



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

**Strategic Plan for Parliament
2019 to 2024**

27 February 2020

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Statement by the Executive Authority

The 6th democratic Parliament was established shortly after the May 2019 provincial and national elections. This was a critical milestone in deepening and entrenching democracy in our country.

Acknowledging the collective gains made over more than two decades of democracy, the 6th Parliament reaffirmed its commitment not only to its constitutionally predicated responsibilities of law making, oversight and public participation - but also to its vision of being an activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.

As a veritable hub of democracy and true tribune of the people, and mindful of its responsibility to build an effective people's Parliament that is responsive to the needs of the people, the institution embarked on a process of strategy development. Informed by the institution's integrated strategic management framework, early in the parliamentary term, the planning sessions were conducted in both houses of our Parliament (i.e. the National Assembly and the National Council of Provinces). This culminated in the identification of policy priorities, which in turn informed the subsequent development of the Strategic Plan for the 6th Parliament. The institution's core values of openness, responsiveness, accountability, teamwork, professionalism and integrity guided the strategy development process.

The process took place against a backdrop of a gloomy global economic and political outlook. These resulted from, amongst others, intermittent trade wars and trade policy uncertainty, resurgence of 'narrow nationalism' and seismic shifts in geo-politics. There were also renewed national efforts to have meaningful and value-adding social compacts to ameliorate the nation's major socio-economic challenges associated with deepening inequality, poverty and high unemployment. In addition to the attendant challenges of poor economic performance, the low growth forecast for South Africa and the potential spill-over effects (such as budget cuts and decreased allocation to Parliament), the strategy development process occurred at a time when the institution was grappling with an array of its own internal challenges. These include, but are not limited to, unsustainable cost of the wage Bill and aging physical infrastructure which does not talk to the demands of a changing Parliament.

Nonetheless, while mindful of the above external and internal constraints we are emboldened by the gains made by the previous parliaments such as the 5th Parliament's performance improvement from 45% in 2015/16 to 78% in 2018/19 and the five consecutive clean audits. The 6th Parliament developed its Strategic Plan for the 2019-2024 period in order to create a common vision for all at Parliament, establishing a high level of synergy and understanding regarding the direction in which the organisation is moving, whilst also directing the operational components in their daily activities. The Strategic Plan also outlines the long-term impact of Parliament, its medium-term outcome and indicators in order to give effect to an activist people's Parliament.

In recent years, our country has witnessed a rise in service delivery protests. The general perception is that these have been occasioned by the dilatory manner in which government responds to people's concerns when these are raised. This underscores the need for the 6th Parliament to intensify its efforts of keeping the executive accountable in delivering on the goals of the National Development Plan of increasing employment, eradicating poverty and reducing inequalities - thus increasing government's responsiveness and accountability. As a true tribune of the people, Parliament cannot afford to luxuriate in lengthy policy debates and legislative processes while 26 years later in our democracy the country's democratic dividend is not equally distributed and shared by all.

As such, this 6th Parliament will utilise its oversight mechanisms and all available resources to help ensure, effect and advance the pace of service delivery to all the people of South Africa.



**TR MODISE, MP
SPEAKER
NATIONAL ASSEMBLY**



**AN MASONDO, MP
CHAIRPERSON
NATIONAL COUNCIL OF PROVINCES**

Statement by the Accounting Officer

The Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009 as amended, requires Parliament to develop and table a strategic plan that sets out its planned outcomes and strategy for the 5-year term. The strategic plan must cover the next five years, specify the priorities of Parliament, and include impact and outcome statements as well as indicators against which the institution can be measured and evaluated. It must also include multi-year projections of revenue and expenditure.

Following the elections in May 2019, the Executive Authority of Parliament directed a process whereby representatives of the National Assembly and the National Council of Provinces participated in the development of policy priorities for the sixth Parliament. Planning sessions were conducted for both Houses, after which policy priorities were identified jointly. This political policy direction informed the development of a draft strategic plan under the leadership of the Accounting Officer. The strategic plan outlines the long-term impact of Parliament and the medium-term outcomes for the 6th Parliament, 2019 to 2024.

The Constitution envisages, amongst others, improving the quality of life of all citizens, and freeing the potential of each person. Moreover, our country's National Development Plan (NDP) outlines Government's masterplan for the improvement in the quality of life of all persons in South Africa by 2030. In so doing, the NDP reflects key measures and objectives to increase employment, eradicate poverty and reduce inequality. Parliament therefore regards improving quality of life as a fundamental focus in the development of our democracy and has adopted it as the ultimate 15-year societal impact for South Africa. The challenge for Parliament is to ensure that Government delivers on the objectives and targets of the National Development Plan.

Against this backdrop, Parliament determined its 2024 outcome of increasing government's responsiveness and accountability. To do this, Parliament will need to strengthen its oversight over the Executive. Stronger oversight will require deeper insights and scrutiny and more effective public involvement. As Parliament responds to this opportunity, it will more effectively fulfill its constitutional mandate, improve government's responsiveness and accountability, improve the pace and quality of service delivery and build the trust of the people. In this regard Parliament's Administration will focus its attention on the effective and improved support to all Members of Parliament.

I am pleased to present the strategic plan for the 6th Parliament, 2019 to 2024.


P TYAWA
ACTING SECRETARY TO PARLIAMENT

Definitions

<i>Strategic plan</i>	A clearly defined 5-year plan that focuses on issues that are strategically important to the institution. The strategic plan is reviewed annually or when required. It identifies the impact and outcomes against which the institution can be measured and evaluated.
<i>Annual performance plan</i>	A 3-year performance plan that focusses on the outputs, output indicators and targets that the institution will seek to achieve in the upcoming financial year, aligned to the outcomes reflected in the Strategic Plan. It includes forward projections (annual targets) for a further two years, consistent with the Medium-Term Expenditure Framework (MTEF) period, with annual and quarterly performance targets, where appropriate, for the financial year.
<i>Operational plans</i>	Plans for components focusing on activities and budgets for each of the outputs and output indicators reflected in the Annual Performance Plan. Annual operational plans include operational outputs, which are not reflected in the Annual Performance Plan. Operational plans can be developed for branches or programmes within the institution.
<i>Performance information</i>	Performance information includes planning, budgeting, implementation, monitoring, reporting and evaluation elements, which are key to effective management. Performance information indicates how well an institution performs towards the achievement of its results. This information is vital in enhancing transparency, accountability and oversight.
<i>Impact</i>	Impacts are changes in conditions. These are the results of achieving specific outcomes, such as reducing poverty and creating jobs. Impacts seeks to answer the question of "what do we aim to change".
<i>Outcome</i>	The medium term results which are the consequence of achieving specific outputs. Outcomes are "what we wish to achieve".
<i>Outputs</i>	The final tangible products, or goods and services delivered as a result of activities. Outputs may be defined as "what we produce or deliver". Outputs are also the building blocks towards the desired outcome.
<i>Activities</i>	These are processes or actions which use a range of inputs to produce the desired outputs and ultimately outcomes. In essence, activities describe "what we do".
<i>Inputs</i>	These are the resources which contribute to the production and delivery of outputs. Inputs are "what we use to do the work". They include finances, personnel, equipment and buildings.

<i>Assumptions</i>	Assumptions are factors that are accepted as true and certain to happen without proof.
<i>Risks</i>	A potential, unintended outcome that will affect the achievement of an institution's predetermined results.
<i>Indicator</i>	An indicator is a predetermined signal, at a specific point in a process, showing that the result was achieved. It should include a unit of measurement that specifies what is to be measured. Indicators can be qualitative or quantitative measures.
<i>Proxy indicators</i>	Proxy indicators are used when results cannot be measured directly. A proxy indicator aims to provide an indication of achieved performance in a specific area.
<i>Sector indicators</i>	Sector indicators refer to a core set of indicators that have been developed and agreed to by national and provincial institutions within a sector. The sector indicators are approved by provincial Accounting Officers, incorporated in the Annual Performance Plans of provincial institutions and form the basis for quarterly and annual performance reporting process.
<i>Indicator descriptor</i>	The description of impact, outcome and output indicators and targets to outline data collection processes, gathering of portfolio of evidence, and an acceptable level of performance at the beginning of the planning cycle.
<i>Targets</i>	Targets are the level of performance the institution would like to achieve and must be specific, measurable, attainable, realistic and timely (SMART).
<i>Baseline</i>	The current level of performance that the institution aims to improve.

