows or service potential. Amortisation is not provided for these intangible assets, but they are tested for impairment annually and whenever there is an indication that the asset may be impaired. For all other intangible assets amortisation is provided on a straight line basis over their useful life.

The amortisation period and the amortisation method for intangible assets are reviewed at each reporting date.

Reassessing the useful life of an intangible asset with a finite useful life after it was classified as indefinite is an indicator that the asset may be impaired. As a result the asset is tested for impairment and the remaining carrying amount is amortised over its useful life.

Internally generated brands, mastheads, publishing titles, customer lists and items similar in substance are not recognised as intangible assets.

Amortisation is provided to write down the intangible assets, on a straight line basis, to their residual values as follows:

Item	Depreciation method	Average useful life
Computer software	Straight line	1 - 10 years

Intangible assets are derecognised:

- on disposal; or
- when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of intangible assets is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the intangible asset. Such a difference is recognised in surplus or deficit when the intangible asset is derecognised.

15 Heritage assets

Heritage assets are assets that have a cultural, environmental, historical, natural, scientific, technological or artistic significance and are held indefinitely for the benefit of present and future generations.

Recognition

The legislature recognises a heritage asset as an asset if it is probable that future economic benefits or service potential associated with the asset will flow to the legislature, and the cost or fair value of the asset can be measured reliably.

Where the legislature holds a heritage asset, but on initial recognition it does not meet the recognition criteria because it cannot be reliably measured, information on such a heritage asset is disclosed in note 12 Heritage assets.

Accounting Policies

15 Heritage assets (continued)

Initial measurement

Heritage assets are measured at cost.

Where a heritage asset is acquired through a non-exchange transaction, its cost is measured at its fair value as at the date of acquisition.

Subsequent measurement

After recognition as an asset, a class of heritage assets is carried at its cost less any accumulated impairment losses.

Impairment

The legislature assess at each reporting date whether there is an indication that it may be impaired. If any such indication exists, the legislature estimates the recoverable amount or the recoverable service amount of the heritage asset.

Transfers

Transfers from heritage assets are only made when the particular asset no longer meets the definition of a heritage asset.

Transfers to heritage assets are only made when the asset meets the definition of a heritage asset.

Derecognition

The legislature derecognises heritage asset on disposal, or when no future economic benefits or service potential are expected from its use or disposal.

The gain or loss arising from the derecognition of a heritage asset is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the heritage asset. Such a difference is recognised in surplus or deficit when the heritage asset is derecognised.

Accounting Policies

16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity.

Classification

The legislature has the following types of financial assets (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Receivables from non-exchange transactions	Financial asset measured at amortised cost
Receivables from exchange transactions	Financial asset measured at amortised cost
Cash and cash equivalents	Financial asset measured at amortised cost

The legislature has the following types of financial liabilities (classes and category) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
Payables from exchange transactions	Financial liability measured at amortised cost
Finance lease obligation	Financial liability measured at amortised cost
Bank overdraft	Financial liability measured at amortised cost
Direct charge liability	Financial liability measured at amortised cost

Initial recognition

The legislature recognises a financial asset or a financial liability in its statement of financial position when the legislature becomes a party to the contractual provisions of the instrument.

The legislature recognises financial assets using trade date accounting.

Initial measurement of financial assets and financial liabilities

The legislature measures a financial asset and financial liability initially at its fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

The legislature measures a financial asset and financial liability initially at its fair value [if subsequently measured at fair value].

Subsequent measurement of financial assets and financial liabilities

The legislature measures all financial assets and financial liabilities after initial recognition using the following categories:

- Financial instruments at amortised cost.

All financial assets measured at amortised cost, or cost, are subject to an impairment review.

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility in the case of a financial asset.

Impairment and uncollectibility of financial assets

The legislature assess at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired.

Financial assets measured at amortised cost:

Accounting Policies

16 Financial instruments (continued)

If there is objective evidence that an impairment loss on financial assets measured at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced directly OR through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting an allowance account. The reversal does not result in a carrying amount of the financial asset that exceeds what the amortised cost would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in surplus or deficit.

Where financial assets are impaired through the use of an allowance account, the amount of the loss is recognised in surplus or deficit within operating expenses. When such financial assets are written off, the write off is made against the relevant allowance account. Subsequent recoveries of amounts previously written off are credited against operating expenses.

Financial assets measured at cost:

If there is objective evidence that an impairment loss has been incurred on an investment in a residual interest that is not measured at fair value because its fair value cannot be measured reliably, the amount of the impairment loss is measured as the difference between the carrying amount of the financial asset and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed.

Derecognition

Financial assets

The legislature derecognises financial assets using trade date accounting.

The legislature derecognises a financial asset only when:

- the contractual rights to the cash flows from the financial asset expire, are settled or waived;
- the legislature transfers to another party substantially all of the risks and rewards of ownership of the financial asset; or
- the legislature, despite having retained some significant risks and rewards of ownership of the financial asset, has transferred control of the asset to another party and the other party has the practical ability to sell the asset in its entirety to an unrelated third party, and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer. In this case, the legislature :
 - derecognise the asset; and
 - recognise separately any rights and obligations created or retained in the transfer.

The carrying amounts of the transferred asset are allocated between the rights or obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are measured at their fair values at that date. Any difference between the consideration received and the amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in surplus or deficit.

Financial liabilities

The legislature removes a financial liability (or a part of a financial liability) from its statement of financial position when it is extinguished — i.e. when the obligation specified in the contract is discharged, cancelled, expires or waived.

An exchange between an existing borrower and lender of debt instruments with substantially different terms is accounted for as having extinguished the original financial liability and a new financial liability is recognised. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is accounted for as having extinguished the original financial liability and having recognised a new financial liability.

Accounting Policies

1.6 Financial instruments (continued)

The difference between the carrying amount of a financial liability (or part of a financial liability) extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit. Any liabilities that are waived, forgiven or assumed by another legislature by way of a non-exchange transaction are accounted for in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers).

1.7 Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership.

When a lease includes both land and buildings elements, the entity assesses the classification of each element separately.

Finance leases - lessee

Finance leases are recognised as assets and liabilities in the statement of financial position at amounts equal to the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease.

Minimum lease payments are apportioned between the finance charge and reduction of the outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of on the remaining balance of the liability.

Any contingent rents are expensed in the period in which they are incurred.

Operating leases - lessee

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

The aggregate benefit of incentives is recognised as a reduction of rental expense over the lease term on a straight-line basis over the lease term.

1.8 Inventories

Inventories are initially measured at cost except where inventories are acquired through a non-exchange transaction, then their costs are their fair value as at the date of acquisition.

Subsequently inventories are measured at the lower of cost and net realisable value.

Inventories are measured at the lower of cost and current replacement cost where they are held for;

- distribution at no charge or for a nominal charge; or
- consumption in the production process of goods to be distributed at no charge or for a nominal charge.

Net realisable value is the estimated selling price in the ordinary course of operations less the estimated costs of completion and the estimated costs necessary to make the sale, exchange or distribution.

Current replacement cost is the cost the legislature incurs to acquire the asset on the reporting date.

The cost of inventories comprises of all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

The cost of inventories of items that are not ordinarily interchangeable and goods or services produced and segregated for specific projects is assigned using specific identification of the individual costs.

The cost of inventories is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the legislature.

Accounting Policies

1.8 Inventories (continued)

When inventories are sold, the carrying amounts of those inventories are recognised as an expense in the period in which the related revenue is recognised. If there is no related revenue, the expenses are recognised when the goods are distributed, or related services are rendered. The amount of any write-down of inventories to net realisable value or current replacement cost and all losses of inventories are recognised as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realisable value or current replacement cost, are recognised as a reduction in the amount of inventories recognised as an expense in the period in which the reversal occurs.

1.9 Impairment of non-cash-generating assets

Non-cash-generating assets are assets other than cash-generating assets.

Identification

When the carrying amount of a non-cash-generating asset exceeds its recoverable service amount, it is impaired.

The legislature assesses at each reporting date whether there is any indication that a non-cash-generating asset may be impaired. If any such indication exists, the legislature estimates the recoverable service amount of the asset.

Irrespective of whether there is any indication of impairment, the entity also test a non-cash-generating intangible asset with an indefinite useful life or a non-cash-generating intangible asset not yet available for use for impairment annually by comparing its carrying amount with its recoverable service amount. This impairment test is performed at the same time every year. If an intangible asset was initially recognised during the current reporting period, that intangible asset was tested for impairment before the end of the current reporting period.

Value in use

Value in use of non-cash-generating assets is the present value of the non-cash-generating assets remaining service potential.

The present value of the remaining service potential of a non-cash-generating assets is determined using the following approach:

Depreciated replacement cost approach

The present value of the remaining service potential of a non-cash-generating asset is determined as the depreciated replacement cost of the asset. The replacement cost of an asset is the cost to replace the asset's gross service potential. This cost is depreciated to reflect the asset in its used condition. An asset may be replaced either through reproduction (replication) of the existing asset or through replacement of its gross service potential. The depreciated replacement cost is measured as the reproduction or replacement cost of the asset, whichever is lower, less accumulated depreciation calculated on the basis of such cost, to reflect the already consumed or expired service potential of the asset.

The replacement cost and reproduction cost of an asset is determined on an "optimised" basis. The rationale is that the legislature would not replace or reproduce the asset with a like asset if the asset to be replaced or reproduced is an overdesigned or overcapacity asset. Overdesigned assets contain features which are unnecessary for the goods or services the asset provides. Overcapacity assets are assets that have a greater capacity than is necessary to meet the demand for goods or services the asset provides. The determination of the replacement cost or reproduction cost of an asset on an optimised basis thus reflects the service potential required of the asset.

