

WESTERN CAPE PROVINCIAL PARLIAMENT



ANNUAL REPORT 2015/2016

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WESTERN CAPE PROVINCIAL PARLIAMENT



PART A GENERAL INFORMATION



Secretary to the WCPP Gilbert Lawrence, Deputy Speaker Piet Pretorius, Speaker Sharna Fernandez and Premier Helen Zille at the official opening



Finance Minister Ivan Meyer delivering his provincial budget speech in the House

1. GENERAL INFORMATION

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2. LIST OF ABBREVIATIONS AND ACRONYMS

AO	Accounting Officer
ACDP	African Christian Democratic Party
AGSA	Auditor-General South Africa
ANC	African National Congress
AIDS	Acquired Immune Deficiency Syndrome
COPE	Congress of the People
DA	Democratic Alliance
D: ERM	Directorate Enterprise Risk Management
DoTP	Department of the Premier
DTPW	Department of Transport and Public Works
EFF	Economic Freedom Fighters
ERM	Enterprise Risk Management
ERMCO	Enterprise Risk Management Committee
ERP	Enterprise Resource Planning
FMIP	Financial Management Improvement Plan
FMPPLA	Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009)
GRAP	Generally Recognised Accounting Practice
HDI	Historically Disadvantaged Individual
ICT	Information and Communications Technology
IFMS	Integrated Financial Management System
LOGIS	Logical Information System
MOU	Memorandum of Understanding
NCOP	National Council of Provinces
PID	Project Initiation Document
PSRMF	Public Sector Risk Management Framework
SAPS	South African Police Service
SCM	Supply Chain Management
SCOPA	Standing Committee on Public Accounts
SOP	Standard Operating Procedure
SLA	Service Level Agreement
WCPP	Western Cape Provincial Parliament

3. FOREWORD BY THE SPEAKER



Sharna Fernandez
Speaker

I hereby table the Annual Report for the 2015/2016 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).

As this is the first report on the five-year Strategic Plan 2015/2016 – 2019/2020, I reflect on the vision of a “dynamic, efficient and effective parliament supporting constitutional democracy.” In this regard I can report that the Provincial Parliament continued to fulfil its constitutional responsibility to the full, notwithstanding the resource constraints.

We had a busy parliamentary programme during 2015/2016 characterised by robust debates in the House. The committees were equally busy with a full programme of oversight visits across the province. Our Members could once again rely on the support services provided by our staff to function optimally in all spheres of our operation.

The implementation of FMPPLA dominated this reporting year and by and large we complied with the reporting requirements of the Act.

In this report we include, for the first time, annual financial statements that have been prepared in accordance with the standards of Generally Recognised Accounting Practice (GRAP) as prescribed in Section 56(1) of the Act. Phase 2 of the implementation of the Enterprise Resource Planning (ERP) system commenced in the reporting year and will continue in 2016/2017.

I would like to take this opportunity to thank the Secretary, Ms Hamida Fakira and the Deputy Secretary, Procedural Services, Ms Ressida Begg, who left the employ of the WCPP on 1 February 2016 and 1 December 2015 respectively, for their contribution to the WCPP.

I also extend a warm welcome to Dr Gilbert Lawrence who commenced duty as the Secretary to the WCPP on 15 February.


SHARNA FERNANDEZ
SPEAKER
Date: 16 August 2016

4. REPORT OF THE ACCOUNTING OFFICER



Gilbert Lawrence
Secretary

4.1 Overview of the operations of the Western Cape Provincial Parliament

During the 2015/16 financial year the WCPP had a total of 56 programme performance indicators and a total of 56 planned annual targets. The WCPP achieved 80% of its planned annual targets for the 2015/16 reporting period.

The following table lists the annual planned targets per programme and indicates whether they were achieved or not, as well as the number of targets that were partially achieved. Reasons for deviations for all the targets not achieved (includes partially achieved) can be found in Part B – Programme Performance, of this report.

Programme	Number programme performance indicators	Number of planned annual targets	Achieved	Partially achieved	Not achieved	% targets achieved
Programme 1: Administration	37	37	26	8	3	70.27%
Programme 2: Facilities for Members and Political Parties	3	3	3	-	-	100%
Programme 3: Parliamentary Services	16	16	16	-	-	100%
Total	56	56	45	8	3	80.35%

The 2015/16 financial year marked the first year of the Strategic Plan 2015/16-2019/20. It is also the first year of the implementation of the of Parliament and Provincial Legislatures Act, 2009 (FMPPLA) (Act No. 10 of 2009). During the reporting period, the WCPP complied fully with 18 of the 19 compliance indicators as prescribed by FMPPLA. Although challenges have been experienced with the implementation of the ERP system, the WCPP has ensured compliance to the Act by appointing a service provider to assist the WCPP in compiling financial statements that are in accordance with

the standards of Generally Recognised Accounting Practice (GRAP). The WCPP also complied with all the reporting requirements of FMPPLA as well as attended all programmed meetings with the Parliamentary Oversight Committee (POC) during the reporting period.

The WCPP upgraded the functionality of the Member's Portal on its website to allow Members to electronically submit their claims in respect of their Enabling Allowances.

The WCPP continued to provide effective procedural and related support to the House and committees and this was evident from the feedback received from Members regarding the WCPP's support provided during the National Council of Provinces (NCOP) Taking Parliament to the People programme and the NCOP provincial visit weeks.

Through partnerships with various stakeholders the WCPP was able to increase the number of educational workshops during the reporting period.

As at 31 March 2016 the WCPP had a total of 108 approved positions on its establishment, of which four positions were unfunded and 99 positions were filled. At the end of the reporting period the WCPP had five vacancies, namely; Deputy-Secretary: Procedural Services; Senior Accountant; Senior Supply Chain Management Officer; Internal Control Officer and Researcher.

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

4.2.1 WCPP Receipts

Receipts	2015/2016			2014/2015		
	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	4	64	(60)	4	72	(68)
Interest, dividends and rent on land	50	256	(206)	48	128	(80)
Sale of capital assets	-	27	(27)	-	52	(52)
Financial transactions in assets and liabilities	-	26	(26)	-	47	(47)
Total	54	373	(319)	52	299	(247)

Revenue collection in the WCPP is not significant and is limited to revenue received from parking; sale of meals to Members; sale of corporate gifts; commission on insurance; interest on bank account; and the sale of old/redundant assets.

The tariff charged for parking is based on 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 (DTPW).

Members of the WCPP pay for meals prepared by the onsite catering service provider, which is another source of revenue. The Members' meals are charged as per the Members' Facilities Guide that is approved by the Rules Committee and the Speaker.

The WCPP discloses revenue from interest received on the bank balance.

The WCPP identifies assets that have passed their useful lifespan, are damaged or redundant. The funds received from the sale of these items were also disclosed as a revenue source.

The WCPP's revenue is retained on approval by the Speaker.

4.2.2 Programme Expenditure

Programme name	2015/2016			2014/2015		
	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
Administration	52 852	50 455	2 397	49 446	46 948	2 498
Facilities for Members and Political Parties	41 719	40 155	1 564	39 355	37 664	1 691
Parliamentary Services	25 837	25 516	321	22 921	22 429	492
Total	120 408	116 126	4 282	111 722	107 041	4 681

In the 2014/2015 financial year there was under expenditure of R4 681 000.

During the 2015/2016 year, expenditure control and monitoring mechanisms continued to monitor and interrogate current and projected expenditure with the aim of identifying early warning signs for over/under expenditure.

The core priority of the 2015/16 financial year was the implementation of the FMPPLA and the ERP system, as well as the migration from cash-based accounting to accrual-based accounting.

The Information and Communications Technology (ICT) section developed ERP business cases for the phased implementation of the ERP commencing in the 2016/17 financial year. Hence, the under expenditure of R4 236 830 mainly relates to ERP projects which were provided for in the 2015/16 financial year, and will be rolled over to the 2016/17 financial year for implementation.

Roll overs

An amount of R4 236 830 in respect of the under-spending on voted funds and an amount of R221 714 in respect of over-collected own revenue, was approved to be rolled over to the 2016/17 financial year in order to finalise projects still in progress, as well as contribute towards the funding for the ERP system.

Virements

An amount of R163 000 was shifted from Programme 1 to Programme 3 in respect of performance bonus payments which is budgeted for in the Human Resources section.

Irregular, Fruitless and Wasteful, and Unauthorised Expenditure

There were three incidents of irregular expenditure during the 2015/16 financial year.

It should be noted that although the expenditure was irregular, it was in accordance with the purpose of the institution and the expenditure was valid within the pursuit of the WCPP objectives for which it was incurred.

4.2.3 Supply Chain Management

Supply Chain Management (SCM) is an important element in operational efficiency. SCM has an impact on customer satisfaction and the ultimate success of the organisation by ensuring that the right products and services are procured and delivered in a timely fashion.

Similarly, asset management is important to an organisation as the function monitors and maintains items of value to the organisation.

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 2015/16 financial year.

4.2.5 Exemptions and deviations received from National Treasury

None.

4.2.6 Events after the reporting date

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

4.2.7 Compliance with 30 day payments

During 2015/16, there were 53 instances, to the accumulated value of R417 207, of payments settled in excess of 30 days. The majority of these cases related to the process of liaising with service providers to obtain clarity and resolution on invoiced amounts and service discrepancies.

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

4.2.8 Acknowledgement/s or Appreciation

I would like to thank the Speaker, Sharna Fernandez for her support and guidance. A special thank you to the staff of the WCPP for their consistent hard work.



GILBERT LAWRENCE
ACCOUNTING OFFICER
Date: 16 August 2016

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 National Treasury;
- The annual financial statements (Part E) have been prepared in accordance with the standards of GRAP as prescribed by section 56 (1) of the FMPPLA 2009 (Act No. 10 of 2009);
- The Accounting Officer was responsible for the preparation of the annual financial statements and for the judgements made in this information;
- The Accounting Officer was responsible for establishing, and implementing a system of internal control that has been designed to provide reasonable assurances as to the integrity and reliability of the performance information, the human resources information and the annual financial statements; and
- The external auditors were 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 2016.

Yours sincerely,



ACCOUNTING OFFICER
GILBERT LAWRENCE
Date: 16 August 2016

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. We communicate in an open and inclusive way.
- Integrity:** The WCPP demonstrates high ethical standards in our 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. We strive 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 AND OTHER MANDATES

7.1 Constitutional Mandates

The core objectives of the WCPP are based on the following constitutional mandates:

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

The provincial legislatures are established in terms of 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.

The Western Cape Witnesses Act, 2006 further articulates these powers of compulsion; and the Western Cape Petitions Act, 2006 creates the framework for the receipt and processing of petitions.

- (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 the powers conferred by section 116(1) of the Constitution.

- (e) Section 117 of the Constitution concerns, among others, 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.

The privileges of Members have been codified in the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, 2004.

- (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) The 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 Constitution of the Western Cape, 1997 (“the Provincial Constitution”), in as far as its empowering provisions are concerned, is essentially identical to the Constitution of the Republic of South Africa, 1996.

The Provincial Constitution does, however, provide 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 NCOP.

(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 Petitions Act, 2006

This Act provides for the public to petition Provincial Parliament and for the processing of petitions by Provincial Parliament.

(vi) 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.

(vii) 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.

(viii) 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 WCPP is premised on this Act.

(ix) Western Cape Provincial Languages Act, 1998

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

(x) Remuneration of Public Office-bearers Act, 1998

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

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

This Act provides for the determination of permanent and special delegates to the NCOP.

(xii) Electoral Act, 1998

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

(xiii) 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.

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

This Act makes provision for the filling of vacancies among permanent delegates to the NCOP.

(xv) National Key Points Act, 1980

This Act provides for the identification of national key points and for the safeguarding of national key points. The WCPP, situated at 7 Wale Street, Cape Town, was declared a national key point by the Minister of Police, making the Act operative in respect of the WCPP.

7.3 Case Law

The following judgments inform on interpretation of the constitutional and statutory mandates of 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 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, most notably the extent to which national legislation may intrude on these exclusive provincial competences.

(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 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 the interpretation of section 104 of the Constitution in the context of the provincial legislatures' capacity to legislate on the management of their own financial affairs, and concluded that the provincial legislatures do not have this legislative capacity.

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

The judgment confirms 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. A provincial constitution may permit a province to provide for distinct legislative structures and procedures in order that provinces may establish their own distinct legislatures.

(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.

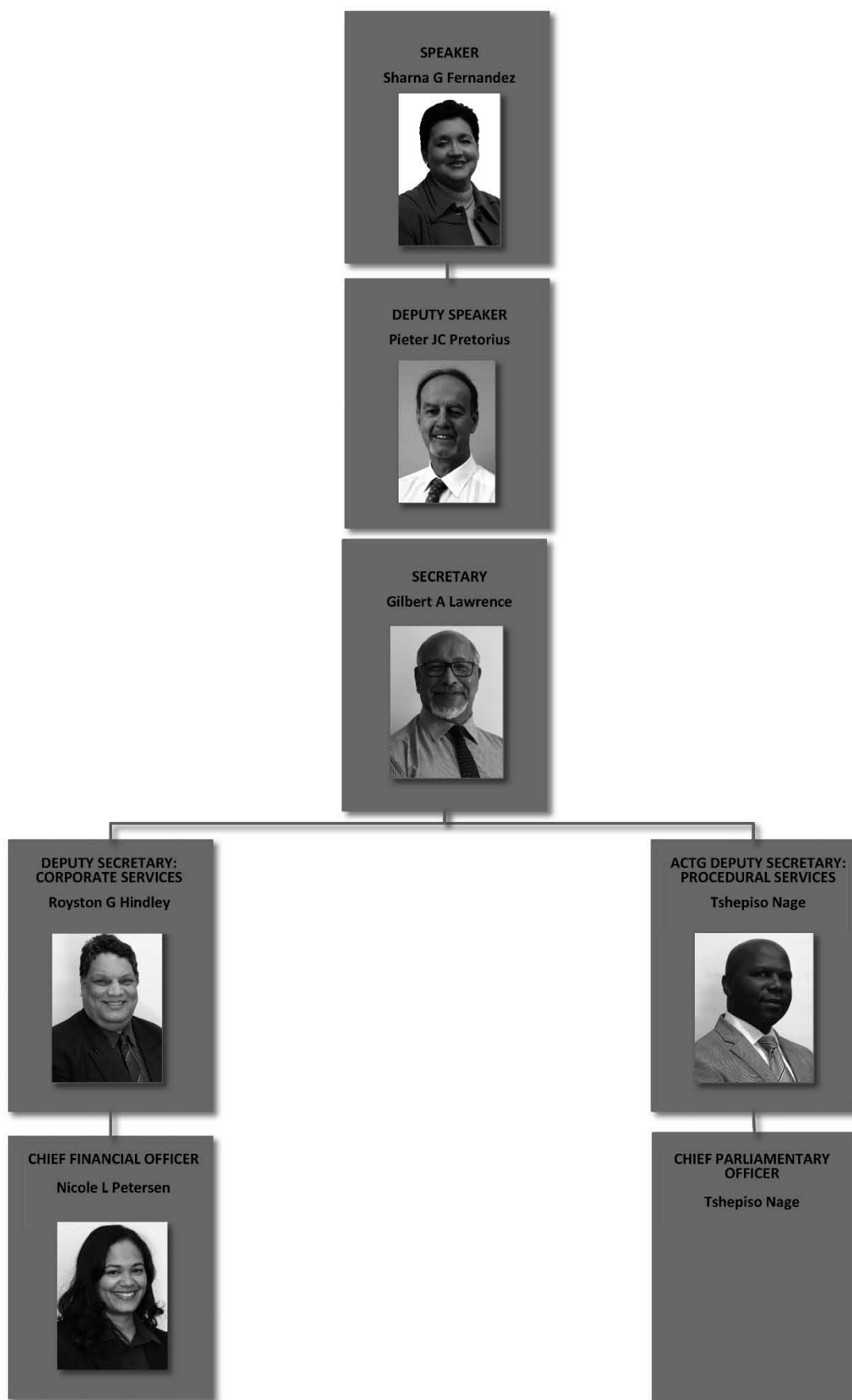
(xii) Democratic Alliance v Speaker of the National Assembly and Others CCT 86/15

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. The court also found that Members' freedom of speech may only be limited by the rules and orders of a legislature.

(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.

8 ORGANISATIONAL STRUCTURE: EXECUTIVE AUTHORITY AND TOP MANAGEMENT



WESTERN CAPE PROVINCIAL PARLIAMENT



PART B PERFORMANCE INFORMATION



The custodians of the WCPP's eFiling system at the official launch: Back fltr: Irma de Lange, Tafseer Abbas, Johan Vermeulen, Faranaaz Smitsdorff, Karen Williams and Juliet Adams. Front fltr: Jasmin Glass, Lephetesang Dieko, Shirley Lucas and Olivia Parker-Saville



Learners from Humansdorp Senior Secondary School on a tour of the WCPP

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 Predetermined Objectives heading in the report on other legal and regulatory requirements section of the Auditor-General's report.

Refer to page 95 for the Report of the Auditor-General, published as Part E: Financial Information.

2. OVERVIEW OF WCPP'S PERFORMANCE

2.1 Key policy developments and legislative changes

The FMPPLA, Act 10 of 2009 was signed by the President of the Republic of South Africa on 5 February 2015 and came into effect on 1 April 2015 and had the following impact on the operations of the WCPP:

- The Public Finance Management Act, 1999 (Act 1 of 1999 as amended) is no longer applicable to the WCPP;
- All the rights and obligations of the Executive Authority as described in FMPPLA will be vested in the Speaker of the WCPP;
- The Speaker of the National Assembly and the Chairperson of the NCOP (acting jointly) have been empowered to prescribe regulations and policy and to issue instructions concerning the financial management of the WCPP;
- In terms of section 4 of FMPPLA, the WCPP has to provide for an oversight mechanism (committee) in its Standing Rules;
- The WCPP has to prepare its financial statements in accordance with the Standards of GRAP with effect from 1 April 2015;
- The WCPP has to establish an Internal Audit Unit; and
- The WCPP's supply chain management policy has to cover the matters referred to in Schedule 3 of FMPPLA.

2.2 Service Delivery Environment

The WCPP derives its powers and functions from the Constitution of the Republic of South Africa, 1996 in the following way:

In Chapter 6, sections 104 to 124 ("Provincial legislatures"), the National Constitution –

- Invests the WCPP with the legislative authority of the province and specifies its powers;
- Prescribes –
 - a) the composition and election of the Provincial Parliament;
 - b) the membership of the Provincial Parliament;
 - c) the taking of the oath or affirmation by Members;

- d) the duration and dissolution of the Provincial Parliament;
 - e) the sitting and recess periods of the Provincial Parliament;
 - f) the appointment of a Speaker and other presiding officers;
 - g) quorums and decisions; and
 - h) the giving of evidence before the Parliament and its committees.
- Empowers the Provincial Parliament to regulate its own internal arrangements, proceedings and procedures and those of its committees;
 - Stipulates that the Standing Rules of the Provincial Parliament must provide for certain items (see “Standing Rules” below);
 - Provides for parliamentary privilege for the Members and the province’s permanent delegates to the NCOP, and the latter’s rights in the Provincial Parliament;
 - Prescribes public access and involvement; and
 - Prescribes broadly the procedures for the passage of Bills and for the publication and safekeeping of Acts.

Determining Standing Rules is an international convention that a parliament uses to control its own internal arrangements and proceedings, and this is true of the WCPP. This includes determining its own Rules of Procedure, the set of rules that provide the framework for the activities by which the WCPP performs its constitutional functions of debate, legislation and oversight.

The national Constitution makes provision for a province to pass its own constitution. Such a provincial constitution may provide for provincial legislative or executive structures different from those specified in the national Constitution. These may not be inconsistent with the national Constitution. The Western Cape Provincial Parliament adopted the Constitution of the Western Cape on 16 January 1998.

The Secretary and staff of the WCPP are appointed in terms of the Western Cape Law on the Powers and Privileges of the Provincial Legislatures Act, 1995. The core function of the administration of the WCPP is to provide support to its Members so that they can fulfil their constitutional mandate as stated above.

The administration of WCPP consists of three programmes and its main functional areas are as follows:

Programme	Main functional areas
Programme 1: Administration	<ul style="list-style-type: none"> • Perform functions in terms of relevant statutory provisions; • Render secretarial and office support services to presiding officers; • Formulate and execute policy and operational policies; • Establish norms and standards in compliance with relevant legislation and practices; • Manage corporate and procedural support services; • Provide communication and information services; legal support; financial management services; supply chain management services; internal control, human resources and Members' facility management services; administrative and information technology support services and security and facilities management services.
Programme 2: Facilities and Benefits to Members and Political Parties	<ul style="list-style-type: none"> • 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. • 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 within the precincts of WCPP; and conditional allowances to enable Members to arrange programmes within their constituencies in the interest of oversight, law-making and public participation in the WCPP.
Programme 3: Parliamentary Services	<ul style="list-style-type: none"> • Provide effective procedural and related support to the House and committees and to facilitate public participation.

The following provides an overview of the successes, challenges and other factors that affected the WCPP's performance as well as the service delivery environment within which the WCPP operated in order to implement its strategic plan and annual performance plan:

The implementation of FMPPLA had a significant impact on the operations of the WCPP during the period under review. As this was the first year of implementation, the WCPP was faced with numerous challenges related to the implementation of the Act.

The Act requires that the WCPP prepare its annual financial statements (AFS) in accordance with the standards of GRAP. During the period under review the WCPP was still using the government's financial management systems, namely; BAS and LOGIS, which are not GRAP compliant. In anticipation of the Act, all the ground work in acquiring the ERP was put in place for the phased implementation of a new ERP system for the WCPP. During the 2015/16 financial year the ERP business requirements were defined with the help of an external service provider and a tender was advertised. Due to non-compliance of the bids received, the tender could not be awarded and a new tender will be published during the 2016/17 financial year.

To ensure compliance with section 56 (1) of FMPPLA that requires that annual financial statements be prepared in accordance with the standards of GRAP, the WCPP employed the services of an external

service provider to assist with manually converting its financial statements from modified cash to accrual accounting principles. Provision was also made in the service level agreement for training and the transfer of skills to Finance; Supply Chain and Human Resources officials, which commenced during the period under review.

The Act requires that the WCPP have an Internal Audit, Audit Committee and Risk Management function. Prior to November 2015, the WCPP made use of the Enterprise Risk Management Services of the Department of the Premier. With effect from 1 October 2015 the WCPP appointed a Chief Risk Officer to render risk management services. The Speaker, as Executive Authority, and in terms of FMPPLA, gave approval during the reporting period to continue with the utilisation of the Governance and Administration Cluster Audit Committee. The WCPP also opted to continue utilising the services of the Department of the Premier with regards to its internal audit function.

As per the requirement of the Act, the WCPP established a parliamentary oversight mechanism, namely the Parliamentary Oversight Committee (POC), to oversee the performance and financial management of the WCPP.

During the period under review the WCPP was still facing challenges with regard to the availability of accommodation within the Legislature Building. As a result of this the WCPP was unable to cater for the additional accommodation needs of Members and staff. In an effort to address this challenge, and on instruction of the WCPP's Internal Arrangements Committee, an external service provider was appointed to conduct a needs assessment in order to determine the WCPP's requirements. The report was made available to DTPW in order to determine a solution for the accommodation shortage. The discussion on accommodation will continue in the new financial year.

The WCPP's Security Plan was approved on 23 February 2016. Due to this delayed approval, the WCPP was not able to commence with the implementation of the plan before the end of the reporting period. Notwithstanding the above, the WCPP, through its Joint Planning Committee, was able to track the progress made on the implementation of the Security Appreciation Report.

The WCPP launched Project GROW, the skills development programme for all employees, to run over two financial years. The programme was developed to address the skills gaps identified by the skills assessments that were conducted for all employees in 2013.

The broad objective to modernise the processes of the WCPP was dependent on an integrated finance, human resources and procurement system, which could not be realised this year, although much progress was made towards achieving this target. The human resources delegations went a long way to eliminating red tape and fast-tracking processes, delegating authority and responsibility to the relevant levels. Although the WCPP could not achieve its target of expanding the number of value added services for human resources, its Employee Wellness Programme was sustained, aiming at remedial and preventative aspects of wellness.

Members have settled in comfortably into their roles as elected political office-bearers and the first group of Members completed the four modular Certificate in Governance and Leadership courses through the University of the Witwatersrand. One Member completed the Industrial Policy course facilitated by the University of Johannesburg.

The website functionality was enhanced and Members are now able to submit claims electronically through the Members' Portal, to be processed by the Members' Affairs unit.

During the reporting period the WCPP was able to finalise and table a discussion document on the review of the Standing Rules which was approved by the Executive Authority and submitted to the political parties for their perusal. The reviewed Standing Rules will be considered by the Rules Committee during the 2016/17 financial year.

An Oversight and Accountability Policy document was submitted to the Executive Authority for perusal and approval as a policy document for the WCPP. The policy documents the minimum oversight and accountability processes and activities in operation at the WCPP. The related standard operating procedure provides guidance on the stages for the various oversight and accountability processes and activities.

Plenary Support Services provided support to plenaries in the form of administrative co-ordination of plenaries; the preparation of relevant House Papers; the preparation of routine guides, and procedural advice as requested. Procedural support outputs included: four quarterly reports; the compilation, production and circulation of 225 House papers; and the preparation of 24 procedural guides for presiding officers. All procedural support outputs were quality assured by management.

With regard to procedural advice, a total of 36 instances and/or forms of procedural advice were provided to presiding officers and Members, primarily in response to requests. These included: considered rulings prepared for the presiding officers; recorded advice on procedural matters provided to presiding officers routinely; and advice and guidance on procedural matters provided to Members routinely or in meetings of internal committees, e.g. Conduct Committee and Rules Committee.