I. PART A: THE MANDATE OF PARLIAMENT

1.1 Introduction

1.1.1 Introducing strategic planning in Parliament

The first democratically elected Parliament identified the need for a strategic planning process to enable systematic and coherent planning for the future and to monitor and evaluate implementation and progress. An initial set of processes were activated in 1997, with the aim of implementing strategic planning.

With the promulgation of the Public Finance Management Act in 1999, Parliament adopted the management principles set out in this Act. Instruments such as the strategic plan, the budget vote, quarterly reports and the annual report were introduced from 2002. With regard to the extent that any provision of this Act applied to Parliament, section 3 vested any controlling and supervisory functions of the National Treasury in the Speaker of the National Assembly and the Chairperson of the National Council of Provinces, acting jointly.

1.1.2 Finance Management of Parliament Act

With the promulgation of the *Financial Management of Parliament and Provincial Legislatures Act*, Act 10 of 2009 as amended, the planning process and the strategic plan became regulated by law. As of 2009, Parliament adopted the continuum of governance activities as set out in the *Green Paper on National Strategic Planning* (2009). These governance activities consist of:

- policy development;
- strategic and operational planning;
- resource allocation;
- implementation; and
- performance monitoring and evaluation.

Accordingly, the Executive Authority of Parliament oversees the preparation of Parliament's strategic plan, annual performance plan, and budget and adjustments budgets. With regard to the governance processes, the Act makes provision for the submission of a draft strategic plan, draft annual performance plan, draft budget, written performance agreement, monthly financial statements, quarterly performance reports, a mid-year budget and performance assessment, and an annual report.

The strategic plan must -

- a) cover the next five years or another period determined by Parliament;
- b) specify the priorities of Parliament's administration for the period of the plan;
- c) include objectives and outcomes for each programme of Parliament;
- d) include multi-year projections of all revenue and expenditure; and

e) include performance measures and indicators for assessing the administration's performance in implementing the strategic plan.

The strategic plan outlines the long-term impact of Parliament and the medium-term outcomes.

1.1.3 Strategic management process in Parliament

Parliament adopted an integrated strategic management framework in 2018, setting out the strategy development process. The strategic management framework is based on universally accepted best practice in the strategic management sphere, and directs the planning process in Parliament.

The strategic management framework comprises of the essential building blocks required for the formulation and implementation of strategy. The framework is based on the vision, mission and values of the institution. The framework consists of two main elements: *strategy formulation* and *strategy implementation*. Strategy formulation consists of environmental scanning, strategy formulation and goal setting. Strategy implementation consists of implementation programmes and initiatives, the required organisational structures, resource allocation, and monitoring and evaluation.

Following the elections in May 2019, the Executive Authority of Parliament directed a process whereby Members of the National Assembly and the National Council of Provinces participated in the development of policy priorities for the sixth Parliament. Planning sessions were conducted for both Houses after which policy priorities were identified. The process ensured the active involvement by the Executive Authority, Office Bearers and Members of Parliament in the development of the policy priorities for Parliament. The Accounting Officer directed the development of a draft strategic plan, based on this policy direction.

1.1.4 Alignment with the National Development Plan and related plans

The work of Parliament is informed and influenced by the national agenda, and also by regional and global developments. The strategic plan of Parliament is aligned to the objectives set out in various plans, including the National Development Plan and other regional and global plans.

The first National Development Plan for South Africa was published in 2012. The plan sets out measures and objectives to increase employment and income, to ensure skills development and to broaden ownership to historically disadvantaged groups. It intends to increase the quality of education, provide access to affordable, quality health care, and to provide safe and affordable public transport. It further seeks to provide security of household food, nutrition and housing, and social protection for the poor and other groups in need, such as children and persons with disabilities. The plan also outlines steps for the realisation of a developmental, capable and ethical state that treats citizens with dignity. In terms of the principles of a developmental state, public administration must be governed by the democratic values and principles enshrined in the Constitution. Subsequent to the publication

and adoption of the National Development Plan, all institutions are required to review and align their long-term outcomes and strategic plans.

Regional, continental and global plans used in alignment included the following:

- *The Sustainable Development Goals* - a collection of 17 global goals designed to be a blueprint to achieve a better and more sustainable future for all. The SDGs, set in 2015 by the United Nations General Assembly and intended to be achieved by the year 2030, are part of UN Resolution 70/1, the 2030 Agenda.
- *Agenda 2063 – the Africa we want*. Africa's new path for attaining inclusive and sustainable economic growth and development was signed by members of the African Union in May 2013. The declaration marked the re-dedication of Africa towards the attainment of the Pan African Vision of an integrated, prosperous and peaceful Africa, driven by its own citizens, representing a dynamic force in the international arena.
- *SADC Regional Indicative Strategic Development Plan*. The plan is a comprehensive 15-year strategic roadmap, which provides the strategic direction for achieving SADC's long-term social and economic goals. It was approved by the SADC Summit in 2003 and its effective implementation began in 2005.
- *The Inter-Parliamentary Union Strategy 2017-2021*. The plan, drafted under the guidance of IPU Member Parliaments, sets the vision, mission and objectives of the organisation. It outlines the actions that need to be taken by the IPU community to achieve its agenda and the two overarching goals of building strong, democratic parliaments and mobilising them around the global development agenda.

1.2 Mandate of Parliament

1.2.1 Legislative mandate

The mandate of Parliament derives from the Constitution of the Republic of South Africa, 1996, establishing Parliament and setting out the functions it performs. Parliament's role and outcomes are to represent the people and ensure government by the people under the Constitution, as well as to represent the provinces and local government in the national sphere of government.

The mandate and functions of Parliament are based on the following legislation:

- Constitution of the Republic of South Africa, 1996;
- Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act, Act 4 of 2004;
- Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009;
- Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009;
- National Council of Provinces (Permanent Delegates Vacancies) Act, Act 17 of 1997;
- Determination of Delegates (National Council of Provinces) Act, Act 69 of 1998;

- Mandating Procedures of Provinces Act, Act 52 of 2008; and
- Remuneration of Public Office Bearers Act, Act 20 of 1998.

1.2.2 Business of Parliament

The strategic outcomes, budget programme structure and the organisational structure of Parliament are predicated on the business of Parliament, as set out in the Constitution.

The Constitution is the supreme law of the Republic and lays the foundations for a democratic and open society in which government is based on the will of the people and every citizen is equally protected by law. It stipulates the values and mechanisms for governance of a uniquely people-centred democracy.

The Constitution sets a single, sovereign democratic state where government is constituted as national, provincial and local spheres of government which are distinctive, interdependent and interrelated. On the national sphere governance is effected through Parliament, the Executive and the Judiciary. In the Republic, the legislative authority of the national sphere of government is vested in Parliament, the executive authority is vested in the President, and the judicial authority is vested in the Courts.

Parliament represents the people and provincial interests in order to ensure government by the people, under the Constitution. Such representation takes place in the activities of passing legislation, overseeing and scrutinising executive action, and the facilitation of public involvement, co-operative government and international participation.

Applying the construct of the logical framework to Parliament, it is possible to define the inputs, activities, outputs, medium-term outcomes and long term impacts for Parliament (Figure 1).

Inputs relate to Members' capacity, advisory and information services, and related facilities and support used in activities. Activities include the passing of legislation, overseeing and scrutinising executive action, the facilitation of public involvement, functions around co-operative government and international participation. These activities are mainly constituted as plenaries, committee meetings and the work performed in constituencies and on international platforms. The effectiveness of such plenaries and committee meetings depend on the appropriate capacity, the required information on proceedings and content, and an enabling environment with the required facilities. The ensuing outputs to these processes will include Bills, budget recommendations, appointment recommendations, approved international agreements, government interventions and other resolutions of Parliament. The outcome of Parliament is orientated to ensure open, responsive and accountable government.

Parliament	Result
Impact	<i>Improve quality of life:</i> Eliminate income poverty Reduce unemployment Reduce inequality
Outcome	<i>Long-term:</i> Deepened democracy <i>Intermediate:</i> Accountable government <i>Immediate:</i> Strengthened oversight and accountability Enhanced public involvement Deepened engagement in international fora Strengthened co-operative government Strengthened legislative capacity
Outputs	<i>House resolutions:</i> Bills, approved international agreements, appointment recommendations, approved interventions, resolutions
Activities	<i>Houses:</i> Plenaries <i>Committees:</i> Committee meetings <i>Constituencies:</i> Constituency office representation
Inputs	<i>House:</i> Advisory and information services, Members' support services. <i>Committees:</i> Procedural and legal advice, analytical content advice, research, records, public education, communication, media, meeting room preparation, catering, security. <i>Constituencies:</i> Transfer payments for constituency work

Figure 1. Framework linking inputs, activities, outputs, outcomes and impacts

1.2.3 Court rulings relevant to the mandate of Parliament

As our democracy matures, people and organisations approach the courts to challenge actions or legislation passed by Parliament. The courts recently declared legislation constitutionally invalid on various grounds. This resulted in Parliament being required to remedy the defects, some of which required additional resources for implementation. These court rulings, however, provided clarity and direction on the constitutional obligations of Parliament. They brought about much needed certainty on the interpretation of some provisions of the Constitution relating to the business of Parliament.