Recognition and measurement

If the recoverable service amount of a non-cash-generating asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. This reduction is an impairment loss.

An impairment loss is recognised immediately in surplus or deficit.

After the recognition of an impairment loss, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

Accounting Policies

19 Impairment of non-cash-generating assets (continued)

Reversal of an impairment loss

The legislature assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for a non-cash-generating asset may no longer exist or may have decreased. If any such indication exists, the legislature estimates the recoverable service amount of that asset.

An impairment loss recognised in prior periods for a non-cash-generating asset is reversed if there has been a change in the estimates used to determine the asset's recoverable service amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its recoverable service amount. The increase is a reversal of an impairment loss. The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss for a non-cash-generating asset is recognised immediately in surplus or deficit.

After a reversal of an impairment loss is recognised, the depreciation (amortisation) charge for the non-cash-generating asset is adjusted in future periods to allocate the non-cash-generating asset's revised carrying amount, less its residual value (if any), on a systematic basis over its remaining useful life.

1.10 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- wages, salaries and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences are due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- bonus, incentive and performance related payments payable within twelve months after the end of the reporting period in which the employees render the related service; and
- non-monetary benefits (for example, medical care, and free or subsidised goods or services such as housing, cars and cell phones) for current employees.

When an employee has rendered service to the legislature during a reporting period, the legislature recognise the undiscounted amount of short-term employee benefits expected to be paid in exchange for that service:

- as a liability (accrued expense), after deducting any amount already paid. If the amount already paid exceeds the undiscounted amount of the benefits, the legislature recognise that excess as an asset (prepaid expense) to the extent that the prepayment will lead to, for example, a reduction in future payments or a cash refund; and
- as an expense, unless another Standard requires or permits the inclusion of the benefits in the cost of an asset.

The expected cost of compensated absences is recognised as an expense as the employees render services that increase their entitlement or, in the case of non-accumulating absences, when the absence occurs. The legislature measure the expected cost of accumulating compensated absences as the additional amount that the entity expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The legislature recognise the expected cost of bonus, incentive and performance related payments when the legislature has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the legislature has no realistic alternative but to make the payments.

Accounting Policies

1.10 Employee benefits (continued)

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

Post-employment benefit plans are formal or informal arrangements under which a legislature provides post-employment benefits for one or more employees.

Multi-employer plans are defined contribution plans (other than state plans and composite social security programmes) or defined benefit plans (other than state plans) that pool the assets contributed by various entities that are not under common control and use those assets to provide benefits to employees of more than one entity, on the basis that contribution and benefit levels are determined without regard to the identity of the entity that employs the employees concerned.

Accounting Policies

1.10 Employee benefits (continued)

Post-employment benefits: Defined benefit plans

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Actuarial gains and losses comprise experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred) and the effects of changes in actuarial assumptions. In measuring its defined benefit liability the legislature recognise actuarial gains and losses in surplus or deficit in the reporting period in which they occur.

Current service cost is the increase in the present value of the defined benefit obligation resulting from employee service in the current period.

Interest cost is the increase during a period in the present value of a defined benefit obligation which arises because the benefits are one period closer to settlement.

Past service cost is the change in the present value of the defined benefit obligation for employee service in prior periods, resulting in the current period from the introduction of, or changes to, post-employment benefits or other long-term employee benefits. Past service cost may be either positive (when benefits are introduced or changed so that the present value of the defined benefit obligation increases) or negative (when existing benefits are changed so that the present value of the defined benefit obligation decreases). In measuring its defined benefit liability the entity recognise past service cost as an expense in the reporting period in which the plan is amended.

Plan assets comprise assets held by a long-term employee benefit fund and qualifying insurance policies.

The present value of a defined benefit obligation is the present value, without deducting any plan assets, of expected future payments required to settle the obligation resulting from employee service in the current and prior periods.

The return on plan assets is interest, dividends or similar distributions and other revenue derived from the plan assets, together with realised and unrealised gains or losses on the plan assets, less any costs of administering the plan (other than those included in the actuarial assumptions used to measure the defined benefit obligation) and less any tax payable by the plan itself.

The amount recognised as a defined benefit liability is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly;
- plus any liability that may arise as a result of a minimum funding requirement

The amount determined as a defined benefit liability may be negative (an asset). The legislature measure the resulting asset at the lower of:

- the amount determined above; and
- the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. The present value of these economic benefits is determined using a discount rate which reflects the time value of money.

Any adjustments arising from the limit above is recognised in surplus or deficit.

The legislature determines the present value of defined benefit obligations and the fair value of any plan assets with sufficient regularity such that the amounts recognised in the annual financial statements do not differ materially from the amounts that would be determined at the reporting date.

The legislature recognises the net total of the following amounts in surplus or deficit, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement rights;
- actuarial gains and losses;
- past service cost;
- the effect of any curtailments or settlements; and
- the effect of applying the limit on a defined benefit asset (negative defined benefit liability).

Accounting Policies

1.10 Employee benefits (continued)

The legislature uses the Projected Unit Credit Method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. The Projected Unit Credit Method (sometimes known as the accrued benefit method pro-rated on service or as the benefit/years of service method) sees each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

In determining the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost, a legislature shall attribute benefit to periods of service under the plan's benefit formula. However, if an employee's service in later years will lead to a materially higher level of benefit than in earlier years, a legislature shall attribute benefit on a straight-line basis from:

- the date when service by the employee first leads to benefits under the plan (whether or not the benefits are conditional on further service); until
- the date when further service by the employee will lead to no material amount of further benefits under the plan, other than from further salary increases.

Actuarial valuations are conducted on an annual basis by independent actuaries separately for each plan. The results of the valuation are updated for any material transactions and other material changes in circumstances (including changes in market prices and interest rates) up to the reporting date.

The legislature recognises gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on a curtailment or settlement comprises:

- any resulting change in the present value of the defined benefit obligation; and
- any resulting change in the fair value of the plan assets.

Before determining the effect of a curtailment or settlement, the legislature re-measure the obligation (and the related plan assets, if any) using current actuarial assumptions (including current market interest rates and other current market prices).

When it is virtually certain that another party will reimburse some or all of the expenditure required to settle a defined benefit obligation, the right to reimbursement is recognised as a separate asset. The asset is measured at fair value. In all other respects, the asset is treated in the same way as plan assets. In surplus or deficit, the expense relating to a defined benefit plan is presented as the net of the amount recognised for a reimbursement.

The legislature offsets an asset relating to one plan against a liability relating to another plan when the legislature has a legally enforceable right to use a surplus in one plan to settle obligations under the other plan and intends either to settle the obligations on a net basis, or to realise the surplus in one plan and settle its obligation under the other plan simultaneously.

Actuarial assumptions

Actuarial assumptions are unbiased and mutually compatible.

Financial assumptions are based on market expectations, at the reporting date, for the period over which the obligations are to be settled.

The rate used to discount post-employment benefit obligations (both funded and unfunded) reflect the time value of money. The currency and term of the financial instrument selected to reflect the time value of money is consistent with the currency and estimated term of the post-employment benefit obligations.

Post-employment benefit obligations are measured on a basis that reflects:

- estimated future salary increases;
- the benefits set out in the terms of the plan (or resulting from any constructive obligation that goes beyond those terms) at the reporting date; and
- estimated future changes in the level of any state benefits that affect the benefits payable under a defined benefit plan, if, and only if, either:
 - those changes were enacted before the reporting date; or
 - past history, or other reliable evidence, indicates that those state benefits will change in some predictable manner, for example, in line with future changes in general price levels or general salary levels.

Assumptions about medical costs take account of estimated future changes in the cost of medical services, resulting from both inflation and specific changes in medical costs.

Accounting Policies

1.10 Employee benefits (continued)

Other long-term employee benefits

The legislature has an obligation to provide long-term service allowance benefits to all of its employees.

The legislature's liability is based on an actuarial valuation. The Projected Unit Credit Method is used to value the liabilities. Actuarial gains and losses on the long-term service awards are recognised in the statement of financial performance.

The amount recognised as a liability for other long-term employee benefits is the net total of the following amounts:

- the present value of the defined benefit obligation at the reporting date;
- minus the fair value at the reporting date of plan assets (if any) out of which the obligations are to be settled directly.

The legislature shall recognise the net total of the following amounts as expense or revenue, except to the extent that another Standard requires or permits their inclusion in the cost of an asset:

- current service cost;
- interest cost;
- the expected return on any plan assets and on any reimbursement right recognised as an asset;
- actuarial gains and losses, which shall all be recognised immediately;
- past service cost, which shall all be recognised immediately; and
- the effect of any curtailments or settlements.

Termination benefits

The legislature recognises termination benefits as a liability and an expense when the entity is demonstrably committed to either:

- terminate the employment of an employee or group of employees before the normal retirement date; or
- provide termination benefits as a result of an offer made in order to encourage voluntary redundancy.

The legislature is demonstrably committed to a termination when the entity has a detailed formal plan for the termination and is without realistic possibility of withdrawal. The detailed plan includes [as a minimum]:

- the location, function, and approximate number of employees whose services are to be terminated;
- the termination benefits for each job classification or function; and
- the time at which the plan will be implemented.

Implementation begins as soon as possible and the period of time to complete implementation is such that material changes to the plan are not likely.

Where termination benefits fall due more than 12 months after the reporting date, they are discounted using an appropriate discount rate. The rate used to discount the benefit reflects the time value of money.

In the case of an offer made to encourage voluntary redundancy, the measurement of termination benefits shall be based on the number of employees expected to accept the offer.

1.11 Provisions and contingencies

Provisions are recognised when:

- the legislature has a present obligation as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the obligation.