On the communication of House resolutions, all 233 House resolutions approved in this period were conveyed to third parties within the 15-day timeframe. This was despite the difficulties often experienced with proposed resolutions that did not provide all the relevant information necessary for forward communication. In the absence of an address for third party communication, the resolution was either communicated via email or through the website when publishing Minutes of Proceedings containing such resolutions.

During the period under review the House met for 24 Sittings, which represented 88 hours and 55 minutes of debating and deliberation. The table below reflects various activities of the House and statistical information on certain of the outputs related to plenary support services:

Activity	Total
Interpellations	25
Questions for oral reply	97
Questions for written reply	215
Opportunities for questions to the Premier without notice	5
Subject for discussion	8
Executive statements	1
Draft resolution: Premier allegedly breaching the Handbook for the Provincial Cabinet (1 December)	1
Announcements, Tablings and Committee Reports (ATCs)	128

A total of seven Bills were considered in this period, with six introduced and only five actually passed into Acts.

The Committee section continued to provide administrative and research support services for all committee activities in compliance with their standard operating procedures. During this period committees had to deal with matters and items as per their programmes as well as having to respond and deal with matters referred to them in accordance with the Standing Rules. The committees dealt with the annual report process, the adjustment appropriation and the main appropriation, and completed all these major annual oversight activities successfully as planned.

The table below specifies the detail of the standing committee activities for the 2015/2016 financial year and excludes the following committees (Rules Committee, Chairpersons' Forum, Conduct Committee and Disciplinary Committee):

Activity	Total
Number of meetings held (all categories and type)	305
Number of public hearings held	66
Number of oversight visits undertaken	22
Number of international conferences attended	1
Number of local conferences attended	4
International Visits undertaken	1

The section also played a central role in co-ordinating and providing administrative support for the WCPP's participation in the NCOP-initiated activities for the period under review, including the following events: NCOP Taking Parliament to the People (TPTTP) programme (13-17 April 2015) which included a pre-visit as well as the actual TPTTP event in April; and NCOP provincial visit weeks from 21-24 July 2015 and 15-17 September 2015.

Standing Committees considered and processed seven Western Cape Bills and seven NCOP Bills. There were substantive engagements with the public and other interested stakeholders in the consideration of these Bills. Improved synergy and planning between the Public Education and Outreach and the Committee sections led to improved attendance numbers in some of the public hearings undertaken during this period. The Communication and Information section was also instrumental in achieving increased public participation through the development of media campaigns in support of these committee activities

The Research unit provided quality support to the standing committee members relating to reactive, continuous, cyclical and proactive research services. The Research unit achieved all its targets for the period under review. A total of 50 research outputs were produced during the reporting period, namely: 8 x reactive; 6 x continuous; 22 x cyclical; and 14 x proactive. An external service provider was contracted to assist with the analysis of 10 annual reports of provincial government departments and public entities. The need to outsource some of the analysis remains a challenge for the Research unit, since there is limited internal human capacity to provide all the expected research outputs to support committee work.

Through the Public Education and Outreach section, the WCPP continued to deliver on its mandate to promote public education and ensure public involvement in its activities. For the reporting period, the number of planned public education initiatives increased by 11.86%, in order to improve public participation in the legislative and other processes. A draft Public Participation Strategy was submitted to the Executive Authority for consideration.

The table below reflects various public education activities initiated and supported in the period under review:

Public Education Activity	Total
Number of legislative education workshops conducted and events supported	66
Number of Members supported with legislative education programmes (inclusive of education workshops for own constituents)	10
Number of pre public hearing workshops and events facilitated	18

Hansard services successfully ensured the recording, transcription and publication of the unrevised and final revised record of proceedings for all 24 sittings of the House. This was done within the stipulated timeframes as outlined in the SLA. A total of 10 Hansard books (volumes 4 to 13) were compiled and completed for the reporting period, and made available in all three official languages.

With regard to Language services, out of a total of 249 House papers published (inclusive of Hansard transcripts), 248 were translated into all three official languages. Interpreting services were provided for the combined 223 House sittings and confirmed committee meetings. During the period under review, the Executive Authority approved a Language Policy for the WCPP. The policy reinforces the provisions of the Western Cape Provincial Languages Act of 1998, in its recognition of the three official languages of the province, and how these should be applied in the business of the WCPP.

2.3 Organisational Environment

In February 2016, the Secretary, Ms Hamida Fakira, resigned from the service of the WCPP and Mr Royston Hindley was appointed Acting Secretary until the appointment of Dr Gilbert Lawrence as Secretary on a fixed-term contract.

While the WCPP had a slightly higher vacancy rate than in the previous year, this can be attributed to the establishment of positions to support the implementation of FMPPLA. These three positions were not filled by the end of the financial year.

Resource constraints remain a stumbling block to expand and improve services to Members and staff.

3. STRATEGIC OUTCOME-ORIENTED GOALS

The 2015/16 financial year marked the first year of the WCPP's Strategic Plan 2015/16-2019/20. The two strategic outcome-oriented goals and the progress made in the first year towards achieving the five-year targets, are as follows:

Goal 1: To provide effective procedural and related support to Members, Committees and the House to make laws, conduct oversight and facilitate public involvement

The above strategic outcome–orientated goal is linked to Programme 3: Parliamentary Services

To provide effective procedural and related support, the programme has ensured that there are service standards and operational manuals in all four of its sections. These service standards are used to inform and measure the targets within the Annual Performance Plan and the manuals are used for training new staff and as reference material to guide procedure in the case of committees.

Plenary Support has ensured that the WCPP is able to realise its constitutional mandate to deliberate and make informed and procedurally sound decisions. The communication of all House resolutions to third parties took place, either by letter or by publishing the information on the WCPP's website.

The Committee section's SOP, as amended, was implemented with effect from 1 April 2015. The improved SOP enhanced the services provided by the Committee section in terms of its overall outputs with regards to thoroughness, accuracy and timeliness.

To enhance the facilitating of public involvement, the Public Education and Outreach section developed an annual education programme for implementation in the 2016/17 financial year. The section exceeded its targets in respect of the delivery of education initiatives, the development of new education materials and the reviewing of existing material. The section completed 66 education workshops during the reporting period.

The section received two petitions during the reporting period and both were processed in terms of the Petitions Act.

Goal 2: To promote sound governance and improve strategic and corporate support

The above strategic outcome-orientated goal is linked to Programme 1: Administration and Programme 2: Facilities for Members and Political Parties

During the first year of compliance to FMPPLA, the WCPP achieved 95% compliance in respect of the Accounting Officer's responsibilities and 100% in terms of the Executive Authority's responsibility. FMPPLA identifies 19 compliance indicators and only the indicator relating to the submissions of monthly financial statements to the Executive Authority, was not fully met.

The WCPP conducted a survey during the first quarter of the 2015/16 financial year. The survey yielded a 42% response from Members and a 68% response from staff. Although the response rates were not ideal, the information received from the respondents was analysed and action plans to address the needs identified by the survey were developed. The information received will serve as a baseline from which year-on-year improvement in organisational effectiveness and efficiency will be measured.

The Legal Services unit continued to provide legal support to the administration, committees and the Office of the Speaker. During the 2014/15 financial year the Legal Services unit developed a Performance Management Framework and managed to process 185 out of 187 requests in compliance with the framework.

In the 2015/16 Annual Performance Plan the WCPP indicated that the improvement of internal and external communication would be a key priority and, in response to this, the Communication and Information section reviewed its Communication Strategy. Great successes have been achieved since the launch of the WCPP's website and there has been a significant growth from the 2014/15 baseline in the number of website sessions and social media activity.

Modernisation and integration of human resources management functions is tied into the ERP system. Due to the delay in the procurement of the ERP system, the modernisation and integration of HR as planned could not be realised. Notwithstanding this, the Human Resources section implemented 11 training sessions that focussed on addressing the needs identified by the staff skill's assessment process.

The Information and Communications Technology section established a baseline in terms of compliance to project management best practice. The implementation and practise of ICT policy has also received attention with the implementation of project management best practice, information

security, service support and service management practices being formalised, resulting in an overall improvement in the Control Objectives for Information and Related Technologies (**COBIT**) capability maturity level. The section, with the assistance of an external service provider, also ensured that all information technology infrastructure services were available 99% of the time, against a target of 95%. This ensured that Members and staff had access to information technology services to support their work.

The Security Plan was approved on 23 February 2016. As a result of this delayed approval the planned security initiatives could not be implemented. The Security and Facilities section worked closely with the South African Police Service and the Department of Transport and Public Works to minimise risk to Members and staff. This section provided support to standing committees during their oversight visits by means of pre- and post-inspections at off-site venues in order to assess possible security threats and provide advice to standing committee chairpersons before oversight visits were conducted. Security vetting of all staff and service providers appointed by the WCPP was facilitated.

4 PERFORMANCE INFORMATION BY PROGRAMME

4.1 Programme 1: Administration

4.1.1 Purpose

The purpose of this programme is the strategic management of the institution and to provide quality corporate support services to the WCPP.

4.1.2 Strategic Outcome-Oriented Goals; Sub-programmes and Strategic Objectives and Strategic Objective Performance Indicators

Strategic outcome-oriented goals		Sub-programmes	Strategic objectives	Strategic objective performance indicators
To promote sound governance and improve strategic and corporate support		Office of the Speaker	To enhance sound governance by establishing structures, processes and procedures as per legislation and relevant guidelines	Establishing mechanisms year-on-year to monitor mandated functions
	1.2	Office of the Secretary <ul style="list-style-type: none"> • Risk Management 		Maintain clean audit on governance
		<ul style="list-style-type: none"> • Office of the Secretary • Communication and Information • Library 	To improve services to stakeholders by providing strategic support and by implementing seamless and synergistic corporate and parliamentary processes and systems	Year-on-year improvement in organisational effectiveness and efficiency
	1.3	Finance		Clean audit outcome
	1.4	Supply Chain		
	1.5	Internal Control		
	1.6	Human Resources		Modernisation and Integration of Human Resources Management
	1.7	Information and Communications Technology		Upward change in the capability maturity level year-on-year based on the COBIT maturity model
	1.8	Security and Facilities		Year-on-year improvement in organisational effectiveness and efficiency

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

Strategic objective performance indicators

Strategic objective performance indicators	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement 2015/16	Comment on/reasons for deviations
Establish mechanisms year-on-year to monitor mandated functions	New performance indicator	Establishing mechanisms year-on-year to monitor mandated functions	Achieved: One mechanism established to monitor mandated functions. Standing Rules reviewed and distributed to the political parties.		
Year-on-year improvement in organisational effectiveness and efficiency	New performance indicator	Year-on-year improvement in organisational effectiveness and efficiency	Achieved: During the annual survey an average of 79% of clients/stakeholder respondents scored 3 (good) and above on support services received from the administration.	Deviation: 9% On average 80% of Members (13 responses) and 79% of staff (64 responses) scored the services they received as being "good" and above.	Respondents scored higher than planned.
Clean audit outcome	Achieved: Clean audit outcome for 2014/15	Clean audit outcome	Achieved: Clean audit outcome for 2015/16		
Modernisation and integration of human resources management	New performance indicator	Modernisation and integration of human resources management	Not achieved	Deviation: -100% There was no increase from the baseline in value adding services rendered as well as the digitising of HR processes.	The deviation was as a result of human resource constraints within the section.
Upward change in the capability maturity level year-on-year based on the COBIT maturity model	Not achieved	2 – Repeatable but intuitive	Achieved: 2- Repeatable but intuitive		

The significant achievement/s of this programme are as follows:

The implementation of FMPPLA, notwithstanding challenges, has been successful. Risk management is now performed in-house with the appointment of a Risk Officer on the establishment. Agreements were reached with the Department of the Premier to continue with the Shared Audit Committee and Internal Audit.

Records Management has improved with the full roll-out of e-filing.

In terms of the safety of Members and staff, the Security Plan has been approved.

Performance indicators, planned targets and actual achievements

4.1.3.1 Sub-programme: Office of the Speaker

The purpose of the sub-programme is:

- To formulate and execute policy in respect of the administration and management of the WCPP;
- To perform functions in terms of relevant statutory provisions; and
- To render secretarial and office support services to presiding officers.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage compliance to legislative obligations and relevant transitional arrangements in terms of FMPPLA by required due date	New performance indicator	99%	Achieved: 100% compliance to all 19 identified compliance indicators.	Deviation: 1% Compliance higher than planned.	The deviation is as a result of improved efficiency.
Number of directives approved in terms of oversight, law-making and public participation	New performance indicator	1	Achieved: One directive approved by the Speaker distributed to political parties. Reviewed Standing Rules distributed to political parties.		

Changes to planned targets

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

Sub-programme expenditure

Office of the Speaker	2015/2016			2014/2015		
	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
Total	4 928	4 536	392	4 254	4 254	-

4.1.3.2 Sub-programme: Office of the Secretary

The purpose of the sub-programme is as follows:

- To formulate operational policies and establish norms and standards in compliance with relevant legislation and practices;
- To manage corporate and procedural support services;
- To provide legal support services to the administration and committees; and
- To provide communication and information services.

Office of the Secretary					
Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Average percentage of client/stakeholder survey respondents scoring 3 and above on support services received	New performance indicator	70%	Achieved: During the annual survey an average of 79% of clients/ stakeholder respondents scored 3 (good) and above on support services received from the administration.	Deviation: 9% On average 80% of Members (13 responses) and 79% of staff (64 responses) scored the services they received as being "good" and above.	Respondents scored higher than planned.
Number of support service improvement plans implemented that address gaps in service delivery	New performance indicator	1	Not achieved: Support service improvement plan developed but not all the proposed action plans were implemented.	Deviation: -1 Two out of the 15 functional areas were not able to implement all their proposed actions plans by 31 March 2016.	Due to operational requirements the support service improvement plan was not finalised and implemented by the end of the second quarter as planned.

Office of the Secretary					
Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of targets achieved as per APP	New performance indicator Baseline: 78% of targets achieved in the 2014/15 financial year.	97%	Not achieved: 80% of targets achieved	Deviation: -17% Out of the 56 annual targets, 54 were planned to be achieved and only 45 were achieved.	Refer to individual sub-programmes for reasons for deviations.
Number of evaluation processes implemented to drive improvement in operational effectiveness and efficiency	New performance indicator	1	Achieved: Survey process (SOP) reviewed to include the development and implementation of action plans to address the needs identified by the survey.		
Number of monitoring and evaluation validations of performance information with evidence	Achieved: Four monitoring and evaluation validations of performance information with evidence, performed.	4	Achieved: Four monitoring and evaluation validations of performance information with evidence, performed.		
Percentage of requests processed complying with service level standards as per Performance Management Framework for Legal Services	Achieved: One Performance Management Framework developed and implemented by 31 December 2014.	80%	Achieved: 98.93% of requests processed complied with the service level standards as per Performance Management Framework.	Deviation: 18.93% Planned performance was 80% (150 out of 187). Actual performance was 185, thus equating to 35 more requests complying with the service level standards as per the Performance Management Framework.	The deviation is as a result of improved efficiency.

Risk Management					
Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage compliance to legislative obligations and relevant transitional arrangements in terms of FMPPLA (Accounting Officer) by required due date	New performance indicator	99%	Not achieved: 95% compliance to legislative obligations and relevant transitional arrangement in terms of FMPPLA (Accounting Officer) by required due date.	Deviation -4%: 18 out of the 19 compliance indicators were fully complied with.	The deviation relates to non-compliance to section 51(1) of FMPLA. Five monthly financial statements (In-Year Monitoring reports) were submitted to the Executive Authority later than prescribed.
Communication and Information					
Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage year-on-year increase in website statistics in respect of website sessions	New performance indicator Baseline 2014/15: 36 000 website sessions	10%	Achieved: 14% increase from the previous year's baseline in website statistics in respect of website sessions. Actual 41 163 website sessions recorded.	Deviation: 4% 1 563 more website sessions recorded than planned.	The deviation is as a result of improved efficiency.
Percentage year-on-year increase in social media presence and activities	New performance indicator Baseline 2014/15: 380 Tweets 385 Facebook updates	5%	Achieved: 87% increase from the previous year's baseline in social media activities. 722 Tweets 705 Facebook updates	Deviation: 82% 323 more Tweets and 301 more Facebook updates recorded than planned.	The deviation is as a result of unexpected interest in WCPP's activities.

Library					
Performance indicator	Actual Achievement 2014/15	Planned Target 2015/16	Actual Achievement 2015/16	Deviation from planned target to Actual Achievement for 2015/16	Comment on / reasons for deviations
Number of Library publications produced per annum	Achieved: 75 Library publications were produced.	30	Achieved: 63 Library publications were produced.	Deviation: 110% 33 more library publications were produced than planned.	The deviation is as a result of improved efficiency.

Strategy to address underperformance

Office of the Secretary:

Number of support service improvement plans implemented that address gaps in service delivery

All outstanding actions plans in respect of the 2015/16 financial year are being followed-up to ensure full implementation.

Percentage of targets achieved as per APP

During the 2016/17 financial year discussions on the achievement of targets will be scheduled at management meetings to ensure that targets are achieved and, that in the case of non-achievement, the appropriate remedial actions / strategies are implemented.

Office of the Secretary (Risk Management):

Percentage compliance to legislative obligations and relevant transitional arrangements in terms of FMPPLA (Accounting Officer) by required due date

Monitoring mechanisms have been put in place to ensure compliance to the dates as prescribed by FMPPLA.

Changes to planned targets

The Records Management function was transferred from the Security and Facilities section to the Communication and Information section from 1 October 2015. In order to report consistently on information published in the 2015/16 Annual Performance Plan, the target will still be reflected in the Security and Facilities sub-programme.

Sub-programme expenditure

Office of the Secretary	2015/2016			2014/2015		
	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
Office of the Secretary	11 530	11 168	361	10 263	9 261	1 002
Communication and Information	4 261	4 195	66	4 529	4 371	158
Library	1 486	1 482	5	1 314	1 314	-
Total	17 277	16 845	432	16 106	14 946	1 160

4.1.3.3 Sub-programme: Finance

The purpose of the sub-programme is to render financial management services.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ 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 Estimate of Provincial Revenue and Expenditure submitted by the required due date	Achieved: One finalised Estimate of Provincial Revenue and Expenditure submitted by the required due date.	1	Achieved: One finalised Estimate of Provincial Revenue and Expenditure submitted by the required due date.		
Percentage compliance to the Financial Manual	New performance indicator Baseline: 1 Financial Manual reviewed	100%	Achieved: 100% compliance to the Financial Manual		
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 identify early warning signals.	4	Achieved: Four quarterly In-Year-Monitoring (IYM) Narrative reports to track expenditure and identify early warning signals.		

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of payments processed to creditors within 30 calendar days of receipt of invoice	Not achieved: 99.26% of payments processed to creditors within 30 days of receipt of invoice.	100%	Not achieved: 97.75% of payments processed to creditors within 30 days of receipt of invoice.	Deviation: -2.25% 53 Payments out of a total of 2 355 were not processed within 30 days.	The deviation is as a result of the internal clarification process that took longer than anticipated.

Strategy to overcome areas of underperformance

Percentage of payments processed to creditors within 30 calendar days of receipt of invoice

Invoices under dispute were included in the statistics for payments processed to creditors within 30 days of receipt of invoice during the reporting period. Going forward, invoices under dispute will be logged as such until they have been resolved and thereafter the 30-day period will be measured.

Changes to planned targets

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

Sub-programme expenditure

Finance	2015/2016			2014/2015		
	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
Total	3 297	3 207	90	3 031	3 013	18

4.1.3.4 Sub-programme: Supply Chain Management

The purpose of the sub-programme is to render supply chain management services.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of assets reconciling to the Asset Register	Not achieved: 89.70% of actual assets reconciled to Asset Register	100%	Not achieved: 99.80% of assets reconciling to the asset register	Deviation: -0.20% Of the 6 556 assets (major and minor) 11 assets were not verified	The deviation is as a result of personal inventory items that were not available for verification
Percentage compliance with service delivery standards	New performance indicator	80%	Achieved: 85.5% compliance with service delivery standards	Deviation: 5.5% Three delivery standards are measured	The deviation is as a result of improved efficiency
Percentage compliance with the Supply Chain Management Manual Checklist	New performance indicator	100%	Achieved: 100% compliance with service delivery standards		

Strategy to overcome areas of underperformance

Regular spot checks to take place in order to update the asset register. Training to be planned for inventory clerks in various sections.

Changes to planned targets

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

Sub-programme expenditure

Supply Chain	2015/2016			2014/2015		
	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
Total	4 302	4 199	103	3 739	3 733	6

4.1.3.5 Sub-programme: Internal Control

The purpose of the sub-programme is to identify systematic weaknesses and recommend corrective measures to combat irregularities and to facilitate risk management services.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16
Number of progress reports against the Financial Management Improvement Plan	Achieved: Two progress reports against Financial Management Improvement Plan	2	Achieved: Two progress reports against Financial Management Improvement Plan
Number of Inspection reports issued identifying control gaps in processes	Achieved: Three inspection reports issued identifying control gaps in processes	3	Achieved: Three inspection reports issued identifying control gaps in processes
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

Changes to planned targets

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

Sub-programme expenditure

Internal Control	2015/2016			2014/2015		
	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
Total	3 711	3 605	106	4 058	4 035	23

4.1.3.6 Sub-programme: Human Resources

The purpose of the sub-programme is to render human resource and Members' facilities management services.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage increase in value adding services rendered	New performance indicator Baseline: Two value adding services currently being rendered.	50%	Not achieved	Deviation: -100% 0% increase in value adding services rendered.	Due to human resource constraints this could not be realised.
Percentage increase in digitised HR processes	New performance indicator Baseline: Three HR processes digitised	70%	Not achieved	Deviation: -100% 0% increase in digitised HR processes	Earlier in the year it was resolved that it would not be cost effective to create new systems with the ERP project underway. ERP is taking longer than envisioned.
Percentage of formal training focussed on identified skills gaps and structure	New performance indicator	70%	Not achieved: 39% of formal training focussed on identified skills gaps and structure was implemented	Deviation: 10% Out of the 28 formal training sessions scheduled, 11 sessions focussed on identified skills gaps and structure, were implemented.	The deviation was as a result of the skills project commencing later than anticipated.

Strategy to overcome areas of underperformance

Percentage increase in value adding services rendered

The review of resources after the implementation of the ERP system will enable the Human Resources section to expand on value adding services.

Percentage increase in digitised HR processes

The WCPP is currently in the process of acquiring an integrated human resources, finance and procurement system. This will include the digitisation of HR processes.

Percentage of formal training focussed on identified skills gaps and structure

A training schedule has been established to fully implement the skills development programme for the 2016/17 and 2017/18 financial years.

Changes to planned targets

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

Sub-programme expenditure

Human Resources	2015/2016			2014/2015		
	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
Total	5 155	4 979	176	5 172	4 891	281

4.1.3.7 Sub-programme: Information and Communications Technology

The purpose of the sub-programme is to render administrative and user support services and enhance and maintain information technology infrastructure.

Performance indicator	Actual achievement 014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Phased implementation of ERP	New performance indicator Baseline: Phase 1 approved PID and business case	Phase 2: Define business requirements, tender, contract vendor, proof of concept	Not achieved	Deviation: -25% 75% of the target was achieved (including: definition of the business requirements; ERP request for proposal specification and the publication of the tender; and evaluation of bids.)	Delays were experienced in the evaluation of responses. The first round of the evaluation did not yield a favourable result due to non-compliance and the affordability of the proposals. A new tender will be published in the 2016/17 financial year with refined specifications.
Phased implementation of ICT Infrastructure and Disaster Recovery	New performance indicator Baseline: Approved assessment report and business case	Implementation Phase-1 prerequisites for ERP	Not achieved	Deviation: -20% 80% of the target was achieved (including: purchase and installation of UPS batteries; network cabling assessment; purchase and installation of additional servers.	Delays experienced as a result of procurement process issues, including: non-compliance of vendors with the tender.

Performance indicator	Actual achievement 014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage compliance to project management best practices	Achieved: One project management best practice competency implemented.	Establish baseline	Achieved: Baseline established.		
Percentage availability of all ICT infrastructure services	New performance indicator Baseline: 95%	95%	Achieved: 99% of all ICT infrastructure services were available.	Deviation: 4% ICT infrastructure availability was 4% higher than planned for.	The deviation is as a result of improved efficiency.
Percentage year-on-year improvement of service support delivered against service level agreement	New performance indicator Baseline 2014/15 Service support processes and tools implemented.	Define and agree SLA. Establish baseline	Achieved: SLA completed and reviewed by the ICT Steering Committee.		

Strategy to overcome areas of underperformance

- **Phased Implementation of ERP**
- In order to ensure success in finding an affordable and appropriate solution for the WCPP, the specifications will be refined based on lessons learnt from the first round of evaluation. The tender will be published and much more time will be set aside for information sessions in order to ensure that vendors fully understand the requirements, both from a technical compliance perspective as well as from a functional compliance perspective.
- Phase 2: Tender, contract vendor, proof of concept, ERP implementation plan:
- The original launch date of 1 April 2017 for the ERP system will not be achieved due to delays in finding an appropriate solution to implement. The due date for implementation can only be determined once a software solution and implementation partner have been selected.
- **Phased implementation of ICT infrastructure and disaster recovery**
- Specifications will be further refined and elaborated on to ensure that vendors respond to what is required.
- Implementation Phase-1 pre-requisites for ERP:
- The implementation of the last part of the infrastructure, namely the procurement and implementation of network switches, will most likely to occur in the second quarter of 2016/2017.