With regard to the obligation of Parliament to involve the public in its processes, the Constitutional Court confirmed that failure to comply with this obligation rendered the resulting legislation constitutionally invalid. The Constitutional Court acknowledged however that each case will have to be determined on its own merits as Parliament and the provincial legislatures have a broad discretion in deciding how to best fulfil this obligation and may do so in innovative ways. The principal requirements are that a legislature must have acted reasonably in providing the public a meaningful opportunity to be heard. (*Doctors for Life International v The Speaker of the National Assembly*

and Others; Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others).

The Court also confirmed that in respect of Bills that affect provinces, the National Council of Provinces may decide not to conduct public hearings itself, but rather to have the provincial legislatures do this instead, as the provincial legislatures are “closer to, and more in touch with, the people and better placed to reach the nooks and crannies of the country”. (*Land Access Movement of South Africa and Others v Chairperson of the National Council of Provinces and Others*).

A number of court rulings have pointed towards the need for review of the overall statute book, focusing on correcting deficiencies and ensuring greater constitutional compliance of Bills. The courts have also confirmed the importance of the correct classification of legislation in determining the legislative route that a Bill follows through Parliament. (*Tongoane and Others v National Minister for Agriculture*).

The Constitutional Court has declared certain Rules of the National Assembly constitutionally invalid on the grounds that they are inconsistent with the right of Members of the National Assembly to initiate and introduce legislation. This has an implication for the Delegates of the National Council of Provinces as it has similar Rules. This resulted in Parliament establishing capacity to assist Members of both Houses to initiate and draft Bills. In addition, the Rules of both Houses also require the Secretary to reimburse a member where he/she has incurred costs in the process (*Oriani-Ambrosini v The Speaker of the National Assembly*).

Where there were no specific rules to give effect to the accountability mechanism to remove the President in terms of section 89 of the Constitution, the Constitutional Court found that the National Assembly failed to comply with that provision. As envisaged in the section, the Assembly had to adopt such rules without delay (*Economic Freedom Fighters and Others v Speaker of the National Assembly and Another*).

II. PART B: STRATEGIC FOCUS OF THE 6TH PARLIAMENT

2.1 Vision

An activist and responsive people's Parliament that improves the quality of life of South Africans and ensures enduring equality in our society.

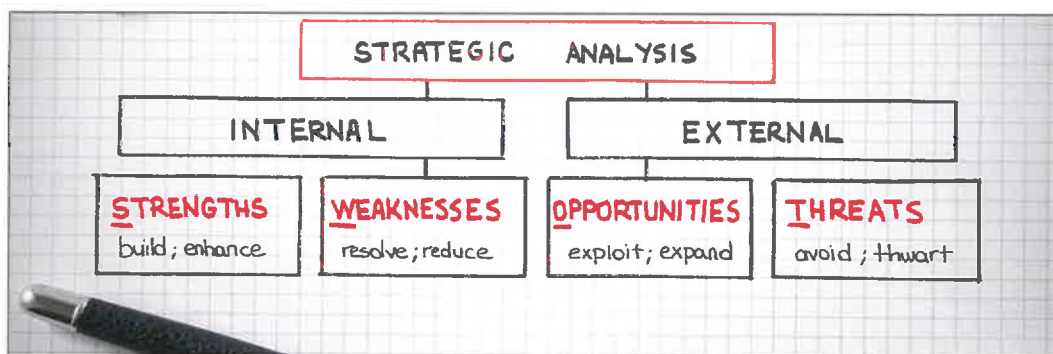
2.2 Mission

To represent the people, and to ensure government by the people in fulfilling our constitutional functions of passing laws and overseeing executive action.

2.3 Values

*Openness
Responsiveness
Accountability
Teamwork
Professionalism
Integrity*

2.4 Situational analysis relevant to Parliament



2.4.1 The external environment

The work of Parliament is influenced by several developing trends within the global, continental and national contexts, including the effects of evolving democracies, emerging contestations, uneven global economic growth, increased expectations and demands, and changing forces in global governance.

Global economic activity has slowed down from 2018, and economic growth for 2019 and 2020 has been revised downwards. Global risks are increasingly impacting on growth, mainly caused by trade wars between the USA and China, the impact of Brexit in Europe, prevailing financial market sentiment, slower

economic growth in China, Europe and Japan, and geopolitical tension between the United States and Iran.

Global growth, estimated at 2.9 percent for 2019, is projected to increase to 3.3 percent in 2020, and 3.4 percent in 2021 (IMF, World Economic Outlook, Jan 2020). The forecast for emerging markets and developing economies is expected to increase to 4.4 percent in 2020 and 4.6 percent in 2021 - from an estimated 3.7 percent in 2019. The IMF forecasts that growth in Africa's sub-Saharan countries will be 3.3% for 2019, and 3.5% for 2020 and 2021. The sub-Sahara unemployment rate for 2016 stood at 7.5% (ILO, 2016), with human development remaining below the 0.55 level for the region (UNDP, 2016). Poor transport links and infrastructure networks, as well as tariff and non-tariff barriers, raise the cost of doing business in Africa and hobble both investment and internal trade, whilst weak legal institutions and, in some cases poor governance, heighten the risks of investing (NDP, 2012).

South Africa experienced an average growth rate of approximately 5 percent between 2004 and 2007. However, the period 2008 to 2012 only recorded average growth just above 2 percent - largely a result of the global economic recession and domestic risks.

The medium-term economic outlook has been revised down, with GDP growth forecast to reach 0.5 percent in 2019, rising to 1.2 percent in 2021 (Budget Review, Oct 2019). The IMF projected growth for South Africa as 0.4 percent for 2019 and 0.8 for 2020 (IMF, Jan 2020, WEO Update). Weak economic performance and residual problems in tax administration have resulted in large revenue shortfalls. The deteriorating financial position of state-owned companies has put additional pressure on the public finances. Faster growth is needed to expand employment and raise the revenues needed to support social development. While progress is being made on various short-term initiatives, South Africa needs to implement a range of structural reforms that will bolster confidence, investment, international competitiveness and consequently economic growth.

Several of South Africa's challenges can only be addressed through regional co-operation. While South Africa is a water-scarce country, several neighbouring countries have abundant supply. There are other areas in which complementary national endowments offer opportunities for mutually beneficial co-operation. South Africa, a major economic player on the continent, remains faced with the challenges of unemployment, poor outcomes of education, inadequate infrastructure, spatial divides, a resource-intensive economy, a public health system not meeting demand and quality requirements, uneven and poor quality public services, high levels of corruption, and a divided society (NDP, 2012).

Despite a number of progressive initiatives, the main challenges of poverty, inequality and unemployment persist. Unemployment in South Africa remained high at 29%, with youth unemployment at 55% (StatsSA, 2019).

Although the proportion of the population living in poverty declined between 2006 and 2011, poverty levels rose in 2015 with the poverty headcount increasing to

55.5%. This translated into over 30,4 million South Africans living in poverty in 2015 (StatsSA, 2017). Human development in South Africa has seen a slight increase, from 0.638 in 2010, to 0.666 in 2015 (UNDP, 2016). The Gini coefficient of 0.68 (2015) remains high, and indicates the extreme levels of inequality in society.

Socially, South Africa has seen a rapid increase in the rate of urbanisation, with more than 65% of its population being classified as urban by 2016. Rapid urbanisation, a global phenomenon, is aided by increased migration due to certain pull and push factors. The last two decades saw a great increase in mobility, technology, transport and other infrastructure supporting the current international wave of migration.

The social trends in South Africa are also influenced by technology today, especially social media. In recent years the use of internet and social media saw strong growth, with 28 million people (out of a population of 55 million people) accessing and utilising the internet (Qwertydigital, 2017). The annual increase in internet usage for 2016 was 7%. Some 15 million people make use of social media platforms, and 13 million users do so purely from mobile phones. This demonstrates the rapid evolution seen in technology and access to information. Today, communication and social media are becoming platforms for public discourse.

