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PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

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ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

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MONDAY, 23 MAY 2016

ANNOUNCEMENT

The Speaker:

Referral of document to committee in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, as amended:

Parliamentary Oversight Committee

Western Cape Provincial Parliament –In-year Monitoring Report – April 2016.

TABLING

The Speaker:

Referral of document to committee in terms of section 54(1) and (2) of the Financial Management of Parliament and Provincial Legislatures Act, Act 10 of 2009, as amended:

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Western Cape Provincial Parliament – In-year Monitoring Report – April 2016.

COMMITTEE REPORT

A delegation of the Public Accounts Committee (PAC), led by the Chairperson of the PAC, participated in the Southern Africa Development Community Organisation of Public Accounts Committees (SADCOPAC) in Seychelles from 7 to 2 September 2015, reports as follows:

Delegation

The delegation comprised of the following members:

Mr FC Christians (ACDP) (Chairperson);
Mr D Joseph (DA); and
Mr S Tyatyam (ANC).

The following parliamentary official accompanied the delegation:

Mr D Davids, Committee Co-ordinator.

1. Introduction

1.1 Programme and Theme

The theme of the conference this year was titled “Creating effective public accounts committees: powers, practices, capacity and emerging trends”. This was the 12th gathering of SADCOPAC member states.

Some of the themes that were discussed at the Conference included the following:

- The importance and mandates of the public accounts committees.
- Challenges being experienced by public accounts committees and the follow up of recommendations in enhancing public accountability and oversight.
- The importance and mandates of public accounts committees in parliamentary oversight and public finance management.
- The role of civil society organisations and the media in enhancing oversight of public resources.
- Enhancing accountability within the tourism sector.

In addition, the Committee undertook a visit to Eden Island. The aim of the visit was to ascertain the degree of South African investments in the Island and the economic effect thereof.

1.2 Background

SADCOPAC is an Organisation charged with the responsibility of empowering members of parliament from member states to effectively carry out their functions of oversight over public sector finances as well as promoting good governance in the Southern African Development Community (SADC) region.

SADCOPAC holds an annual conference and is hosted by one of its member states. This year’s annual conference and Annual General Meeting (AGM) has been hosted by the National Assembly of Seychelles from 7 to 11 September 2015 in Mahe, Seychelles.

2. Overview of the Conference

The Conference concentrated on the various aspects of financial management through which the public accounts committees could perform oversight over their respective jurisdictions. The main concept that arose from the conference was that of enhancing accountability within the tourism sector and Seychelles was used as an example to this concept. Other concepts that were raised during the conference include:

- The role and impact of the public accounts committee- a Case Study of Namibia and Kenya;
- The challenges the public accounts committee as follow up of previous resolutions- a Case Study of Botswana and South Sudan;
- Role of the Civil Society Organisations (CSOs) and the media in oversight;
- Enhancing Oversight of public resources;
- Capacity and performance of public accounts committees and emerging trends in the organisation and the functioning of public accounts committees- a Case Study of Namibia; and
- Enhancing accountability within the Tourism sector.

2.1 Conference resolutions

The conference concluded its annual meeting with a list of resolution declarations. These resolutions serve as the mandate to each respective public accounts committee to implement and exercise oversight over their respective jurisdiction.

The resolutions are as follows:

Resolution Number	Declaration point	Responsibility	Status on implementation
1.	SADCOPAC and member parliaments should undertake capacity building training for all Public Accounts Committee (PAC) members and staff for improved understanding of public procurement frameworks and processes including the advantages and disadvantages of using e-procurement.	PAC Chairpersons & SADCOPAC	In South Africa, the National Treasury Department introduced a Chief Procurement Office to coordinate all procurement arrangements for government. This office had to first do a public sector procurement review prior to introducing e-procurement. The e-procurement tool was only introduced in April 2015. PACs and Portfolio Committees will monitor the compliance by departments and state entities using this system continually.
2.	PACs should monitor the alignment of the e-procurement system to the existing procurement regulations and framework and collaborate with Civil Societies Organizations (CSOs), the media and general public to act as watchdogs over the implementation of e-procurement to timely point out the flaws and challenges.	PAC Chairpersons	In South Africa, the e-procurement system has been designed in line with the existing procurement frameworks. Various CSOs, the media and the general public attend public hearings of all oversight committees. Furthermore, they are also able to make public submissions and petitions and request relevant bodies to provide answers to any their questions.