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

The discount rate is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Accounting Policies

1.11 Provisions and contingencies (continued)

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the legislature settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as an interest expense.

A provision is used only for expenditures for which the provision was originally recognised.

Provisions are not recognised for future operating expenditure.

If a legislature has a contract that is onerous, the present obligation (net of recoveries) under the contract is recognised and measured as a provision.

A constructive obligation to restructure arises only when an legislature:

- has a detailed formal plan for the restructuring, identifying at least:
 - the activity/operating unit or part of a activity/operating unit concerned;
 - the principal locations affected;
 - the location, function, and approximate number of employees who will be compensated for services being terminated;
 - the expenditures that will be undertaken; and
 - when the plan will be implemented; and
- has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

A restructuring provision includes only the direct expenditures arising from the restructuring, which are those that are both:

- necessarily entailed by the restructuring; and
- not associated with the ongoing activities of the legislature

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly in the control of the legislature.

A contingent liability is:

- a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the legislature; or
- a present obligation that arises from past events but is not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation;
 - the amount of the obligation cannot be measured with sufficient reliability.

1.12 Revenue from exchange transactions

An exchange transaction is one in which the legislature receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of goods, services or use of assets) to the other party in exchange.

Measurement

Revenue is measured at the fair value of the consideration received or receivable, net of trade discounts and volume rebates.

Accounting Policies

1.12 Revenue from exchange transactions (continued)

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions have been satisfied:

- the legislature has transferred to the purchaser the significant risks and rewards of ownership of the goods;
- the legislature retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the legislature; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date. The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the economic benefits or service potential associated with the transaction will flow to the legislature;
- the stage of completion of the transaction at the reporting date can be measured reliably; and
- the costs incurred for the transaction and the costs to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that are recoverable.

Service revenue is recognised by reference to the stage of completion of the transaction at the reporting date. Stage of completion is determined by surveys of work performed.

Interest, royalties and dividends

Revenue arising from the use by others of entity assets yielding interest, royalties and dividends or similar distributions is recognised when:

- It is probable that the economic benefits or service potential associated with the transaction will flow to the legislature, and
- The amount of the revenue can be measured reliably.

Interest is recognised, in surplus or deficit, using the effective interest rate method.

1.13 Revenue from non-exchange transactions

Revenue comprises gross inflows of economic benefits or service potential received and receivable by a legislature, which represents an increase in net assets, other than increases relating to contributions from owners.

Conditions on transferred assets are stipulations that specify that the future economic benefits or service potential embodied in the asset is required to be consumed by the recipient as specified or future economic benefits or service potential must be returned to the transferor.

Non-exchange transactions are transactions that are not exchange transactions. In a non-exchange transaction, a legislature either receives value from another legislature without directly giving approximately equal value in exchange, or gives value to another legislature without directly receiving approximately equal value in exchange.

Restrictions on transferred assets are stipulations that limit or direct the purposes for which a transferred asset may be used, but do not specify that future economic benefits or service potential is required to be returned to the transferor if not deployed as specified.

Stipulations on transferred assets are terms in laws or regulation, or a binding arrangement, imposed upon the use of a transferred asset by entities external to the reporting legislature.

The taxable event is the event that the government, legislature or other authority has determined will be subject to taxation.

Accounting Policies

1.13 Revenue from non-exchange transactions (continued)

Taxes are economic benefits or service potential compulsorily paid or payable to entities, in accordance with laws and or regulations, established to provide revenue to government. Taxes do not include fines or other penalties imposed for breaches of the law.

Transfers are inflows of future economic benefits or service potential from non-exchange transactions, other than taxes.

Recognition

An inflow of resources from a non-exchange transaction recognised as an asset is recognised as revenue, except to the extent that a liability is also recognised in respect of the same inflow.

As the legislature satisfies a present obligation recognised as a liability in respect of an inflow of resources from a non-exchange transaction recognised as an asset, it reduces the carrying amount of the liability recognised and recognises an amount of revenue equal to that reduction.

Revenue received from conditional grants, donations and funding are recognised as revenue to the extent that the entity has complied with any of the criteria, conditions or obligations embodied in the agreement. To the extent that the criteria, conditions or obligations have not been met a liability is recognised.

Measurement

Revenue from a non-exchange transaction is measured at the amount of the increase in net assets recognised by the legislature.

When, as a result of a non-exchange transaction, the legislature recognises an asset, it also recognises revenue equivalent to the amount of the asset measured at its fair value as at the date of acquisition, unless it is also required to recognise a liability. Where a liability is required to be recognised it will be measured as the best estimate of the amount required to settle the obligation at the reporting date, and the amount of the increase in net assets, if any, recognised as revenue. When a liability is subsequently reduced, because the taxable event occurs or a condition is satisfied, the amount of the reduction in the liability is recognised as revenue.

Appropriated funds

Appropriated funds comprises of annual allocations as well as direct charges against the revenue fund (i.e. statutory appropriation).

Appropriated funds are recognised in the statement of financial performance on the date the appropriation becomes effective. Adjustments made in terms of the adjustments budget process are recognised in the statement of financial performance on the date the adjustments become effective.

The net amount of any direct charges due to the relevant fund at the reporting date is recognised as a payable in the statement of financial position.

Gifts and donations, including goods in-kind

Gifts and donations, including goods in kind, are recognised as assets and revenue when it is probable that the future economic benefits or service potential will flow to the legislature and the fair value of the assets can be measured reliably.

Services in-kind

Services in-kind are recognised.

The legislature recognise services in-kind that are significant to its operations and/or service delivery objectives as assets and recognise the related revenue when it is probable that the future economic benefits or service potential will flow to the legislature and the fair value of the assets can be measured reliably.

Where services in-kind are not significant to the legislature's operations and/or service delivery objectives and/or do not satisfy the criteria for recognition, the legislature disclose the nature and type of services in-kind received during the reporting period.

Accounting Policies

1.14 Prepayments

Prepayments and advances are recognised in the statement of financial position when the legislature receives or disburses the cash. Prepayments and advances are initially and subsequently measured at cost.

1.15 Transfer payments

Transfer payments include all "non-exchange" payments made by the legislature. A payment is "non-exchange" if the legislature does not receive anything directly in return for the transfer to the other party. Transfer payments are expensed.

1.16 Translation of foreign currencies

Foreign currency transactions

A foreign currency transaction is recorded, on initial recognition in Rands, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction.

At each reporting date:

- foreign currency monetary items are translated using the closing rate;
- non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous annual financial statements are recognised in surplus or deficit in the period in which they arise.

1.17 Comparative figures

Prior period comparative information has been presented in the current year's financial statements. Where necessary figures included in the prior period financial statements have been reclassified to ensure that the format in which the information is presented is consistent with the format of the current year's financial statements.

1.18 Unauthorised expenditure

Unauthorised expenditure means:

- overspending of Parliament's approved budget or a main division within that budget; and
- any expenditure from Parliament's approved budget or a main division within that budget for a purpose unrelated to the approved budget or main division, subject to section 72; and
- any expenditure of donor funds for a purpose not specified in the agreement with the donor.

All expenditure relating to unauthorised expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.19 Fruitless and wasteful expenditure

Fruitless expenditure means expenditure which was made in vain and would have been avoided had reasonable care been exercised.

All expenditure relating to fruitless and wasteful expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

1.20 Irregular expenditure

The Financial Management of Parliament and Provincial Legislators Act No. 10 of 2009 defines irregular expenditure as expenditure, other than unauthorised expenditure, incurred in contravention of, or that is not in accordance with, a requirement of any applicable legislation, including -

- (a) this Act; or
- (b) any provincial legislation providing for procurement procedures in that provincial government.

Accounting Policies

120 Irregular expenditure (continued)

All expenditure relating to irregular expenditure is recognised as an expense in the statement of financial performance in the year that the expenditure was incurred. The expenditure is classified in accordance with the nature of the expense, and where recovered, it is subsequently accounted for as revenue in the statement of financial performance.

121 Accumulated surplus

The accumulated surplus represents the net difference between the total assets and the total liabilities of the entity. Any surpluses and deficits realised during a specific financial year are credited/debited against accumulated surplus/deficit. Prior year adjustments, relating to income and expenditure, are debited/credited against accumulated surplus when retrospective adjustments are made.

122 Commitments

Commitments are recorded at cost in the notes to the financial statements when there is a contractual arrangement or an approval by management in a manner that raises a valid expectation that the legislature will discharge its responsibilities thereby incurring future expenditure that will result in the outflow of cash.

123 Grants in aid

The legislature transfers money to individuals, organisations and other sectors of government from time to time. When making these transfers, the legislature does not:

- receive any goods or services directly in return, as would be expected in a purchase or sale transaction;
- expect to be repaid in future; or
- expect a financial return, as would be expected from an investment.

These transfers are recognised in the statement of financial performance as expenses in the period that the events giving rise to the transfer occurred.

124 Budget comparison

The statement of financial performance is on accrual basis, while the budget is on cash basis. Therefore the actual amounts as per the financial statements are adjusted to be compared to the budget on a cash basis.

The approved budget covers the fiscal period from 01-Apr-19 to 31-Mar-20.

The annual financial statements and the budget are not on the same basis of accounting therefore a reconciliation between the statement of financial performance and the budget have been included in the annual financial statements.

125 Related parties

A related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control.

Management are those persons responsible for planning, directing and controlling the activities of the legislature, including those charged with the governance of the legislature in accordance with legislation, in instances where they are required to perform such functions.

Close members of the family of a person are considered to be those family members who may be expected to influence, or be influenced by, that management in their dealings with the legislature.

Transactions with related parties are disclosed.