Changes to planned targets

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

Sub-programme expenditure

Information and Communications Technology	2015/2016			2014/2015		
	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
Total	9 389	8 317	1 072	8 122	7 272	850

4.1.3.8 Sub-programme: Security and Facilities

The purpose of the sub-programme is to provide household, security and logistical services, including the facilitation of occupational health and safety.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Number of security initiatives implemented as per Security Plan	Achieved: Two security initiatives implemented as per Security Plan	2	Not achieved	Deviation: -100% No security initiatives were implemented.	The Security Plan was only approved on 23 February 2016, therefore, the security initiatives could not be implemented.
Number of reports on precinct management (physical environment)	New performance indicator	2	Achieved: Two reports on precinct management (physical environment)		
Number of Joint Planning Committee meetings in line with the National Key Point Act requirements	New performance indicator	4	Achieved: Four Joint Planning Committee meetings in line with the National Key Point Act requirements		
Number of health and safety inspections to identify risk and monitor the implementation of remedial measures	Achieved: Four health and safety inspections to identify and monitor the implementation of remedial measures	4	Achieved: Four health and safety inspections to identify risk and monitor the implementation of remedial measures		

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
*Number of compliance reports on WCPP File Plan and Records Policy	New performance indicator	12	Achieved: 12 Compliance reports on WCPP File Plan and Records Policy.		

Strategy to overcome areas of underperformance

The Security Plan will be implemented from 1 June 2016, as agreed with the Internal Arrangements Committee. Progress reports with regard to the implementation of the Security Plan will be submitted to the Joint Planning Committee.

Changes to planned targets

The Records Management function was transferred from the Security and Facilities section to the Communication and Information section from 1 October 2015. In order to report on information consistent with what was published in the 2015/16 Annual Performance Plan, the target will still be reflected in the Security and Facilities sub-programme.

Sub-programme expenditure

Security and Facilities	2015/2016			2014/2015		
	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
Total	4 793	4 767	26	4 964	4 804	160

4.2 Programme 2: Facilities for Members and Political Parties

4.2.1 Purpose

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

4.2.2 Strategic Outcome-Oriented Goals; Sub-programmes and Strategic Objectives and Strategic Objective Performance Indicators

The significant achievements of this programme are as follows:

Members completed a Certificate in Governance and Leadership course through the University of the Witwatersrand and one Member completed the Industrial Policy course facilitated by the University of Johannesburg.

The website functionality was enhanced and Members are able to submit claims on the website through the Members' Portal

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

Strategic objective performance indicators

Strategic objective performance indicators	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16
Digitising and modernising Members' Affairs services	New performance indicator	Digitising and modernising Members' Affairs services	Achieved: Functionality made available to allow Members to submit their claims electronically.

Performance indicators, planned targets and actual achievements

4.2.3.1 Sub-programme: Facilities and Benefits for Members

The purpose of the sub-programme is to manage the payment of:

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

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage implementation of scheduled training programmes per year for Members	New performance indicator	80%	Achieved: 100% implementation of scheduled training programmes per year for Members.	Deviation: 20% The section was able to implement 100% of training that was scheduled by the Programming Authority.	The deviation is as a result of improved efficiency.
Percentage of claims (submitted electronically complying with the requirements of the Members' Facility Guide) processed	New performance indicator	100%	Achieved: 100% of claims (submitted electronically complying with the requirements of the Members' Facilities Guide) processed.		

Changes to planned targets

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

Sub-programme expenditure

Facilities and Benefits for Members	2015/2016			2014/2015		
	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
Total	6 865	5 301	1 564	6 185	4 494	1 691

4.2.3.2 Sub-programme: Political Parties Support Services

The purpose of the sub-programme 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 within the precincts of the WCPP; and
- Conditional allowances to enable Members to arrange programmes within their constituencies in the interest of oversight, law-making and public participation in the WCPP.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16
Number of working days after receipt of required documents in terms of the Members' Facilities Guide to process transfer payments	Achieved: Transfer payments processed within 7 working days after receipt of required documents in terms of the Members' Facilities Guide.	7	Achieved: Transfer payments processed within 7 working days after receipt of required documents in terms of the Members' Facilities Guide.

Changes to planned targets

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

Sub-programme expenditure

Political Parties Support Services	2015/2016			2014/2015		
	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
Total	34 854	34 854	-	33 170	33 170	-

4.3 Programme 3: Parliamentary Services

4.3.1 Purpose

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

4.3.2 Strategic Outcome-Oriented Goals; Sub-programmes and Strategic Objectives and Strategic Objective Performance Indicators

Strategic Outcome-Oriented Goals	Sub-programme		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	3.1	Plenary Support	To enhance effective and timely procedural and related support	Year-on-year percentage compliance to SOPs for Plenary and Committee procedural support for all programmed sittings and committee meetings.
	3.2	Committee Support (incl. Standing Committees)		
	3.3	Public Education and Outreach		
	3.4	Hansard and Language Services		

The significant achievement of this programme are as follows:

The programme can report the following as significant achievements for the reporting period:

- Successful coordination and guidance for all programmed House sittings enabled the WCPP to deliberate issues, and conclude the consideration and passage of five Bills into Acts;
- An increase in the number of public education initiatives undertaken; the development of new and the revision of existing education material;
- Successful co-ordination of the activities of various committees in line with the parliamentary programme, including ordinary committee meetings, oversight visits, public hearings, clustered committee visits; and
- Successful co-ordination of the NCOP related programme activity: enabling the WCPP to develop and submit mandates for all Bills referred to the province; participation in the NCOP Taking Parliament to the People programme and provincial week's programmes.

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

Strategic objective performance indicators

Performance indicators	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Year-on-year percentage compliance to SOPs for Plenary and Committee procedural and related support for all programmed sittings and committee meetings	New performance indicator	95%	Achieved: 96.8%	Deviation: 2.57% 99.51 % in terms of Plenary Support; 97.5% in terms of Committee Support; and 93.39% in terms of Hansard and Language Services.	The deviation is as a result of improved efficiency
Percentage increase in planned education initiatives to improve public participation in the legislative and other processes of the legislature	Achieved: 59 education workshops implemented	10%	Achieved: 66 Education workshops implemented	Deviation: 1.86% Planned performance was 55. The baseline for 2014/15 was 59, actual achievement of 66 workshops equates to an 11.86% increase.	The deviation is as a result of improved efficiency.

Performance indicators, planned targets and actual achievements

4.3.3.1 Sub-programme: Plenary Support

The purpose of the sub-programme is to provide procedural advice and administrative support for the sittings of the House.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of procedural support services provided in terms of the Standard Operating Procedure to all plenaries programmed as per approved parliamentary programme	Achieved: 100% of procedural support services provided to all plenaries programmed as per approved parliamentary programme.	95%	Achieved: 98.54% of procedural support services provided to all plenaries programmed as per approved parliamentary programme.	Deviation: 3.54% Of the total of 274, 270 outputs in support of programmed plenaries and related activity were produced. This equates to 9.7% more outputs produced, than planned.	The deviation is as a result of improved efficiency.
Percentage of procedural advice provided to Presiding Officers and Members on request	Achieved: 100% procedural advice provided to Presiding Officers and Members on request.	100%	Achieved: 100% procedural advice provided to 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: 15 Working days taken after a Sitting to communicate House Resolutions to third parties.	15	Achieved: 15 Working days taken after a Sitting to communicate House Resolutions to third parties.		

Changes to planned targets

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

Sub-programme expenditure

Plenary Support	2015/2016			2014/2015		
	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
Total	2 559	2 557	2	2 755	2 749	6

4.3.3.2 Sub-programme: Committee Support

The purpose of this programme is to provide:

- Procedural advice and administrative support to the committees; and
- Relevant parliamentary research support to Members, committees, senior management and presiding officers.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of committee support provided, in accordance with the Standard Operating Procedure for Committees to all programmed committee meetings	Not achieved: 78.90% of committee support provided in accordance with the approved SOP for Committees, to all programmed committee meetings.	95%	Achieved: 95% of committee support provided in accordance with the approved SOP for Committees, to all programmed committee meetings as per approved programme. (Of the 411 total of reports and minutes, 390 were in compliance with the SOP.)		

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of requested research services provided to committees, senior management and Presiding Officers in accordance with the Standard Operating Procedure for Committees	Not achieved: 91.76% of requested research services provided in accordance with the SOP for Committees.	95%	Achieved: 100% of requested research services provided in accordance with the SOP for Committees.	Deviation: 5% Of the total of 50 research outputs, 8 were in respect of requested research and all 8 were provided in line with the SOP requirements.	The deviation is as a result of improved efficiency.

Changes to planned targets

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

Sub-programme expenditure

Committee Support	2015/2016			2014/2015		
	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
Total	13 204	13 154	50	11 458	11 144	314

4.3.3.3 Sub-programme: Public Education and Outreach

The purpose of the sub-programme is to facilitate public participation and public education.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Annual education programme on the law-making, oversight, public participation and petitions processes developed by 31 March 2016	Achieved: Annual education programme developed for 2015/16	Annual education programme developed	Achieved: Annual education programme developed by 31 March 2016 for 2016/17		
Education curriculum on the law-making, oversight and public participation and petitions processes developed by 30 September 2015	New performance indicator	Annual education curriculum developed	Achieved: Annual education curriculum developed by 30 September 2015		

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Number of existing education material reviewed	Achieved: Two existing material education materials reviewed	2	Achieved: Three existing materials reviewed	Deviation: 1 One additional existing material was reviewed.	The deviation is as a result of improved efficiency.
Number of new education material developed	Achieved: Three new education materials developed	2	Achieved: Three new education materials developed	Deviation: 1 One additional new education material was developed.	The deviation is as a result of improved efficiency.
Number of educational workshops rolled out as per annual programme	Achieved: 59 education workshops implemented	55	Achieved: 66 education workshops completed	Deviation: 11 Eleven additional workshops were rolled out than planned.	The deviation is as a result of improved efficiency.
Percentage of petitions processed in accordance with relevant legislation	Achieved: Two petitions received and 100% processed according to the Petitions Act.	100%	Achieved: Two petitions received and 100% processed in accordance with the relevant legislation.		

Changes to planned targets

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

Sub-programme expenditure

Public Education and Outreach	2015/2016			2014/2015		
	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
Total	3 282	3 281	1	2 822	2 650	172

4.3.3.4 Sub-programme: Hansard and Language Services

The purpose of the sub-programme is to manage the provision of verbatim reports of the proceedings of the House and to provide interpreting and translation services.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage of recommendations implemented that have been accepted arising from external vetting of interpreting services	New performance indicator Baseline: Two facilitated external vetting of interpreting services rendered to the House, committees and administration to maintain agreed standards	85%	Achieved: 88% of recommendations implemented that have been accepted arising from external vetting of interpreting services	Deviation: 3% Of the total of 8 recommendations from vetting isiXhosa interpreting services, 7 were implemented; and out of a total of 8 recommendations from vetting of Afrikaans interpreting services, 7 were implemented.	The deviation is as a result of improved efficiency.
Percentage of recommendations implemented that have been accepted arising from the external vetting of translation services	New performance indicator Baseline: Two facilitated external vetting of translation services rendered to the House, Committees and administration to maintain quality required by stakeholders.	85%	Achieved: 86% of recommendations implemented that have been accepted arising from the external vetting translations services.	Deviation: 1% Of the total of 6 recommendations from vetting IsiXhosa translation services, 5 were implemented; and out of a total of 8 recommendations from vetting of Afrikaans translation services, 7 were implemented.	The deviation is as a result of improved efficiency.
Percentage availability of official House Papers translated in all official languages	Achieved: 96% availability of official House Papers translated in all three official languages.	90%	Achieved: 99.59% Availability of official House Papers translated in all three official languages.	Deviation: 9.59% Of the total of 249 House Papers published in this period, 248 were translated into the three official languages and made available on publication of the original source document.	The deviation is as a result of improved efficiency.

Performance indicator	Actual achievement 2014/15	Planned target 2015/16	Actual achievement 2015/16	Deviation from planned target to actual achievement for 2015/16	Comment on/ reasons for deviations
Percentage availability of interpreting services for the House and Committees when required	Achieved: 100% Availability of interpreting services for the House and Committees when required	100%	Achieved: 100% Availability of interpreting services for the House and Committees when required. (Of the total of 223 meetings for the period, all were provided with interpreting services)		
Number of contact meetings held with service provider to ensure that Hansard services provided are as per service level agreement and that deviations are addressed	Not achieved: 9 out of the 12 contact meetings were held with the service provider to ensure that Hansard services provided are as per service level agreement and that deviations are addressed.	12	Achieved: 12 Contact meetings were held with the service provider to ensure that Hansard services provided are as per service level agreement and that deviations are addressed.		

Changes to planned targets

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

Sub-programme expenditure

Information Technology	2015/2016			2014/2015		
	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
Total	6 792	6 524	268	5 886	5 886	-

5. TRANSFER PAYMENTS

5.1 Transfer payments to Non-Profit Institutions

Transfer payments such as constituency and secretarial allowances are paid to political parties represented in the WCPP.

The objective of the payment of a constituency allowance is to enable parties represented in the WCPP to establish and maintain infrastructure to serve the interests of their constituents.

The objective of the payment of a secretarial allowance to political parties is to allow each party represented in the WCPP to:

- establish and maintain its own administrative infrastructure within the precincts of the WCPP;
- enable Members to obtain the required training to fulfil their constitutional obligations; and
- enable Members to attend party political meetings/conferences in the interests of the WCPP.

The funds transferred in respect of secretarial allowances are based on a formula determined using the number of Members per political party and their respective designations. Constituency allowances are based on the number of Members per political party.

The transfers are regulated in terms of section 35(1) of the Financial Management of Parliament and Provincial Legislatures Act (Act No 10 of 2009) and comprehensive policies, which guide the spending of the transfer payments.

The table below reflects the transfer payments made to political parties for the period 1 April 2015 to 31 March 2016.

Name of transferee	Purpose for which the funds were received	Compliance with s35(1) of the FMPPLA	Amount transferred R'000	Amount spent by the entity R'000	Reasons for the funds unspent by the entity
Democratic Alliance	Elected political parties to fulfil its constitutional and legislative mandate.	Yes	21 028	20 931	R97 000 approved to be rolled over to the 2016/17 financial year
African National Congress	Elected political parties to fulfil its constitutional and legislative mandate.	Yes	11 563	11 563	
African Christian Democratic Party	Elected political parties to fulfil its constitutional and legislative mandate.	Yes	1 167	1 167	
Economic Freedom Fighters	Elected political parties to fulfil its constitutional and legislative mandate.	Yes	1 096	1 096	

6. DONOR FUNDS

The WCPP did not receive any new donor funding during the 2015/16 financial year.

6.1 Previous Year Donor Funds:

During November 2011, the WCPP received an amount of R2 709 000 from the Legislative Sector Support Programme for the implementation of the South African Legislative Sector Policy and Strategic Framework. As at 31 March 2016, the WCPP had R1 781 974.85 in its donor funding bank account which includes the surplus funds, interest received and bank charges.

Subsequent to 31 March 2016, it has been agreed that the surplus funds will be disclosed as revenue in the annual financial statements until written confirmation is received that these funds need not be returned.

7. CAPITAL INVESTMENT

7.1 Capital investment, maintenance and asset management plan

The Supply Chain section, in conjunction with the Finance section and the respective line functions, interrogated expenditure in line with the respective line function budgets and the procurement plan on a monthly basis.

In collaboration with Finance, Supply Chain conducted monthly BAS/LOGIS reconciliations in order to account for all goods and services procured in the financial year.

A heritage expert was appointed to value the WCPP's assets in preparation for the GRAP accounting methodology as prescribed by FMPPLA.

An annual stock take was conducted in order to account for WCPP assets and a report in respect thereof was forwarded to the CFO.

The condition of the WCPP's assets was as follows:

- Computer hardware – approximately 85% in good condition. Hardware refresh is budgeted for and it is envisaged that the network switches will be replaced in the new financial year. The useful lifespan of certain hardware was maximised, e.g. purchasing an extended warranty for server hardware
- Furniture – approximately 90% in fair to good condition. Furniture that was broken or redundant was disposed of.
- Equipment – generally in fair condition.

WESTERN CAPE PROVINCIAL PARLIAMENT



PART C GOVERNANCE



Standing Committee on Tourism and Agriculture conducting a public hearing on the Western Cape Liquor Bill



The Standing Committee on Cultural Affairs and Sport hosting a support event for the football clubs representing the Western Cape

1. INTRODUCTION

The WCPP is committed to maintaining the highest standards of governance and considers good governance fundamental to the management of public finances and resources. The WCPP has structures in place to effectively, efficiently and economically utilise its resources, which are funded by the tax payer.

2. RISK MANAGEMENT

The Accounting Officer (AO) for the WCPP takes responsibility for implementing Enterprise Risk Management (ERM) in accordance with the National Treasury Public Sector Risk Management Framework (PSRMF) and the Directorate Enterprise Risk Management (D:ERM) in the Department of the Premier (DotP) provides a service agency support to the WCPP. The service to the WCPP from DotP commenced in July 2012 and is regulated by a memorandum of understanding (MOU). This service agency agreement was terminated on 30 September 2015 with the recruitment of a permanent Chief Risk Officer from 1 October 2015.

In compliance with the PSRMF and to further embed risk management within the institution, the WCPP adopted an ERM Policy which set out the institution's overall intention with regard to ERM. The WCPP adopted an ERM Strategy and an ERM Implementation Plan, which was approved by the AO on 24 April 2015. The ERM Strategy and Implementation Plan gave effect to the WCPP's ERM Policy which outlines the institutional philosophy toward risk management.

The WCPP assessed the risks that could have had an impact on the achievement of its objectives, both at a strategic and operational and project risk level, on a quarterly basis. These risks were prioritised based on their likelihood and impact (inherently and residually) on the objectives. Additional to the aforementioned, new/emerging risks were identified during the quarterly review processes. The inclusion of risk appetite levels and tolerance levels was introduced during the financial year as part of the revised ERM Strategy and Plan. This improved the discussions in respect of the decisions and action plans to mitigate risks that were beyond the desired tolerance levels.

The WCPP has an established Enterprise Risk Management Committee (ERMCO) to assist the AO in executing his responsibilities relating to risk management. The committee operates under terms of reference that are reviewed annually and were approved by the AO on 4 May 2015. The ERMCO met on a quarterly basis and deliberated the strategic, operational and project risks that were outside the desired tolerance levels and recommended further actions to risk owners in order to bring the risks within the desired tolerance range.

The Audit Committee provided independent oversight of the WCPP's system of risk management. The Audit Committee was furnished with quarterly ERM progress reports and institutional risk profiles and registers in order to execute their independent oversight role. The Audit Committee's evaluation of the risk management process was in relation to the progress of implementation of the WCPP's Annual ERM Implementation Strategy and Plan and the strategic risks faced by the institution, as well as their relevant risk response/treatment strategies.

Impact on institutional performance

Due to an increase in awareness of the concept of risk and uncertainty, risk management has been incorporated into all planning and strategic activities of the WCPP. The WCPP recognises

that the optimisation of risk management in our environment is crucial to enhancing institutional improvement and consistently meeting the institutional objectives within a constrained financial environment.

3. FRAUD AND CORRUPTION

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

Fraud risks are reviewed by the ERMCO on a regular basis. Fraud awareness sessions were conducted detailing the internal and external reporting processes. Two information sessions were presented by the Office of the Public Protector and the internal newsletter was used to inform and educate staff on fraud prevention.

4. MINIMISING CONFLICT OF INTEREST

The Code of Conduct for Supply Chain Management officials requires them to complete declarations of interests annually. All employees that form part of bid specification; bid evaluation and bid adjudication committees are also required to declare their interests.

No conflicts of interest were identified or reported for the period under review.

5. CODE OF CONDUCT

5.1 Members

Meetings

During the period under review the Conduct Committee met 10 times.

Disclosure of Members' Interests

The due date for the submission of disclosure forms for the second disclosure after the elections was 30 April 2015. Thirty-nine (39) of the forty-two (42) Members submitted their disclosure forms by the due date. One Member resigned before the due date.

Disclosure by new Members

Mr Bernard Joseph became the new representative for the Economic Freedom Fighters from 27 May 2015, and Mr Daylin Mitchell filled a vacancy in the Democratic Alliance on 21 September 2015. Both new Members submitted their disclosure forms within the required 60-day period.

Advice to Members on the Code of Conduct

Seven instances of advice to Members on the code were recorded for the period 21 May 2015 to 25 November 2015.

Access to the Public part of the Disclosure Forms

For the period 15 September 2015 to 25 November 2015 there were two requests for access to the public part of the disclosure forms.

New Registrar

Ms Ressida Begg left the employ of the WCPP as from 30 November 2015. The House appointed Advocate Romeo Maasdorp as the new Registrar with effect from 1 December 2015.

Complaints

The committee received three complaints of alleged breach of the code in the 2015/16 financial year. Two cases were finalised and one case is still ongoing.

5.2 Staff

The WCPP recognises its employees as valuable stakeholders in terms of social and ethical responsibilities. The WCPP also consults with staff in respect of safety issues as they are asked to comment and contribute on any risk issues.

The WCPP also has a Parliamentary Code of Conduct and Disciplinary Policy that regulates appropriate behaviour in the workplace.

5.3 Supply Chain Management

There is a Code of Conduct for Supply Chain Management Officials that requires them to complete declarations of interests annually. Any employee that forms part of bid specification; bid evaluation and bid adjudication committees is required to declare their interests as well.

6. HEALTH, SAFETY AND ENVIRONMENTAL ISSUES

The Occupational Health and Safety (OHS) Committee held one successful emergency evacuation drill during November 2015. This was to test the readiness of all occupants of the building.

The Security Plan was approved in February 2016 and the implementation thereof will commence in the new financial year.

Four Joint Planning Committee (JPC) meetings were held in line with the National Key Point (NKP) Act.

During the reporting period 11 protest actions to the legislature building took place.

The Security and Facilities section, together with the South African Police Service (SAPS), ensured the safety of the building during the protest action.

7. RULES COMMITTEE

Date of meetings	Committee Resolution	Progress made in addressing/resolving the matter
28 August 2015	The parliamentary administration be requested to, in conjunction with DTPW, undertake a comprehensive assessment of the immediate and future accommodation requirements, including security requirements, of Parliament.	An accommodation assessment report was completed in December 2015. This report was referred to DTPW for further attention.

8. PARLIAMENTARY OVERSIGHT COMMITTEE

The following SCOPA resolutions were transferred to the Parliamentary Oversight Committee, for follow-up, during the 2015/16 financial year:

Financial Year	Background/Concerns	Recommendations	Action date	Response by the WCPP	Resolved Yes/No
2013/14	<p><u>Page:</u> 117 of the Annual Report of the Department <u>Heading:</u> "Compliance with legislation" <u>Description:</u> The Committee notes that until the legislative provisions regarding the reporting framework of the provincial legislatures is finalised, the Minister of Finance has published notices 33991 and 34112 in the Government Gazette on 2 February and 11 March 2011 respectively, indicating the prescribed Standards of Generally Recognised Accounting Practices (GRAP) for the nine provincial legislatures.</p> <p>This existing financial management legislation remains valid and applicable until 31 March 2014. Although the Financial Management of Parliament Amendment Act, (Act 34 of 2014) is already in an advanced stage of approval, uncertainty still exists around the date of implementation of the new financial reporting framework to be applied in preparation for the 2014-15 and subsequent financial statements.</p>	<p>The committee agreed that: The WCPP briefs the committee on its preparedness for the implementation of GRAP for the nine provincial legislatures.</p>	<p>Briefing to be scheduled by the SCOPA</p>	<p>Briefing to the SCOPA took place during the first quarter of the 2015/16 financial year.</p>	<p>Yes</p>
		<p>The Auditor-General briefs the committee on the applicable notes which direct legislatures towards the implementation of the FMPPPLA, (Act 34 of 2014).</p>	<p>Briefing to be scheduled by SCOPA</p>	<p>Briefing to the SCOPA took place during the first quarter of 2015/16 financial year.</p>	<p>Yes</p>
2013/14	<p><u>Pages:</u> 145 of the Annual Report <u>Heading:</u> "Computer services" <u>Description:</u> The committee notes the following: That some progress had been made to rectify previous findings as evidenced by the documentation of an ICT security policy, however, it had not been approved, and it did not address key security aspects. Management had designed and implemented user account management procedures to manage users' access to applications; it had, however, not documented processes to manage users' access to the network. A disaster recovery plan had been documented; it had, however, not been updated or reviewed since 2012, which resulted in the disaster recovery plan being outdated. Key appointed ICT service providers were not monitored to ensure that service levels were in line with the agreed to and signed service level agreements.</p>	<p>The WCPP briefs the committee on its ICT governance framework and ICT controls and provides a plan of action to rectify the ICT challenges.</p>	<p>Briefing to be scheduled by SCOPA</p>	<p>Briefing to the SCOPA took place during the first quarter of 2015/16 financial year.</p>	<p>Yes</p>

Financial Year	Background/Concerns	Recommendations	Action date	Response by the WCPP	Resolved Yes/No
2012/13	<p>Page: 95 of the Annual Report</p> <p>Heading: "SCOPA resolutions"</p> <p>Description:</p> <p>The committee noted that the Speaker was yet to provide guidelines to all committees as to the treatment of classified documents. It was indicated that a draft guideline document was submitted to the Speaker three days prior to the Provincial Parliament's engagement with SCOPA on its Annual Report and that further action was to be taken in this regard.</p>	<p>2012/13 2: The draft guidelines document (on the treatment of classified documents) should be referred to the Rules Committee for further discussion and finalisation at the next meeting.</p> <p>2012/13 3: The Speaker should consult the State Security Agency to provide further guidance to the draft guideline document. (classified documents)</p>	<p>To be scheduled by SCOPA</p> <p>To be scheduled by SCOPA</p>	<p>The guidelines for the treatment of classified documents were included in the rules review and distributed to Members during March 2016. Rules review document to be tabled at Rules Committee.</p>	Yes
2011/12	<p>Page: 40 of the Annual Report.</p> <p>Heading: "Areas highlighted by Internal Audit for improvement".</p> <p>Description:</p> <p>Due to the broad explanation of the three highlighted areas, 1) Provincial Parliament does not provide exact reasons for the deficiencies for Legal Services, and 2) That Parliament does not have a policy in place for procurement and regulation of legal advice.</p> <p>The committee also shares the Audit Committee's concern relating to the key control deficiencies in the areas of plenary support, legal services and monitoring and evaluation.</p>	<p>2011/12 1.1.3: The Speaker provide guidelines to all committees on the treatment of classified documents submitted to committees.</p> <p>2011/12 1.1.4: The Speaker provides guidelines to all committees regarding in-committee processes vis-à-vis clause 28 (1)-(3) of Western Cape Constitution.</p>	<p>By April 2013</p> <p>To be scheduled by SCOPA</p>	<p>The guidelines to all committees regarding in-committee processes in relation to clause 28 (1)-(3) of Western Cape Constitution were included in the rules review and distributed to Members during March 2016. Rules review document to be tabled at Rules Committee.</p>	Yes

Financial Year	Background/Concerns	Recommendations	Action date	Response by the WCPP	Resolved Yes/No
		2011/12 1.1.2: The Speaker provides guidelines to all committees pertaining to obtaining legal opinions.	By April 2013	Guidelines to all committees relating to obtaining legal opinions have been included in the Standard Operating Procedure (SOP) for Committees.	Yes
	Page: 48 of the Annual Report. Heading: "Services rendered by the Western Cape Provincial Parliament" (Point 2.1). Description: The committee is concerned about the limited funding being allocated by Provincial Parliament for public participation relating to important events, such as the annual report period, appropriation and the adjustment appropriation processes (for advertising, public participation, etc.).	2.1.13: Provincial Parliament prioritises the customisation and implementation of the Sector Oversight Model.		The current oversight and accountability practices followed by the WCPP have been documented in a WCPP Oversight and Accountability Policy, which has been approved by the Speaker as Executive Authority.	Yes

Financial Year	Background/Concerns	Recommendations	Action date	Response by the WCPP	Resolved Yes/No
2011/12	<p>Page: 51-52 of the Annual Report.</p> <p>Heading: "SCOPA Resolutions".</p> <p>Description:</p> <p>The committee thanks the department for addressing the committee's resolutions in the previous year and for including these in the annual report for the period under review.</p>	<p>2.1.15:</p> <p>The Committee resolved to design a new report template relating to the department's actions on SCOPA resolutions and requests that the Provincial Parliament replaces the old report template with this for the 2012/2013 Annual Report onwards, once received;</p>		<p>This resolution is out of the control of the administration. SCOPA resolved to design a new report template relating to departments' actions on SCOPA resolutions. To date the committee has not provided a new template for reporting and therefore the WCPP will continue to utilise the template provided by National Treasury until it receives an amended template.</p>	Yes

Financial Year	Background/Concerns	Recommendations	Action date	Response by the WCPP	Resolved Yes/No
	Page: 85 of the Annual Report. Heading: "Movable Assets". Description: The committee is concerned that the WCPP and the Office of the Speaker does not have a policy or register to manage heritage assets in terms of their identification, promotion, protection, conservation and value.	2.1.17: Provincial Parliament ensures that heritage assets are located, valued and properly conserved; 2.1.18: Provincial Parliament publishes the heritage assets register in its 2012/2013 Annual Report; and	By 15 April 2013	A service provider was appointed to locate and evaluate the WCPP's heritage assets in March 2015.	Yes
		2.1.19: Provincial Parliament urgently drafts a policy in this regard and presents it to this committee, and informs the Rules Committee thereof.	By 15 April 2013	Still in progress: A draft policy was submitted to the Aesthetics Committee and referred back to the administration. A specialist commented on the policy. The policy is currently in the process of being redrafted, taking the FMPPA into account as well as the anticipated conversion to GRAP, by 30 June 2016.	No

9. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit report during the 2015/2016 financial year.

