

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 17 APRIL 2019

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, 2009 (Act 10 of 2009), as amended:

Parliamentary Oversight Committee

Western Cape Provincial Parliament: Monthly financial statements (In-year Monitoring Report) for the period ended 31 March 2019.

TABLING

The Speaker:

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

Western Cape Provincial Parliament: Monthly financial statements (In-year Monitoring Report) for the period ended 31 March 2019.

COMMITTEE REPORTS

1. Annual Report of the Standing Committee on Transport and Public Works for the 2018/19 financial year, dated 14 March 2019, as follows:

Members

The Committee comprises of the following members:

Hinana, NE (Chairperson) (DA)
 Dugmore, CM (ANC)
 Mackenzie, RD (DA) – until 10 July 2018
 Maseko, LM (DA) – from 6 November 2018
 Mngasela, M (DA) – until 16 August 2018
 Nkondlo, ND (ANC)
 Philander, WF (DA) – from 17 August 2018
 Schäfer, BA (DA) – from 11 July 2018 to 5 November 2018

Alternate Members

Lekker, PZ (ANC)
 Maseko, LM (DA) – until 5 November 2018
 Schäfer, BA (DA) – until 10 July 2018
 Simmers, TA (DA)

1. Introduction

The mandate of the Committee is to -

- 1.1 maintain oversight over the Executive Member and the Department and its Entity, of the way in which they perform their responsibilities including the implementation of legislation and to hold them accountable to the Western Cape Provincial Parliament; and
- 1.2 consider and report on legislation, other matters and the Annual Reports referred to it by the Speaker.

In fulfillment of its mandate the Committee -

- 1.3 facilitated public participation and involvement in the legislative and other processes of the Committee;
- 1.4 conducted its business in a fair, open and transparent manner;
- 1.5 promoted co-operative governance; and
- 1.6 reported regularly to the House.

2. Reporting Department(s) and Entities

- 2.1 Department of Transport and Public Works
- 2.2 Government Motor Transport

3. Overview of committee activities

No of Committee Meetings	21
No of Public Hearings	5
No of Oversight Visits	2
No of NCOP Bills considered	1

4. Oversight activities

The 2018/19 year was considered a productive year in which interactions with the Department and the many stakeholders consulted were both cordial and productive and ensured that committee members could approach their oversight functions with objectivity and insight.

The financial year was eventful and several initiatives have resulted in follow-up activities and meetings. The following is a summary of the Committee's activities during the year.

- 4.1 The promotion of employment equity within the Department and Government Motor Transport's organisational structure to correct the imbalance in terms of race and gender was, and continues to be concerning and has consistently been raised by the Committee. Although some measures were taken by the Department to address this issue, more needs to be done. The Committee has actively pursued progress in this regard.
- 4.2 The Kwa-Faku Primary School in Philippi was a flagship project of the Department using alternative building technology. However, many problems were experienced, to such an extent that the parents of learners at the school had denied their children access to the school for fear that the classrooms could collapse. Blocked drains, cracked walls and the fact that the learners and educators had to use buckets to flush the toilets, were among some of the problems that were highlighted to the Committee by the community. This state of affairs at the school resulted in the Committee requesting the Department to brief it on this matter. The feedback from the Department in terms of the time-frames which were presented to the Committee to correct the situation was unacceptable. The Committee further expressed its apprehension with the fact that accountability for the current state of affairs was lacking.

The Committee also extended an invitation to the Standing Committee on Education to accompany it on its oversight visit to the school and subsequent meetings. Members of the community were also afforded an opportunity to raise their concerns. The defective school had become a derelict building that became a haven for various types of criminal activities. The building was also infested with rodents and reptiles.

An urgent meeting was requested with the Minister of Transport and Public Works and the Minister of Education to discuss the possibility of re-prioritisation in order to yield an earlier completion and delivery date for the replacement school and employing an emergency procurement process if necessary. Unfortunately the Ministers were unable to attend the engagement and the meeting took place with senior officials instead.