On a political level, contestation has seen a marked increase since 1994, with both inter and intra party competition playing itself out on the national stage. Political parties contesting the national elections in South Africa increased from 19 in 1994, to 48 in 2019. Globally, the political landscape for many states has seen dramatic changes in the last few years, sometimes with sudden and unexpected changes. The recent emergence of political populism, anti-establishment sentiments, heightened nationalism, and increased protectionism may intensify risks and work against global economic co-operation and multilateralism.

In spite of the increased contestation, there appears to be broad consensus on the main challenges facing South Africa – poverty, unemployment and inequality. The National Development Plan (NDP, 2012) outlines these challenges in more detail. It also sets out measures and objectives to increase employment and income, ensure skills development and broaden ownership to include historically disadvantaged groups. It intends to increase the quality of education, provide access to affordable, quality health care, and provide safe and affordable public transport. It further seeks to give security of household food, nutrition and housing, and to provide social protection for the poor and other groups in need, such as children and persons with disabilities. The plan also outlines steps for the realisation of a developmental, capable and ethical state that treats citizens with dignity. In terms of the principles of a developmental state, public administration must be governed by the democratic values and principles enshrined in the Constitution.

To achieve these impacts, the NDP requires that South Africa must build a capable developmental state able to respond to the needs of the people. To achieve the

aspirations of a capable developmental state, the country needs a transformative Parliament that acts as an agent of change which ensures acceleration of delivery. It must enhance oversight and accountability, stabilise the political administrative interface, professionalise the public service, upgrade skills and improve co-ordination. It also needs a more pragmatic and proactive approach to managing the intergovernmental system to ensure a better fit between responsibility and capacity.

Nationally, several weaknesses remain in the accountability chain, with a general culture of blame-shifting. The accountability chain has to be strengthened from top to bottom, with a strong focus on strengthening oversight and accountability. Parliament needs to provide a forum for rigorous debate and champion the concerns of citizens. It needs to scrutinise legislation, paying particular attention to how legislation will impact on society, and seek to increase the quality of life. It needs adequate support in the form of generation, collation and analysis of data sets, specialist policy and research staff that are able to conduct both issue- or action-orientated research, and in-depth research to support parliamentary committees and brief parliamentarians. (NDP, 2012).

Recent information indicates that accountability in South Africa is diminishing (Ibrahim Index of African Governance, 2018). This should be of concern, as the main purpose of Parliament and other organs of state are to ensure open, responsive and accountable government. The imperative to strengthen oversight and accountability, in the state as a whole, will require more openness, transparency, collaboration, and more rigorous scrutiny and investigation. Greater accountability will require more ethical leadership, openness and transparency, and a sense of responsibility beyond control. Recent governance failures, in both the private and public spheres in South Africa, demonstrated how accountability and governance can be eroded causing knock-on effects in service delivery, diminishing returns and a collapse in equity value.

Technologically speaking, we find ourselves in the midst of the greatest information and communications revolution in human history. This trend is driven by the exponential growth and development in digital technologies – also known as the 4th industrial revolution. Globally, more than 40 percent of the world's population has access to the internet, with new users coming online every day. Among the poorest 20 percent of households, nearly 7 out of 10 have a mobile phone. The poorest households are more likely to have access to mobile phones, than to toilets or clean water. (World Bank, 2016).

Although businesses and people are adopting digital technology fairly swiftly, governments are not. This is also the case for parliaments. The 2018 World e-Parliament Report (IPU) indicates that parliaments do not tend to be early adopters of new technologies. In fact, they are lagging behind in adopting digital tools, social tools and open data. Yet society has changed, and with it, societal expectations. The public today expects ready access to Parliament, just as it has to commercial brands. It wants to receive information, have access to transact, and make real contributions that can influence the outcome of legislation. Parliaments will need to innovate or be left behind.

2.4.2 Intermediate environment

Globally, parliaments are facing three dominant pressures today (IPU, 2012). Each of these are playing out in different ways, at different speeds, and in specific countries and regions. The three common themes relate to the public's desire for:

- a. more information and influence in parliamentary work,
- b. more accountability and responsiveness to public concerns, and
- c. faster service and delivery to meet citizens' needs.

Public pressure on parliaments is greater than ever before. In many parts of the world there are fundamental questions about the effectiveness of parliaments in holding government to account. Until recently it was accepted that parliaments do not have competitors, as it remained the only platform for debate and participation in government decision-making. However, the access to technology, internet, and social media has created a situation where the public discourse is playing itself out on social and other media. In this regard parliaments are globally seen as sluggish to adopt modern technology and hence to act on public interests. Without parliament adding a value in the democratic chain, people might soon opt for a form of direct government where the executive accounts directly to the citizens. In such instances the risk of disintermediation arises.

The outcomes required around oversight and accountability can only be achieved through more meaningful co-operation by legislatures. In South Africa, the legislative sector brings together representation of legislatures on the national, provincial and local level. It seeks to better co-ordinate work around mutual goals, and to harness scarce resources in a more efficient way. Sector co-operation around oversight and public involvement can ensure more responsive and accountable government at all levels, including better co-operation in the delivery of services.

Although the parliamentary administration is a service-based organisation that delivers primarily through human capital, certain service providers are key to institutional performance and operations. The list below outlines the essential service providers that Parliament relies on:

- *Banking:* Parliament needs banking facilities and systems to facilitate payments to Members, staff and suppliers. Banks only provide these services to institutions with a good governance record and hence the necessity to maintain a clean audit.
- *Internet Service Providers:* Greater reliance has been placed on the internet to the extent that Parliament would not be able to function effectively without internet service. The number of internet service providers and internet channels has been growing over the years and data costs have been on a significant downward trend. Internet service provider fees for Parliament were three million Rand in 2018 whilst 2019 projections are one and a half million Rand for significantly more data and greater speed.

- *Telephony and cellular service providers:* These are essential for the efficient and smooth running of the Parliamentary service. There is a limited number of providers in the South African market, however prices have been trending downwards due to voice over IP services, and alternative social media platforms for communication.
- *Software providers:* Parliament is reliant on providers of key software for its operations. Software licenses have to be paid on an annual basis. There are no alternatives for these, however the IT strategy is looking at simplifying the IT architecture for the institution to reduce license costs and dependencies.
- *South African Police Services:* Parliament is a national key point and is governed by national legislation. It requires that the SAPS provide certain security services. This service cannot be provided by any other supplier.
- *Department of Public Works (DPW):* DPW is the custodian (owner) of the facilities utilised by Parliament and is responsible for managing and maintaining the Parliamentary precinct. The efficient running of the Parliamentary Service is highly dependent on how well DPW performs its role.
- *Insurance providers:* Insurers provide key risk mitigation services to Parliament through group life schemes, asset and electronic hardware insurance. This is necessary to warrant Parliament's sustainability as a going concern.
- *ICT and broadcast-audio visual equipment service providers:* a range of ICT and broadcast hardware and services are supported by service providers.
- *Travel:* Airways provide travel for Members between their homes, constituencies and Parliament. They play a vital role in ensuring that Members constitute meetings and proceedings. Service interruptions can easily affect the work of Parliament.

2.4.3 Internal environment

2.4.3.1 Performance and client satisfaction

The 5th Parliament introduced the concept of stakeholder management with regular client satisfaction surveys in order to improve service offerings and support to Members of Parliament. The approach has yielded valuable management information which is annually used in target setting and monitoring. During the 5th Parliament, the overall performance of the Parliamentary Service increased substantially. The performance is measured in terms of a) the achievement of performance targets stated in the Annual Performance Plan, and b) the audit outcomes for the institution. Overall performance on targets improved from 45% in 2015/16 to 78% in 2018/19. During this period the institution achieved five (5) consecutive clean audits (2014/15 to 2018/19).

A stakeholder survey conducted in 2017 indicated that more than half of Members of Parliament (52%) were satisfied with services, whereas 29% were dissatisfied with services - a further 19% was neutral. A second survey was conducted in 2018, indicating that overall satisfaction decreased. This information provides new insights into the use of parliamentary services and how existing services could be

re-conceptualised and expanded. Moving forward, the services offered to Members of Parliament should be based on an analysis of needs, offer effective support for the work of Members in an integrated way, and must ensure the efficient use of available resources.