10. INTERNAL CONTROL UNIT

There were no prior modifications to the audit report during the 2015/2016 financial year.

11. PRIOR MODIFICATIONS TO AUDIT REPORTS

There were no prior modifications to the audit report during the 2015/2016 financial year.

12. INTERNAL CONTROL UNIT

The WCPP's Internal Control unit consists of one employee reporting to the Chief Financial Officer. This limits the unit's ability to increase coverage on its number of inspections in a financial year.

The internal control unit is responsible for identifying systemic weaknesses through the process of routine and follow up inspections and post audit inspections. Internal control inspections focus on compliance areas which are subject to the regularity audit, and are generally based on the areas inspected within the last two years and previous audit queries.

During the year, the following areas were covered:

- ICT Backup Procedures
- Recruitment and Selection
- Annual Financial Statements

Follow up inspections were conducted on inspections completed in the previous year in order to ensure management action plans were completed.

Furthermore, the unit is responsible for voucher management and audits all transactional documentation for completeness and compliance before storing for safekeeping. The safe storing now includes having vouchers available electronically.

Loss control investigations are performed by the unit before any loss is written off or recouped.

Finally, the unit performs a liaison function with DotP on the agency service of Internal Audit inclusive of the Audit Committee.

13. 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 Western Cape Provincial Parliament (WCPP). It should assist the WCPP 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 department'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 WCPP included four assurance engagements and four follow-ups. 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 WCPP, which include oversight and review of the following:

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

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	Number of meetings attended
Mr Mervyn Burton	B Compt; B Compt (Hons); CA(SA); CFP	External	N/a	01 January 2015 (2 nd term)	N/a	8
Ms Judy Gunther	CIA; AGA; Masters in Cost Accounting; BCompt; CRMA	External	N/a	01 January 2013 (2 nd term)	2 nd term expired 31 December 2015	7
Mr Louw van der Merwe	CA(SA); ACMA; CIA; CISA; CRMA	External	N/a	01 January 2014 (2 nd term)	N/a	8
Mr Kerry Larkin	BCompt; ND:FIS; CRMA; CCSA; CIA	External	N/a	01 January 2013 (2 nd term)	2 nd term expired 31 December 2015	5
Mr Zaid Manjra	BCom; Dip Acc; CA(SA); MBL	External	N/a	01 January 2016 (2 nd term)	N/a	5

Name	Qualifications	Internal or external	If internal, position in the WCPP	Date appointed	Date resigned	Number of meetings attended
Ms Merle Kinnes	BA; LLB; Admitted Attorney; Certificate in Forensic Examination	External	N/a	01 January 2016	N/a	1

14. AUDIT COMMITTEE REPORT

We are pleased to present our report for the financial year ended 31 March 2016.

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) Treasury Directives/Regulations 3.1. 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 and Treasury Directives/Regulations, 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 internal audit engagements were approved by the audit committee and completed by the internal audit during the year under review:

Assurance Engagements:

- Oversight Visits
- Performance Management
- Transfer Payments
- Plenary Support

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 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 in terms of the National Treasury Regulations.

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 of 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 WCPP.

Compliance

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

Performance Information

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

Report of the Auditor-General of South Africa

We have on a quarterly basis reviewed the WCPP'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 are monitored by the Audit Committee on a quarterly basis.

The Audit Committee concurs and accepts the AGSA's opinion regarding the Annual Financial Statements, and proposes that these Audited Annual Financial Statements be accepted and read together with their report.



MERVYN BURTON
CHAIRPERSON OF THE AUDIT COMMITTEE
WESTERN CAPE PROVINCIAL PARLIAMENT
Date: 9 August 2016

WESTERN CAPE PROVINCIAL PARLIAMENT



PART D HUMAN RESOURCE MANAGEMENT



Staff participating in a walk in the Company's Gardens as part of employee wellness activities



The tug of war team won silver medals at the 2015 Better Together Games

1. INTRODUCTION

The human resources section of the annual report provides in-depth information on the human resources-related activities of the WCPP for the year under review. Most of the information tends to be statistical, thus graphs and analyses are included to provide readers with a better sense of the impact or significance of the statistics reflected.

Human resources management has increasingly moved to a strategic, value adding service and this will reflect in this annual report.

NOTE: Please note that in all 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 2016 or 1 April 2016" will the figures reflect the position on that particular day.

2. HUMAN RESOURCES STRATEGY

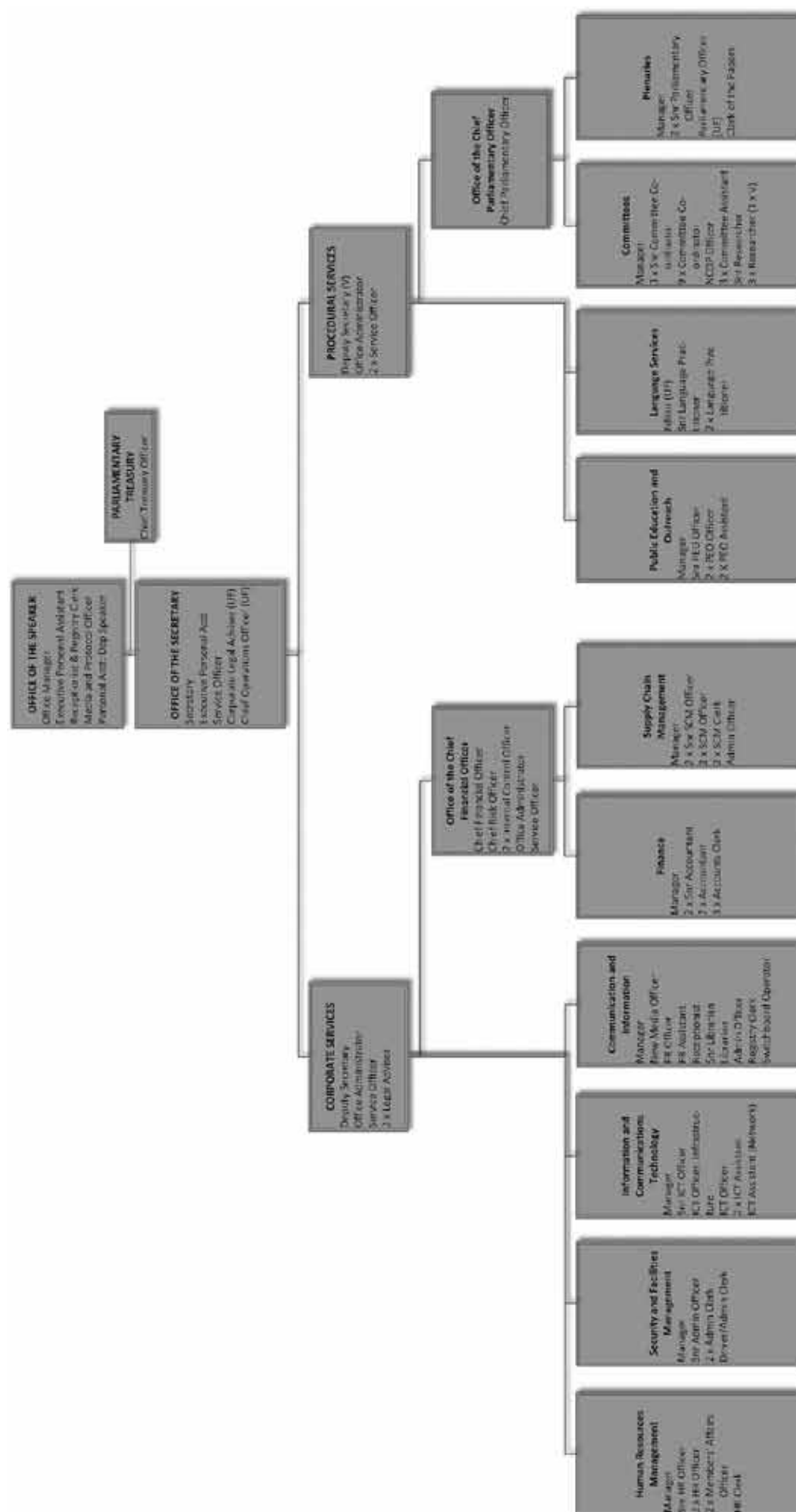
While the focus of the previous five-year HR Strategy was retention, the focus of the current HR Strategy is modernisation.

The main focus area was the acquisition of an integrated human resources, financial management and procurement system. It was envisaged that the increased integration and automation would not only add greatly to the modernisation of the transactional and reporting processes, but also allow employees to devote more time to value-adding, modern human resources processes.

The roll-out of the organisation-wide skills development programme that was designed to address concerns identified through the skills assessment exercise, commenced in the year under review. All employees participated in the training that is planned to stretch over two financial years.

The table below displays some of the human resources management and organisational landscape indicators over the past five years:

	2010/2011	2011/2012	2012/2013	2013/2014	2014/15
Personnel expenditure	R24.5 million	R27 million	R32 million	R39 million	R46 million
Vacancy rate	10%	17%	9.3%	6.6%	3.8%
Employee complement	78	78	88	99	101
Appointments	15	12	16	15	11
Terminations	6	9	4	3	5
Average sick leave per employee	8.6	7.04	5	6	8.18
Study assistance	23	19	12	12	13



4. EXPENDITURE

The WCPP determines its budget in terms of clearly defined programmes. The following tables summarises final audited expenditure by programme (Table 4.1) and by salary bands (Table 4.2). In particular, they provides an indication of the amount spent on personnel costs in terms of each of the programmes or salary bands.

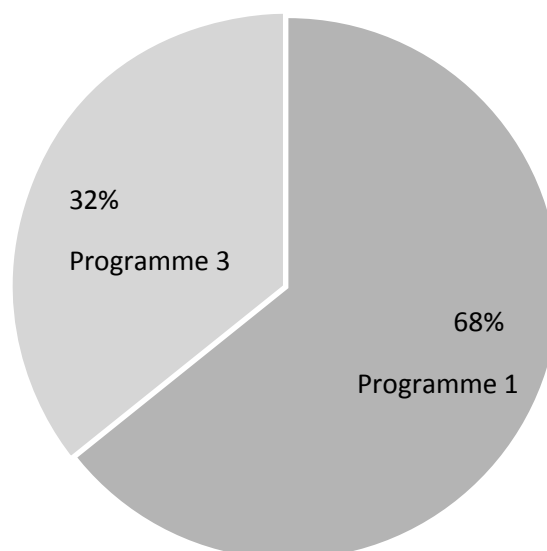
Please note that some employees were on more than one salary band/level during the financial year. They would then be reflected on more than one level, resulting in employee totals seeming not to tally.

4.1 Personnel Costs by Programme, 2015/2016:

Programme	Personnel expenditure (R'000)	Total expenditure (R'000)	Personnel cost as a % of total expenditure	Average personnel cost per employee (R'000)
Programme 1 (Administration)	33 533	50 455	66.46%	486
Programme 3 (Parliamentary Services)	15 870	25 516	62.19%	453
Total	49 403	75 971	65.03%	475

**This amount excludes statutory appropriation for Members of the WCPP and Programme 2: Facilities and Benefits for Members and Political Parties.*

Employees per Programme



Programme 3 historically has fewer employees than Programme 1 as a result of more sections making up Programme 1. These include the offices of the Speaker and Secretary. On 31 March 2016, there were 66 employees in Programme 1 and 33 in Programme 3.

4.2 Personnel Costs by Salary Bands, 2015/2016:

Salary bands	No. of employees	Personnel expenditure R'000	% of total personnel cost	Average personnel cost per employee R'000
Lower skilled (Band A1 – B1)	5	1 012	2.05%	202
Skilled (Band B2 – C3)	62	22 155	44.85%	357
Highly skilled production (Band C4-C5)	18	8 772	17.76%	487
Highly skilled supervision (Band D1 – D3)	13	11 057	22.38%	851
Senior management (Band D4 – E2)	6	6 407	12.97%	1 068
Total	104	49 403	100.00%	475

* Other payments refer to life insurance for employees that are paid monthly for the entire employee complement.

4.2.1 Personnel Costs by Population Group, 2015/2016:

Beneficiary profile	No. of employees	Personnel cost by race R'000	% of total personnel cost
African	25	10 560	21.37%
Indian	8	5 040	10.20%
Coloured	58	26 226	53.09%
White	14	7 577	15.34%
Total	104	49 403	100.00%

4.2.2 Personnel Costs by Gender, 2015/2016:

Beneficiary profile	No. of employees	Personnel cost by gender	% of total personnel cost
Male	53	26 244	53.12%
Female	51	23 159	46.88%
Total	104	49 403	100.00%

The following tables provide a summary per programme (Table 4.3) and salary bands as a percentage of total personnel cost (Table 4.4), and salary bands as a percentage of the total personnel cost for that band (Table 4.5) of expenditure incurred as a result of salaries, overtime, home owners' allowance and medical assistance. These tables exclude interns and other payments as explained above.

4.3 Salaries, Overtime, Home Owners Allowance and Medical Aid by Programme, 2015/2016:

Programme	Salaries		Overtime		Home owners 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	23 286	47.13%	204	0.41%	1 608	3.25%	388	0.79%
Programme 3	11 092	22.45%	112	0.23%	1 098	2.22%	243	0.49%
Total	34 378	69.59%	316	0.64%	2 706	5.48%	631	1.28%

4.4 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Bands, 2015/2016 (% of the total personnel cost):

Salary Bands	Salaries		Overtime		Home owners 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)	576	1.16%	13	0.02%	158	0.32%	-	-
Skilled (Band B2 – C3)	15 532	31.44%	149	0.30%	1 920	3.89%	407	0.82%
Highly skilled production (Band C4-C5)	6 375	12.90%	95	0.19%	628	1.27%	104	0.21%
Highly skilled supervision (Band D1 – D3)	7 884	15.96%	13	0.03%	-	-	65	0.13%
Senior Management (Band D4 – E2)	4 011	8.12%	46	0.09%	-	-	55	0.11%
Total	34 378	69.59%	316	0.64%	2 706	5.48%	631	1.28%

4.5 Salaries, Overtime, Home Owners Allowance and Medical Aid by Salary Bands, 2015/2016
(% of the respective salary bands):

Salary Bands	Salaries		Overtime		Home owners 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)	576	56.92%	13	1.21%	158	15.57%	-	-
Skilled (Band B2 – C3)	15 532	70.11%	149	0.67%	1 920	8.67%	407	1.84%
Highly skilled production (Band C4-C5)	6 375	72.67%	95	1.09%	628	7.16%	104	1.19%
Highly skilled supervision (Band D1 – D3)	7 884	71.30%	13	0.12%	-	-	65	0.59%
Senior management (Band D4 – E2)	4 011	62.61%	46	0.72%	-	-	55	0.85%
Total	34 378	69.59%	316	0.64%	2 706	5.48%	631	1.28%

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, viz. programme (Table 5.1), salary band (Table 5.2) and critical occupations.

There has been a steady decline in the vacancy rate since 2007/2008. The slightly higher vacancy rate in 2015/16 can be attributed to the establishment of three new positions for the implementation of FMPPLA that have not yet been filled.

5.1 Employment and Vacancies by Programme, 31 March 2016:

Programme	Number of posts	Number of funded posts	Number of filled posts	Vacancy rate	Vacancy rate for funded posts
Programme 1	72	70	66	8.3%	5.7%
Programme 3	36	34	33	8.3%	2.9%
Total	108	104	99	8.3%	4.8%

5.2 Employment and Vacancies by Salary Bands, 31 March 2016:

The information in each case reflects the situation as at 31 March 2016. 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	Vacancy rate	Vacancy rate for funded posts
Lower skilled (Band A1 – B1)	5	5	5	-	-
Skilled (Band B2 – C3)	63	62	60	4.8%	3.2%
Highly skilled production (Band C4-C5)	19	19	17	10.5%	10.5%
Highly skilled supervision (Band D1 – D3)	16	13	13	18.8%	-
Senior management (Band D4 – E2)	5	5	4	20%	20%
Total	108	104	99	8.3%	4.8%

5.3 Employment and Vacancies by Critical Occupation, 31 March 2016:

No critical occupations were identified at the beginning of the 2015/2016 financial year.

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 relates to members of the senior management service by salary level. It also provides information on advertising and filling of senior management service posts. The stipulations of the Public Service regulations do not apply to the WCPP and, therefore, are not reported on.

Senior Management Service post information as on 31 March 2016

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%	-	-
E1	2	1	50%	1	50%
D4	2	2	100%	-	-
Total	5	4	80%	1	20%

Advertising and filling of Senior Management Service posts for the period 1 April 2015 to 31 March 2016

Secretary position filled. No advertisements.

7. JOB EVALUATION

Seven positions were evaluated in the 2015/2016 financial year. Three of these positions were new, and therefore did not result in an upgrade of salary levels. Two were graded at their existing level.

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

Occupation	Number of employees	Original Level	Job Evaluation Level
ICT Assistant	2	B4	C1

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
PEO Assistant	1	B2	B4	Career choice
Administrative Clerk	2	B3	B5	Historic grade creep
Public Relations Assistant	1	B4	B5	Historic grade creep
Percentage of total employed				3.8%

These employees are all red-circled and specific principles apply to their 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	-	2	1	4
Male	-	-	-	-	-
Total	-	-	-	-	4
Employees with a disability	-	-	-	-	-

Total number of employees whose remuneration exceeded the grade determined by job evaluation in 2015/2016	4
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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 2015 to 31 March 2016:

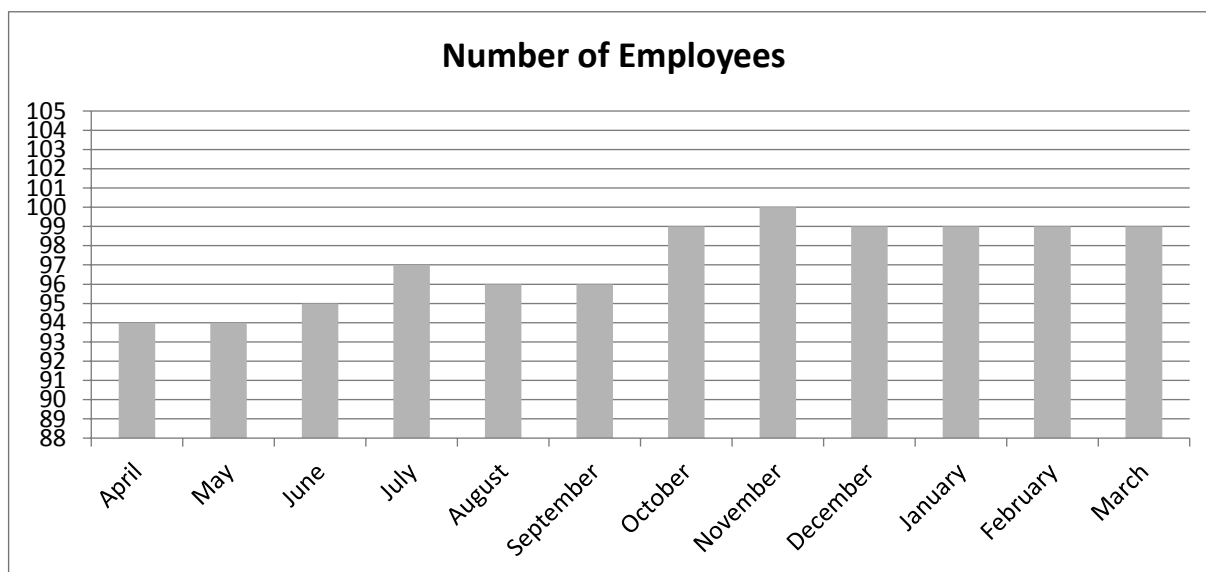
Salary Band	Number of employees per band as on 1 April 2015	Appointments and transfers to the WCPP		Terminations and transfers out of the WCPP	Turnover rate
		Internal	External		
Lower skilled (Band A1 – B1)	5	-	-	-	-
Skilled (Band B2 – C3)	56	2	6	3	16%
Highly skilled production (Band C4-C5)	15	-	3	-	20%
Highly skilled supervision (Band D1 – D3)	13	-	-	-	-
Senior management (Band D4 – E2)	5		1	2	60%
Total number of Employees	94	2	10	5	16.8%
Interns	1	-	-	1	100%

The WCPP was able to turn the tables drastically with regard to appointments and resignations over the last five years.

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Appointments	15	12	19	15	5	12
Resignations	6	9	5	3	3	5
Ratio	5:2	4:3	3,8:1	5:1	1,7:1	2,4:1

The highest ratio of appointments to resignations was reported in 2013/2014 when it was double what it had been five years before. The higher ratio, however, indicates that, year-on-year, there are fewer positions to fill, thus resulting in the ratio being lower. This table does, however, show that the WCPP was very successful in addressing the concern raised in respect of the high vacancy rate.

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Vacancy Rate	10%	16%	8%	6.6%	3.8%	4.8%



The staff complement of the WCPP increased by five during the 2015/2016 financial year.

8.2 Annual turnover rates by critical occupation for the period 1 April 2015 to 31 March 2016:

None

8.3 Reasons why staff are leaving the WCPP:

Termination Type	Number	% of total
Death	-	-
Resignation	5	100%
Expiry of contract	-	-
Dismissal – operational reasons	-	-
Dismissal – inefficiency	-	-
Discharged due to ill-health	-	-
Retirement	-	-
Other	-	-
Transfers to other Public Service departments	-	-
Total	5	100%
Total number of employees who left as a % of the total employment		5%
Interns	1	

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Vacancy Rate	10%	16%	8%	6.6%	3.8%	4.8%

8.4 Promotions by critical occupation:

The WCPP's Recruitment and Selection Policy did not make provision for promotion during the financial year under review. At this stage no critical occupations have been identified.

8.5 Promotions by salary bands:

The WCPP's Recruitment and Selection Policy did not make provision for promotion during the financial year under review.