126 Events after reporting date

Events after reporting date are those events, both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

Accounting Policies

1.26 Events after reporting date (continued)

The legislature will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The legislature will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

Notes to the Annual Financial Statements

2 New standards and interpretations

21 Standards and interpretations effective and adopted in the current year

In the current year, the legislature has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

GRAP 18: Segment Reporting

Segments are identified by the way in which information is reported to management, both for purposes of assessing performance and making decisions about how future resources will be allocated to the various activities undertaken by the legislature. The major classifications of activities identified in budget documentation will usually reflect the segments for which an entity reports information to management.

Segment information is either presented based on service or geographical segments. Service segments relate to a distinguishable component of an entity that provides specific outputs or achieves particular operating objectives that are in line with the legislature's overall mission. Geographical segments relate to specific outputs generated, or particular objectives achieved, by an entity within a particular region.

This Standard has been approved by the Board but its effective date has not yet been determined by the Minister of Finance. The effective date indicated is a provisional date and could change depending on the decision of the Minister of Finance.

The effective date of the standard is for years beginning on or after 01 April 2019

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 106: Transfers of functions between entities not under common control

The objective of this standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities not under common control.

A transfer of functions between entities not under common control is a reorganisation and / or reallocation of functions between entities that are not ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities not under common control, the assets and liabilities should be recognised (by the acquirer) at their acquisition date fair values.

The difference between the amount of consideration paid, if any, and the carrying amounts of assets acquired and liabilities assumed should be recognised in accumulated surplus / (deficit).

For a transfer of functions between entities not under common control there are some specific recognition and measurement principles and exceptions to the recognition and measurement principles.

The effective date of the amendment is for years beginning on or after 1 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 20: Related parties

The objective of this standard is to ensure that a reporting entity's annual financial statements contain the disclosures necessary to draw attention to the possibility that its financial position and surplus or deficit may have been affected by the existence of related parties and by transactions and outstanding balances with such parties.

A legislature that prepares and presents financial statements under the accrual basis of accounting (in this standard referred to as the reporting entity) shall apply this standard in:

- identifying related party relationships and transactions;
- identifying outstanding balances, including commitments, between an entity and its related parties;
- identifying the circumstances in which disclosure of the items in (a) and (b) is required; and
- determining the disclosures to be made about those items.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

This standard requires disclosure of related party relationships, transactions and outstanding balances, including commitments, in the consolidated and separate financial statements of the reporting entity in accordance with the Standard of GRAP on Consolidated and Separate Financial Statements. This standard also applies to individual annual financial statements.

Disclosure of related party transactions, outstanding balances, including commitments, and relationships with related parties may affect users' assessments of the financial position and performance of the reporting entity and its ability to deliver agreed services, including assessments of the risks and opportunities facing the entity. This disclosure also ensures that the reporting entity is transparent about its dealings with related parties.

The standard states that a related party is a person or an entity with the ability to control or jointly control the other party, or exercise significant influence over the other party, or vice versa, or an entity that is subject to common control, or joint control. As a minimum, the following are regarded as related parties of the reporting entity:

- A person or a close member of that person's family is related to the reporting entity if that person:
 - has control or joint control over the reporting entity;
 - has significant influence over the reporting entity;
 - is a member of the management of the entity or its controlling entity.
- An entity is related to the reporting entity if any of the following conditions apply:
 - the entity is a member of the same economic entity (which means that each controlling entity, controlled entity and fellow controlled entity is related to the others);
 - one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of an economic entity of which the other entity is a member);
 - both entities are joint ventures of the same third party;
 - one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - the entity is a post-employment benefit plan for the benefit of employees of either the entity or an entity related to the entity. If the reporting entity is itself such a plan, the sponsoring employers are related to the entity;
 - the entity is controlled or jointly controlled by a person identified in (a); and
 - a person identified in (a)(i) has significant influence over that entity or is a member of the management of that entity (or its controlling entity).

The standard furthermore states that related party transaction is a transfer of resources, services or obligations between the reporting entity and a related party, regardless of whether a price is charged.

The standard elaborates on the definitions and identification of:

- Close member of the family of a person;
- Management;
- Related parties;
- Remuneration; and
- Significant influence

The standard sets out the requirements, inter alia, for the disclosure of:

- Control;
- Related party transactions; and
- Remuneration of management

Only transactions with related parties where the transactions are not concluded within normal operating procedures or on terms that are not no more or no less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

The standard requires that remuneration of management must be disclosed per person and in aggregate.

The effective date of the standard is for years beginning on or after 01 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 109: Accounting by Principals and Agents

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

The objective of this Standard is to outline principles to be used by an entity to assess whether it is party to a principal-agent arrangement, and whether it is a principal or an agent in undertaking transactions in terms of such an arrangement. The Standard does not introduce new recognition or measurement requirements for revenue, expenses, assets and/or liabilities that result from principal-agent arrangements. The Standard does however provide guidance on whether revenue, expenses, assets and/or liabilities should be recognised by an agent or a principal, as well as prescribe what information should be disclosed when an entity is a principal or an agent.

It furthermore covers Definitions, Identifying whether an entity is a principal or agent, Accounting by a principal or agent, Presentation, Disclosure, Transitional provisions and Effective date.

The effective date of the standard is for years beginning on or after 01 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 32: Service Concession Arrangements: Grantor

The standard applies to a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator providing the mandated function on behalf of the grantor can either be a private party or another public sector entity. The standard applies to the grantor only. PPP agreements that are governed and regulated in terms of the PFMA and MFMA, are some of the arrangements that fall within the scope of GRAP 32.

For any other arrangements that meet the control criteria as set out in paragraph .07 of GRAP 32 the principles in the standard on accounting for such arrangements will apply.

An asset provided by the operator, or an upgrade to an existing asset, is recognised as a service concession asset with a corresponding liability, being the performance obligation, if certain criteria and conditions are met.

The effective date of the standard is for years beginning on or after 01 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 108: Statutory Receivables

GRAP 108 only deals with those receivables that arise from legislation or an equivalent means, such as regulations, bylaws or other documents issued in terms of legislation, such as ministerial orders and cabinet or municipal council decisions.

Therefore in order to be statutory in nature specific legislation should require the entity to undertake the transactions, such as outlining who should be taxed and at what rates and amounts.

Statutory receivables are not contractual receivables, the latter of which would normally meet the definition of a financial asset and will be within the scope of the Standard of GRAP on Financial Instruments. Statutory receivables are not voluntarily entered into as with contractual receivables because they arise as a result of specific legislative requirements.

Statutory receivables are initially measured at their transaction amount and subsequently using the cost method.

Under the cost method, the initial measurement of the receivable is changed subsequent to initial recognition to reflect any:

- interest or other charges that may have accrued on the receivable (where applicable);
- impairment losses; and
- amounts derecognised.

The effective date of the standard is for years beginning on or after 01 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

GRAP 105: Transfers of functions between entities under common control

The objective of this Standard is to establish accounting principles for the acquirer and transferor in a transfer of functions between entities under common control.

A transfer of functions between entities under common control is a reorganisation and / or reallocation of functions between entities that are ultimately controlled by the same entity before and after a transfer of functions.

In the event of a transfer of functions between entities under common control, the assets and liabilities should be recognised (by the acquirer) at their carrying amounts and should be derecognised (by the transferor) at their carrying amounts.

The difference between the amount of consideration paid or received, if any, and the carrying amounts of the assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 1 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

GRAP 107: Mergers

The objective of this standard is to establish accounting principles for the combined entity and combining entities in a merger.

A merger is where a new combined entity is started, acquirer can be identified and the combining entities do not have any control over the combined entity.

In the event of a merger, the assets and liabilities should be recognised (by the combined entity) at their carrying amounts and should be derecognised (by the combining entities) at their carrying amounts.

The difference between the carrying amounts of assets and liabilities should be recognised in accumulated surplus / (deficit).

The effective date of the standard is for years beginning on or after 1 April 2019.

The legislature adopted the standard for the first time in the 2020 annual financial statements.

The impact of the standard is not material.

22 Standards and interpretations issued, but not yet effective

The legislature has not applied the following standards and interpretations, which have been published and are mandatory for the legislature's accounting periods beginning on or after 1 April 2020 or later periods:

IGRAP 17: Service Concession Arrangements where a Grantor Controls a Significant Residual Interest in an Asset

This interpretation provides guidance to the grantor where it has entered into a service concession arrangement, but only controls, through ownership, beneficial entitlement or otherwise, a significant residual interest in a service concession asset at the end of the arrangement, where the arrangement does not constitute a lease.

A service concession arrangement is a contractual arrangement between a grantor and an operator in which the operator uses the service concession asset to provide a mandated function on behalf of the grantor for a specified period of time. The operator is compensated for its services over the period of the service concession arrangement, either through payments, or through receiving a right to earn revenue from third party users of the service concession asset, or the operator is given access to another revenue-generating asset of the grantor for its use.

Notes to the Annual Financial Statements

2. New standards and interpretations (continued)

Before the grantor can recognise a service concession asset in accordance with the Standard of GRAP on Service Concession Arrangements: Grantor, both the criteria as noted in paragraph .01 of this Interpretation need to be met. In some service concession arrangements, the grantor only controls the residual interest in the service concession asset at the end of the arrangement, and can therefore not recognise the service concession asset in terms of the Standard of GRAP on Service Concession Arrangements: Grantor.

This interpretation concludes on the recognition of the performance obligation and the right to receive a significant interest in a service concession asset.

The effective date of the interpretation is not yet set by the Minister of Finance.

The legislature expects to adopt the interpretation for the first time once it becomes effective.

It is unlikely that the interpretation will have a material impact on the legislature's annual financial statements.