2.4.3.2 Human resources

Parliament has a human resource workforce of about 1300 posts, with access to diverse and specialised skills. Some capacity remains untapped, mostly due to structural challenges. Since 2001 the workforce in Parliament has changed dramatically. In 2001 a total of 67% of the workforce was employed on the skilled and lower-skilled levels, with only 31% in the highly skilled and professional levels. By 2019, more than 71% was employed on the highly skilled and professional levels.

The increase in the highly skilled and professional levels is due to Parliament's requirements for knowledge and information skills. It is estimated that by 2030 almost 80% of employees in Parliament will be *knowledge workers* - highly skilled and professional employees, including legal, procedural and content advisors, researchers and analysts, and various subject matter experts. This also means that the conditions of service and working environment will need to change to accommodate knowledge workers. A recent report on staff engagement levels indicated that Parliament's ability to implement its strategic intent, to invest energy in work and the business, and to provide good customer service is impaired. The report further details that only 10% of staff is highly engaged, with 54% at risk of burnout, and that Parliament is paying a heavy cost for the disengagement.

According to the report, the main risk factors include inadequate communication, autocratic management style, inadequate job information and performance management, and inadequate growth and development opportunities. The report recommends that managers must be empowered with people and workplace management skills; apply a servant leadership approach; use coaching and communication skills; apply participatory management styles; promote job information; and use constructive performance management skills.

2.4.3.3 Processes, systems and technology

Despite recent implementation of innovative technologies, the uptake and application of systems in Parliament remains slow. The 2018 World e-Parliament Report (IPU) indicates that more than half of parliaments now have a legislative management system in place, and that Members of Parliaments now use email, websites and a range of social media to conduct their work. Although the 2018 report shows that parliaments are more and more willing to adopt new technologies, they continue to lag behind the general public.

As a consequence, business processes in Parliament remained largely manual, thus creating resource inefficiencies. In addition, business processes and standard operating procedures are poorly documented and mapped. An ISO 9001 readiness assessment in 2017 found that business processes in Divisions are

inadequately mapped, including process mapping across the value chain. Hence, quality control and business process improvements are not formally managed. Institutional communication and collaboration processes remain ad-hoc and weak, resulting in so-called *silo-mentality*. The poor management of processes add to unfulfilled client needs, poor service quality and resource inefficiencies.

The present systems supporting business processes include email, internet, intranet, central document management (uVimba), the Enterprise Resourcing Planning system (ERP), chamber management, voting, digital recording and transcription, committee scheduling, submissions for public participation, and a library management system. Parliament has recently moved the delivery of information to Members to an electronic platform in the form of the *MyParliament* mobile application. This application caters for the quick and mobile delivery of Parliamentary information to Members – anywhere, anytime.

Broadcast feeds of both Houses and selected committee sittings are relayed to the national broadcaster (SABC), eTV, PRIMEDIA and Multichoice's DSTV for broadcasting via television and via community radio stations as part of public involvement initiatives. In addition, live digital video streaming is transmitted to Parliament's official YouTube channel of House sittings and certain Committee sittings. The advantage of the YouTube digital streaming is that it allows for access to sittings anywhere, at any time via internet connectivity.

2.4.3.4 Facilities

The work of Parliament is realised through the main activities of plenary, committee and constituency work. As these activities are constituted as meetings, the facilities to house such meetings and its proceedings are an essential requirement to the effectiveness of representation. In addition, meetings at Parliament are open and require facilities for the attendance, and where required, the participation of the public. *The present facilities were not designed for the work of an open, democratic Parliament in which the involvement of people is an integral part of democracy.* Although chamber facilities for the National Assembly and the National Council of Provinces were rebuilt in accordance to specific needs, no proper facilities exist for joint sittings of the Houses.

The main challenge surrounds the limited facilities available for committee proceedings. Presently, there is an acute shortage of committee venues to facilitate the representation of people's interests in various parliamentary processes. Facilities for committee meetings are limited. Where available, the lay-out of facilities often inhibits effective meetings, with most venues unable to facilitate open meetings. In addition, office space for Members of Parliament is inadequate, both in its availability and quality, given the fact that Members should be accessible to the public.

2.4.3.5 Finances

In the external analysis the poor economic performance and the subsequent low growth forecast for South Africa were highlighted. Such a forecast could impact

Parliament directly as a result of continued fiscal consolidation that limits nominal budget increases. *Parliament may find that it can buy less with its allocations. It may have fewer resources to support the work of the legislature and its committees.* In recent years the budget allocation to Parliament, via the national appropriation, indicated a decreasing trend. Although this situation is applicable to the state as a whole, it has affected the work of Parliament in some areas.

As a consequence, Parliament implemented cost containment measures and efficiency initiatives. The measures reduced operational costs and ensured mission critical activities in the value chain of Parliament. The 2017/18 to 2019/20 financial years saw further reductions in budget for operational expenditure, with budget pressures in almost all areas of work where remuneration and operating costs are increasing at a rate above the inflationary adjustment. This will require mitigation to ensure financial viability and sustainability.

2.4.3.6 Leadership and governance

During the 5th Parliament the governance of Parliament was strengthened by the establishment of the Joint Standing Committee on Financial Management of Parliament. The committee provides oversight over Parliament's financial management, thereby ensuring transparency and accountability. *However, the institution is required to address some remaining challenges in its governance processes.* These include concerns about slow decision making, outdated implementation polices, and lack of proper governance charters.

The results of a 2015 employee engagement survey indicated that leadership was regarded as knowledgeable and technically competent to drive strategy, but that this understanding was not cascaded down to enable operationalisation. Consequently, there exists a lack of trust and confidence in the senior leadership, and strategy was pursued with limited support from staff members. Staff also felt disempowered as they believed their voices were not heard by leadership. The leadership style was characterised as autocratic, and not inclusive.

2.4.4 Key constraints and assumptions

Certain constraints will impact on the 6th Parliament's ability to implement its selected strategy, including the following:

- a. *Budget constraints:* As mentioned above, economic growth was slow at the time when the strategy for the 5th Parliament was adopted. Consequently, some policy priorities and strategic initiatives could not be fully executed due to the constrained *fiscus*, and by extension the revenue of Parliament. This compelled the institution to introduce a number of cost-containment measures. The 2017/18 to 2019/20 financial years saw reductions in budget for operational expenditure, with budget pressures in almost all areas of work where remuneration and operating costs are increasing at a rate above the inflationary adjustment.

- b. *Unsustainable cost of the wage bill:* The reductions in budget necessitated a freeze in respect of some positions in the organisational structure. However, this did not resolve the problem as the high cost of compensation continued to put pressure on the institutional budget.
- c. *Lack of, and aging physical facilities:* Parliament is dependent on the Department of Public Works for the provision of physical facilities. While there is a visible need for more space, this cannot be easily attained due to this dependency. Consequently, the parliamentary precinct is under serious strain, and facilities require renovation and modernisation.
- d. *Aging technological infrastructure:* The fourth industrial revolution requires institutions to rethink their information technology strategies. However, due to the budget constraint, Parliament finds it difficult to invest in modern technology. Even in instances where such investments have been made, there is a slow adoption of technology and of new working ways.
- e. *Ability to execute change initiatives:* Organisational climate surveys pointed out that the institution's ability to execute strategy is impaired.
- f. *Failure of 3rd party service providers:* The value chain in Parliament is supported by various service providers. A disruption in these services may adversely affect the work of Parliament.

2.5 Policy priorities for the 6th Parliament

The strategic analysis enabled management to develop a strategy map for the 6th Parliament. The strategy map details the key elements of the 6th Parliament strategy, focusing on the required inputs, activities and outputs needed to ensure the desired outcome and impact.

2.5.1 Impact

The strategy map firstly sets out the desired long-term impact. Improving quality of life is set as the ultimate goal and impact. In pursuing this societal impact, government developed the National Development Plan, setting out how quality of life will be improved by 2030. The plan reflects measures and objectives to increase employment, eradicate poverty and reduce inequality. The challenge for Parliament is to ensure that Government delivers on this plan.

Despite progressive initiatives and outcomes since 1994, the main challenges of poverty, inequality and unemployment persist. Unemployment in South Africa remains high at 29%, with youth unemployment at 55%. Although the proportion of the population living in poverty declined between 2006 and 2011, poverty levels rose again from 2015. Human development in South Africa has seen a slight increase. However, the Gini coefficient remains high, and indicates the extreme levels of inequality in our society.

The Medium-Term Strategic Framework (MTSF) is Government's strategic plan for the 2019-2024 electoral term. It stipulates the outcomes to be achieved, which includes high-level development indicators for each outcome. These development indicators enable Parliament, provincial legislatures and the public to monitor the overall impact on society. Parliament's constitutional role of holding the Executive to account must be pronounced by the manner in which those development indicators are scrutinised and the Executive is required to account.