9. EMPLOYMENT EQUITY:

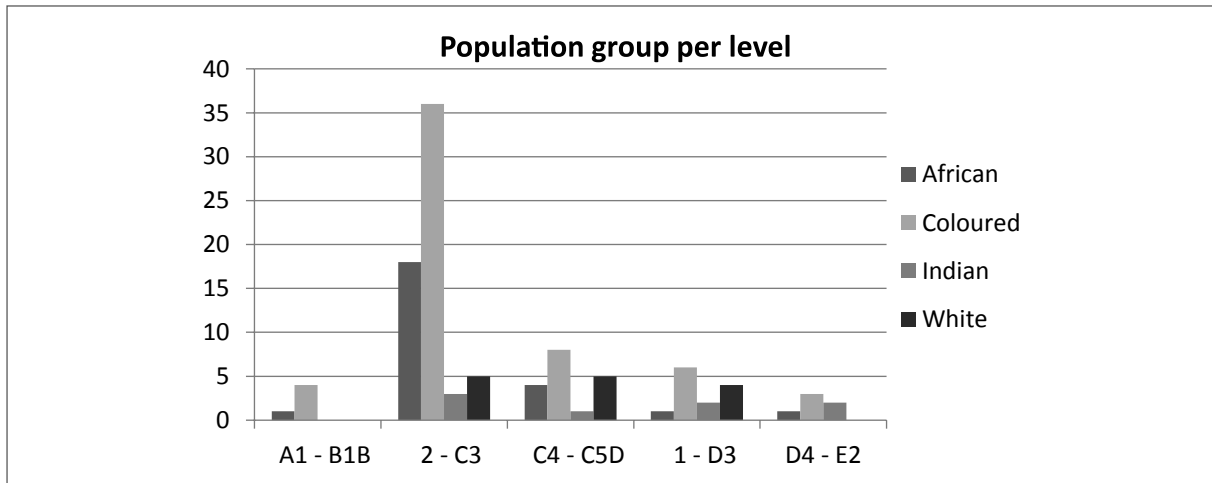
NOTE: For the purposes of this report, professionals are defined as occupations that require registration with a professional body in order to be employed at the WCPP.

9.1 Total number of employees (including employees with disabilities) in each of the following occupational bands from 1 April 2015 to 31 March 2016:

Occupational Levels	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management (Bands D4 – E2)	1	1	-	-	-	1	1	-	4
Senior management (Band D1 – 3)	1	5	2	2	-	1	-	1	12
Professionally qualified and experienced specialists and mid-management (Band C 4- 5)	2	5	1	2	2	3	-	3	18
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents (Bands B2 – C3)	6	11	3	1	10	22	-	4	57
Semi-skilled and discretionary decision making (Band A1 - B1)	-	4	-	-	1	-	-	-	5
Total	10	26	6	5	13	27	1	8	96
Contract employees (non-permanent employees)	2	3	-	1	-	1	1	-	8
Grand Total	12	29	6	6	13	28	2	8	104
People with disabilities incl in the statistics above									

Semi-skilled and discretionary decision making (Band A & B)	1	-	-	-	-	-	-	-	1
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The graph below indicates the number of employees, including non-permanent employees, but excluding interns, per salary band at the WCPP for the period 1 April 2015 to 31 March 2016.



9.2 Recruitment for the period 1 April 2015 to 31 March 2016:

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Senior management (Band D4 – E2)	-	1	-	-	-	-	-	-	1
Highly skilled supervision (Band D1 – D3)	-	-	-	-	-	-	-	-	-
Highly skilled production (Band C4-C5)	-	1	-	-	-	-	-	1	2
Skilled (Band B2 – C3)	3	3	1	1	-	1	-	-	9
Lower skilled (Band A1 – B1)	-	-	-	-	-	-	-	-	-
Total	3	5	1	1	-	1	-	1	12
Employees with disabilities	-	-	-	-	-	-	-	-	-

9.3 Promotions for the period 1 April 2015 to 31 March 2016:

See 8.5 above.

9.4 Terminations for the period 1 April 2015 to 31 March 2016:

Occupational Bands	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Top management	-	-	-	-	-	-	1	-	1
Senior management	-	-	-	-	-	-	1	-	1
Professionally qualified and experienced specialists and mid-management	-	-	-	-	-	-	-	-	-
Skilled technical and academically qualified workers, junior management, supervisors, foreman and superintendents	-	1	1	-	1	-	-	-	3
Semi-skilled and discretionary decision making	-	-	-	-	-	-	-	-	-
Total	-	1	1	-	1	-	2	-	5
Employees with disabilities	-	-	-	-	-	-	-	-	-

9.5 Disciplinary action for the period 1 April 2015 to 31 March 2016:

Disciplinary action	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
	-	2	-	-	1	-	-	-	3

9.6 Skills development for the period 1 April 2015 to 31 March 2016:

9.6.1 Training courses presented:

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Legislators, senior officials and managers (1)	3	12	5	2	-	3	1	1	27
Professionals (2)	-	-	-	-	-	-	-	-	-
Technicians and associate professionals (3)	11	25	3	6	12	29	-	8	94
Clerks (4)	4	11	1	-	15	9	-	1	41

Occupational Categories	Male				Female				Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	
Service workers (5)	-	6	-	-	1	-	-	-	7
Total	18	54	9	8	28	41	1	10	169
Interns	-	-	-	-	-	-	-	-	-
Employees with disabilities	1	-	-	-	-	-	-	-	1

Note:

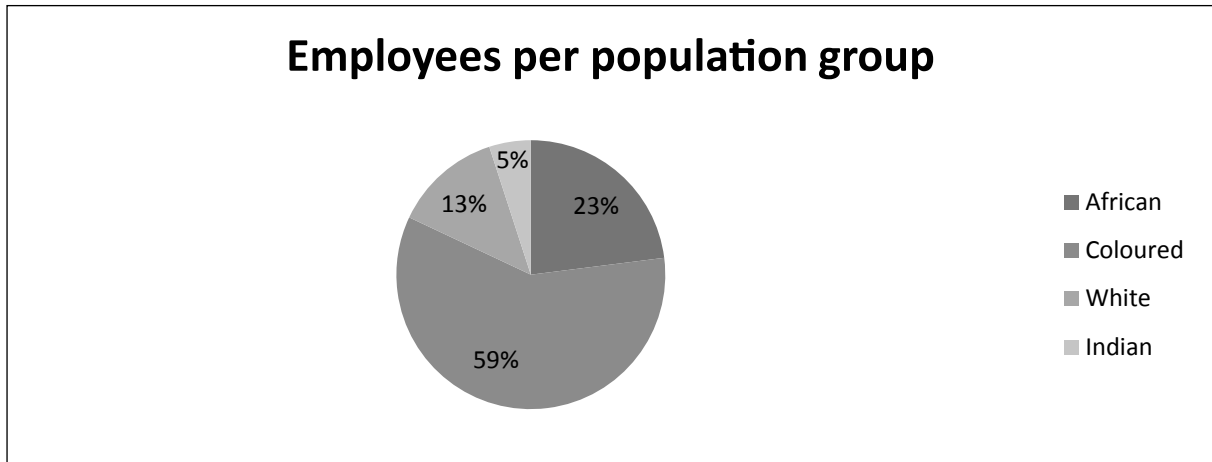
Please note that this indicates incidents of training and not individuals who attended training. Internal training programmes are included.

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 (1)	-	-	-	-	-	1	-	-	1
Professionals (2)	-	-	-	-	-	-	-	-	-
Technicians and associate professionals (3)	1	-	-	-	2	4	-	-	7
Clerks (4)	-	-	-	-	1	3	-	-	4
Service workers (5)	-	-	-	-	-	-	-	-	-
Total	1	-	-	-	3	8	-	-	12
Employees with disabilities	-	-	-	-	-	-	-	-	-

	2010/11	2011/12	2012/13	2013/14	2014/15	2015/2016
Skills development	106	329	136	247	186	169
Study assistance	9	19	12	12	13	12
Internships	7	5	5	1	2	1

9.7 Population group distribution as at 31 March 2016:



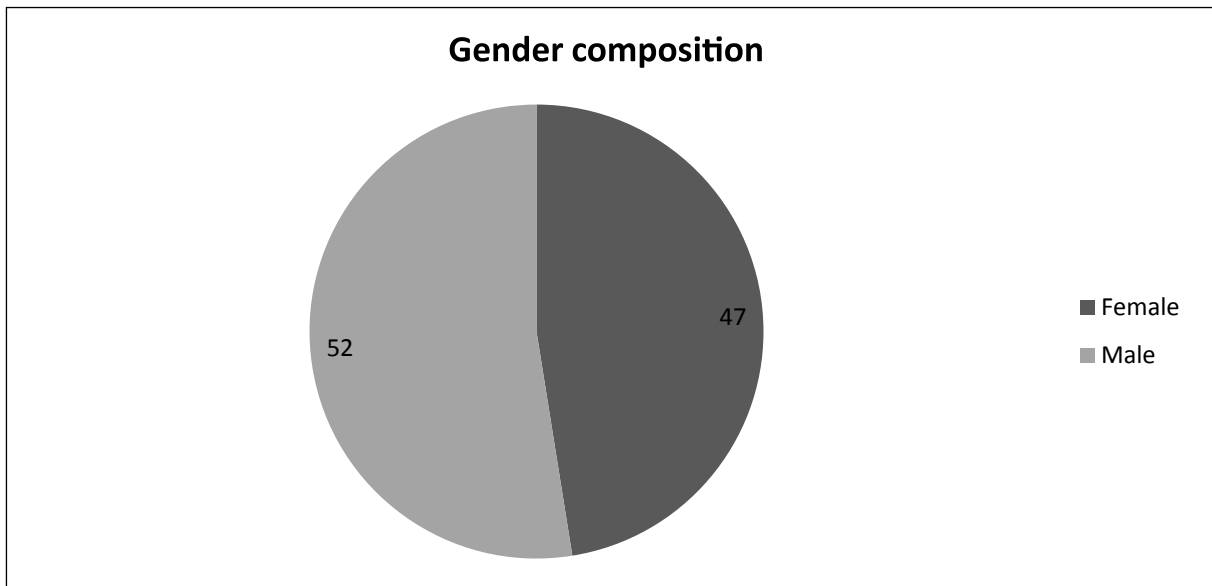
Of the 99 employees in the employ of the WCPP at 31 March 2016, 23 were from the African population group, 58 from the coloured population group, 13 from the white population group and 5 from the Indian population group.

	WCPP	Western Cape*	RSA
African	23%	32.8%	79.2%
Coloured	59%	48.8%	8.9%
White	13%	15.7%	8.9%
Indian	5%	1%	2.5%

*Stats SA 2011

	2010/2011	2011/2012	2012/2013	2013/2014	2014/2015	2015/2016
Coloured	52%	56%	58%	55.6%	56%	59%
African	32%	31%	28.4%	26.3%	24%	23%
White	13%	12%	12.5%	13.1%	13%	13%
Indian	3%	1%	1.1%	5%	7%	5%

9.8 Gender composition:



On 31 March 2016, 47 of the employees in the employ of the WCPP were female and 52 were male.

	WCPP	Western Cape	RSA
Female	47.5%	50.9%	51.5%
Male	52.5%	49.1%	48.5%

During the financial year under review, the WCPP appointed eight men and two women from outside WCPP. Three women resigned from the services of the WCPP, while one's contract expired. During the same period one man resigned.

9.9 Age profile:



The average age of employees of the WCPP was 43 on 31 March 2016 as opposed to 42 on 31 March 2015. This increase, identical to the previous year, shows a natural ageing of the staff complement with little effect from labour turnover.

10. PERFORMANCE REWARDS:

To encourage good performance, the WCPP granted the following performance rewards during the year under review. The information is presented in terms of population group, gender, and disability and salary bands.

10.1 Performance Increases by population group, gender and disability, 1 April 2015 to 31 March 2016 in respect of 2014/2015 financial year:

Salary Bands	Number of posts (31 Mar 2016)	Number of beneficiaries	Africans		Coloured		White		Indian		Cost	
			Male	Female	Male	Female	Male	Female	Male	Female	Cost (R'000)	Average cost per employee (R'000)
Lower skilled (Band A1-B1)	5	1	-	-	1	-	-	-	-	-	5	5
Skilled (Band B2-C3)	63	19	2	2	8	7	-	-	-	-	209	11
Highly skilled production (Band C4-C5)	19	10	2	-	1	3	2	1	1	-	162	16
Highly skilled supervision (Band D1-D3)	16	-	-	-	-	-	-	-	-	-	-	-
Senior management (Band D4-E2)	5	-	-	-	-	-	-	-	-	-	-	-
Total	108	30	4	2	10	10	2	1	1	-	376	12

10.2 Performance Bonuses, 1 April 2015 to 31 March 2016 in respect of 2014/2015 financial year:

Salary Bands	Number of posts (31 Mar 2016)	Number of beneficiaries	Africans		Coloured		White		Indian		Cost	
			Male	Female	Male	Female	Male	Female	Male	Female	Cost (R'000)	Average cost per employee (R'000)
Lower skilled (Band A1 – B1)	5	3	-	1	2	-	-	-	-	-	30	10
Skilled (Band B2 – C3)	63	6	-	-	-	5	-	1	-	-	94	15
Highly skilled production (Band C4-5)	19	1	-	-	1	-	-	-	-	-	24	24
Highly skilled supervision (Band D1 – D3)	16	8	1	-	1	1	2	1	2	-	166	20
Senior management (Band D4 – E2)	5	4	1	-	1	1	-	-	-	1	127	32
Total	108	22	2	1	5	7	2	2	2	1	441	20

NOTE: Performance Bonuses were paid to employees who were red circled in terms of the remuneration structure and remuneration study implementation, employees who had resigned subsequent to the financial year under review and one (1) employee who was in a performance category so exceptional that the reward consisted of both an increase and a bonus.

10.3 Performance by Critical Occupations, 1 April 2015 to 31 March 2016:

No critical occupations identified for the period 1 April 2015 to 31 March 2016.

11. FOREIGN WORKERS

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

11.1 Foreign Workers, 1 April 2015 to 31 March 2016, by salary band:

No foreign workers were appointed.

11.2 Foreign Workers, 1 April 2015 to 31 March 2016, by major occupation:

No foreign workers were appointed.

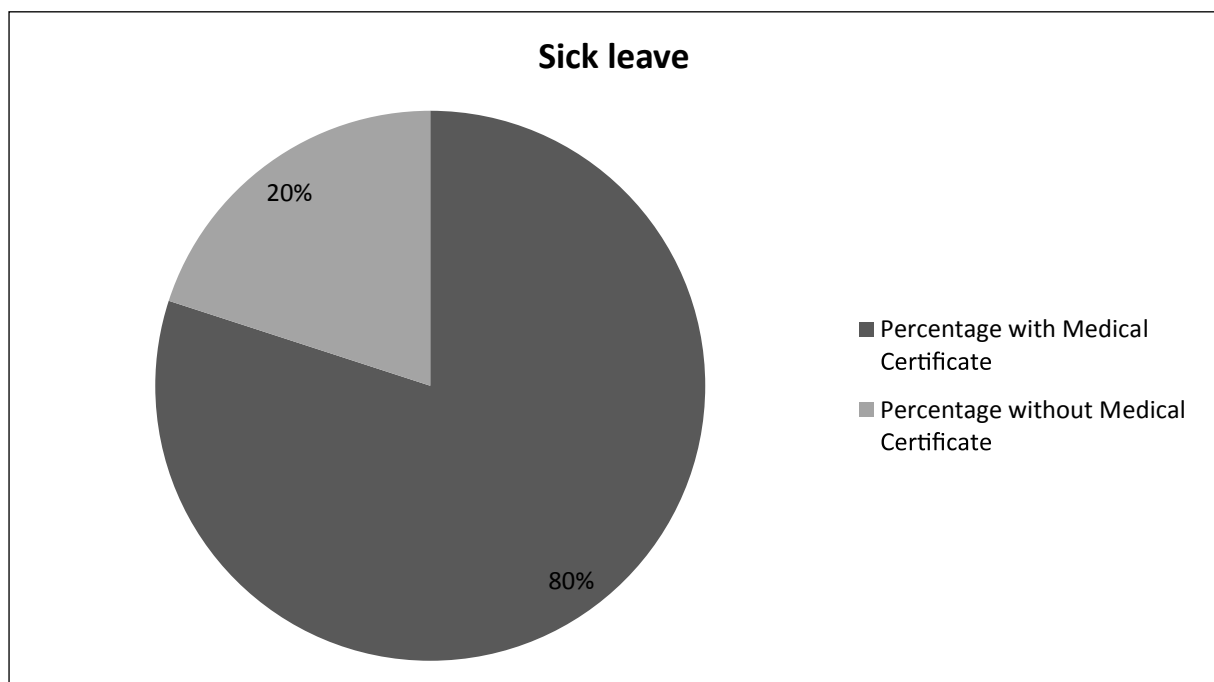
12. LEAVE UTILISATION

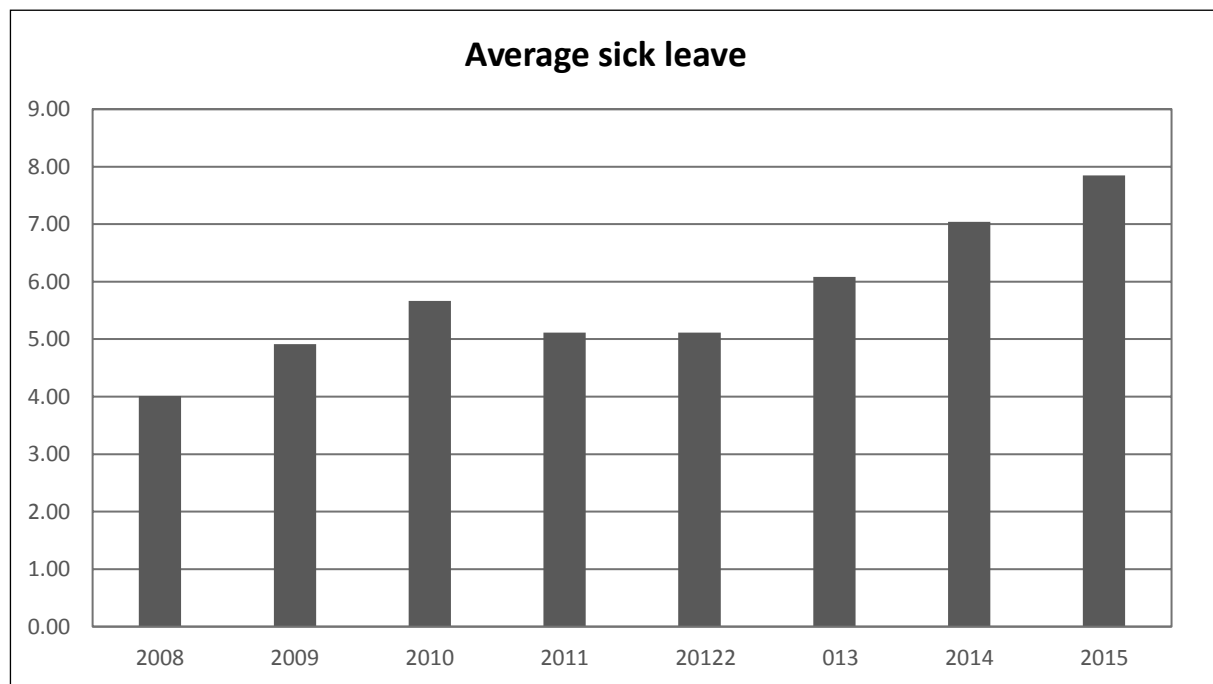
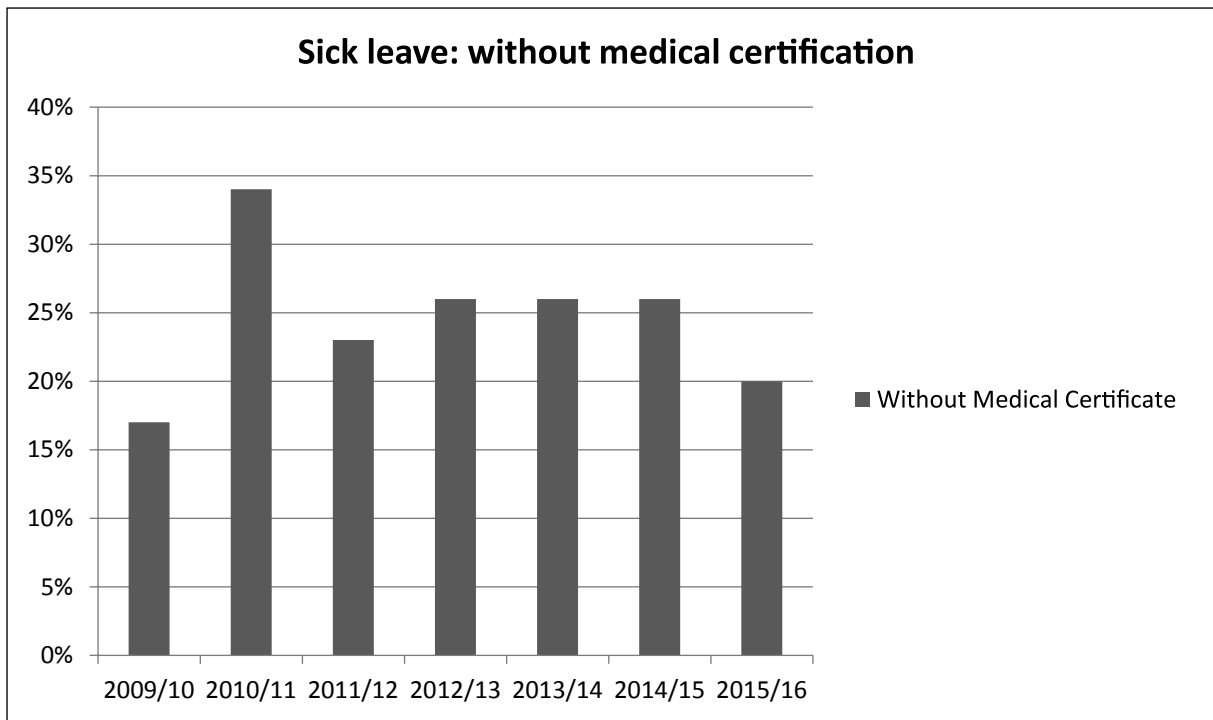
The following tables indicate the use of sick leave, with an estimated cost. The use of annual leave and annual leave payouts is also provided.

12.1 Sick Leave, 1 January 2015 to 31 December 2015:

Salary Band	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)	38	58%	5	100%	7.6	27
Skilled (Band B2 – C3)	483	80%	55	89%	8.8	714
Highly skilled production (Band C4-C5)	141	75%	15	83%	9.4	299
Highly skilled supervision (Band D1 – D3)	125	90%	9	69%	13.9	395
Senior management (Band D4 – E2)	27	85%	5	83%	5.4	129
Intern	2	-	1	-	2	0.3
Total	816	80%	90	86.5%	9	

*To calculate the average, only the employees who used sick leave were considered.





12.2 Disability leave (temporary and permanent), 1 April 2015 to 31 March 2016:

None.

12.3 Annual Leave, 1 January 2015 to 31 December 2015:

Salary Bands	Total days taken	Average per employee
Lower skilled (Band A1 – B1)	140	28
Skilled (Band B2 – C3)	1239	19
Highly skilled production (Band C4-5)	354	24
Highly skilled supervision (Band D1 – D3)	266	20
Senior management (Band D4 – E2)	106	21
Intern	12	12
Total	2117	21

12.4 Leave payouts for the period 1 April 2015 to 31 March 2016:

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	92	10
Highly skilled production (Band C4-C5)	1	4	4
Highly skilled supervision (Band D1 – D3)	1	40	40
Senior management (Band D4 – E2)	2	128	64
Total	13	214	16
Interns	1	0.7	0.7

**This amount excludes the time-off credits paid out to employees upon resignation.*

12.5 Capped leave 1 April 2015 – 31 March 2016:

Salary band	Total days of capped leave taken	Number of employees using capped leave	Average number of days taken per employee	Average capped leave per employee as at 31 March 2016
Lower skilled (Band A1 – B1)	-	-	-	-
Skilled levels (Band B2 – C3)	6	1	6	15
Highly skilled production (Band C4-C5)	-	-	-	8
Highly skilled supervision (Band D1 – D3)	-	-	-	15
Senior management (Band D4 – E2)	-	-	-	135
Total	6	1	6	320

13. HIV/AIDS & 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/AIDS (2015/2016):

Employee wellness activities for the 2015/2016 financial year included these main events:

- Completing the SLA and appointing a service provider for 12 months.
- Presenting a health day.
- Arranging appointments for employees with an attorney to compile a last testament and will.
- Presenting workshops to raise awareness of employees regarding professional counselling.

14. LABOUR RELATIONS

14.1 Collective agreements, 1 April 2015 to 31 March 2016:

Subject Matter	Date
2015/2016 Salary Agreement	17 August 2015

14.2 Misconduct and disciplinary hearings finalised, 1 April 2015 to 31 March 2016:

Outcomes of disciplinary hearings	Number	% of total
Corrective counselling	-	-
Verbal warning	2	66.67%
Written warning	1	33.33%
Final written warning	-	-
Suspended without pay	-	-
Fine	-	-
Demotion	-	-
Dismissal	-	-
Not guilty	-	-
Case withdrawn	-	-
Total	3	100%

14.3 Types of misconduct addressed, 1 April 2015 to 31 March 2016:

Type of misconduct	Number	% of total
Dereliction of Duty	2	66.67%
Negligently failing to adhere to WCPP procedures	-	-
Absenteeism	-	-
Fraudulently altering official documents	-	-
Insubordination	1	33.33%
Misuse of WCPP property	-	-
Total	3	100%

14.4 Grievances lodged for the period 1 April 2015 to 31 March 2016:

Two grievances were lodged during the year under review.

14.5 Disputes lodged with Councils for the period 1 April 2015 to 31 March 2016:

Disputes	Number	% of Total
Number of disputes upheld	-	-
Number of disputes dismissed	1	100%
Total number of disputes lodged	1	100%

14.6 Strike actions for the period 1 April 2015 to 31 March 2016:

No strikes occurred during the period under review.

14.7 Precautionary suspensions for the period 1 April 2015 to 31 March 2016:

None.

15. SKILLS DEVELOPMENT

15.1 Training needs identified 1 April 2015 to 31 March 2016:

Occupational categories	Gender	Training needs identified	Total training needs identified
Legislators, senior officials and managers	Female	5	27
	Male	22	
Technicians and associate professionals (3)	Female	49	94
	Male	45	
Administrative workers and clerks	Female	25	41
	Male	16	
Service workers (5)	Female	1	7
	Male	6	
Sub Total	Female	80	
	Male	89	
Total		169	169

* Internal on the job training was provided to interns.