Notes to the Annual Financial Statements

	2020	2019 Restated*
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5,790	6,005
Current bank account	13,836,281	17,316,297
Legislative Sector Support(LSS) bank account	2,216,170	2,091,424
	16,058,241	19,413,726

Cash equivalents are placed with a reputed financial institution. The exposure to credit risk is the carrying amount of each class of cash and cash equivalents.

Cash and cash equivalents pledged as collateral

No cash and cash equivalent balances are pledged as collateral.

The legislature had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	31 March 2020	31 March 2019	31 March 2018	31 March 2020	31 March 2019	31 March 2018
Nedbank - Current 1452045283	13,846,365	17,568,733	15,688,398	13,836,281	17,316,297	11,388,761
LSS Account Nedbank - Current 1452069212	2,216,170	2,091,424	1,973,442	2,216,170	2,091,424	1,973,442
Total	16,062,535	19,660,157	17,661,840	16,052,451	19,407,721	13,362,203

4. Inventories

Corporate store	1,284,423	1,055,348
Boutique	14,664	14,564
	1,299,087	1,069,912

Inventories recognised as an expense during the year

	340,003	524,457
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Inventory pledged as security

No inventory was pledged as security.

5. Receivables from non-exchange transactions

Recoverable expenditure	69,400	66,400
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Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security.

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions are neither past nor due nor impaired.

Receivables from non-exchange transactions impaired

As of 31 March 2020, receivables from non-exchange transactions were not impaired (2019: R Nil).

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
6. Receivables from exchange transactions		
Recoverable expenditure	93,474	89,790
Staff debt	49,532	12,191
Other debtors	507,637	42,285
Impairment provision	-	(4,800)
	650,643	139,466
Gross amount of exchange receivables		
Recoverable expenditure	93,474	89,790
Staff debt	49,532	12,191
Other debtors	507,637	42,285
	650,643	144,266
Impairment of exchange receivables		
Recoverable expenditure	-	-
Staff debt	-	-
Other debtors	-	(4,800)
	-	(4,800)
Net amount of exchange receivables		
Recoverable expenditure	93,474	89,790
Staff debt	49,532	12,191
Other debtors	507,637	37,485
	650,643	139,466
Recoverable expenditure		
Disallowance miscellaneous	93,474	89,790
Staff debt		
Salary overpayment	35,696	720
Staff debt	13,836	11,471
	49,532	12,191
Other debtors		
Ex members	16,998	16,998
Political party telephone debt	1,990	8,351
Supplier overpayment	12,377	11,960
ICPS refund	476,272	-
Supplier telephone account	-	176
	507,637	37,485

Receivables from exchange transactions pledged as security

No receivables from exchange transactions were pledged as security.

Credit quality of receivables from exchange transactions

The credit quality of receivables from exchange transactions are neither past nor due nor impaired.

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
6. Receivables from exchange transactions (continued)		
Receivables from exchange transactions impaired		
As of 31 March 2020, receivables from exchange transactions, other debtors, of R Nil (2019: R 42,285) were impaired and provided for.		
The amount of the provision was R Nil as of 31 March 2020 (2019: R 4,800).		
Reconciliation of allowance for impairment		
Opening balance	(4,800)	(4,800)
Provision for impairment	-	-
Bad debts written off	4,800	-
	-	(4,800)
7. Prepayments		
Staff advances	-	111,970
Parmed	161,016	168,979
Other prepayments	349,583	275,896
	510,599	556,845

The staff advances relates to the advancement of services bonuses to employees and advances for travel and subsistence. The Parmed prepayment is for the expense relating to the month after financial year end.

8. Long term receivables from non-exchange transactions

Recoverable expenditure	10,741	13,141
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The long term receivables from non-exchange transactions relates to the same receivables under note 5 and consists of debt relating to accidents incurred that needs to be recovered from the respective party. The long term portion is determined based on repayment arrangements that are in place between the staff or member and the legislature.

Receivables from non-exchange transactions pledged as security:

No receivables from non-exchange transactions were pledged as security.

Credit quality of receivables from non-exchange transactions:

The credit quality of receivables from non-exchange transactions are neither past nor due nor impaired.

Receivables from non-exchange transactions impaired:

As of 31 March 2020, receivables from non-exchange transactions were not impaired (2019: R Nil).

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
9. Long term receivables from exchange transactions		
Other debtors	-	4,880
Impairment provision	-	(4,880)
	<u>-</u>	<u>-</u>
Gross amount of exchange receivables		
Other debtors	-	4,880
	<u>-</u>	<u>4,880</u>
Impairment of exchange receivables		
Other debtors	-	(4,880)
	<u>-</u>	<u>(4,880)</u>
Net amount of exchange receivables		
Other debtors	-	-
	<u>-</u>	<u>-</u>
Other debtors		
Ex members	-	-
	<u>-</u>	<u>-</u>
Receivables from exchange transactions pledged as security:		
No receivables from exchange transactions were pledged as security.		
Credit quality of receivables from exchange transactions:		
The credit quality of other receivables from exchange transactions are neither past nor due nor impaired.		
Receivables from exchange transactions impaired:		
As of 31 March 2020, receivables from exchange transactions of R Nil (2019: R 4,880) were impaired and provided for.		
The amount of the provision was R Nil as of 31 March 2020 (2019: R 4,880).		
Reconciliation of impairment for exchange receivables		
Opening balance	(4,880)	(4,880)
Provision for impairment	-	-
Reversal due to amounts collected	-	-
Bad debts written off	4,880	-
	<u>-</u>	<u>(4,880)</u>

The long term receivables from exchange transactions relates to the same receivables under note 6 and consists of staff debt and ex-members debt. The long term portion is determined based on repayment arrangements that are in place between the staff or member and the legislature.

* See Note 39

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment

	2020		2019	
	Cost /	Accumulated Carrying value	Cost /	Accumulated Carrying value
	Valuation	depreciation and accumulated impairment	Valuation	depreciation and accumulated impairment
Furniture and office equipment	4,750,120	(2,697,887)	4,824,488	(2,628,673)
Other machinery and equipment	8,816,606	(4,275,038)	8,158,455	(3,523,767)
Computer equipment	10,910,683	(5,001,162)	9,178,014	(5,064,289)
Finance lease assets - vehicles	2,265,493	(754,296)	2,186,961	(709,278)
Finance lease assets - cell phones	-	-	25,862	(17,031)
Total	26,742,902	(12,728,383)	24,373,780	(11,943,038)

Reconciliation of property, plant and equipment - 2020

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture and office equipment	2,195,815	334,292	(79,746)	(395,483)	(2,645)	2,052,233
Other machinery and equipment	4,634,688	811,342	(48,501)	(855,961)	-	4,541,568
Computer equipment	4,113,725	3,260,602	(122,826)	(1,322,542)	(19,438)	5,909,521
Finance lease assets - vehicles	1,477,683	202,509	(75,828)	(93,167)	-	1,511,197
Finance lease assets - cell phones	8,831	-	(7,788)	(1,043)	-	-
	12,430,742	4,608,745	(334,689)	(2,668,196)	(22,083)	14,014,519

Notes to the Annual Financial Statements

Figures in Rand

10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2019

	Opening balance	Additions	Disposals	Depreciation	Impairment loss	Total
Furniture and office equipment	1,963,015	588,414	(630)	(354,984)	-	2,195,815
Other machinery and equipment	4,862,993	551,681	(2,304)	(777,682)	-	4,634,688
Computer equipment	4,499,080	1,102,028	(52,488)	(1,428,917)	(5,978)	4,113,725
Finance lease assets - vehicles	1,626,869	-	-	(149,186)	-	1,477,683
Finance lease assets - cell phones	4,617	10,463	-	(3,924)	(2,325)	8,831
	12,956,574	2,252,586	(55,422)	(2,714,693)	(8,303)	12,430,742

Pledged as security

No property, plant and equipment was pledged as security.

Assets subject to finance lease

Finance lease assets - vehicles	1,511,197
Finance lease assets - cell phones	8,831
	1,511,197

Expenditure incurred to repair and maintain property, plant and equipment

Expenditure incurred to repair and maintain property, plant and equipment included in Statement of Financial Performance

General expenses	167,311
	35,124

The repairs and maintenance on the property, plant and equipment incurred as follows in the categories, Computer equipment R 13,335 (2019: R 30,023), Furniture and office equipment R 31,486 (2019: R Nil) and Other machinery and equipment R 122,489 (2019: R 5,101).

Notes to the Annual Financial Statements

	2020			2019 Restated*		
11. Intangible assets						
	2020			2019		
	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated amortisation and accumulated impairment	Carrying value
Computer software	4,222,849	(1,666,254)	2,556,595	3,993,504	(1,059,850)	2,933,654

Reconciliation of intangible assets - 2020

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	2,933,654	855,813	-	(1,232,872)	2,556,595

Reconciliation of intangible assets - 2019

	Opening balance	Additions	Disposals	Amortisation	Total
Computer software	3,029,116	934,117	-	(1,029,579)	2,933,654

Pledged as security

No intangible asset was pledged as security.

Other information

During the current financial year intangible assets which have expired with a cost of R 626,468 (2019: R 1,009,518) and accumulated amortisation of R 626,468 (2019: R 1,009,518) have been removed from the asset register.

* See Note 39

Notes to the Annual Financial Statements

	2020			2019 Restated*		
12. Heritage assets						
	2020			2019		
	Cost / Valuation	Accumulated impairment losses	Carrying value	Cost / Valuation	Accumulated impairment losses	Carrying value
Paintings, sculptures and ornaments	4,732,002	-	4,732,002	4,732,002	-	4,732,002

Reconciliation of heritage assets 2020

	Opening balance	Additions	Disposals	Transfers received	Total
Paintings, sculptures and ornaments	4,732,002	-	-	-	4,732,002

Reconciliation of heritage assets 2019

	Opening balance	Additions	Disposals	Transfers received	Total
Paintings, sculptures and ornaments	4,732,002	-	-	-	4,732,002

Pledged as security

No heritage asset was pledged as security.

