

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

FRIDAY, 29 JUNE 2018

COMMITTEE REPORTS

- 1. Annual Committee Report of the Public Accounts Committee (PAC) for the 2017/18 financial year, dated 6 June 2018 as follows:**

Members

The Committee comprised of the following members:

Christians, F C (ACDP) (Chairperson)
Mitchell, D G (DA)
Joseph, D (DA)
Maseko, L M (DA)
Tyatyam, S G (ANC)

Alternate members

Beerwinkel, CF (ANC)
Joseph, BD (EFF)
Mnqasela, M (DA)
Schäfer, BA (DA)
Wenger, MM (DA)
Wiley, MGE (DA)

1. Introduction

The mandate of the PAC, as prescribed by Standing Rules 96-99, is to examine:

- 1.1 The financial statements of all executive organs of the province and other provincial organs of state.
- 1.2 Any audit reports issued on statements.
- 1.3 Any reports issued by the Auditor-General on the affairs of any provincial organs.

- 1.4 Any other financial statements or reports referred to the Committee by the House.

In fulfillment of its mandate the Committee must:

- 1.5 Facilitate public participation and involvement in the legislative and other processes of the Committee.
- 1.6 Conduct its business in a fair, open and transparent manner.
- 1.7 Promote cooperative governance.
- 1.8 Report regularly to the House.

2. Reporting departments

The financial statements that were included in the annual reports of the following provincial departments, for the financial year ending 31 March 2018, were examined:

- 2.1 Department of the Premier.
- 2.2 Provincial Treasury.
- 2.3 Department of Community Safety.
- 2.4 Western Cape Education Department.
- 2.5 Department of Health.
- 2.6 Department of Social Development.
- 2.7 Department of Human Settlements.
- 2.8 Department of Environmental Affairs and Development Planning.
- 2.9 Department of Transport and Public Works.
- 2.10 Department of Agriculture.
- 2.11 Department of Economic Development and Tourism.
- 2.12 Department of Cultural Affairs and Sport.
- 2.13 Department of Local Government.

3. Reporting entities

The financial statements included in the annual reports of the following public entities, for the financial year ending 31 March 2018, were examined:

- 3.1 Western Cape Language Committee.
- 3.2 Western Cape Cultural Commission.
- 3.3 CapeNature.
- 3.4 Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO).
- 3.5 Western Cape Housing Development Fund.
- 3.6 Government Motor Transport (GMT).
- 3.7 Heritage Western Cape.
- 3.8 Western Cape Gambling and Racing Board.
- 3.9 Western Cape Liquor Authority.
- 3.10 Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA).
- 3.11 Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd.

4. Overview of the Committee's activities

Number of Committee Meetings	9
Number of Public Hearings	13

Number of International Study Tours	0
Number of Oversight Visits	0
Number of Provincial Bills considered	0
Number of NCOP Bills considered	0
Workshops/conferences attended	4

5. Oversight activities

The Public Accounts Committee satisfactorily conducted oversight over the Provincial Government of the Western Cape during the 2017/18 financial year.

The Committee conducted oversight over the Report of the Auditor-General of South Africa on a performance audit of the use of consultants at selected departments of the Western Cape Provincial Government (January 2014). In addition, the Committee heard information from Ms Judy Gunther on the implementation of the King IV® Report in the Western Cape Government for the 2016/17 and 2017/18 financial years. In accordance with Standing rule 98 (1)(a)(iii) of the Western Cape Provincial Parliament, the Committee engaged the Auditor-General of South Africa on the quarterly key control measures of the Western Cape Government for the 2016/17 financial year. Such an engagement allowed the Committee to extract information in order to deepen oversight over the departments and entities of the Western Cape Government.