15.2 Training provided 1 April 2015 to 31 March 2016:

Occupational categories	Gender	Number of employees as at 31 March 2016	Skills programmes & other short course	Total
Legislators, senior officials and managers (1)	Female	3	5	27
	Male	13	22	
Professionals (2)	Female	-	-	-
	Male	-	-	
Technicians and associate professionals (3)	Female	26	49	94
	Male	24	45	
Clerks (4)	Female	17	25	41
	Male	11	16	
Service workers (5)	Female	1	1	7
	Male	4	6	
Sub Total	Female	47	80	169
	Male	52	89	
Total		99	169	
Interns	Female	1	-	-
	Male	-	-	-

16. INJURY ON DUTY

16.1 Injury on duty, 1 April 2015 to 31 March 2016:

Nature of injury on duty	Number	% of total
Required basic medical attention only	2	100%
Temporary total disablement	-	-
Permanent disablement	-	-
Fatal	-	-
Total	2	100%

17. UTILISATION OF CONSULTANTS

17.1 Report on consultant appointments using appropriated funds:

Project title	Total number of consultants that worked on the project	Duration: work days	Contract value in rand (R'000)
Employee Wellness	Varies	Ongoing	111
Assessment Centres	2		45
Job Evaluation	2		15
Total Number of projects	3		171

17.2 Analysis of consultant appointments using appropriated funds, in terms of Historically Disadvantaged Individuals (HDIs):

No consultant was appointed in terms of HDIs.

17.3 Report on consultant appointments using donor funds:

None.

17.4 Analysis of consultant appointments using donor funds, in terms of Historically Disadvantaged Individuals (HDIs):

None.

WESTERN CAPE PROVINCIAL PARLIAMENT



PART E FINANCIAL INFORMATION



The Ambassador of Switzerland, Helene BudligerArtiega, accompanied by the Swiss Consul General, Bernadette Hunkeler Brown, with Speaker Sharna Fernandez and Deputy Speaker Piet Pretorius during a courtesy visit



Participants attending a Public Education and Outreach workshop

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

Report on the financial statements

Introduction

1. I have audited the financial statements of the Western Cape Provincial Parliament set out on pages 101 to 180, which comprise the statement of financial position as at 31 March 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and the statement of comparison of budget information with actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

Accounting officer's responsibility for the financial statements

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with the South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No.10 of 2009) (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.

Auditor-general's responsibility

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with the International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Western Cape Provincial Parliament at 31 March 2016 and its financial

performance and cash flows for the year then ended, in accordance with the SA Standards of GRAP and the requirements of the FMPPLA.

Emphasis of matters

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Financial reporting framework

8. As disclosed in notes 2.1 and 41 to the financial statements a change in the accounting framework occurred from the modified cash standard to the SA standards of GRAP.

Restatement of corresponding figures

9. As disclosed in note 40 to the financial statements, the corresponding figures for 31 March 2015 have been restated as a result of errors discovered during the 2015-16 financial year, in the financial statements of the Western Cape Provincial Parliament at, and for the year ended, 31 March 2015.

Report on other legal and regulatory requirements

10. 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 findings on the reported performance information against predetermined objectives of selected programmes presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

Predetermined objectives

11. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected programmes presented in the annual performance report of the legislature for the year ended 31 March 2016:
- Programme 2: Facilities for members and political parties on pages 41 to 43
 - Programme 3: Parliamentary services on pages 44 to 51
12. I evaluated the usefulness of the reported performance information against the National Treasury's Framework for managing programme performance information. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant.
13. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
14. I did not raise any material findings on the usefulness and reliability of the reported performance information for the following programmes:

- Programme 2: Facilities for members and political parties
- Programme 3: Parliamentary services

Additional matter

15. Although I raised no material findings on the usefulness and reliability of the reported performance information for the selected programmes, I draw attention to the following matter:

Achievement of planned targets

16. Refer to the annual performance report on pages 41 to 51 for information on the achievement of planned targets for the year.

Compliance with legislation

17. I performed procedures to obtain evidence that the parliament had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

Internal control

18. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

Other reports

19. I draw attention to the following engagement that could potentially impact on parliament's financial, performance and compliance related matters. My opinion is not modified in respect of this engagement that is in progress.

Investigations

20. The Western Cape Provincial Parliament is performing an investigation into an allegation of the possible misappropriation of funds through fraudulent claims as at 31 March 2016. The date of the outcome of the investigation is not yet known.

Auditor-General

29 July 2016



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

Country of incorporation and domicile	South Africa
Legal form of entity	Provincial Parliament
Nature of business and principal activities	The main services offered by the Western Cape Provincial Parliament are as follows:

- 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	Fernandez, SG
Deputy Speaker	Pretorius, PJC
Secretary	Lawrence, GA
Deputy Secretary: Corporate Services	Hindley, RG
Deputy Secretary: Procedural Services	Vacant (Nage, TA - Acting)
Chief Financial Officer	Petersen, NL
Chief Parliamentary Officer	Nage, TA
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

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

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The accounting officer is required by the Financial Management of Parliament and Provincial Legislators Act, 2009 (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 external auditors are engaged to express an independent opinion on the annual financial statements and was given unrestricted access to all financial records and related data.

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 place considerable importance on maintaining a strong control environment. To enable the accounting officer to meet these responsibilities, the accounting authority 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 2017 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 National Treasury for continued funding of operations. The annual financial statements are prepared on the basis that the legislature is a going concern and that National Treasury has neither the intention nor the need to liquidate or curtail materially the scale of the legislature.

The annual financial statements set out on pages 4 to 68, which have been prepared on the going concern basis, were approved by the accounting authority on 31 May 2016 and were signed on its behalf by:



GILBERT LAWRENCE
SECRETARY

Annual Report for 2015/16 Financial Year
Vote 2: Western Cape Provincial Parliament
Statement of Financial Position as at 31 March 2016

Figures in Rand	Note(s)	2016	2015 Restated*
Assets			
Current Assets			
Cash and cash equivalents	3	6 910 037	8 039 320
Inventories	4	862 143	710 538
Receivables from non-exchange transactions	5	12 559	39 142
Receivables from exchange transactions	6	623 773	623 726
Prepayments	7	281 340	227 977
		8 689 852	9 640 703
Non-Current Assets			
Long term receivables from non-exchange transactions	8	20 141	22 541
Long term receivables from exchange transactions	9	420	6 087
Property, plant and equipment	10	17 438 766	17 948 859
Intangible assets	11	570 590	606 744
Heritage assets	12	248 193	256 911
		18 278 110	18 841 142
Total Assets		26 967 962	28 481 845
Liabilities			
Current Liabilities			
Payables from exchange transactions	13	2 053 990	2 709 713
Voted funds to be surrendered	14	5 828 164	6 388 201
Departmental revenue to be surrendered	15	20 792	23 119
Finance lease obligations	16	156 073	139 577
Employee benefit obligation	17	8 843 698	7 781 269
		16 902 717	17 041 879
Non-Current Liabilities			
Finance lease obligation	16	892 063	1 207 973
Employee benefit obligation	17	32 100 000	34 808 000
		32 992 063	36 015 973
Total Liabilities		49 894 780	53 057 852
Net (Liabilities)		(22 926 818)	(24 576 007)
Accumulated deficit		(22 926 818)	(24 576 007)

Annual Report for 2015/16 Financial Year
Vote 2: Western Cape Provincial Parliament
Statement of Financial Performance

Figures in Rand	Note(s)	2016	2015 Restated*
Revenue			
Revenue from exchange transactions			
Recoveries	18	26 333	47 357
Interest received	19	256 139	212 178
Other income	20	63 921	59 404
Total revenue from exchange transactions		346 393	318 939
Revenue from non-exchange transactions			
Transfer revenue			
Legislative Sector Support funding	21	-	1 602 818
Annual appropriation	22	120 408 000	111 722 000
Statutory appropriation	22	37 185 000	39 334 000
Total revenue from non-exchange transactions		157 593 000	152 658 818
Total revenue		157 939 393	152 977 757
Expenditure			
Employee related costs	23	(50 843 529)	(48 598 842)
Members remuneration	24	(41 620 683)	(40 554 289)
Finance costs	25	(242 060)	(407 879)
Lease rentals on operating lease	26	(574 317)	(645 179)
Transfer payments	27	(34 853 706)	(33 170 372)
General Expenses	28	(28 235 556)	(22 820 455)
Total expenditure		(156 369 851)	(146 197 016)
Operating surplus		1 569 542	6 780 741
Loss on the disposal assets		(1 842 475)	(764 305)
Actuarial gains	17	8 026 000	8 978 000
		6 183 525	8 213 695
Surplus before funds surrendered		7 753 067	14 994 436
Transfer of voted funds to be surrendered	14	5 828 164	6 388 201
Transfer of departmental revenue to be surrendered	15	275 714	299 017
Surplus for the year		1 649 189	8 307 218

Annual Report for 2015/16 Financial Year
Vote 2: Western Cape Provincial Parliament
Statement of Changes in Net Assets

Figures in Rand	Note(s)	Accumulated deficit	Total net assets
Opening balance as previously reported		-	-
Change in accounting policy (refer to note 41)		(32 883 225)	(32 883 225)
Balance at 01 April 2014 as restated*		(32 883 225)	(32 883 225)
Surplus for the year		8 307 218	8 307 218
Total changes		8 307 218	8 307 218
Balance at 01 April 2015 as restated*		(24 576 007)	(24 576 007)
Surplus for the year		1 649 189	1 649 189
Total changes		1 649 189	1 649 189
Balance at 31 March 2016		(22 926 818)	(22 926 818)

Figures in Rand	Note(s)	2016	2015 Restated*
Cash Flow from operating activities			
Receipts			
Cash receipts from services		61 762	(469 177)
Cash receipts from appropriation		157 593 000	151 056 000
Interest income		256 139	212 178
		<u>157 910 901</u>	<u>150 799 001</u>
Payments			
Cash paid to employees and members		(86 083 783)	(85 974 579)
Cash paid to suppliers		(64 470 907)	(55 114 436)
Funds surrendered		(6 666 242)	(2 492 012)
Finance costs		(242 060)	(407 879)
		<u>(157 462 992)</u>	<u>(143 988 906)</u>
Net cash flows from operating activities	29	<u>447 909</u>	<u>6 810 095</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	10	(935 333)	(1 681 255)
Proceeds from sale of property, plant and equipment	10	27 343	103 203
Purchase of other intangible assets	11	(379 520)	(660 862)
Purchase of heritage assets	12	-	(10 364)
Long term receivables from non-exchange transactions		2 400	2 400
Long term receivables from exchange transactions		7 332	(2 834)
Net cash flows from investing activities		<u>(1 277 778)</u>	<u>(2 249 712)</u>
Cash flows from financing activities			
Finance lease obligation		(299 414)	(16 325)
Net increase/(decrease) in cash and cash equivalents		(1 129 283)	4 544 058
Cash and cash equivalents at the beginning of the year		8 039 320	3 495 262
Cash and cash equivalents at the end of the year	3	<u>6 910 037</u>	<u>8 039 320</u>

Annual Report for 2015/16 Financial Year
Vote 2: Western Cape Provincial Parliament
Statement of Comparison of Budget and Actual Amounts

Budget on Cash Basis						
Figures in Rand	Approved budget	Adjust-ments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Refer-ence to note 42
Statement of Financial Performance						
Revenue						
Revenue from exchange transactions						
Recoveries	-	-	-	26 333	26 333	42.1
Other income	5 000	-	5 000	62 256	57 256	42.2
Interest received	49 000	-	49 000	159 784	110 784	42.3
Total revenue from exchange transactions	54 000	-	54 000	248 373	194 373	
Revenue from non-exchange transactions						
Transfer revenue						
Annual appropriation	117 126 000	3 228 000	120 354 000	120 408 000	54 000	
Statutory appropriation	37 185 000	-	37 185 000	37 185 000	-	
Total revenue from non-exchange transactions	154 311 000	3 228 000	157 539 000	157 593 000	54 000	
Total revenue	154 365 000	3 228 000	157 593 000	157 841 373	248 373	
Expenditure						
Employee related costs	(51 755 000)	1 600 711	(50 154 289)	(49 451 837)	702 452	42.4
Members remuneration	(38 461 000)	-	(38 461 000)	(36 911 623)	1 549 377	42.5
Finance costs	(961 000)	(41 341)	(1 002 341)	(930 681)	71 660	42.6
Lease rentals on operating lease	(252 000)	51 302	(200 698)	(200 462)	236	
Transfer payments	(34 838 000)	(16 000)	(34 854 000)	(34 853 706)	294	
General Expenses	(28 098 000)	(4 822 672)	(32 920 672)	(29 416 527)	3 504 145	42.7
Total expenditure	(154 365 000)	(3 228 000)	(157 593 000)	(151 764 836)	5 828 164	
Operating surplus				6 076 537	6 076 537	
Gain on disposal of assets and liabilities				27 342	27 342	
Surplus for the year				6 103 879	6 103 879	
Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement				6 103 879		

Annual Report for 2015/16 Financial Year
Vote 2: Western Cape Provincial Parliament
Statement of Comparison of Budget and Actual Amounts

Figures in Rand	Approved budget	Adjustments	Final Budget	Actual amounts on comparable basis	Difference between final budget and actual	Reference to note 42
Reconciliation						
Basis difference						
Surplus difference between modified cash and GRAP				(5 530 376)		
Format and classification difference						
Capital expenditure				1 075 686		
Actual Amount in the Statement of Financial Performance				1 649 189		

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, 2009 (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, except for the changes set out in the note 41 Change in accounting policy due to the adoption of the Standards of GRAP.

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 legislature 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.

1.2. Significant judgements (continued)

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 property, plant and equipment and other assets. Management will increase the depreciation charge where useful lives are less than previously estimated useful lives.

Effective interest rate

The legislature uses 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 receivables carrying amount and the present value of estimated future cash flows discounted at the effective interest rate, computed at initial recognition.

1.3. Property, plant and equipment

Property, plant and equipment are tangible non-current 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 reporting 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 or fair value of the item can be measured reliably.

Property, plant and equipment is initially measured at cost.

1.3. Property, plant and equipment (continued)

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 at no cost, or for a nominal cost, 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), unless the fair value of neither the asset received nor the asset given up is reliably measurable. If the acquired item is not measured at fair value, its cost is measured at the carrying amount of the asset 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.

Major spare parts and stand by equipment which are expected to be used for more than one period are included in property, plant and equipment. In addition, spare parts and stand by equipment which can only be used in connection with an item of property, plant and equipment are accounted for as 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.

Items of property, plant and equipment are derecognised when the asset is disposed of or when there are no further economic benefits or service potential expected from the use or disposal 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.

1.3 Property, plant and equipment (continued)

Transitional provision

The legislature changed its accounting policy for property, plant and equipment in 2016. The change in accounting policy is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provision, the legislature is not required to measure property, plant and equipment for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Property, plant and equipment. Property, plant and equipment has accordingly been recognised at provisional amounts, as disclosed in note 10.

- Until such time as the measurement period expires and property, plant and equipment is recognised and measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment, the legislature need not comply with the Standards of GRAP on:
- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),

Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Property, plant and equipment implies that any associated presentation and disclosure requirements need not be complied with for property, plant and equipment not measured in accordance with the requirements of the Standard of GRAP on Property, plant and equipment.

1.4 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 legislature 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.

1.4 Intangible assets (continued)

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.

Where an intangible asset is acquired at no cost, or for a nominal cost, its cost is its fair value as at the date of acquisition

- 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.

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.

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

- 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 an intangible asset 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.

Transitional provision

The legislature changed its accounting policy for intangible assets in 2016. The change in accounting policy is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provision, the legislature is not required to measure intangible assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Intangible assets. Intangible Assets has accordingly been recognised at provisional amounts, as disclosed in 11.

1.4 Intangible assets (continued)

- Until such time as the measurement period expires and intangible assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Intangible assets, the legislature need not comply with the Standards of GRAP on:
- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Intangible assets implies that any associated presentation and disclosure requirements need not be complied with for intangible assets not measured in accordance with the requirements of the Standard of GRAP on Intangible assets.

1.5 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.

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.

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.

1.5 Heritage assets (continued)

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 difference is recognised in surplus or deficit when the heritage asset is derecognised.

Transitional provision

The legislature changed its accounting policy for Heritage assets in 2016. The change in accounting policy is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

According to the transitional provision, the legislature is not required to measure Heritage assets for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Heritage assets. Heritage assets have accordingly been recognised at provisional amounts, as disclosed in 12.

- Until such time as the measurement period expires and Heritage assets is recognised and measured in accordance with the requirements of the Standard of GRAP on Heritage assets, the legislature need not comply with the Standards of GRAP on (to the extent that these Standards prescribe requirements for heritage assets):
- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Heritage assets implies that any associated presentation and disclosure requirements need not be complied with for Heritage assets not measured in accordance with the requirements of the Standard of GRAP on Heritage assets.

1.6 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
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:

1.6 Financial instruments (continued)

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

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, other than those subsequently measures at fair value, 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 all other financial assets and financial liabilities initially at its fair value.

The legislature first assesses whether the substance of a concessionary loan is in fact a loan. On initial recognition, the legislature analyses a concessionary loan into its component parts and accounts for each component separately. The legislature accounts for that part of a concessionary loan that is:

- a social benefit in accordance with the Framework for the Preparation and Presentation of Financial Statements, where it is the issuer of the loan; or
- non-exchange revenue, in accordance with the Standard of GRAP on Revenue from Non-exchange Transactions (Taxes and Transfers), where it is the recipient of the loan.

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 fair value.
- Financial instruments at amortised cost.
- Financial instruments at 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.

1.6 Financial instruments (continued)

Fair value measurement considerations

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the legislature establishes fair value by using a valuation technique. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange motivated by normal operating considerations. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the entity uses that technique. The chosen valuation technique makes maximum use of market inputs and relies as little as possible on entity-specific inputs. It incorporates all factors that market participants would consider in setting a price and is consistent with accepted economic methodologies for pricing financial instruments. Periodically, a legislature calibrates the valuation technique and tests it for validity using prices from any observable current market transactions in the same instrument (i.e. without modification or repackaging) or based on any available observable market data.

Short term receivables and payables are not discounted where the initial credit period granted or received is consistent with terms used in the public sector, either through established practices or legislation.

Gains and losses

A gain or loss arising from a change in the fair value of a financial asset or financial liability measured at fair value is recognised in surplus or deficit.

For financial assets and financial liabilities measured at amortised cost or cost, a gain or loss is recognised in surplus or deficit when the financial asset or financial liability is derecognised or impaired, or through the amortisation process.

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.

For amounts due to the legislature, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default payments are all considered indicators of impairment.

Financial assets measured at amortised cost:

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 through the use of an allowance account. The amount of the loss is recognised in surplus or deficit.

1.6 Financial instruments (continued)

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.

1.6 Financial instruments (continued)

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.

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.

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.

1.7 Leases (continued)

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 at no cost, or for a nominal cost, then their cost 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.

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.

Transitional provision

The legislature changed its accounting policy for inventories in 2016. The change in accounting policy is made in accordance with its transitional provision as per Directive 8 of the GRAP Reporting Framework.

1.8 Inventories (continued)

According to the transitional provision, the legislature is not required to measure inventories for reporting periods beginning on or after a date within three years following the date of initial adoption of the Standard of GRAP on Inventories. Inventories has accordingly been recognised at provisional amounts, as disclosed in 4.

Until such time as the measurement period expires and inventories is recognised and measured in accordance with the requirements of the Standard of GRAP on Intangible assets, the legislature need not comply with the Standards of GRAP on:

- Presentation of Financial Statements (GRAP 1),
- The Effects of Changes in Foreign Exchange Transactions (GRAP 4),
- Leases (GRAP 13),
- Segment Reporting (GRAP 18),
- Discontinued Operations (GRAP 100)

The exemption from applying the measurement requirements of the Standard of GRAP on Inventories implies that any associated presentation and disclosure requirements need not be complied with for inventories not measured in accordance with the requirements of the Standard of GRAP on Inventories.

1.9 Statutory receivables

Statutory receivables are receivables that:

- arise from legislation, supporting regulations, or similar means; and
- require settlement by another entity in cash or another financial asset.

Statutory receivables constitute revenue receivable from property rates, fines, penalties, grants and fees charged in terms of legislation.

The legislature recognises statutory receivables as follows:

- if the transaction is an exchange transaction, using GRAP 9;
- if the transaction is a non-exchange transaction, using GRAP 23;
- if the transaction is not within the scope of either GRAP 9 or GRAP 23, the receivable is recognised when:
 - the definition of an asset is met; and
 - it is probable that future economic benefits or service potential associated with the asset will flow to the legislature and the transaction amount can be measured reliably.

The legislature measures a statutory receivables initially at its transaction amount.

The legislature measures all statutory receivables after initial recognition using the cost method.

1.9 Statutory receivables (continued)

Under the cost method the amount recognised initially is only changed subsequently to reflect any:

- interest or other charges that may have accrued on the receivable;
- impairment loss; and
- amounts derecognised.

If the share based payments vest immediately the services received are recognised in full.

The legislature assesses at the end of each reporting period whether there is objective evidence that a statutory receivable or group of statutory receivables is impaired.

For amounts due to the legislature, significant financial difficulties of the receivable, probability that the receivable will enter bankruptcy and default payments are all considered indicators of impairment.

If there is objective evidence that an impairment loss on statutory receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the estimate future cash flows - discounted if the effect of discounting is material - using a rate that reflects the current risk free rate and, if applicable, any risks specific to the statutory receivable, or group of statutory receivables, for which the future cash flows estimates have not been adjusted.

The carrying amount of the asset is reduced 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 the allowance account. The reversal does not result in a carrying amount of the statutory receivable 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 statutory receivables 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 receivables 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.

The legislature derecognises a statutory receivable when:

- the rights to the cash flows from the statutory receivable are settled, expire or are waived;
- the legislature transfers to another party substantially all of the risks and rewards of ownership of the receivable;
- the legislature, despite having retained some significant risks and rewards of ownership of the receivable, has transferred control of the receivable 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:
 - derecognises the receivable;
 - recognises separately any rights and obligations created or retained in the transfer.

1.9 Statutory receivables (continued)

The carrying amount of the transferred asset is allocated between the rights and obligations retained and those transferred on the basis of their relative fair values at the transfer date. Newly created rights and obligations are considered for inclusion within the scope of GRAP 104 or another standard of GRAP. Any difference between the consideration received and amounts recognised and derecognised is recognised in surplus or deficit in the period of the transfer.

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 12 months after the end of the period in which the employees rendered 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 is due to be settled within 12 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 12 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 cellphones) 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 legislature 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.

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 legislature, on the basis that contribution and benefit levels are determined without regard to the identity of the legislature that employs the employees concerned.

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 legislature 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.

1.10 Employee benefits (continued)

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 determine 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).

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:

1.10 Employee benefits (continued)

- 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

1.10 Employee benefits (continued)

- 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.

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 recognises 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 legislature 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.

1.10 Employee benefits (continued)

The legislature is demonstrably committed to a termination when the legislature 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.

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.

1.11 Provisions and contingencies (continued)

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 a 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 assets is a possible asset that arises from past event 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.

A contingent liability:

- 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.

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:

1.12 Revenue from exchange transactions (continued)

- 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.

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.

1.13 Revenue from non-exchange transactions (continued)

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 legislature 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 appropriated funds due to / from the relevant revenue fund at the reporting date is recognised as a payable / receivable 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 recognises 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.

Concessionary loans received

A concessionary loan is a loan granted to or received by the property, plant and equipment on terms that are not market related.

1.13 Revenue from non-exchange transactions (continued)

The portion of the loan that is repayable, along with any interest payments, is an exchange transaction and is accounted for in accordance with the Standard of GRAP on Financial Instruments. The off-market portion of the loan is a non-exchange transaction. The off-market portion of the loan that is recognised as non-exchange revenue is calculated as the difference between the proceeds received from the loan, and the present value of the contractual cash flows of the loan, discounted using a market related rate of interest.

The recognition of revenue is determined by the nature of any conditions that exist in the loan agreement that may give rise to a liability. Where a liability exists the cash flow statement recognises revenue as and when it satisfies the conditions of the loan agreement.

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

Transfers 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, 2009 (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.

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.

1.21 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.

1.22 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.

1.23 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.

1.24 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 2015/04/01 to 2016/03/31.

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.

1.25 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.

1.25 Related parties (continued)

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.

Only transactions with related parties not at arm's length or not in the ordinary course of business are disclosed.

1.26 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).

The legislature adjusts the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event occurred.

The legislature discloses 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.

2. New standards and interpretations

2.1 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 21 (as amended 2015): Impairment of Non-cash generating units

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard.

A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;

2. New standards and interpretations (continued)

- additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets, and consequential amendments made to the definition of cash-generating assets
- the indicators of internal sources of information were amended to include obsolescence as an indication that an asset may be impaired.

In line with the amendments made to IPSAS 21 on Impairment of Non-cash-generating Assets (IPSAS 21) in 2011, an amendment has been made to include another indicator of impairment i.e., where an asset's useful life has been reassessed as finite rather than indefinite;

- where the recoverable service amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples of indications of impairment and measurement of impairment losses have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The legislature has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

GRAP 26 (as amended 2015): Impairment of Cash-generating Assets

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- general definitions have been deleted as these definitions are not essential to the understanding of the Standard.