3.	PACs should be empowered to have greater oversight on the procurement processes of entities and this should include monitoring of projects as they are being implemented.	PAC Chairpersons	In South Africa, the National Treasury Department, through the Office of Chief Procurement Officer, has been empowered to coordinate major procurement contracts for the state. It is the ultimate intention to work towards consolidating all procurement decisions nationally through the e-procurement system.
4.	PACs should initiate the review of legal and policy framework on public procurement to address identified deficiencies in a timely manner.	PAC Chairpersons	In South Africa, the Office of the Chief Procurement Officer conducted a public sector SCM review in preparation of the e-procurement roll-out. This review was mainly influenced by the recommendations from oversight committees.
5.	PACs should strengthen their relationship with its Supreme Audit Institutions (SAIs), Treasury Departments and Public Procurement Regulatory bodies to be able to identify areas that each respective body should focus on to curb corruption.	PAC Chairpersons	In South Africa, all PACs have strong relations with AGSA and National Treasury. In all PAC hearings AGSA and National Treasury (or its provincial offices) are permanent attendees as expert witnesses in PAC hearings to provide any information oversight committees require to do their work.
6.	The Executive should demonstrate strong political will to ensure effective implementation of PAC recommendations and ensure that actions are taken against non-compliance.	PAC Chairpersons	In South Africa, the matter of consequence management is one of the key strategies that have been focused on to assist in improving effective use of public resources. Executive authorities (Ministers and MECs) are summoned to attend hearings with their Accounting Officers. This process helps to foster accountability and compliance with legal prescripts in handling consequence management by Executive Authorities.
7.	PAC in consultation with other Parliamentary Committees should ensure that annual procurement audit reports are tabled and debated in Parliament.	PAC Chairpersons	The AGSA General Report that is released every year on regularity audits conducted places a special emphasis on reporting on supply chain management irregularities as a

			risk area. Furthermore, AGSA recently released performance audit reports on infrastructure projects examining the three E's, namely efficiency, effectiveness and economy. These reports were then tabled at the various legislatures for oversight purposes.
8.	SADCOPAC must urge governments from member countries to investigate and move towards e-procurement as part of the overall e-government framework.	PAC Chairpersons & SADCOPAC	In South Africa, e-procurement was only introduced in April 2015. PACs and Portfolio Committees will monitor the compliance by departments and state entities with this system continually.
9.	Member states should ensure that there are adequate legal and policy frameworks which will enhance the role of the SAIs in performing their procurement audits.	PAC Chairpersons	In South Africa, AGSA is empowered by the South African Constitution (Act 108 of 1996) and the Public Audit Act (Act 25 of 2004). Both the aforementioned legislative pieces provide sufficient space for the SAI to perform its work, including public procurement audits.
10.	Member countries in its endeavour to curb corruption should consider introducing the following: i. Lifestyle audits; ii. Declaration of assets; iii. Establish formal yearly cooperation between oversight bodies e.g. the Public Protector, the Anti-corruption Commission, and PAC, etc; iv. Institute subpoena practises and taking oaths from witnesses; v. Access to information laws should be enacted by member states; and vi. The SAIs in the region should be modelled along the British system where they can only recommend resolutions to the Executive. Therefore, there is a	PAC Chairpersons	In South Africa, the state of affairs regarding the resolution is as follows: i. Lifestyle audits are ordered, as and when, they are required by various state institutions, including law enforcement institutions; ii. All public servants, parliamentarians and political office bearers are governed by a code of ethics. Through this they are expected to declare their assets and interests on an annual basis, as part of managing conflict of interest; iii. Oversight committees are able to seek the assistance of law enforcement agencies in executing their mandates; iv. Oversight committees are empowered in terms of the Constitution and Standing Orders to subpoena

	<p>need to borrow elements from the government systems of the South African Development Community, which gives more powers on SAIs to act on the breaches.</p>		<p>individuals to appear before the committee and answer any questions the committee may have;</p> <p>v. Oversight committees have rights to gain access to any information that would assist them in the execution of their oversight mandate, role and functions; and</p> <p>vi. AGSA has sufficient powers to execute on its mandate, role and functions.</p>
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3. Visit to Eden Island

Eden Island comprises of 40 hectares (100 acres) of reclaimed land, and have since 2005 been developed into one of the most scenic residential marina developments in the world. It also boasts 16 hectares of private waterways which means that all owners of apartments, maisons or villas enjoy a private mooring, either in front of the home, close-by or in the Eden Island Marina.

Motor vehicles are not permitted in the residential areas of the Eden Island. Golf buggies are used by residents from the main car park, near the entrance of Eden Island, to their homes.

The island also has a number of private beaches and swimming pools, as well as facilities that include a gym, a clubhouse, a tennis court and a kids' play area. To cater for the commercial needs of the residence, Eden Plaza, a shopping complex, is within close walking distance of the Island. This facility comprises a number of banks, bars, restaurants and a spa, as well as a casino and a South African Spar supermarket.

Eden Island is regarded as a largely owned South African resort, whereby 55% of the residential units (ranging from mansions to apartments) are owned by South African investors.