In addition, the Committee to engaged the Department of the Premier, moreover its Corporate Assurance Directorate, in evaluating the implementation of the principles of the King IV® Report within the departments and entities of the Western Cape Government. The Corporate Assurance Directorate is responsible for assisting the departments of the Western Cape Government with their internal audit functions. The Committee also conducted oversight over the broadband rollout, including the status of the six game changers as identified by the Premier of the Western Cape during her 2016 State of the Province Address (SOPA). Provincial Treasury was invited to engage the Committee on National Treasury's supply chain management regulations, financial management system and the slow spending of funds for key programmes by the departments and entities of the Western Cape Government.

During the 3rd Quarter the Committee conducted oversight over the annual reports of the 12 Departments and their respective entities for the 2016/17 financial year. However, the Committee did not conduct oversight over the annual report of the Department of Agriculture and its entity, the Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA). According to ATC 62 of 2017 (21 September 2017), in compliance to section 40(2) of the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA), AGSA issued a special report to the Speaker of WCPP to inform of the delay of the submission of the Audit Report on the annual financial statements of the Western Cape Department of Agriculture for the 2016/17 financial year. The reason for the delay was that the AGSA was unable to complete the audit, including the submission thereof, to the Accounting Officer of the Department, due to the fact that there was a difference of opinion between the management team of the Department and the audit team of the AGSA. The difference of opinion related to the classification of certain expenditures as transfer payments or goods and services. The Committee is still awaiting the Annual Report of the Department of Agriculture for the 2016/17 financial year, wherein the audit report of the AGSA is contained, in order to conduct and conclude oversight as the 3rd level assurer. Upon receipt of this Annual Report, the PAC will perform its oversight over the Department of Agriculture and its entity, CASIDRA.

The Committee has not convened any meetings during the 4th Quarter of the 2017/18 financial year, due to the fact that the Institution has requested that all meetings of committees be truncated due to the water shortage crises which is being experienced within the Western Cape.

6. Legislation

During the 2017/18 financial year, the Committee dealt with no legislation.

7. Facilitation of Public Participation

In line with its mandate to facilitate public participation as part of the legislative process, the Committee held 13 public hearing meetings during the Annual Report period. To give effect to the facilitation of public participation, the Committee advertised the annual reporting activities, informing and inviting stakeholders to participate in public hearings.

8. Financial particulars

The Standing Committee was allocated a budget of R124 714, which was adjusted to R183 943. At the close of the 2017/18 financial year, expenditure attributed to the activities of the Committee accumulated to an amount of R326 054. There was thus an overspending of R142 111.

2. Annual Committee Report of the Parliamentary Oversight Committee (POC) for the 2017/18 financial year, dated 15 June 2018, as follows:

Members

The Committee comprised of the following members:

Wiley, MGE (DA) (Chairperson)
Joseph, B D (EFF)
Joseph, D (DA)
Maseko, LM (DA)
Uys, P (ANC)

Alternate Members

Christians, FC (ACDP)
Dyantyi, QR (ANC)

1. Introduction

The mandate of the POC, as prescribed by the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009) (FMPPLA), is to:

- 1.1 Be the oversight mechanism of the Western Cape Provincial Parliament which must maintain oversight of the financial management of Parliament to—
 - (a) Consider instructions issued by the Executive Authority in terms of section 37(5);
 - (b) Consider the annual report submitted to Parliament in terms of section 60;

- (c) Consider instructions issued by the Executive Authority in terms of section 66; and
 - (d) Perform any other functions specified in this Act or by the Rules of Parliament, or consistent with the objects of the FMPPLA.
- 1.2 Require the Accounting Officer and any other official of the Western Cape Provincial Parliament to appear before it.
 - 1.3 Exercise the same powers that committees of Parliament have under sections 56 and 69 of the Constitution of the Republic of South Africa 1996.
 - 1.4 Consider the quarterly and mid-year reports of the Western Cape Provincial Parliament.
 - 1.5 Consider the Annual Report of the Western Cape Provincial Parliament.
 - 1.6 Any audit reports issued by the Auditor-General on the affairs of the Western Cape Provincial Parliament; and
 - 1.7 Any other financial statements or reports referred to the Committee by the House.

