

Please note that most Acts are published in English and another South African official language. Currently we only have capacity to publish the English versions. This means that this document will only contain even numbered pages as the other language is printed on uneven numbered pages.



# Government Gazette

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## **THE PRESIDENCY**

No. 689

1 September 2014

It is hereby notified that the President has assented to the following Act, which is hereby published for general information:–

**Act No. 34 of 2014: Financial Management of Parliament Amendment Act , 2014**



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[                    ]    Words in bold type in square brackets indicate omissions from existing enactments.

                        Words underlined with a solid line indicate insertions in existing enactments.

*(English text signed by the President)*  
*(Assented to 29 August 2014)*

**To amend the Financial Management of Parliament Act, 2009 so as to insert further definitions; to deal with the financial management of provincial legislatures; to amend the provisions dealing with the oversight mechanism; to amend provisions dealing with Parliament's annual budget, appropriations and approvals; to amend the provisions dealing with donor funds; to delete certain provisions dealing with Parliament's own revenue sources; to align the provisions dealing with reporting and auditing with the Public Finance Management Act, 1999; to repeal certain sections of the Powers and Privileges Act, 1963; to delete certain references to "provincial legislatures" in the Public Finance Management Act, 1999; to include references to performance management; to amend the long title; and to provide for matters connected therewith.**

### Amendment of the arrangement of sections of Act 10 of 2009

(a) the substitution for item 3 of the following item:  
**“3. [Norms and standards for provincial legislatures] Application**  
of the Act to provincial legislatures”; and

(b) the deletion of the reference to Schedule 1.

**2.** The following Preamble is hereby substituted for the Preamble of the principal Act:

**Recognising—**  
that Parliament and provincial legislatures must be governed by the 15  
democratic values and principles in the Constitution.

Therefore in order to—

- promote and maintain a high standard of professional ethics in the financial management of Parliament and provincial legislatures;
- promote the efficient, economic, and effective use of resources allocated to Parliament and provincial legislatures;
- ensure the transparent, accountable and sound management of the revenue, expenditure, assets and liabilities of Parliament and provincial legislatures;”.

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#### Amendment of section 1 of Act 10 of 2009

3. Section 1 of the principal Act is hereby amended by— 10

- (a) the substitution of the definition of “approved budget” with the following:
  - “**“approved budget”** means the total amount of funds [that Parliament has—
  - (a) appropriated from the National Revenue Fund for Parliament in a vote on a national appropriation Act; and
  - (b) approved from Parliament’s own funds in terms of section 18(1)(b)] contemplated in section 18;”;
- (b) the insertion of the following definition after the definition of “approved budget”:
  - “**“Constitution”** means the Constitution of the Republic of South Africa, 1996;”;
- (c) the insertion of the following definition after the definition of “a person in the employ of the state”:
  - “**“Parliament”** means the National Assembly and the National Council of Provinces referred to in section 42(1) of the Constitution;”;
- (d) the insertion of the following definitions after the definition of “prescribe”:
  - “**“provincial annual budget”** means the provincial annual budget referred to in section 27(2) of the Public Finance Management Act;”;
  - “**“provincial legislature”** means a provincial legislature referred to in section 104 of the Constitution;”.

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#### Substitution of section 2 of Act 10 of 2009

4. The following section is hereby substituted for section 2 of the principal Act:

##### “Objects of this Act

2. The objects of this Act are—

- (a) to ensure transparency, accountability and sound management of the revenue, expenditure, assets and liabilities of Parliament;
- (b) to ensure a consultative relationship between Parliament and the National Treasury, conducted at a high level and based on respect for—
  - (i) the constitutional status of Parliament;
  - (ii) the constitutional requirements for the tabling of money bills;
  - (iii) budget processes, standards of generally recognised accounting practice, uniform expenditure classifications and the treasury norms and standards established in terms of the Public Finance Management Act; and
  - (iv) the fiscal policy of the national government;
- (c) to provide the National Treasury with—

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- (i) an opportunity to make comments on proposed annual budgets and adjustments budgets of Parliament;
- (ii) information on the proposed annual budget and adjustments budgets of Parliament for inclusion in the national annual budget and adjustments budgets; and 5
- (iii) regular information on expenditure by Parliament; and
- (d) to provide for parliamentary oversight of Parliament's budgeting and expenditure through an appropriate oversight mechanism of Parliament as provided for in section 4 of the Act[; **and**
- (e) **to establish norms and standards for managing the financial 10 affairs of provincial legislatures]."**

#### Substitution of section 3 of Act 10 of 2009

5. The following section is hereby substituted for section 3 of the principal Act:

**"[Norms and standards for provincial legislatures**

**3. Provincial legislatures must adhere to the norms and standards 15 for financial management set out in Schedule 1.]**

#### **Application of the Act to provincial legislatures**

- 3. (1) This Act, with the necessary changes, applies to provincial legislatures.**
- (2) In such application, a reference in the Act to— 20
  - (a) Parliament or a House, must be construed as a reference to the provincial legislature concerned;
  - (b) a joint committee, must be construed as a reference to a committee of the provincial legislature;
  - (c) the Speaker of the National Assembly or the Chairperson of the National Council of Provinces, must be construed as a reference to the Speaker of the provincial legislature concerned, except in the case of the Executive Authority making or prescribing regulations or policy in accordance with section 65, read with sections 16(2)(h), 22(5), 24(1), 32(2) and (3), 33(2)(d)(ii), 34, 40, 42(1), 55(3)(g), and 56; 25 30
  - (d) the Deputy Speaker of the National Assembly or the permanent Deputy Chairperson of the National Council of Provinces, must be construed as a reference to the Deputy Speaker of the provincial legislature concerned;
  - (e) a Member of Parliament, must be construed as a reference to a Member of the provincial legislature concerned; 35
  - (f) the Secretary to Parliament, must be construed as a reference to the Secretary of the provincial legislature concerned;
  - (g) annual national budget, must be construed as a reference to provincial annual budget; 40
  - (h) the National Treasury, must be construed as a reference to the provincial treasury concerned;
  - (i) the National Revenue Fund, must be construed as a reference to the Provincial Revenue Fund concerned;
  - (j) the Minister of Finance, must be construed as a reference to the Member of the Executive Council responsible for financial matters in the province concerned; 45