A paragraph has been included to explain that terms defined in other Standards of GRAP are used with the same meaning as in those other Standards of GRAP;

- additional commentary has been added to clarify the objective of cash-generating assets and non-cash-generating assets, and consequential amendments made to the definition of cash-generating assets and cash-generating unit;

2. New standards and interpretations (continued)

In line with the amendments made to IPSAS 26 on Impairment of Cash-generating Assets (IPSAS 26) in 2010, an amendment has been made to include another indicator of impairment in relation to the internal sources of information;

- where the recoverable amount is value in use, disclosure requirements have been added about whether an independent valuer is used to determine value in use together with the methods and significant assumptions applied in determining the value in use have been added to the disclosure requirements; and
- appendices with illustrative examples on using present value techniques to measure value in use and illustrative guidance have been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The legislature has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

GRAP 23 (as amended 2015): Revenue From Non-exchange Transactions

The following amendments were made to the standard:

- editorial and other changes to the original text have been made to ensure consistency with other Standards of GRAP;
- the scope paragraph has been amended to exclude non-exchange revenue from construction contracts from this Standard;
- commentary has been added to clarify that discounts, volume rebates or other reductions in the quoted price of assets are exchange transactions that should be treated in accordance with the Standard of GRAP on Revenue from Exchange Transactions;
- the Standard was amended to make it mandatory for entities to recognise services in-kind to the extent that the services in-kind are significant to an entity's operations and/or service delivery objectives and to the extent that the recognition criteria have been met;
- commentary has been added to clarify that services in-kind are not limited to the provision of services by individuals but also include the right to use assets. Examples have been added to illustrate this amendment; and
- the appendix with illustrative examples has been deleted from the Standard as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of the amendment is for years beginning on or after 01 April 2015.

The legislature has adopted the amendment for the first time in the 2016 annual financial statements.

The impact of the amendment is not material.

2. New standards and interpretations (continued)

GRAP standards, directives and interpretations adopted

The following GRAP standards have been adopted in the current financial year:

- GRAP 1 - Presentation of Financial Statements
- GRAP 2 - Cash Flow Statements;
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 4 - The Effects of Changes in Foreign Exchange Rates
- GRAP 5 - Borrowing Costs
- GRAP 6 - Consolidated and Separate Financial Statements
- GRAP 7 - Investments in Associates
- GRAP 8 - Interests in Joint Ventures
- GRAP 9 - Revenue from Exchange Transactions
- GRAP 10 - Financial Reporting in Hyperinflationary Economies
- GRAP 11 - Construction Contracts
- GRAP 12 - Inventories
- GRAP 13 - Leases
- GRAP 14 - Events After the Reporting Date
- GRAP 16 - Investment Property
- GRAP 17 - Property, Plant and Equipment
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21 - Impairment of Non-cash-generating Assets
- GRAP 23 - Revenue from Non-exchange Transactions (Taxes and Transfers)
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 25 - Employee Benefits
- GRAP 26 - Impairment of Cash-generating Assets
- GRAP 27 - Agriculture
- GRAP 31 - Intangible Assets
- GRAP 100 - Discontinued Operations
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments

2. New standards and interpretations (continued)

The following GRAP directives have been adopted in the current financial year:

- Directive 1 - Repeal of Existing Transitional Provisions in, and Consequential Amendments to, Standards of GRAP
- Directive 5 - Determining the GRAP Reporting Framework
- Directive 7 - The Application of Deemed Cost
- Directive 8 - Transitional Provisions for Parliament and the Provincial Legislatures
- Directive 11 - Changes in the Measurement Bases Following the Initial Adoption of the Standards of GRAP

The following GRAP interpretations have been adopted in the current financial year:

- IGRAP 1 - Applying the Probability Test on Initial Recognition of Revenue
- IGRAP 2 - Changes in Existing Decommissioning, Restoration and Similar Liabilities
- IGRAP 3 - Determining whether an Arrangement Contains a Lease
- IGRAP 4 - Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IGRAP 5 - Applying the Restatement Approach under the Standard of GRAP on Financial Reporting in Hyperinflationary Economies
- IGRAP 6 - Loyalty Programmes
- IGRAP 7 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IGRAP 8 - Agreements for the Construction of Assets from Exchange Transactions
- IGRAP 9 - Distributions of Non-cash Assets to Owners
- IGRAP 10 - Assets Received from Customers
- IGRAP 11 - Consolidations - Special Purpose Entities
- IGRAP 12 - Jointly Controlled Entities - Non-monetary Contributions by Venturers
- IGRAP 13 - Operating Leases - Incentives
- IGRAP 14 - Evaluating the Substance of Transactions Involving the Legal Form of a Lease
- IGRAP 15 - Revenue - Barter Transactions Involving Advertising Services
- IGRAP 16 - Intangible Assets - Website Costs

The impact of the amendment is set out in note 41 Changes in Accounting Policy.

2. New standards and interpretations (continued)

Improvements to the standards of GRAP (2013)

Amendments were made to the following standards of GRAP:

- GRAP 1 - Presentation of Financial Statements
- GRAP 2 - Cash Flow Statements
- GRAP 3 - Accounting Policies, Changes in Accounting Estimates and Errors
- GRAP 7 - Investments in Associates;
- GRAP 10 - Financial Reporting in Hyperinflationary Economies
- GRAP 11 - Construction Contracts
- GRAP 13 - Leases
- GRAP 17 - Property, Plant and Equipment
- GRAP 19 - Provisions, Contingent Liabilities and Contingent Assets
- GRAP 21 - Impairment of Non-cash-generating Assets (refer to separate note)
- GRAP 24 - Presentation of Budget Information in Financial Statements
- GRAP 25 - Employee Benefits
- GRAP 26 - Impairment of Cash-generating Assets (refer to separate note)
- GRAP 31 - Intangible Assets
- GRAP 103 - Heritage Assets
- GRAP 104 - Financial Instruments

The amendments relate mainly due to editorial and other changes to the original text to ensure consistency with other Standards of GRAP and deletion of the appendices with illustrative guidance and examples from the standards, as the National Treasury has issued complete examples as part of its implementation guidance.

The effective date of this amendment is for years beginning on or after 01 April 2015.

The legislature has adopted the amendment for the first time in the 2016 annual financial statements. The impact of the amendment is not material.

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 01 April 2016 or later periods:

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.

2. New standards and interpretations (continued)

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 not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective.

The impact of this standard is currently being assessed.

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.

The 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.

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.

2. New standards and interpretations (continued)

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

2. New standards and interpretations (continued)

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 not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective, but has already formulated an accounting policy for this reporting period based on the standard.

It is unlikely that the standard will have a material impact on the legislature's annual financial statements.

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 not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective.

It is unlikely that the standard will have a material impact on the legislature's annual financial statements.

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.

2. New standards and interpretations (continued)

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 not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective, but has already formulated an accounting policy for this reporting period based on the standard.

The impact of this standard is currently being assessed.

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.

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 standard will have a material impact on the entity's annual financial statements.

2. New standards and interpretations (continued)

GRAP 16 (as amended 2015): Investment Property

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- the wording related to the use of external valuers was clarified;
- more specific presentation and disclosure requirements were introduced for capital work-in-progress;
- the encouraged disclosures were deleted;
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements are now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The legislature expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the legislature's annual financial statements.

GRAP 17 (as amended 2015): Property, Plant and Equipment

Amendments made to the standard are:

- the principles and explanations related to the distinction between investment property and property, plant and equipment were reviewed;
- an indicator-based assessment of useful lives of assets was introduced;
- the wording related to the use of external valuers was clarified;
- more specific presentation and disclosure requirements were introduced for capital work-in-progress;
- the encouraged disclosures were deleted;
- separate presentation of expenditure incurred on repairs and maintenance in the financial statements are now required.

The effective date of the standard is for years beginning on or after 01 April 2016.

The legislature expects to adopt the standard for the first time in the 2017 annual financial statements.

It is unlikely that the standard will have a material impact on the legislature's annual financial statements.

2. New standards and interpretations (continued)

GRAP 109: Accounting by Principals and Agents

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.

The effective date of the standard is not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective.

The impact of this is currently being assessed.

Directive 12: The Selection of an Appropriate Reporting Framework by Public Entities

Historically, public entities have prepared financial statements in accordance with generally recognised accounting practice, unless the Accounting Standards Board (the Board) approved the application of generally accepted accounting practice for that entity. “Generally accepted accounting practice” has been taken to mean Statements of Generally Accepted Accounting Practice (Statements of GAAP), or for certain entities, International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board. Since Statements of GAAP have been withdrawn from 1 December 2012, public entities will be required to apply another reporting framework in the future.

The purpose of this Directive is to prescribe the criteria to be applied by public entities in selecting and applying an appropriate reporting framework.

The effective date of the standard is or years beginning on or after 01 April 2018.

The legislature expects to adopt the amendment for the first time in the 2019 annual financial statements. The standard will not have any impact on the legislature’s annual financial statements.

GRAP 105: Transfer 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 assets and liabilities should be recognised in accumulated surplus / (deficit).

2. New standards and interpretations (continued)

The effective date of the standard is not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective. The impact of this standard is currently being assessed.

GRAP 106: Transfer 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 standard is not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective

The impact of this standard is currently being assessed.

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 not yet set by the Minister of Finance.

The legislature expects to adopt the standard for the first time once it becomes effective.

It is unlikely that the standard will have a material impact on the legislature's annual financial statements.

	2016	2015 Restated*
3. Cash and cash equivalents		
Cash and cash equivalents consist of:		
Cash on hand	5 000	1 000
Current bank	5 123 062	6 351 881
Legislative Sector Support bank account	1 781 975	1 686 439
	6 910 037	8 039 320

The Legislative Sector Support bank account relates to donor funding received in the 2011/12 financial year with expenditure incurring in the 2012/13 and 2013/14 years. As per the agreement the use of the funds ended on 30 June 2014 and has been recognised as revenue in the 2015 financial year. Refer to note 21 for the revenue recognised.

The entity had the following bank accounts

Account number / description	Bank statement balances			Cash book balances		
	2016	2015	2014	2016	2015	2014
Nedbank - Current - 145-204-5283	6 413 615	7 949 333	3 157 897	5 123 062	6 351 881	1 891 944
LSS Account Nedbank - Current-145-206-9212	1 781 975	1 686 439	1 602 818	1 781 975	1 686 439	1 602 818
Total	8 195 590	9 635 772	4 760 715	6 905 037	8 038 320	3 494 762

4. Inventories

Corporate store	850 125	686 733
Boutique	12 018	23 805
	862 143	710 538

Inventory pledged as security

No inventory was pledged as security.

Transitional provisions

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, certain inventory with a carrying value of R 862 143 (2015: R 710 538) was recognised at provisional amounts. The legislature is currently busy with a measurement project.

5. Receivables from non-exchange transactions

Recoverable expenditure	12 559	39 142
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Receivables from non-exchange transactions pledged as security

No receivables from non-exchange transactions were pledged as security.

* See Note 40 & 41

	2016	2015 Restated*
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5. Receivables from non-exchange transactions (continued)

Credit quality of receivables from non-exchange transactions

The credit quality of receivables from non-exchange transactions that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables from non-exchange transactions impaired

As of 31 March 2016, receivables from non-exchange transactions were not impaired (2015: R Nil).

Reconciliation of provision for impairment of receivables from non-exchange transactions

Opening balance	-	(1 141)
Bad debts written off	-	1 141
	-	-

6. Receivables from exchange transactions

Recoverable expenditure	546 768	505 173
Staff debt	8 820	13 375
Other debtors	76 242	120 813
Impairment provision	(8 057)	(15 635)
	623 773	623 726

Gross amount of exchange receivables

Recoverable expenditure	546 768	505 173
Staff debt	8 820	13 375
Other debtors	76 242	120 813
	631 830	639 361

Impairment of exchange receivables

Recoverable expenditure	-	-
Staff debt	-	-
Other debtors	(8 057)	(15 635)
	(8 057)	(15 635)

* See Note 40 & 41

	2016	2015 Restated*
6. Receivables from exchange transactions (continued)		
Net amount of exchange receivables		
Recoverable expenditure	546 768	505 173
Staff debt	8 820	13 375
Other debtors	68 185	105 178
	623 773	623 726
Recoverable expenditure		
South African Revenue Services Unemployment Insurance	500 000	500 000
Fund debt		
South African Revenue Services Unemployment Insurance	1 825	1 825
Fund interpreters		
Cancelled air tickets	-	2 960
Disallowance miscellaneous	34 546	388
South African Revenue Services tax debt	10 397	-
	546 768	505 173
Staff debt		
Salary overpayment	3 397	3 775
Staff debt	5 423	9 600
	8 820	13 375
Other debtors		
South African Revenue Services Unemployment Insurance		
Fund: Members and interpreters	43 303	43 303
Interpreters tax debt	-	-
Ex personnel and Members	14 645	-
Political parties support staff telephone accounts	1 556	16 353
Supplier overpayment	8 681	-
Supplier telephone account	-	721
Parmed medical aid debt	-	44 801
	68 185	105 178

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 that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

None of the financial assets that are fully performing have been renegotiated in the last year.

* See Note 40 & 41

	2016	2015 Restated*
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6. Receivables from exchange transactions (continued)

Receivables from exchange transactions impaired

As of 31 March 2016, receivables from exchange transactions, other debtors, of R76 242 (2015: R120 813) were impaired and provided for.

The amount of the provision was R8 057 as of 31 March 2016 (2015: R15 635).

Reconciliation of allowance for impairment

Opening balance	(15 635)	(24 554)
Impairment provision	-	-
Reversal due to amounts collected	-	450
Bad debts written off	7 578	8 469
	(8 057)	(15 635)

7. Prepayments

Staff advances	136 429	124 211
Parmed	144 911	103 766
	281 340	227 977

The prepayments relates to the advancement of bonuses to employees and the Parmed expense within the financial year.

8. Long term receivables from non-exchange transactions

Recoverable expenditure	20 141	22 541
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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 that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

Receivables from non-exchange transactions impaired:

As of 31 March 2016, receivables from non-exchange transactions were not impaired (2015: R Nil).

* See Note 40 & 41

	2016	2015 Restated*
9 Long term receivables from exchange transactions		
Staff debt	420	6 087
Other debtors	6 694	8 359
Impairment provision	(6 694)	(8 359)
	420	6 087
Gross amount of exchange receivables		
Staff debt	420	6 087
Other debtors	6 694	8 359
	7 114	14 446
Impairment of exchange receivables		
Staff debt	-	-
Other debtors	(6 694)	(8 359)
	(6 694)	(8 359)
Net amount of exchange receivables		
Staff debt	420	6 087
Other debtors	-	-
	420	6 087
Staff debt		
Salary overpayments	420	997
Staff debt	-	5 090
	420	6 087
Other debtors		
Ex-Members/personnel	-	-

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 that are neither past nor due nor impaired can be assessed by reference to external credit ratings (if available) or to historical information about counterparty default rates.

* See Note 40 & 41

	2016	2015 Restated*
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9 Long term receivables from exchange transactions (continued)

Receivables from exchange transactions impaired:

As of 31 March 2016, receivables from exchange transactions of R6 694 (2015: R8 359) were impaired and provided for. The amount of the provision was R6 694 as of 31 March 2016 (2015: R8 359).

Reconciliation of impairment for exchange receivables

Opening balance	(8 359)	(9 414)
Provision for impairment	-	-
Reversal due to amounts collected	1 665	1 055
Bad debts written off	-	-
	<u>(6 694)</u>	<u>(8 359)</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.

10. Property, plant and equipment

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Furniture and office equipment	4 523 543	-	4 523 543	5 185 988	-	5 185 988
Other machinery and equipment	5 220 266	-	5 220 266	5 248 795	-	5 248 795
Computer equipment	6 186 687	-	6 186 687	6 005 806	-	6 005 806
Finance lease assets - vehicles	1 406 359	-	1 406 359	1 406 359	-	1 406 359
Finance lease assets - cell phones	101 911	-	101 911	101 911	-	101 911
Total	17 438 766	-	17 438 766	17 948 859	-	17 948 859

* See Note 40 & 41

	2016	2015 Restated*
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10. Property, plant and equipment (continued)

Reconciliation of property, plant and equipment - 2016

	Opening balance	Additions	Disposals	Total
Furniture and office equipment	5 185 988	97 432	(759 877)	4 523 543
Other machinery and equipment	5 248 795	153 312	(181 841)	5 220 266
Computer equipment	6 005 806	684 589	(503 708)	6 186 687
Finance lease assets - vehicles	1 406 359	-	-	1 406 359
Finance lease assets - cell phones	101 911	-	-	101 911
	17 948 859	935 333	(1 445 426)	17 438 766

Reconciliation of property, plant and equipment - 2015

	Opening balance	Additions	Disposals	Total
Furniture and office equipment	4 796 770	389 218	-	5 185 988
Other machinery and equipment	5 488 257	229 556	(469 018)	5 248 795
Computer equipment	5 091 994	941 200	(27 388)	6 005 806
Finance lease assets - vehicles	1 406 359	-	-	1 406 359
Finance lease assets - cell phones	22 329	121 281	(41 699)	101 911
	16 805 709	1 681 255	(538 105)	17 948 859

Pledged as security

No property, plant and equipment was pledged as security.

Assets subject to finance lease

Finance lease assets - vehicles	1 406 359	1 406 359
Finance lease assets - cell phones	101 911	101 911
	1 508 270	1 508 270

Transitional provisions

Property, plant and equipment recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, certain property, plant and equipment with a carrying value of R17 438 766 (2015: R17 948 859) was recognised at provisional amounts. The legislature is currently busy with a measurement project.

* See Note 40 & 41

	2016	2015 Restated*
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11. Intangible assets

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Computer software	570 590	-	570 590	606 744	-	606 744

Reconciliation of intangible assets - 2016

	Opening balance	Additions	Disposals	Total
Computer software	606 744	379 520	(415 674)	570 590

Reconciliation of intangible assets - 2015

	Opening balance	Additions	Disposals	Total
Computer software	275 285	660 862	(329 403)	606 744

Pledged as security

No intangible asset was pledged as security.

Transitional provisions

Intangible assets recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, certain intangible assets with a carrying value of R570 590 (2015: R606 744) was recognised at provisional amounts. The legislature is currently busy with a measurement project.

12. Heritage assets

	2016			2015		
	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value	Cost / Valuation	Accumulated depreciation and accumulated impairment	Carrying value
Paintings, sculptures and ornaments	248 193	-	248 193	256 911	-	256 911

* See Note 40 & 41

	2016	2015 Restated*
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12. Heritage assets (continued)

Reconciliation of heritage assets 2016

	Opening balance	Additions	Disposals	Total
Paintings, sculptures and ornaments	256 911	-	(8 718)	248 193

Reconciliation of heritage assets 2015

	Opening balance	Additions	Disposals	Total
Paintings, sculptures and ornaments	246 547	10 364	-	256 911

Pledged as security

No heritage asset was pledged as security.

Transitional provisions

Heritage assets recognised at provisional amounts

In accordance with the transitional provisions as per Directive 8 of the GRAP Reporting Framework, certain heritage asset with a carrying value of R248 193 (2015: R256 911) was recognised at provisional amounts. The legislature is currently busy with a measurement project.

13. Payables from exchange transactions

Other payables	87 179	781 263
Accruals	1 966 813	1 928 450
	2 053 992	2 709 713

Other payables

Income tax	736	489 084
Unallocated receipts	86 443	22 564
Pension fund	-	264 320
Backpay on salary	-	5 295
	87 179	781 263

14. Voted funds to be surrendered

Vote funds to be surrendered to the Revenue Fund:

Transfer from the statement of financial performance	5 828 164	6 388 201
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* See Note 40 & 41

	2016	2015 Restated*
14. Voted funds to be surrendered (continued)		
Movement during the year		
Balance at the beginning of the year	6 388 201	2 208 483
Additions during the year	5 828 164	6 388 201
Paid during the year	(6 388 201)	(2 208 483)
	5 828 164	6 388 201
15. Departmental revenue to be surrendered		
Departmental revenue to be surrendered	20 792	23 119
Movement for the year		
Opening balance	23 119	7 631
Transfer from the statement of financial performance	275 714	299 017
Legislative Sector Support bank account	(278 041)	(283 529)
	20 792	23 119
16. Finance lease obligation		
Minimum lease payments due		
-within one year	453 993	523 434
-in second to fifth year inclusive	1 663 557	1 889 016
-later than five years	-	326 731
	2 117 550	2 739 181
less: future finance charges	(1 069 414)	(1 391 631)
Present value of minimum lease payments	1 048 136	1 347 550
Present value of minimum lease payments due		
-within one year	156 073	139 577
-in second to fifth year inclusive	892 063	916 791
-later than five years	-	291 182
	1 048 136	1 347 550
Non-current liabilities	892 063	1 207 973
Current liabilities	156 073	139 577
	1 048 136	1 347 550

Finance leases relate to vehicles with lease terms of between 5 to 7 years. The effective annual interest rate on the finance lease payables is between 31% and 38%.

Interest on finance lease payables are charged by Government Motor Transport (GMT) to replace vehicles at the end of their useful lives and to recoup operating expenditure such as tracking, insurance and GMT overhead expenditure.

* See Note 40 & 41

	2016	2015 Restated*
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16. Finance lease obligation (continued)

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 effective interest rate used on the lease payments is between 8.5% and 9.25%.

17. Employee benefit obligations

Reconciliation of employee benefits - 2016	Opening balance	Movement	Total
Leave entitlement	2 963 345	230 238	3 193 583
Service bonus	1 373 368	257 531	1 630 899
Performance bonus	848 730	78 334	927 064
Time-off hours	783 826	153 326	937 152
Long service awards	4 387 000	772 000	5 159 000
Once-off gratuity	4 700 000	1 281 000	5 981 000
Medical aid benefits	27 533 000	(4 418 000)	23 115 000
	42 589 269	(1 645 571)	40 943 698
Reconciliation of employee benefits - 2015	Opening balance	Movement	Total
Leave entitlement	2 538 842	424 503	2 963 345
Service bonus	1 132 018	241 350	1 373 368
Performance bonus	595 000	253 730	848 730
Time-off hours	593 856	189 970	783 826
Long service awards	3 611 000	776 000	4 387 000
Once-off gratuity	7 629 000	(2 929 000)	4 700 000
Medical aid benefits	32 289 000	(4 756 000)	27 533 000
	48 388 716	(5 799 447)	42 589 269
Non-current employee benefits			
Long service awards		4 420 000	3 806 000
Once-off gratuity		5 981 000	4 700 000
Medical aid benefits		21 699 000	26 302 000
		32 100 000	34 808 000
Current employee benefits			
Leave entitlement		3 193 583	2 963 345
Service bonus		1 630 899	1 373 368
Performance bonus		927 064	848 730
Time-off hours		937 152	783 826
Long service awards		739 000	581 000
Medical aid benefits		1 416 000	1 231 000
		8 843 698	7 781 269

* See Note 40 & 41

	2016	2015 Restated*
17. Employee benefit obligations (continued)		
Long service awards: Movement		
Opening balance	4 387 000	3 611 000
Benefits paid	(581 000)	(411 000)
Net expense recognised	1 353 000	1 187 000
	5 159 000	4 387 000
Long service awards: Net expense recognised		
Current service cost	773 000	712 000
Interest cost	392 000	317 000
Actuarial loss/(gain)	188 000	158 000
	1 353 000	1 187 000
Once-off gratuity: Movements		
Opening balance	4 700 000	7 629 000
Benefits paid	-	(4 110 000)
Net expense recognised	1 281 000	1 181 000
	5 981 000	4 700 000
Once-off gratuity: Net expense recognised		
Current service cost	1 313 000	1 245 000
Interest cost	403 000	779 000
Actuarial loss/(gain)	(435 000)	(843 000)
	1 281 000	1 181 000
Medical aid benefits: Movements		
Opening balance	27 533 000	32 289 000
Benefits paid	(1 231 000)	(1 262 000)
Net expense recognised	(3 187 000)	(3 494 000)
	23 115 000	27 533 000
Medical aid benefits: Net expense recognised		
Current service cost	2 198 000	1 825 000
Interest cost	2 394 000	2 974 000
Actuarial loss/(gain)	(7 779 000)	(8 293 000)
	(3 187 000)	(3 494 000)

Defined benefit plan

Post-retirement medical aid plan

The legislature offers members and 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.

* See Note 40 & 41

	2016	2015 Restated*
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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.

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

All permanent employees are entitled to long service benefits which are awarded in the form of leave days and a percentage of salary.

In 2016: 92 (2015: 92) 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. Niel Fourie (B.Comm) (FASSA) and Julian van der Spuy (B.Comm 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 2016:

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.

* See Note 40 & 41

	2016	2015 Restated*
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17. Employee benefit obligations (continued)

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 increase	Twenty percentage point decrease
Effect on the aggregate of the service cost and interest cost	4 859 000	5 772 000
Effect on defined benefit obligation	21 253 000	25 509 000

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 increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	6 073 000	4 595 000
Effect on defined benefit obligation	25 927 000	20 770 000

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%.

	Twenty percentage point increase	Twenty percentage point decrease
Effect on the aggregate of the service cost and interest cost	1 323 000	1 416 000
Effect on defined benefit obligation	4 929 000	5 410 000

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.

* See Note 40 & 41

	2016	2015 Restated*
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17. Employee benefit obligations (continued)

The effect is as follows for a 1% p.a. change in the Normal Salary inflation assumption:

	One percentage point increase	One percentage point decrease
Effect on the aggregate of the service cost and interest cost	2 076 000	1 955 000
Effect on defined benefit obligation	6 157 000	5 813 000

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	4 143 740	3 694 860
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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 2014. This valuation indicates that the plan is in a sound financial position. The estimated liabilities of the fund are R 1 174 million which are adequately funded by assets of R 1 426 million as at March 2014.

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.

* See Note 40 & 41

	2016	2015 Restated*
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17. Employee benefit obligations (continued)

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 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.