13. Payables from exchange transactions

Accruals	456,869	1,315,386
Other payables	914,159	4,190
	1,371,028	1,319,577

Other payables

Income tax - members back pay	296,812	-
Pension fund - members back pay	161,832	-
Net pay - members back pay	426,737	-
Department of Transport and Public works	4,280	4,190
Salary control account	24,498	-
	914,159	4,190

14. Direct charge liability

Direct charge due to the Revenue Fund:

Transfer from the statement of financial performance	2,414,018	4,176,534
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Movement during the year

Balance at the beginning of the year	4,176,534	3,683,291
Transfer from the statement of financial performance	2,414,018	4,176,534
Payment during the year	(4,176,534)	(3,683,291)
	2,414,018	4,176,534

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
15. Finance lease obligation		
Minimum lease payments due		
- within one year	951,803	1,129,618
- in second to fifth year inclusive	1,760,551	1,409,513
	<u>2,712,354</u>	<u>2,539,131</u>
less: future finance charges	(965,127)	(691,884)
Present value of minimum lease payments	<u>1,747,227</u>	<u>1,847,247</u>
 Present value of minimum lease payments due		
- within one year	259,006	596,290
- in second to fifth year inclusive	1,488,222	1,250,957
	<u>1,747,228</u>	<u>1,847,247</u>
 Non-current liabilities	1,488,222	1,250,957
Current liabilities	259,006	596,290
	<u>1,747,228</u>	<u>1,847,247</u>

Finance Leases relate to vehicles with lease terms of between 5 to 8 years. The effective annual interest rate on the Finance Lease payables is between 36% and 76%.

Interest on finance lease payables are charged by Government Motor Transport to replace vehicles at the end of their useful lives and to recoup operating expenditure such as tracking, insurance and Government Motor Transport overhead expenditure.

Ownership of the leased vehicle is transferred to Government Motor Transport at the conclusion of the lease agreements.

The legislature also has cell phones under finances leases with lease terms of 2 years. The average effective interest rate used on the lease payments is 10.25%.

A software licence with a lease term of 3 years and the average effective borrowing rate of 7.56% has been entered into. No arrangements have been entered into for contingent rent.

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
16. Employee benefit obligations		
Reconciliation of employee benefits - 2020		
	Opening balance	Movement
		Total
Leave entitlement (Employees)	2,972,056	587,040
Service bonus (Employees)	1,263,001	55,539
Service bonus (Members)	437,718	234,535
Performance bonus (Employees)	1,438,166	125,020
Time-off hours (Employees)	1,092,874	(75,825)
Long service awards (Employees)	5,835,000	745,000
Once-off gratuity (Members)	8,585,000	(1,709,000)
Medical aid benefits (Members)	10,037,000	(377,000)
	31,660,815	(414,691)
		31,246,124
Reconciliation of employee benefits - 2019		
	Opening balance	Movement
		Total
Leave entitlement (Employees)	2,207,995	764,061
Service bonus (Employees)	1,303,380	(40,379)
Service bonus (Members)	441,012	(3,294)
Performance bonus (Employees)	1,297,780	140,386
Time-off hours (Employees)	952,951	139,923
Long service awards (Employees)	6,407,000	(572,000)
Once-off gratuity (Members)	7,959,000	626,000
Medical aid benefits (Members)	10,099,000	(62,000)
	30,668,118	992,697
		31,660,815
Non-current employee benefits		
Long service awards (Employees)		5,244,000
Once-off gratuity (Members)		6,876,000
Medical aid benefits (Members)		8,349,000
		20,469,000
		22,278,000
Current employee benefits		
Leave entitlement (Employees)		3,559,096
Service bonus (Employees)		1,318,540
Service Bonus (Members)		672,253
Performance bonus (Employees)		1,563,186
Time-off hours (Employees)		1,017,049
Long service awards (Employees)		1,336,000
Medical aid benefits (Members)		1,311,000
		10,777,124
		9,382,815
Long service awards: Movements		
Opening balance	5,835,000	6,407,000
Benefits paid	(45,000)	(1,865,000)
Net expense recognised	790,000	1,293,000
	6,580,000	5,835,000
Long service awards: Net expense recognised		
Current service cost	783,000	909,000
Interest cost	528,000	562,000
Actuarial loss/(gain)	(521,000)	(178,000)
	790,000	1,293,000

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
16. Employee benefit obligations (continued)		
Once-off gratuity: Movements		
Opening balance	8,585,000	7,959,000
Benefits paid	(4,517,000)	(429,000)
Net expense recognised	2,808,000	1,055,000
	6,876,000	8,585,000
Once-off gratuity: Net expense recognised		
Current service cost	1,488,000	1,457,000
Interest cost	910,000	763,000
Actuarial loss/(gain)	410,000	(1,165,000)
	2,808,000	1,055,000
Medical aid benefits: Movements		
Opening balance	10,037,000	10,099,000
Benefits paid	(1,270,194)	(1,359,000)
Net expense recognised	893,194	1,297,000
	9,660,000	10,037,000
Medical aid benefits: Net expense recognised		
Interest cost	934,000	836,000
Actuarial loss/(gain)	(40,806)	461,000
	893,194	1,297,000

Defined benefit plan

Post retirement medical aid plan

The legislature offers continuation members (pensioners) the opportunity of belonging to one of several medical aid schemes, most of which offer a range of options pertaining to levels of cover. Upon retirement, a member may continue membership of the medical aid scheme. Upon a member's death-in-service or death-in-retirement, the surviving dependants may continue membership of the medical aid scheme.

Members contribute according to tables of contribution rates which differentiate between them on the type and number of dependants. Some options also differentiate on the basis of income.

The legislature has agreed to subsidise the medical aid contributions of retired members in the following way:

Members of the legislature will receive medical aid subsidies at retirement. The legislature will provide a 67% subsidy of the main member (and dependants) subsidies at retirement. However, these members need to be part of the PARMED medical aid scheme.

As at the valuation date, the medical aid liability was unfunded as no dedicated assets have been set aside to meet this liability.

Gratuity awards

Gratuity payments are awarded in terms of the Government Gazette No 31597 dated 12 November 2008, a Premier, member of Executive Council or member of Provincial Legislature who has served more than 5 years and whose term of office has ended should be entitled to a once-off gratuity equal to 4 months pensionable salary for every 5 years of service or a pro-rata part of the 5 year period.

Long service awards

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
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16. Employee benefit obligations (continued)

All permanent employees are entitled to long service benefits which are awarded in the form of leave days and a percentage of salary.

In 2020: 100 (2019: 91) of the employees qualified for long service awards.

Key assumptions used

The legislature made use of an independent firm to perform the valuation of post-retirement medical aid benefits, long service awards and once-off gratuity liability. Julian van der Spuy (CERA)(FIA) and Boyd Oosthuizen (B.Comm(Hons)(Actuarial Science)), from ZAQEN Consultants and Actuaries were the experts for the valuation. The key assumptions used by the experts are listed below for the last valuation on 31 March 2020:

Post-Retirement medical aid benefit: Discount rates -	Yield curve rate
Post-Retirement medical aid benefit: Medical aid contribution inflation -	CPI+1%
Long service awards: Discount rates -	Yield curve rate
Long service awards: Salary inflation -	CPI+1%
Once-off gratuity: Discount rates -	Yield curve rate
Once-off gratuity: Salary inflation -	CPI+1%

The CPI (Consumer Price Index) is calculated based on the difference between the nominal and yield curves.

Sensitivity analysis

Deviations from the assumed level of mortality experience of the current employees and the continuation members (pensioners) will have a large impact on the actual cost to the Western Cape Provincial Parliament. If the actual rates of mortality turns out higher than the rates assumed in the valuation basis, the cost to the Western Cape Provincial Parliament in the form of subsidies will reduce and vice versa.

The effect is as follows by increasing and decreasing the mortality rates by 20%:

	Twenty percentage point decrease	Twenty percentage point increase
Effect of the interest cost	1,255,000	1,000,000
Effect on defined benefit obligation	10,830,000	8,761,000

The cost of the subsidy after retirement is dependent on the increase in the contributions to the medical aid scheme before and after retirement. The rate at which these contributions increase will thus have a direct effect on the liability of future retirees.

The effect is as follows for a 1% p.a. change in the medical aid inflation assumption:

	One percentage point decrease	One percentage point increase
Effect of the interest cost	1,050,000	1,177,000
Effect on defined benefit obligation	9,168,000	10,197,000

Deviations from the assumed level of withdrawal experience of the eligible employees will have a large impact on the actual cost to the Western Cape Provincial Parliament. If the actual rates of withdrawal turns out to be higher than the rates assumed in the valuation basis, then the cost to the Western Cape Provincial Parliament in the form of benefits will reduce and vice versa.

The effect is as follows by increasing and decreasing the withdrawal rates by 20%:

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
16. Employee benefit obligations (continued)		
	Twenty percentage point decrease	Twenty percentage point increase
Effect on the aggregate of the service cost and interest cost	1,842,000	1,820,000
Effect on defined benefit obligation	6,618,000	6,542,000

The cost of the gratuity payments is dependent on the increase in the annual salaries paid to political office bearers. The rate at which salaries increase will thus have a direct effect on the liability.