It is thus evident that the Committee has relentlessly followed up on this serious state of affairs and is pleased to report that, due to its persistent follow up and vigorous oversight, the derelict building has now been demolished and the main building site as well as the mobile school has been fumigated. The Committee is further pleased to report that the site was handed over to the contractor on 24 August 2018 and that building works have progressed with a contractual practical completion date of 18 December 2019. The Committee is elated that the Project Steering Committee has a firm grip on community matters and that it is working closely with the business forums in the Philippi area. The community of Philippi has expressed its appreciation to the Committee for their intervention and concern displayed for the well-being of the learners at the school.

- 4.3 The Western Cape Provincial Property Committee was established in terms of Regulation 3(1) of the Western Cape Land Administration Act, 1998 (Act 6 of 1998). The Committee consists of officials from provincial and national government departments and four external members not employed by government with proven property expertise. The Department was challenged on its disposal policy for immovable property as the Provincial Property Committee's Annual Report, as provided for in the Regulations, had never been tabled in the Western Cape Provincial Parliament. The Committee submitted an enquiry to the Department in this regard. The Department has acknowledged that there was non-compliance in terms of providing the necessary reports in terms of legislation and committed to ensure that proper and complete records are maintained in order for this provision to be adhered to. As a result of the Committee's persistence in following up on this important matter, the Department, for the first time, submitted their Provincial Property Annual Reports for the years 2016 and 2017.
- 4.4 Another focus area of the Committee, in terms of the Department's disposal policy, related to the Helen Bowden Nurses Home in Green Point and the state of affairs at the site. Key issues discussed were tension between occupants and the fact that one person had died and another brutally attacked, the amount of money that was spent on security at the site, the process of engaging occupants as well as the building not having running water and electricity. Several housing activists and occupants of the building were present at the meeting and were allowed to address the Committee. The Committee remains concerned about the state of affairs at the Nurses Home.
- 4.5 As part of the Cluster B Visit Week, the Committee visited the Groot Brakrivier Road Infrastructure Upgrade Project in the Garden Route Municipal area. The Groot Brakrivier Road Infrastructure Upgrade Project, funded by the Department, was undertaken to perform upgrades, maintenance and repair work on the MR344 (R102) between Hartenbos and Groot Brak as well as on the DR1578 between Tergniet and Wolwedans to better accommodate the growth in traffic volumes as a result of the increase in the number of residences in the surrounding area. Although the Committee welcomed the upgrade project it expressed its concern that, although the project allows for the creation of job opportunities in the area, local enterprises were being excluded. The Department has undertaken to address this issue and has since employed various strategies to include emerging contractors and sub-contractors from the surrounding areas.

- 4.6 The state of the taxi industry in the Western Cape was disconcerting to the Committee and it engaged with the Department in this regard in order to understand the nature of the volatility and the root causes thereof. Certain sensitive cases that were under investigation, projects and plans that were in the pipeline with the South African Police Service and the National Prosecuting Authority and statistics received from the South African Police Service were discussed with the Committee. The Department also outlined the regulatory environment for public transport as well as the regulatory challenges and interventions.

The root causes of conflict and violence were highlighted as well as measures to address this. Various applications to the High Court were highlighted as well as various illegal activities linked to specific taxi associations.

The issuing of new operator licences and the renewal of the same, in particular the time-frames associated with this was of concern to the Committee and the Department was requested to remedy this matter. The year under review also saw the election of the new South African National Taxi Council's (SANTACO) leadership.

- 4.7 The specific proposals that the Department made to Provincial Treasury with regards to the utilisation of invested cash reserves that originated from Government Motor Transport was probed by the Committee. The Committee was briefed on this matter where the governance principles relating to retracting the reserves was outlined as well as the impact and approach to investment reserve management. The funds were invested through Provincial Treasury to attract a higher investment return than was possible in the Entity's bank account. The Committee has received regular updates on the infrastructure development projects that are linked to the utilisation of these investment reserves.
- 4.8 The Department provided the Committee with a briefing on its 2018 Festive Season Road Traffic Safety Plan outlining the operational objectives, critical days, critical data and hazardous routes. Mechanisms to be used over the Festive Season to promote road safety for both drivers and pedestrians were expanded upon as well as monitoring and evaluation tools used to evaluate operational activities to ensure operational compliance. The Department's Communication Strategy, Media Plan and identified operational partners and operational challenges were highlighted.