2.5.2 Outcome

The Constitution requires that Parliament maintain oversight over the Executive to ensure a government that is open, responsive and accountable. The outcome of Parliament is therefore orientated towards ensuring responsive and accountable government. Recent information indicates that accountability in South Africa is diminishing. This should be of concern, as the main purpose of Parliament and other organs of state are to ensure open, responsive and accountable government. The imperative to strengthen oversight and accountability, in the state as a whole, will require more openness, transparency, collaboration, and more rigorous scrutiny and investigation. The discussion by Members in both the planning sessions of the National Council of Provinces and the National Assembly, were dominated by the key themes of stronger oversight and more public involvement.

2.5.3 Outputs

The outputs of Parliament include Bills, budget recommendations, appointment recommendations, approved interventions and agreements, and other resolutions. In the context of the 6th Parliament, the main output surrounds the scrutiny and approval of the annual budget, as presented in the form of money Bills (Division of Revenue Bill and Appropriation Bill). The process by which Parliament oversees, scrutinises and approves the annual budget is set out in the Money Bills Amendment Procedure and Related Matters Act, Act 9 of 2009. The key focus here is how Parliament can scrutinise and influence the budget process through its oversight and budget recommendations.

2.5.4 Activities

Activities in Parliament include the passing of legislation, overseeing and scrutinising executive action, the facilitation of public involvement, functions around co-operative government and international participation. These activities are mainly constituted as plenary and committee meetings, and the work performed by Members in constituencies and internationally.

The strategic priority of strengthening oversight and accountability will require improvement in two key activity areas:

- improving committee scrutiny and oversight work, and
- improving the effectiveness of public involvement.

Committee oversight activities will need to yield deeper scrutiny of executive action, ensure more effective public engagement, and deliver more effective recommendations. In addition to strengthening oversight activities in committees, the oversight work performed in constituencies and plenaries must also be improved.

2.5.5 Inputs

Inputs relate to Members' capacity, advisory and information services, and related facilities and support used in the activities of Parliament. Improvements in key inputs will be required for the successful implementation of the strategy. These include:

- more time for committee oversight,
- greater Member capacity-building and empowerment,
- improvement of research and analysis to provide deeper insights, and
- ensuring effective public involvement, petitions and submissions.

Transforming the inputs and activities will require that Parliament utilises its available opportunities including adopting technology faster into its processes, building stronger partnerships, utilising existing skills and expertise, drawing on the collective strengths of the legislative sector, and ensuring greater efficiency to reduce costs and ensure long-term sustainability.

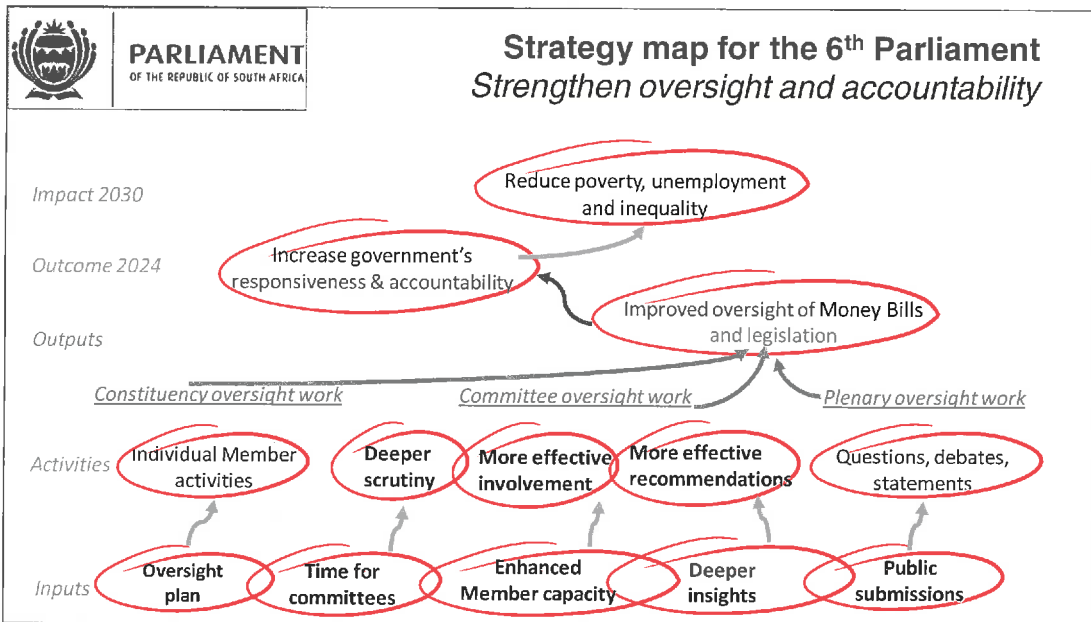


Figure 2: Strategy map for the 6th Parliament

Using the above elements of impact, outcomes, outputs, activities and inputs, the following logic of the strategy map can be constructed:

- *Improving quality of life requires faster transformation and service delivery, increasing employment, eradicating poverty and reducing inequality;*
- *Increasing the pace and quality of service delivery will require a more responsive and accountable government;*
- *Greater responsiveness and accountability by the executive will require Parliament to strengthen oversight and involvement;*
- *Stronger oversight will require deeper scrutiny by committees, more effective public involvement and hearings, and more effective recommendations and resolutions by the Houses;*
- *In turn, deeper scrutiny by committees will require more time allocated for oversight activities, enhanced Member capacity to ensure effectiveness, deeper insights into issues at hand, and active involvement by the public in the form of submissions.*
- *Business process and administrative improvements will be required to change these inputs. This will necessitate an adjustment in the programme of Parliament; providing more effective programmes aimed at capacity-building; delivering more insightful research and analysis; providing the public with better information and access to participate; and improving the tracking and monitoring of Parliamentary business and Executive implementation.*

III. PART C: STRATEGIC PERFORMANCE AND MEASURES

3.1 Impact 2030 – Improving quality of life

The Constitution envisages improving the quality of life of all citizens and freeing the potential of each person. The Bill of Rights, as the cornerstone of our democracy, enshrines socio-economic rights and affirms human dignity. Improving quality of life is therefore the desired and planned impact.

In pursuing this societal impact, government developed the National Development Plan (NDP), setting out how quality of life will be improved by 2030. The plan reflects measures and objectives to increase employment, eradicate poverty and reduce inequality. The challenge for Parliament is to ensure that Government delivers on the NDP.

3.1.1 Impact statement

Impact statement	Improve quality of life
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3.1.2 Impact indicators

Nr	Indicator	2030 target
Ind 1	Poverty	NDP targets *
Ind 2	Unemployment	NDP targets *
Ind 3	Inequality	NDP targets *

**The NDP impact targets for 2030 will be reviewed. Parliament will use StatsSA information to track the impact indicators and will therefore not collect this information.*

3.2 Outcome 2024 – Increase government's responsiveness and accountability

The Constitution requires that Parliament maintain oversight over the Executive to ensure that government is open, responsive and accountable. When effectively executed, these functions culminate in the realisation of the constitutional outcome of ensuring open, responsive and accountable government.

Recent information indicates that accountability in South Africa is diminishing. This should be of concern, as the main purpose of Parliament and other organs of state are to ensure open, responsive and accountable government. The imperative to strengthen oversight and accountability, in the state as a whole, will require more openness, transparency, collaboration, and more rigorous scrutiny and investigation.