The effect is as follows for a 1% p.a. change in the Normal Salary inflation assumption:

	One percentage point decrease	One percentage point increase
Effect on the aggregate of the service cost and interest cost	1,747,000	1,921,000
Effect on defined benefit obligation	6,294,000	6,886,000

Amounts for the medical aid obligation for the current and previous four years are as follows:

	2020 R	2019 R	2018 R	2017 R	2016 R
Defined benefit obligation	9,660,000	10,037,000	10,099,000	11,569,000	11,808,000

Contributions to pension funds

The Government Employees Pension Fund (GEPF)

Retirement benefits are provided by membership of the Government Employees Pension Fund which is a defined benefit fund. Parliament's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees. The obligation of the fund is guaranteed by the National Revenue Fund and not by the individual government departments and entities. This responsibility is governed by the Government Employees Pension Law, Proclamation 21 of 1996.

Contribution to the GEPF for the reporting period	5,575,140	5,013,211
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These contributions are included in surplus or deficit for the reporting period.

An actuarial valuation of the GEPF is conducted at least every three years as prescribed in section 17(3) of the GEP Law. The latest actuarial valuation of the GEPF was performed on 31 March 2016. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R 1 663 million which are adequately funded by assets of R 1 800 million as at 31 March 2018.

The Pension Scheme for Officers of Parliament (PSOP)

The Pension Scheme for Officers of Parliament (PSOP) is a defined benefit plan. The obligation of the fund is guaranteed by the National Revenue Fund. This responsibility is governed by the General Pensions Act 29 of 1979.

The Political Office-Bearers Pension Fund (POBF)

The Political Office-Bearers Pension Fund has a defined contribution and a defined benefit section in terms of which the basis of funding of retirement benefits is on a defined benefit basis through additional service and equalisation benefits provided by National Treasury, and on a defined contribution basis through the utilisation of member credits accumulated. This responsibility is governed by the Members of Parliament and Political Office bearers Pension Scheme Act, 1984 (Act No. 112 of 1984) as amended in 1992. Parliament's responsibility regarding the funding of the shortfall of the pension fund is limited to the current contributions made on behalf of its employees.

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
16. Employee benefit obligations (continued)		
Contribution to the POBF for the reporting period	5,292,790	5,153,005
17. Recoveries		
Recoverable revenue	12,844	72,067
18. Interest received		
Interest revenue		
Bank	405,830	235,860
Interest on receivables	1,749	78
LSS bank account	130,203	123,366
	537,782	359,304
19. Other income		
Boutique sales	9,899	10,900
Income from access to information requests	105	300
Refreshments	5,750	13,725
Rental of parking	9,070	13,235
Sale of scrap	-	2,000
Waste paper sales	-	288
	24,824	40,448
20. Appropriation		
Annual appropriation	152,554,407	135,759,011
Statutory appropriation	45,151,000	43,497,000
	197,705,407	179,256,011
Funds rolled over from prior year	5,908,593	8,114,989
	203,614,000	187,371,000
Appropriation		
Current-year receipts	197,705,407	179,256,011
Funds rolled over from prior year	5,908,593	8,114,989
Actual expenditure	(188,485,460)	(177,696,254)
Direct charge liability	(2,414,018)	(4,176,534)
Unspent appropriated funds carried over to next year	12,714,523	5,498,212
Departmental revenue carried over to next year	606,419	410,381
	13,320,942	5,908,593

For the Direct charge liability refer to note 14.

Payables from non-exchange transactions refers to the remaining unspent portion of the year ended 31 March 2018 which has been paid over to Provincial Treasury. The amount paid over was R 8,054,989 (R 8,114,989 - R 60,000).

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
21. Employee related costs		
Acting allowances	29,262	261,515
Basic salary	47,097,152	44,887,183
Bonus	3,064,002	3,232,327
Contribution to employee benefits	1,957,774	609,991
Employee benefits paid out	31,640	49,500
Housing allowances	4,347,048	4,236,336
Leave payout	365,215	338,106
Medical aid - employer contributions	670,493	675,521
Other non-pensionable allowances	4,636,233	3,490,876
Overtime payments	239,613	376,157
Pension - employer contributions	5,575,140	5,013,211
Performance bonus	833,503	651,638
Periodic payments	852,362	341,998
Unemployment Insurance Fund	181,882	186,019
	69,881,319	64,350,378
Remuneration of the Secretary		
Basic salary	1,320,586	1,837,899
Contributions to UIF, Medical and Pension Funds	173,461	1,785
Other non-pensionable allowances	394,289	-
Performance Bonus	-	25,567
	1,888,336	1,865,251
Remuneration of the Deputy Secretary		
Basic salary	1,284,929	1,105,362
Bonus	110,049	92,114
Contributions to UIF, Medical and Pension Funds	168,825	145,482
Other non-pensionable allowances	327,504	441,670
Performance bonus	-	26,478
	1,891,307	1,811,106
Remuneration of the Chief Financial Officer		
Basic salary	1,031,398	974,699
Bonus	85,950	81,225
Contributions to UIF, Medical and Pension Funds	148,034	140,663
Other non-pensionable allowances	209,828	197,624
Performance bonus	-	20,680
	1,475,210	1,414,891
Remuneration of the Director Institutional Enablement		
Basic salary	943,875	-
Bonus	45,883	-
Contributions to UIF, Medical and Pension Funds	136,656	-
Other non-pensionable allowances	192,004	-
	1,318,418	-

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
21. Employee related costs (continued)		
Remuneration of the Director Parliamentary Support Services		
Basic salary	329,258	-
Bonus	64,978	-
Contributions to UIF, Medical and Pension Funds	43,696	-
Leave payout	144,223	-
Other non-pensionable allowances	70,869	-
	653,024	-
This post is vacant as of 1 October 2019.		
Remuneration of the Director Public Engagement		
Basic salary	943,875	-
Bonus	78,656	-
Contributions to UIF, Medical and Pension Funds	136,656	-
Other non-pensionable allowances	190,990	-
	1,350,177	-
22. Members remuneration		
Basic salary	23,523,606	22,911,871
Contributions to employee benefits	(2,220,659)	1,264,706
Housing allowance	83,048	-
Medical aid contributions	300,986	176,106
Other non-pensionable allowances	9,117,785	9,175,137
Pension contributions	5,292,790	5,153,005
Retirement benefits paid out	5,832,092	2,568,006
Service bonus	787,594	818,190
	42,717,242	42,067,021
Remuneration of the Speaker		
Basic salary	1,119,692	1,186,677
Other non-pensionable allowances	491,007	520,396
Subsistence and travel	41,246	23,982
Pension contributions	251,931	267,002
Medical aid contributions	3,729	3,720
	1,907,605	2,001,777
Remuneration of the Deputy Speaker		
Basic salary	906,075	960,280
Other non-pensionable allowances	333,106	416,684
Service bonus	42,973	-
Subsistence and travel	46,187	-
Pension contributions	203,867	216,063
Medical aid contributions	7,458	7,440
	1,539,666	1,600,467
23. Finance costs		
Finance leases	727,085	706,047

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
24. Operating lease rentals		
Operating lease rental payments		
Motor vehicles	326,781	92,115
Photocopiers	432,262	441,672
	759,043	533,787

Motor Vehicles:

This rental is classified as a contingent rental due to uncertain lease periods and fluctuating tariff increases. The operating lease payments are therefore not subject to straight-lining. It is therefore impracticable to disclose the future minimum lease payments expected to be received for each of the following periods as required by GRAP 13:

- no later than one year.
- later than one year and not later than five years; and
- later than five years.

Photocopiers:

Refer to note 29 for details relating to the photocopiers operating leases.

25. Transfer payments

Political Parties		
Democratic Alliance	24,831,017	24,601,919
African National Congress	12,762,047	13,484,407
African Christian Democratic Party	1,404,009	1,371,002
Economic Freedom Fighters	2,285,727	1,296,059
Freedom Front Plus	1,254,681	-
GOOD	1,254,681	-
Al Jama-ah	1,254,681	-
	45,046,843	40,753,387

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
26. General expenses		
Advertising	956,524	1,394,494
Auditors remuneration	3,649,689	3,668,494
Bad debts written off	177	-
Bank charges	18,198	13,260
Bursaries	78,149	50,717
Catering events	2,220,372	2,127,531
Computer services	1,395,565	1,888,817
Consulting and professional fees	1,922,108	3,469,631
Consumables	925,122	973,036
Contracted services	2,220,010	1,757,333
Fleet services	443,910	478,885
Insurance	346,692	317,254
Laundry services	8,620	6,456
Other expenses	483,792	555,772
Outsourced services	120,691	168,467
Postage and courier	207	150
Printing and publications	505,301	375,824
Registration fees	125,941	147,353
Rentals of facilities and equipment	223,047	36,774
SITA computer expenses	69,439	297,562
Subscriptions and membership fees	315,714	627,947
Telephone and fax	323,961	290,437
Training	797,972	281,581
Transfer of LSS funding	750,000	400,000
Travel - local	4,678,310	5,425,970
Travel - overseas	1,476,253	3,640,269
	24,055,764	28,394,014
27. Cash flow from operating activities		
Surplus (deficit)	8,826,703	(4,116,904)
Adjustments for:		
Depreciation and amortisation	3,923,151	3,752,573
Loss on sale of assets and liabilities	109,509	6,417
Transfer to direct charge liability	2,414,018	4,176,534
Contribution to employee benefits	(262,885)	1,874,697
Actuarial gain	(151,806)	(882,000)
Asset transferred in	(28,014)	-
Bad debts written off	177	-
Changes in working capital:		
Inventories	(229,175)	(81,893)
Receivables from non-exchange transactions	(3,000)	(4,000)
Receivables from exchange transactions	(511,354)	(13,353)
Prepayments	46,246	270,349
Payables from exchange transactions	51,451	70,181
Payables from non-exchange transactions	(8,054,989)	8,054,989
Direct charge liability	(4,176,534)	(3,683,291)
	1,953,498	9,424,299
28. Auditors' remuneration		
Fees	3,649,689	3,668,494

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
29. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Property, plant and equipment	200,838	93,433
Total capital commitments		
Already contracted for but not provided for	200,838	93,433
This committed expenditure relates to property, plant and equipment and will be financed through funding received from Provincial Treasury.		
Operating leases - as lessee (expense)		
Minimum lease payments due		
- within one year	301,124	451,686
- in second to fifth year inclusive	-	301,124
	301,124	752,810

Operating lease payments represent rentals payable by the legislature for the rental of photocopy machines to Minolco (Pty) Ltd.