Contribution to the POBF for the reporting period	4 798 762	4 586 779
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18. Recoveries

Recoverable revenue	26 333	47 357
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19. Interest received

Interest

Bank	158 940	126 922
Receivables	844	521
LSS bank account	96 355	84 735
	256 139	212 178

20 Other income

Boutique sales	15 013	15 648
Forex gain	6 576	-
Insurance and garnishee	13 862	13 016
Refreshments	15 325	18 175
Rental of parking	11 480	11 060
Reversal of impairment provision	1 665	1 505
	63 921	59 404

21 Legislative Sector Support funding

Legislative Sector Support funding	-	1 602 818
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The Legislative Sector Support funding relates to donor funding received in the 2011/12 financial year with expenditure incurring in the 2012/13 and 2013/14 years. As per the agreement the use of the funds ended on 30 June 2016 and has been recognised as revenue in the 2015 financial year.

* See Note 40 & 41

	2016	2015 Restated*
22. Appropriation		
Annual appropriation	120 408 000	111 722 000
Statutory appropriation	37 185 000	39 334 000
	157 593 000	151 056 000

Appropriation

Current-year receipts	157 593 000	151 056 000
Actual expenditure	(151 764 836)	(144 667 799)
Funds to be surrendered	(5 828 164)	(6 388 201)
	-	-

For the remaining funds received to be surrendered refer to note 14.

23. Employee related costs

Acting allowances	78 030	52 274
Basic	34 478 604	32 860 373
Bonus	2 416 636	2 076 695
Capped leave	288 438	104 640
Contribution to employee benefits	1 303 428	1 727 553
Employee benefits paid out	83 594	129 356
Housing allowances	2 735 522	2 356 917
Medical aid - employer contributions	630 342	592 719
Other non-pensionable allowances	3 748 822	3 554 011
Overtime payments	302 922	289 196
Pension - employer contributions	4 143 740	3 694 860
Performance bonus	459 976	981 699
Unemployment Insurance fund	173 475	178 549
	50 843 529	48 598 842

Remuneration of the Secretary: GA Lawrence

Basic	185 409	-
Contributions to UIF, medical and pension funds	297	-
	185 706	-

Dr GA Lawrence was appointed as the Secretary on the 15 February 2016 until 30 April 2017.

* See Note 40 & 41

	2016	2015 Restated*
23. Employee related costs (continued)		
Remuneration of the Secretary: H Fakira		
Basic	853 676	170 735
Bonus	85 368	-
Leave payout	61 963	-
Overtime payout	14 356	-
Contributions to UIF, medical and pension funds	122 605	24 521
Other non-pensionable allowances	172 116	34 423
	1 310 084	229 679

H Fakira was appointed on 1 February 2015 and resigned on 31 January 2016 with a final payout in February 2016.

Remuneration of the Deputy Secretary: Corporate Services: RG Hindley

Basic	958 014	855 251
Bonus	74 835	71 271
Capped leave	-	45 792
Contributions to UIF, medical and pension funds	124 610	125 135
Performance bonuses	36 210	56 402
Other non-pensionable allowances	292 465	433 873
	1 486 134	1 587 724

Remuneration of the Deputy Secretary: Procedural Services: RK Begg

Basic	702 676	855 251
Bonus	106 204	71 271
Overtime payout	30 163	-
Contributions to UIF, medical and pension funds	48 289	-
Performance bonuses	87 427	118 037
Other non-pensionable allowances	36 210	51 616
	124 479	337 625
	1 135 448	1 433 800

RK Begg resigned on 30 November 2015 with final payout in January 2016.

Remuneration of the Chief Financial Officer: NL Petersen

Basic	791 861	754 153
Bonus	65 988	62 846
Contributions to UIF, medical and pension funds	116 894	111 992
Performance bonuses	28 281	40 313
Other non-pensionable allowances	156 486	148 370
	1 159 510	1 117 674

* See Note 40 & 41

	2016	2015 Restated*
23. Employee related costs (continued)		
Remuneration of the Chief Parliamentary Officer: TA Nage		
Basic	746 405	710 862
Acting allowance	44 901	-
Subsistence and travel advance	-	5 738
Contributions to UIF, medical and pension funds	110 985	106 365
Performance bonuses	26 657	37 999
Other non-pensionable allowances	208 903	198 290
	1 137 851	1 059 254

24. Members remuneration

Basic salary	21 295 029	20 390 488
Contributions to employee benefits	5 077 000	1 451 000
Housing allowance	92 000	52 119
Medical aid contributions	158 622	186 047
Other non-pensionable allowances	8 414 267	8 336 113
Pension contributions	4 798 762	4 586 779
Retirement benefits paid out	1 231 232	5 259 338
Service bonus	553 771	292 405
	41 620 683	40 554 289

Remuneration of the Speaker: SG Fernandez

Basic salary	1 141 036	965 574
Other non-pensionable allowances	415 631	353 235
Service bonus	85 086	13 550
Pension contributions	256 733	217 254
Medical aid contribution	3 240	2 570
	1 901 726	1 552 183

SG Fernandez was appointed in May 2014.

Remuneration of the Speaker: TR Majola

Basic salary	-	108 892
Other non-pensionable allowances	-	38 229
Service bonus	-	68 473
Pension contributions	-	24 501
Medical aid contribution	-	1 440
	-	241 535

TR Majola resigned in May 2014.

* See Note 40 & 41

	2016	2015 Restated*
24. Members remuneration (continued)		
Remuneration of the Deputy Speaker: PJC Pretorius		
Basic salary	896 515	848 894
Other non-pensionable allowances	389 481	364 592
Pension contributions	201 716	191 001
Medical aid contribution	6 480	7 506
	1 494 192	1 411 993
25. Finance costs		
Finance leases	242 060	407 879
26. Operating lease rentals		
Operating lease rental payments		
Motor vehicles	390 559	427 507
Photocopiers	183 758	217 672
	574 317	645 179

Motor Vehicles:

Operating leases relate to a vehicle with an anticipated remaining lease term of 3 years as at 31 March 2016 (31 March 2015: 4 years). The legislature does not have an option to purchase the leased asset at the expiry of the leased period.

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 31 for details relating to the photocopiers operating leases.

* See Note 40 & 41

	2016	2015 Restated*
27. Transfer payments		
Political Parties		
Democratic Alliance	21 027 732	19 741 773
African National Congress	11 562 919	10 984 902
Congress of the People	-	236 990
Independent Democrats	-	151 615
African Christian Democratic Party	1 167 378	1 108 291
Economic Freedom Fighters	1 095 677	946 801
	34 853 706	33 170 372
28. General expenses		
Advertising	1 348 891	1 195 309
Auditors remuneration	2 424 193	2 856 459
Bank charges	24 775	18 589
Bursaries	74 867	70 195
Catering	2 345 345	2 145 846
Claims paid	-	35 029
Computer services	2 433 682	2 152 703
Consulting and professional fees	6 703 103	5 060 441
Consumables	1 635 549	973 630
Contracted services	1 640 969	1 017 440
Fleet services	454 405	467 734
Insurance	316 492	228 014
Laundry services	18 844	20 167
Outsourced services	463 536	543 556
Postage and courier	3 154	555
Printing and publications	486 206	354 884
Registration fees	7 787	66 878
Relocation costs	-	61 492
Rentals of facilities and equipment	52 308	55 367
SITA computer expenses	310 990	326 153
Subscriptions and membership fees	423 013	504 227
Telephone and fax	291 714	246 602
Training	604 885	186 001
Travel - local	4 441 758	3 388 962
Travel - overseas	1 187 816	420 815
Other expenses	541 274	423 407
	28 235 556	22 820 455

* See Note 40 & 41

	2016	2015 Restated*
29. Cash flow from operating activities		
Surplus	1 649 189	8 307 218
Adjustments for:		
Loss on sale of assets and liabilities	1 842 475	764 305
Reversal of impairment on receivables	(1 665)	(1 505)
Voted funds to be surrendered	5 828 164	6 388 201
Departmental revenue to be surrendered	275 714	299 017
Contribution to employee benefits	6 380 429	3 178 552
Actuarial gain	(8 026 000)	(8 978 000)
Legislative Sector Support funding	-	(1 602 818)
Changes in working capital:		
Inventories	(151 605)	(105 231)
Receivables from non-exchange transactions	26 584	(36 742)
Receivables from exchange transactions	(47)	(430 055)
Prepayments	(53 363)	(107 636)
Payables from exchange transactions	(655 724)	1 626 801
Voted funds to be surrendered	(6 388 201)	(2 208 483)
Departmental revenue to be surrendered	(278 041)	(283 529)
	447 909	6 810 095
30. Auditors' remuneration		
Fees	2 424 193	2 856 459
31. Commitments		
Authorised capital expenditure		
Already contracted for but not provided for		
• Capital expenditure	272 709	-
Total capital commitments		
Already contracted for but not provided for	272 709	-
Operating leases - as lessee (expense)		
Minimum lease payments due		
-within one year	87 502	156 841
-in second to fifth year inclusive	49 507	34 960
	137 009	191 801

Operating lease payments represent rentals payable by the legislature for the rental of photocopy machines to Minolco (Pty) Ltd. Leases are negotiated for an average term of three years and rentals are fixed for this period. After the three years and extension period of two years is available at a lower rental value.

* See Note 40 & 41

2016	2015 Restated*
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32. Contingencies

Wings Naledi Corporate Travel (Pty) Ltd

The Western Cape Provincial Parliament is currently in dispute with Wings Naledi Corporate Travel (Pty) Ltd for the amount of R 36 704.88 due the amounts billed for accommodation at Naura Springs and President Hotel.

Land Access Movement of South Africa

The finalisation of the case regarding the concern that the constitutional obligation of the legislature to facilitate public involvement in their process is still pending. The expenditure for the year amounted to R107 047.48. No significant further expenditure is anticipated.

Marius Fransman versus the Speaker of the Western Cape Provincial Legislature

The case is concerned with the powers of parliamentary committees in respect of persons invited or summoned to appear before a committee, and the rights of persons so invited or summoned, the matter is still on going. The expenditure for the year amounted to R273 682.65. The total future estimated expenditure is R261 823.33.

33. Financial instruments disclosure

Categories of financial instruments

2016

Financial assets

	At amortised cost	Total
Cash and cash equivalents	6 910 037	6 910 037
Receivables from non-exchange transactions	12 559	12 559
Receivables from exchange transactions	623 773	623 773
Long term receivables from non-exchange transactions	20 141	20 141
Long term receivables from exchange transactions	420	420
	7 566 930	7 566 930

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	2 053 922	2 053 922
Finance lease obligation	1 048 136	1 048 136
Voted funds to be surrendered	5 828 164	5 828 164
Departmental revenue to be surrendered	20 792	20 792
	8 951 014	8 951 014

* See Note 40 & 41

	2016	2015 Restated*
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33. Financial instruments disclosure (continue)

2015

Financial assets

	At amortised cost	Total
Cash and cash equivalents	8 039 320	8 039 320
Receivables from non-exchange transactions	39 142	39 142
Receivables from exchange transactions	662 868	662 868
Long term receivables from non-exchange transactions	22 541	22 541
Long term receivables from exchange transactions	6 087	6 087
	8 769 958	8 769 958

Financial liabilities

	At amortised cost	Total
Payables from exchange transactions	2 664 133	2 664 133
Finance lease obligation	1 347 550	1 347 550
Voted funds to be surrendered	6 388 201	6 388 201
Departmental revenue to be surrendered	23 119	23 119
	10 423 003	10 423 003

34. 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.

* See Note 40 & 41

	2016	2015		
		Restated*		
34. Risk management (continue)				
As at 31 March 2016	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	2 053 922	-	-	-
Finance lease obligation	156 073	892 063	-	-
Voted funds to be surrendered	5 828 164	-	-	-
Departmental revenue to be surrendered	20 792	-	-	-
	8 058 951	892 063	-	-
As at 31 March 2015	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Payables from exchange transactions	2 664 132	-	-	-
Finance lease obligation	139 577	916 791	291 182	-
Voted funds to be surrendered	6 388 201	-	-	-
Departmental revenue to be surrendered	23 119	-	-	-
	9 215 029	916 791	291 182	-

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:

Financial instrument

	2016	2015
Cash and cash equivalents	6 910 037	8 039 320
Receivables from non-exchange transactions	12 559	39 142
Receivables from exchange transactions	623 773	623 726
Long term receivables from non-exchange transactions	20 141	22 541
Long term receivables from exchange transactions	420	6 087

* See Note 40 & 41

	2016	2015 Restated*
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34. Risk management (continue)

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.

35. Unauthorised expenditure

No unauthorised expenditure was incurred during the current financial year ended 31 March 2016.

36. Fruitless and wasteful expenditure

No fruitless and wasteful expenditure was incurred during the current financial year ended 31 March 2016.

37. Irregular expenditure

Add: Irregular Expenditure - current year	216 868	-
Less: Current year amounts condoned	(216 868)	-
	<u>-</u>	<u>-</u>

Details of irregular expenditure condoned in current year

	Condoned by:	
Metrofile payment made without a service level agreement in place	Accounting Officer	5 240
Late payment of training expensed to University of Stellenbosch	Accounting Officer	18 600
Imvusa-Veritas proceeding of work with no service level agreement	Accounting Officer	193 028
		<u>216 868</u>

38. Related parties

During the year the Western Cape Provincial Parliament received services from the following parties that are related as indicated:

Department of Transport Public Works	Free rental, inclusive of related costs (water and electricity). 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	Enterprise Risk Management and Internal Audit inclusive of the Audit Committee.
Primary funding	Provincial Treasury
Government Motor Transport (GMT)	Management of government motor vehicles. This relationship is based on at an arm's length transaction in terms of the approved tariffs.
Key management and Members	Refer to not 23 & 24

* See Note 40 & 41

2016	2015 Restated*
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39. Services in-kind

The South African Police Service 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.

40. Prior period error

During the preparation of the annual financial statements for the current year the following errors were identified:

Accruals

Balance per modified cash basis for 1 April 2014	1 102 549
Duplication of overtime accruals	(43 452)
Incorrect inclusion of overtime - Dieko, LP	(500)
Incorrect inclusion of LOGIS accrual cancelled	(14 625)
Incorrect inclusion of People Resolution accrual cancelled	(15 595)
	1 028 377
 Balance per modified cash basis for 1 April 2015	 1 988 159
Duplication of EAP employee wellness accrual	(5 071)
Duplication of goods and services accrual through LOGIS	(24 210)
Incorrect inclusion of LOGIS accrual paid in March 2015	(42 477)
Incorrect inclusion of LOGIS accrual cancelled	(33 531)
Inclusion of tax on gratuities for Members	45 580
	1 928 450

41. Change in accounting policy

The change in accounting policy occurred due to the change in the basis of accounting from the modified cash basis to GRAP.

Below is a summary of the total effect that the change in accounting policy had on the amounts previously disclosed in the annual financial statements, followed by detail descriptions on the various line items.

* See Note 40 & 41

	2016	2015		
		Restated*		
41. Change in accounting policy (continued)				
Statement of Financial Performance for the year ended 31 March 2015	Balance as previously reported	Reclassification	Adoption of GRAP	Restated balance
Revenue				
Departmental revenue	247 017	(246 833)	(184)	-
Aid assistance	84 735	-	(84 735)	-
Recoveries	-	47 357	-	47 357
Interest received	-	212 178	-	212 178
Other income	-	57 899	1 505	59 404
Legislative Sector Support funding	-	1 602 818	-	1 602 818
Annual appropriation	111 722 000	-	-	111 722 000
Statutory appropriation	39 334 000	-	-	39 334 000
Total revenue	151 387 752	1 673 419	(83 414)	152 977 757
Expenditure				
Employee related costs	(80 588 933)	(129 356)	32 119 447	(48 598 842)
Members remuneration	-	(5 041 605)	(35 512 684)	(40 554 289)
Goods and services	(23 300 851)	23 300 851	-	-
Aid assistance	(989)	-	989	-
Payment of financial assets	(24 211)	24 211	-	-
Expenditure of capital assets	(2 109 076)	2 109 076	-	-
Finance costs	-	(937 198)	529 319	(407 879)
Transfers and subsidies	(38 644 728)	5 474 356	-	(33 170 372)
Lease rentals on operating leases	-	(200 967)	(444 212)	(645 179)
General expenses	-	(24 600 483)	1 780 028	(22 820 455)
Total expenditure	(144 668 788)	(1 115)	(1 527 113)	(146 197 016)
Operating surplus / (deficit)	6 718 965	1 672 304	(1 610 528)	6 780 741
Gain/(loss) on disposal of assets	-	14 134	(778 439)	(764 305)
Actuarial (loss)/gain	-	-	8 978 000	8 978 000
Transfer of voted funds to be surrendered	-	-	(6 388 201)	(6 388 201)
Transfer of departmental revenue to be surrendered	-	-	(299 017)	(299 017)
Surplus/ (deficit) for the year	6 718 965	1 686 438	(98 185)	8 307 218

* See Note 40 & 41

	2016	2015		
		Restated*		
41. Change in accounting policy (continued)				
Statement of Financial Position as at 30 June 2014	Balance as previously reported	Reclassification	Adoption of GRAP	Restated balance
Assets				
Current Assets				
Cash and cash equivalents	8 039 320	-	-	8 039 320
Inventories	-	-	710 538	710 538
Receivables from non-exchange transactions	-	39 142	-	39 142
Receivables from exchange transactions	616 949	(39 142)	45 919	623 726
Prepayments	124 211	-	103 766	227 977
Total current assets	8 780 480	-	860 223	9 640 703
Non-current Assets				
Receivables from non-exchange transactions	-	22 541	-	22 541
Receivables from exchange transactions	98 542	(22 541)	(69 914)	6 087
Property, plant and equipment	-	-	17 948 859	17 948 859
Intangible assets	-	-	606 744	606 744
Heritage assets	-	-	256 911	256 911
Total non-current assets	98 542	-	18 742 600	18 841 142
Liabilities				
Current liabilities				
Payables from exchange transactions	(759 611)	(21 652)	(1 928 450)	(2 709 713)
Voted funds to be surrendered	(6 388 201)	-	-	(6 388 201)
Departmental revenue to be surrendered	(23 119)	-	-	(23 119)
Finance lease obligation	-	-	(139 577)	(139 577)
Employee benefits	-	-	(7 781 269)	(7 781 269)
LSS payable	(1 686 439)	1 686 439	-	-
Total current liabilities	(8 857 370)	1 664 787	(9 849 296)	(17 041 879)
Non-current Liabilities				
Payable from exchange transactions	(21 652)	21 652	-	-
Finance lease obligation	-	-	(1 207 973)	(1 207 973)
Employee benefit obligation	-	-	(34 808 000)	(34 808 000)
Total non-current liabilities	(21 652)	21 652	(36 015 973)	(36 015 973)
Net Assets				
Accumulated surplus - Opening balance	(6 718 965)	-	(26 164 260)	(32 883 225)
Surplus / (deficit) for the year	6 718 965	1 686 438	(98 185)	8 307 218
Total net assets	-	1 686 438	(26 262 445)	(24 576 007)

* See Note 40 & 41

	2016	2015 Restated*
41. Change in accounting policy (continued)		
1. Reclassification of revenue-		
Decrease in departmental revenue		(247 017)
Increase in recoveries		47 357
Increase in interest received		127 443
Increase in other income		57 899
Increase in gain on disposal of assets		66 318
Increase in accumulated surplus		(52 000)
		-

The departmental revenue was reclassified according to the nature of the revenue received.

2. Aid assistance -		
Total movement in statement of financial performance		83 746
Decrease aid assistance revenue		(84 735)
Increase aid assistance expense		989
		-

Aid assistance relates to the Legislative Sector Support donor funds that as per the agreement is no longer in use by the legislature and therefore the movement should be directly recorded between the bank account and the payable.

3. Employee related costs		
Opening balance		80 588 933
Reclassification to Members remuneration		(33 838 655)
Increase due to recognition of employee benefits		1 727 551
Increase due to employee benefits paid out		129 358
Decrease due to accruals		(8 345)
		48 598 842

As per the requirements of GRAP the Members remuneration has been disclosed as a separate line item.

Due to the accrual based accounting the employee benefits have been recognised and the movement for the year has been recorded in employee related costs.

4. Reclassification of expenditure -		
Decrease in goods and services		23 300 851
Decrease in payment of financial assets		24 211
Decrease in expenditure of capital assets		2 109 076
Increase in finance costs		(937 199)
Decrease in transfers and subsidies		5 474 357
Increase in lease rentals on operating lease		(200 967)
Increase in employee costs		(129 356)
Increase in Members remuneration		(5 041 605)
Increase in general expenses		(24 599 368)
		-

* See Note 40 & 41

	2016	2015 Restated*
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41. Change in accounting policy (continued)

Reclassification of expenditure based on the nature of the expense during the GRAP conversion.

5. Inventory

Increase in inventory	710 538
Increase in accumulated surplus	(605 307)
Decrease in general expenses	(105 231)
	<u>-</u>

Due to the adoption of GRAP and the accrual basis of accounting the inventory balances have now been recorded in the financial statements.

6. Employee benefits

Increase in Employee benefits - Leave accrual	(2 963 344)
Increase in Employee benefits - Service bonus accrual	(1 373 369)
Increase in Employee benefits - Performance awards accrual	(848 730)
Increase in Employee benefits - Time off hours	(783 825)
Increase in Employee benefits - Long service awards	(4 387 000)
Increase in Employee benefits - Once-off gratuity	(4 700 000)
Increase in Employee benefits - Medical aid benefits	(27 533 000)
Decrease in accumulated surplus	48 388 717
Employee costs - contribution to employee benefits	3 178 551
Actuarial loss / (gain)	(8 978 000)
	<u>-</u>

Due to the adoption of GRAP and the accrual basis of accounting the employee benefits have now been recorded in the financial statements.

Actuarial valuations were performed for the long services awards, once-off gratuities and the medical aid benefits, this resulted in an actuarial gain being recognised.

7. Finance leases - vehicles

Increase in property, plant and equipment	1 406 359
Increase in finance lease obligation	(1 358 506)
Increase in accumulated surplus	(47 853)
Decrease in finance costs	(66 314)
Decrease in finance lease obligation	66 314
Increase in operating lease expense	428 600
Decrease in finance costs	(428 600)
	<u>-</u>

* See Note 40 & 41

	2016	2015 Restated*
41. Change in accounting policy (continued)		
Recognising the finance lease - vehicles due to the accrual based accounting. The movement for the 2015 financial year of finance costs (capital portion) were correctly recognised.		
The lease expense relating to the operating lease vehicles was reclassified from finance costs to operating lease expenses.		
8. Receivables from non-exchange/exchange transactions-		
Increase in receivables from exchange transactions		6 778
Decrease in long term receivables from exchange transactions		(92 455)
Increase in receivables from non-exchange transactions		39 142
Increase in long term receivables from non-exchange transactions		22 541
Decrease in accumulated surplus		35 109
Decrease in general expenses - thefts and losses		(9 610)
Increase in the reversal of impairment		(1 505)
		-

The effect on the receivables is due to the recognition of the impairment provision within the receivables balance. The reversal of a portion of the provision was also recorded due to payment being made on impaired balances.

The classification between long term and short term portions was corrected based on information obtained from repayment arrangements.

9. Accruals

Decrease in accumulated surplus	1 028 376
Decrease in general expenses	(981 258)
Decrease in operating lease rentals	(1 093)
Decrease in employee related costs	(46 025)
Increase in accruals	(1 928 450)
Increase in general expenses	1 547 270
Increase in operating lease rentals	16 705
Increase in Members remuneration	326 795
Increase in employee cost	37 680
	-

Reversal of the accruals for the 2014 year and recognising of the accruals for 2015 due to the accrual basis of accounting resulting from the adoption of GRAP.

* See Note 40 & 41

	2016	2015 Restated*
41. Change in accounting policy (continued)		
10 Finance leases - cell phones		
Increase in property, plant and equipment		101 911
Increase in finance lease obligation		(55 359)
Decrease in accumulated surplus		(16 960)
Decrease in finance costs		(34 405)
Increase in the loss on disposal on asset		4 813
		-

Recognising the finance lease - cell phones due to the accrual based accounting. The movement for the 2015 financial year of finance costs (capital portion) were correctly recognised.

11. Property, plant and equipment, Heritage assets and Intangible assets)

Increase in Property, plant and equipment	16 440 589
Increase in Heritage assets	256 911
Increase in Intangible assets	606 744
Decrease in accumulated surplus	(15 898 854)
Decrease in assets expensed (general expenses)	(2 231 199)
Decrease in the losses on disposal assets	825 809
	-

Recognition of the Property, plant and equipment, Heritage assets and Intangible assets due to the accrual based accounting as a result of the adoption of GRAP.

12. Prepayments

Increase in prepayments	103 767
Decrease in Members remuneration	(103 767)
	-

Recognition of a prepayment to Parmed as a result of the adoption of GRAP.

13 Reclassifying LSS funding

Decrease in LSS payable	1 686 438
Increase in revenue from non-exchange transactions	(1 602 818)
Increase in interest received	(84 734)
Increase in general expenses	1 114
	-

Due to the Legislature not being liable to pay back the funding, the funding was reclassified to revenue from non-exchange transactions and the interest and bank charges for the year were recognised.

* See Note 40 & 41

	2016	2015 Restated*
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42. Budget differences

Material differences between budget and actual amounts

42.1 Recoveries

The variance is as a result of income received in terms of previous years expenditure.

42.2 Other income

The variance is as a result of revenue received from meals, parking, sales and a foreign exchange gain which was more than the appropriated budget amount.

42.3 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.

42.4 Employee costs

The variance is due to vacant posts which were not filled as anticipated as well as resignations of senior personnel such as the Deputy Secretary Procedural Services and the Secretary.

42.5 Members remuneration

Variance due to members increase not being effected at year end.

42.6 Finance costs

Variance due to daily tariff for Government Garage vehicles being less than anticipated as one vehicle was returned to Government Motor Transport during the year for repairs.

42.7 General expenses

Variance mainly due to Enterprise Resource Planning system related costs which were not expensed.
Variance mainly due to Members contributions which were less than anticipated.

43. 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.

44. Events after the reporting date

No adjusting events have occurred after the reporting date.

* See Note 40 & 41