Against this backdrop, Parliament determined its 2024 outcome goal: *to increase government's responsiveness and accountability.*

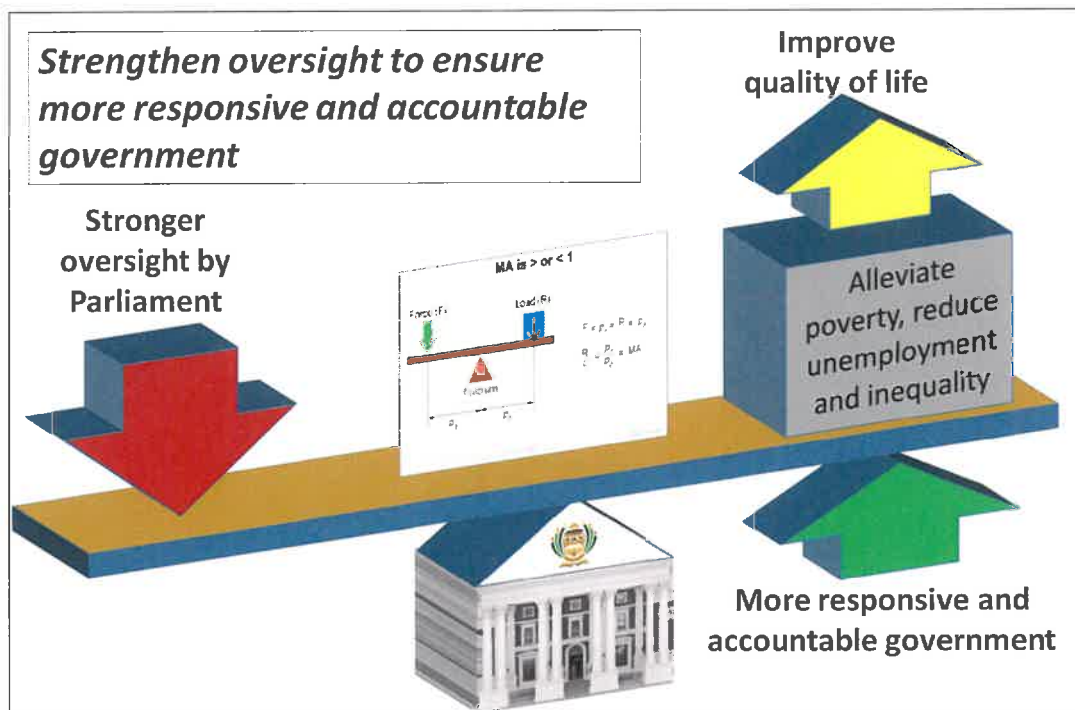
3.2.1 Outcome statement

Outcome statement	Increase government accountability by strengthening oversight over the Executive by 2024
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3.1.2 Outcome indicators

Nr	Indicator	2024 target
Ind 4	Performance rate (% planned performance met - financial and non-financial)	100% *
Ind 5	Responsiveness rate (% plans and reports, replies to questions, undertakings implemented)	100% *

* The strategic plan was adjusted to align with the new guidelines issued by government. As a consequence, new indicators were required for the outcome level. The new indicators will be finalised, including baselines and 2024 targets.



3.3 Planned performance, resources and key risks

3.3.1 Intervention logic

Using the elements of impact, outcomes, outputs, activities and inputs, the following intervention logic can be constructed:

- Improving quality of life requires faster transformation and service delivery, thereby increasing employment, eradicating poverty and reducing inequality;
- Increasing the pace of service delivery and transformation will require more responsive and accountable government;
- Greater responsiveness and accountability by the executive will require Parliament to strengthen oversight and involvement;
- Stronger oversight will require deeper scrutiny by committees, more effective public involvement and hearings, and more effective recommendations and resolutions by the Houses;
- In turn, deeper scrutiny by committees will require more time allocated for oversight activities, enhanced Member capacity to ensure effectiveness, deeper insights into issues at hand, and active involvement by the public in the form of submissions and representations;
- These will require an adjustment in the programme of Parliament; providing more effective programmes aimed at capacity-building; delivering more insightful research and analysis; providing the public with better information and access to participate; and improving the tracking and monitoring of Parliamentary business and Executive implementation.

3.3.2 Budget programmes and estimates

The programme structure supports the outcomes and strategic intent as set out in this plan. The budget programme and organisational structures are regularly reviewed to ensure improved strategy implementation. A review of these structures will be implemented in 2020 as part of strategy alignment. The new structures will be implemented in the 2021/22 financial year. The budget programme for Parliament (Vote 2) consists of the following programmes:

- *Programme 1: Strategic Leadership and Governance* – Programme 1 provides political and strategic leadership, governance and institutional policy, communication and co-ordination, and oversee the development and the implementation of Parliament's strategic plan, annual performance plan and budget. The programme includes the Parliamentary Budget Office, and the Office for Institutions Supporting Democracy.
- *Programme 2: Administration* – Programme 2 provides strategic leadership support and management, institutional policy and governance, capacity-building programmes for Members, overall management and administration, sector co-ordination, internal audit and financial management, as well as the Registrar of Members' Interests.

- *Programme 3: Core Business* – Programme 3 provides procedural and legal advice, analysis, information and research, language services, content and secretarial services, as well as legislative drafting services for meetings of the National Assembly, National Council of Provinces and their committees. The programme further provides public education, information and access to support public participation, and support for parliamentary international engagement.
- *Programme 4: Support Services* – Programme 4 provides institutional communication services, human resource management, information communication technology, institutional support services and Members' support services.
- *Programme 5: Associated Services* – Programme 5 provides travel, communication and other facilities for Members of Parliament to fulfill their duties as elected public representatives. It also provides financial support to political parties represented in Parliament, their leaders, and constituency offices.

3.3.3 Vote 2: Parliament – Appropriated funds

Programme	Medium-term revenue estimate		
	2021/22	2022/23	2023/24
R million			
Economic classification			
Total Departmental Receipts			
Appropriated Funds	2 331.6	2 429.4	2 471.2
Direct Charges	541.0	561.2	598.9
Donor Funds	37.7	39.3	41.3
Sales by market establishments			
Interest Received	10.0	9.0	8.5
Other Revenue	15.9	16.5	17.3
Total Receipts	2 936.2	3 055.4	3 137.2

3.3.4 Vote 2: Parliament - Proposed expenditure

Programme	Medium-term expenditure estimate		
	2021/22	2022/23	2023/24
R million			
Programme 1: Leadership & Governance	149.3	160.0	166.1
Programme 2: Administration	171.3	177.4	181.1
Programme 3: Core Business	761.8	830.7	845.2
Programme 4: Support Services	477.8	511.0	524.6
Programme 5: Associated Services	835.0	815.1	821.3
Subtotal	2 395.2	2 494.2	2 538.3
Direct charge against the National Revenue Fund	541.0	561.2	598.9
Total	2 936.2	3 055.4	3 137.2

3.3.5 Associated risks

As part of the strategic planning process, Parliament developed a strategic analysis based on developing trends and issues in the external and internal environment.

This analysis also identified major risks and threats present in the operating environment. The main risks and constraints identified include:

- a. *Budget constraints:* As mentioned above, economic growth was slow at the time when the strategy for the 5th Parliament was adopted. Consequently, some policy priorities and strategic initiatives could not be fully executed due to the constrained *fiscus*, and by extension the revenue of Parliament. This compelled Parliament to introduce a number of cost-containment measures. The 2017/18 to 2019/20 financial years saw reductions in budget for operational expenditure, with budget pressures in almost all areas of work where remuneration and operating costs are increasing at a rate above the inflationary adjustment.
- b. *Unsustainable cost of the wage bill:* The reductions in budget necessitated a freeze in some positions in the organisational structure. However, this did not resolve the problem as the high cost of compensation continued to put pressure on the institutional budget.
- c. *Lack of, and aging physical facilities:* Parliament is mainly dependent on the Department of Public Works for the provision of physical facilities. While there is a need for more space, this cannot be easily attained due to this dependency. Consequently, the parliamentary precinct is under serious strain, and facilities require maintenance, renovation and modernisation. An uncondusive environment can trigger secondary risks, including security risks.
- d. *Aging technological infrastructure:* The fourth industrial revolution requires institutions to rethink their information technology strategies. However, due to the budget constraint, Parliament finds it difficult to invest in modern technology and systems. Even in instances where such investments have been made, there is a slow adoption of technology and of new working ways.
- e. *Inability to execute strategy and change initiatives:* Organisational climate surveys pointed out that the institution's ability to execute strategy is presently impaired. In addition, certain envisaged changes will require the buy in and support of external stakeholders. Internal and external capacity will be required to achieve the strategy.
- f. *Failure of 3rd party service providers:* The value chain in Parliament is supported by various service providers. A disruption in these services may adversely affect the work of Parliament. Recent disruptions in the supply of energy, water, communication, transport and other services influence the effectiveness of the institution.
- g. *Risk of disintermediation.* Disintermediation is the process of removing the middleman or intermediary from transacting. It was traditionally accepted that Parliaments do not have competitors. However, the access to technology, internet, and social media has created a situation where the

public discourse is playing itself out on social and other media. Without Parliament adding value in the democratic chain, people might soon opt for different solutions. Recent years has seen the rise of issue-based lobby groups that are representing the needs of citizens. If Parliament is seen as ineffective, these bodies will disintermediate Parliament from its role.