30. Contingencies

Contingent assets

Erasmus vs the Speaker and others

The applicant alleges that the Speaker has not fulfilled her constitutional obligations in respect of appointment of a Commissioner for the Environment for the Western Cape Province. The estimated recovery of expenditure from the opposition is R 25,784.

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
31. Financial instruments disclosure		
Categories of financial instruments		
2020		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	16,058,241	16,058,241
Receivables from non-exchange transactions	69,400	69,400
Receivables from exchange transactions	650,643	650,643
Long term receivables from non-exchange transactions	10,741	10,741
Long term receivables from exchange transactions	-	-
	16,789,025	16,789,025
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	1,371,028	1,371,028
Finance lease obligation	1,747,228	1,747,228
Direct charge liability	2,414,018	2,414,018
	5,532,274	5,532,274
2019		
Financial assets		
	At amortised cost	Total
Cash and cash equivalents	19,413,726	19,413,726
Receivables from non-exchange transactions	66,400	66,400
Receivables from exchange transactions	139,466	139,466
Long term receivables from non-exchange transactions	13,141	13,141
Long term receivables from exchange transactions	-	-
	19,632,733	19,632,733
Financial liabilities		
	At amortised cost	Total
Payables from exchange transactions	1,319,577	1,319,577
Finance lease obligation	1,847,247	1,847,247
Direct charge liability	4,176,534	4,176,534
Payables from non-exchange transactions	8,054,989	8,054,989
	15,398,347	15,398,347

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
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32. Risk management

Financial risk management

The legislature's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk.

Liquidity risk

The legislature's risk to liquidity is a result of the funds available to cover future commitments. The legislature manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the legislature's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Within 1 year	Between 2 and 5 years
At 31 March 2020		
Payables from exchange transactions	1,371,028	-
Finance lease obligation	951,803	1,760,551
Direct charge liability	2,414,018	-
	4,736,849	1,760,551
At 31 March 2019		
Payables from exchange transactions	1,299,792	-
Finance lease obligation	1,129,618	1,409,513
Direct charge liability	4,176,534	-
Payables from non-exchange transactions	8,054,989	-
	14,660,933	1,409,513

Credit risk

Credit risk consists mainly of cash deposits, cash equivalents and receivables. The legislature only deposits cash with major banks with high quality credit standing and limits exposure to any one counter-party.

Receivables comprise a widespread customer base. Management evaluated credit risk relating to receivables on an ongoing basis. If receivables are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the receivable, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the management.

Financial assets exposed to credit risk at year end were as follows:

	2020	2019
Financial instrument		
Cash and cash equivalents	16,058,241	19,413,726
Receivables from non-exchange transactions	69,400	66,400
Receivables from exchange transactions	650,643	139,466
Long term receivables from non-exchange transactions	10,741	13,141
Long term receivables from exchange transactions	-	-

Market risk

Interest rate risk

As the legislature has no significant interest-bearing assets, the legislature's income and operating cash flows are substantially independent of changes in market interest rates.

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
33. Unauthorised expenditure		
No unauthorised expenditure was incurred during the current financial period ended 31 March 2020.		
34. Fruitless and wasteful expenditure		
Add: Fruitless and wasteful expenditure - Current year	3,967	-
Less: Amounts recovered	(3,967)	-
	-	-
Fruitless and wasteful expenditure incurred due to non utilisation of booked accommodation. This expenditure was recovered.		
35. Irregular expenditure		
Add: Irregular Expenditure - current year	3,458,099	41,400
Less: Amounts condoned	(43,022)	(41,400)
	3,415,077	-
Analysis of expenditure awaiting condonation		
Extension of internet and DR services contract as an emergency	1,030,156	-
Inappropriate award due to not calculating PPPFA preference points	1,155,428	-
Inappropriate award due to BAC decision to disregard bid received	1,229,493	-
	3,415,077	-
Details of irregular expenditure condoned in current year		
No prior approval obtained for services rendered. Condoned by the Accounting Officer	17,100	-
Expenditure incurred without approval of delegation 12	9,000	-
No approval obtained for catering	5,600	-
No pre-approval obtained for new service provider	7,722	-
Non-completion of supporting documentation	3,600	-
Prior year: Non-compliance due to not following the pre-approval process. Condoned by the Accounting Officer	-	28,900
Prior year: Services provided without approval. Condoned by the Accounting Officer	-	3,500
Prior year: Late submission of declaration of interest. Condoned by the Accounting Officer	-	9,000
	43,022	41,400

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
36. Related parties		
During the year the Western Cape Provincial Parliament received services from the following parties that are related as indicated:		
Department of Transport and Public Works		Occupation of the building free of charge managed by the Department of Transport and Public Works. Parking spaces are also provided for government officials at an approved fee that is not market related.
Department of Community Safety		Security services in the Legislature building
Department of the Premier - Corporate Services Centre		Internal Audit services
Provincial Treasury		Audit Committee services
Government Motor Transport (GMT)		Primary funding
		Management of government motor vehicles. This relationship is based on an arm's length transaction in terms of the approved tariffs.
Key management and Members		Refer to note 21&22

37. Services in-kind

The Department of Public Works provides office area to the Western Cape Provincial Parliament at no cost to the legislature. The providing of this services in kind is recognised as revenue and expenditure to the fair value of R 9,842,760 (2019: R 9,842,760).

The South African Police Services provides National Key Point access control services to Western Cape Provincial Parliament at no cost to the legislature. These services were provided for the entire reporting period.

National Parliament provided services in the form of training to the Members of Western Cape Provincial Parliament within the financial year to the value of R Nil (2019: R 215,803). These services were provided to the Members with no cost to the legislature

38. Budget differences

Material differences between budget and actual amounts

38.1 Recoveries

The variance is as a result of income received in terms of previous years expenditure.

38.2 Other income

The variance is as a result of revenue received from meals, parking and sales which was more than the appropriated budget amount.

38.3 Interest received

The variance is as a result of interest on bank account as well as interest on debts which was more than the appropriated budget amount.

38.4 Employee costs

The variance is due to vacant posts which were not filled as anticipated.

38.5 Members remuneration

The variance is due to lower than anticipated members increase received for the current year.

38.6 General expenses

The variance is mainly due to a legal fees, training expenses and travel expenses which were less than expected.

Differences between budget and actual amounts basis of preparation and presentation

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
38. Budget differences (continued)		
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement		Reconciliation 15,734,960
Basis difference - Operating cash flows		
Receivables		(511,954)
Prepayments		117,970
Payables		4,280
Direct charge		(4,176,534)
Interest received		130,203
Annual appropriation		(13,899,582)
General expenses		(754,828)
Actual amount in Cash Flow Statement		<u>(3,355,485)</u>

Changes from the approved budget to the final budget

The changes between the approved budget for provincial expenditure and the budget comparison statement for the expenditure items is as a result of the change in classification between the approved budget and the budget comparison in order to meet the requirements of GRAP.

The adjustments incurred between the approved budget and the final budget occurred due to the adjustment budget as well as shifts within expenditure items. These adjustments are as follows:

Expenditure	Approved budget	Adjustment	Shifts	Final budget
Employee related costs	78,449,000	(5,654,733)	(167,413)	72,626,854
Members remuneration	44,657,000	2,151,000	-	46,808,000
Finance costs	957,000	16,124	269,403	1,242,527
Lease rentals on operating lease	489,000	10,915	28,060	527,975
Transfer payments	42,854,000	2,192,844	-	45,046,844
General expenditure	34,688,000	2,803,850	(130,050)	37,361,800
	<u>202,094,000</u>	<u>1,520,000</u>	<u>-</u>	<u>203,614,000</u>

* See Note 39

Notes to the Annual Financial Statements

	2020	2019 Restated*
39. Prior period error		
During the preparation of the annual financial statements for the current year the following errors were identified.		
Medical aid benefits		
During the period ended 31 March 2020, the legislature in discussion with the actuaries determined that our medical aid benefit was overstated due to the inclusion of members not entitled to this medical aid benefit.		
Decrease in Employee Benefit - Medical Aid Obligation	16,712,000	
Decrease in Members Remuneration - Contribution to employee benefits	(3,150,000)	
Increase in Actuarial loss	3,189,000	
Increase in Accumulated Surplus	(16,751,000)	
		-
Accruals		
During the year, it was identified that a portion of payment made in April 2019 was for the prior period and therefore required an adjustment for the accrual.		
Increase in Payables from exchange transactions: Accruals	(19,785)	
Increase in General expenditure: Contracted Services	19,785	
		-
Statement of financial position		
Employee Benefits - Medical Aid Benefit	16,712,000	
Payables from exchange transactions - Accruals	(19,785)	
Statement of Financial Performance		
Members remuneration - Contribution to employee benefits	(3,150,000)	
Actuarial loss/(gains)	3,189,000	
General expenses	19,785	
Statement of Changes in Net Assets		
Accumulate Surplus		(16,751,000)

40. Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

41. Events after the reporting date

No adjusting events have occurred after the reporting date.
WCPP has taken note of the COVID-19 pandemic and any associated risks linked here to.

* See Note 39