In fulfillment of its mandate the Committee must:

- 1.8 Facilitate public participation and involvement in the legislative and other processes of the Committee.
- 1.9 Conduct its business in a fair, open and transparent manner.
- 1.10 Promote cooperative governance.
- 1.11 Report regularly to the House.

2. Reporting departments

The financial statements included in the Annual Report for the financial year ending 31 March 2018 of the following provincial Institution was examined -

- 2.1 Western Cape Provincial Parliament (WCPP)

3. Overview of committee's activities

Number of Committee Meetings	7
Number of Public Hearings	4
Number of International Study Tours	0
Number of Oversight Visits	0
Number of Provincial Bills considered	2
Number of NCOP Bills considered	0
Workshops/conferences attended	0

4. Oversight activities

The Public Oversight Committee satisfactorily conducted oversight over the Western Cape Provincial Parliament during the 2017/18 financial year.

During the financial year under consideration, the Parliamentary Oversight Committee conducted oversight mainly over the following information:

- 1.1. The Quarterly Performance Reports of WCPP;
- 1.2. The Financial Statement Reports of WCPP; and

- 1.3. The Annual Report of WCPP for the 2016/17 financial year.

Resolutions of previous Committee meetings that were dealt with by the Committee included the following:

- 1.1. That WCPP brief it on the comprehensive set of milestones which were associated with the implementation of the Enterprise Resource Planning system;
- 1.2. The catering expenditure for the 2016/17 financial year, which included the cost of actual catering per head and other related cost incurred for this specific expenditure; and
- 1.3. The UAMP Plan that was submitted to the Department of Transport and Public Works.

The Committee considered the Annual Report of WCPP for the 2016/17 financial year. During this meeting the Committee noted the following occurrences:

- 1.4. Reported that WCPP maintained an unqualified audit with no findings on predetermined objectives or compliance with laws and regulations;
- 1.5. Found no material findings related to pre-determined objectives, procurement, contract management and human resources and compensation;
- 1.6. Reported that the corresponding figures for 31 March 2015 have been restated as a result of errors that were discovered during the 2015/16 financial year, in the financial statements of the WCPP;
- 1.10 Did not identify any significant deficiencies in the internal control systems of the WCPP.

The Committee continued to be briefed during this period on the implementation of the Enterprise Resource System (ERP) which is software aimed at creating an enabling environment through which the Institution can integrate its core business process and improve its effectiveness.

The Committee is determined to exercise effective oversight in terms of the annual financial and performance objectives of WCPP in order to ensure that the Institution continues to achieve clean audit outcomes year-on-year.

5. Legislation

In the 2016/17 financial year, the Committee dealt with the following provincial legislation:

- 5.1. Vote 2: Western Cape Provincial Parliament in the Schedule to the Western Cape Adjustments Appropriation Bill [B 6–2017]; and
- 5.2. Vote 2: Western Cape Provincial Parliament in the Schedule to the Western Cape Appropriation Bill [B 3–2018].

6. Facilitation of Public Involvement and Participation

In line with its mandate to facilitate public participation as part of the legislative process, the Committee held one public hearing meeting during the Annual Report period. To give effect to this, the Committee's Annual Report meeting was advertised, informing and inviting the public and stakeholders to participate in public hearings. In addition, the

Committee held two public hearing meetings on the following money Bills, the Western Cape Adjustments Appropriation Bill [B 6-2017], and the Western Cape Appropriation Bill [B 3-2018] respectively, on Vote 2: Western Cape Provincial Parliament.

7. Financial particulars

At the close of the 2017/18 financial year, expenditure attributed to the activities of the Committee accumulated to an amount of R 21 280, from a re-adjusted allocated budget of R26 215. The expenditure was incurred on catering for the Committee's meetings during the financial year, as well as contributing to the adverts for the Appropriation, Adjustments Appropriation and Annual Report period.