The process now requires Parliament to finalise the risk identification, including more operational risks, and to decide on appropriate measures to mitigate these.

3.3.6 Strategy implementation

The strategic plan for Parliament sets the long-term impact and desired 5-year outcome. The implementation of the impact and outcome is achieved through the annual performance plan and associated operational plans and budgets. The annual performance plan will specify the required outputs that must be delivered, in order to achieve the desired outcomes. In turn, operational plans will focus on the activities and inputs necessary to deliver outputs. The main elements of strategy implementation include:

- Designing programmes and initiatives to implement the strategy,
- Implementing budget and organisational structures for execution of the strategy,
- Collaboration with key partners on mutual goals,
- Managing key opportunities and risks that are present,
- Allocating funding and resources for implementation,
- Managing change programmes that are required, and
- Implementing a monitoring and evaluation framework to assess progress.

IV. PART D: ANNEXURE

4.1. Description of the strategic management framework

The strategic management process in Parliament is regulated by the Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009 as amended, and consists of the sub-processes of:

- policy development,
- strategic planning,
- operational planning and resource allocation,
- implementation, and
- performance monitoring and evaluation.

The strategic management process is an integrated process that outlines the institution's approach to strategic and operational planning, budgeting and resourcing the strategy, implementing the strategy and reporting on progress made towards meeting goals and objectives stated in the strategic plan. In line with this the Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009 as amended, requires that Parliament:

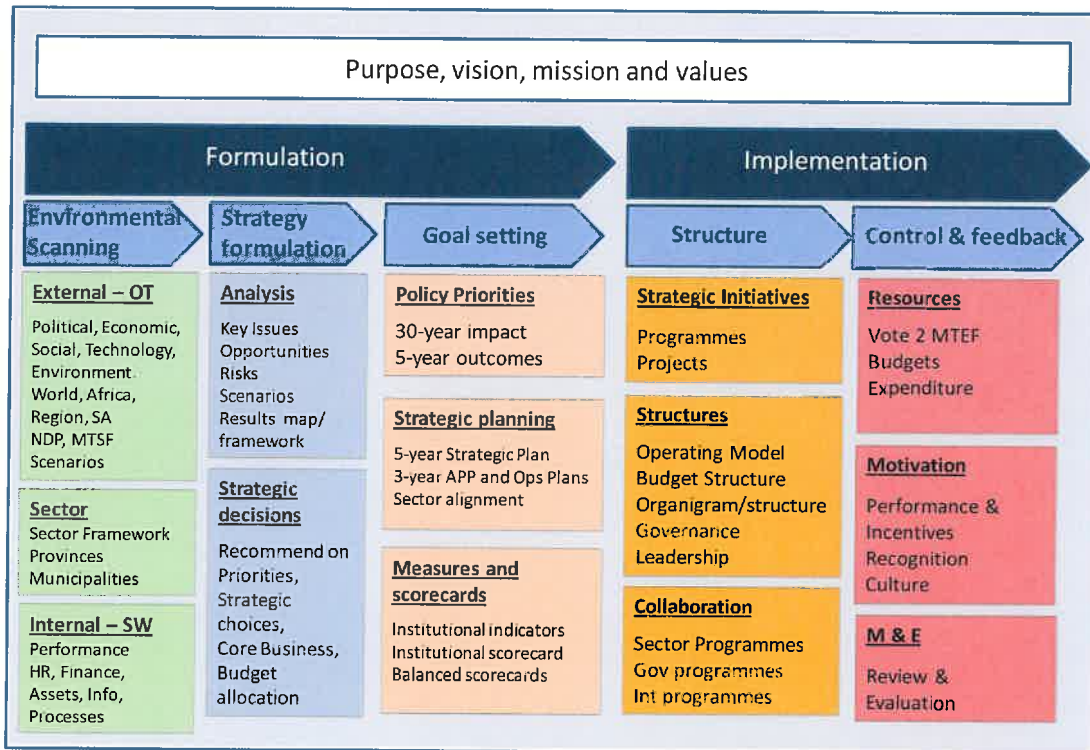
- a) submit a strategic plan (section 14);
- b) submit an annual performance plan (section 15);
- c) submit an annual budget (section 16);
- d) table the strategic plan, annual performance plan, and budget (section 17);
- e) appropriate and approve the use of money for each financial year (section 18);
- f) conclude performance agreements (section 8);
- g) submit monthly financial statements (section 51);
- h) submit quarterly performance reports (section 52);
- i) submit the mid-year budget and performance assessment (section 53);
- j) submit the annual report (section 55 to 59); and
- k) table the monthly, quarterly, mid-year and annual reports (sections 54, 59).

The composition of all related strategic management processes is known as the institution's *Strategic Management Framework*. The strategic management framework is a conceptual model that links all related processes and activities in a coherent arrangement. The strategic management framework is used by top management to develop and decide on strategy, and to drive the implementation thereof.

The strategic management framework is benchmarked against present best practices in strategic management and incorporates the essential building blocks required to formulate and implement strategy in any institution.

The strategic management framework for Parliament is depicted in the figure below.

Strategic Management Framework - Parliament



The strategic management framework comprises of the essential building blocks required for the formulation and implementation of strategy. The framework is based on the vision, mission and values of the institution.

The framework consists of two main elements, strategy formulation and strategy implementation. Strategy formulation consists of environmental scanning, strategy formulation and goal setting. Strategy implementation consist of structure and control and feedback.

4.2. Technical indicator descriptors

TITLE & DEFINITION	INDICATOR DESCRIPTOR
Indicator number and title	4. Performance Index (% planned performance met - financial and non-financial)
Short definition	This indicator measures the levels of financial and non-financial performance. This includes the % of performance targets met and the % of government expenditure as a proportion of approved budget
Purpose/importance	As a measure of accountability this indicator provides information on levels of performance by the Executive, and provides a means for monitoring improvements in implementation by the Executive.
Desired performance (Target)	Baseline to be set
Reporting cycle	Quarterly; Annual; Mid-Term; End of Term
Source and collection of evidence documents	<i>Departmental Documents:</i> Annual Performance Plans Estimates of National Expenditure Quarterly Financial Statements & Reports Annual Reports
Description of evidence to be collected (Documents)	<i>Annual Performance Plans:</i> Provides an outline of programmes and activities planned by departments <i>Estimates of National Expenditure:</i> Provides an outline of department budgets <i>Quarterly Financial Statements & Reports:</i> Contains department spending and progress on targets met <i>Annual Reports:</i> Provide information on targets met and department expenditure
Method of calculation	Performance Index = (% Targets met) + (% government expenditure aligned with budget)/2 E.g. 10 of 12 targets met = 83,33% 80% of expenditure aligned with budget Performance Rate: (83,33+80)/2= 81,67%
Calculation type	Cumulative
Data limitation	Data availability from departments may not be readily available
Indicator responsibility (accountability)	Committees

TITLE & DEFINITION	INDICATOR DESCRIPTOR
Indicator number and title	5. Responsiveness Rate (% plans and reports, replies to questions, undertakings implemented)
Short definition	This indicator measures the extent to which the Executive is responsive to Parliament, and includes compliance with the submission of plans and reports, response rate to questions in the Houses, and the % of undertakings implemented
Purpose/importance	As a measure of accountability this indicator shows the level of responsiveness by the Executive to its obligations towards Parliament, by tracking the submission of reports and plans within the required timeframes, the rate of response to questions asked by MPs, and the implementation of undertakings. This is important in monitoring the openness and transparency of the Executive.
Desired performance (Target)	Baseline to be set
Reporting cycle	Quarterly; Annual Mid-Term; End of Term
Source and collection of evidence documents	Table Reports (NA & NCOP) ATCs Committee Report (Undertakings)
Description of evidence to be collected (Documents)	Table Reports (NA & NCOP): Contains information on tabling of reports by the Executive ATCs: Provides information on questions and replies Committee Report (Undertakings): Contains details on the implementation of undertakings
Method of calculation	$(\% \text{plans and reports submitted within the prescribed timeframe}) + (\% \text{questions replied to}) + (\% \text{undertakings implemented}) / 3$ E.g. 30 of 40 plans and reports submitted within prescribed time = 75% 500 answers to 750 questions = 66,67% 23 undertakings of 150 implemented = 15,33% Responsiveness Rate: $(75+66,67+15,33)/3 = 52,33\%$
Calculation type	Cumulative
Data limitation	Data on undertakings may be ambiguous
Indicator responsibility (accountability)	Houses & Committees

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