The Department further provided the Committee with traffic law enforcement focal areas as well as road safety management initiatives. Interprovincial law enforcement activities were expanded upon as well as the impact of evidentiary breath alcohol testing and random alcohol testing on reducing the fatality rate. Fatigue Management was also highlighted and the Department's endeavors to curb this was underlined. The Department also showcased its technological advancements to advance the prosecution of offenders and also to decrease road fatalities. The impact of the Traffic Plan was assessed and operational challenges, successes and achievements were highlighted. The shortage of Traffic Officers in the Western Cape remains of concern to the Committee.

- 4.9 The Western Cape Provincial Road Traffic Administration Amendment Bill [B 3–2017] was referred to the Committee on 15 August 2017. The Department briefed the Committee on the content and impact of the Amendment Bill on 22 August 2017 and three public hearings were held between 31 October and 14 November 2017. The Legal Advisor of the Western Cape Provincial Parliament, Adv le Roux, raised concern that the Amendment Bill purports to give the Provincial Minister of Transport the power to impound vehicles for certain road traffic offences without any structure or guidance in terms of the application of this power. Various case law was expanded upon outlining the constitutional impermissibility for the legislature to assign its own plenary law-making powers to the executive. Based on this legal opinion, the Committee requested the Department to expedite the process of compiling the business case relative to the Amendment Bill so that once it is finalised, the Department could introduce more detailed provisions relating to the impoundment of vehicles. The Committee further resolved that it would suspend its consideration of the Amendment Bill until the Department introduced the more detailed provisions relating to impoundment.

In February 2019, the Department informed the Committee that it had completed its compilation of the business case to determine the scope for the impoundment of vehicles and that this in turn resulted in a substantial redraft of the Amendment Bill. On the advice from the Legal Services Department in the Office of the Premier, the Department announced its withdrawal of the Amendment Bill.

- 4.10 The Committee also evaluated the Annual Reports of the Department of Transport and Public Works and its Trading Entity, Government Motor Transport. The Western Cape Adjustments Appropriation Bill [B 6–2018]: Vote 10 and the Western Cape Appropriation Bill [B 1–2019]: Vote 10 were the subjects of a public participation exercise and also of intense discussion.

5. Legislation

In the 2018/19 Financial Year, the Committee dealt with the following items of legislation:

5.1 Provincial Bills

- 5.1.1 Western Cape Adjustments Appropriation Bill [B 6–2018]: Vote 10 – Transport and Public Works.
- 5.1.2 Western Cape Appropriation Bill [B 1–2019]: Vote 10 – Transport and Public Works.
- 5.1.3 Western Cape Provincial Road Traffic Administration Amendment Bill [B 3–2017].

5.2 NCOP Bills (Section 76)

- 5.2.1 The Administrative Adjudication of Road Traffic Offences (Aarto) Amendment Bill [B 38B–2015] (NCOP) was referred to the Committee on 4 October 2017. In accordance with the NCOP timeframes, the National Department of Transport briefed the Committee on the Amendment Bill on 14 November 2017. After due deliberation and consideration, the Committee then conducted five public hearings on the Amendment Bill. The public hearings took place during the 2017/18 financial year in each of the following areas; Bellville, Khayelitsha, Mossel Bay, Hermanus and Clanwilliam.

The Committee's Negotiating and Final Mandate Reports were submitted to the NCOP during the 2018/19 financial year in accordance with the Mandating Procedures of Provinces Act, 2008 (Act 52 of 2008) and the timeframes as stipulated by the relevant NCOP Select Committee.

5.2.2 The National Land Transport Amendment Bill [B 7B–2016] (NCOP) was referred to the Committee on 17 May 2018. After due deliberation and consideration, the Committee then conducted two public hearings, in George and Cape Town.

The Committee's Negotiating and Final Mandate Reports were submitted to the NCOP in accordance with the Mandating Procedures of Provinces Act, 2008 (Act 52 of 2008) and the timeframes as stipulated by the relevant NCOP Select Committee.

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 two public hearings in consideration of the Provincial Money Bills, one public hearing in consideration of the Department and Entity's Annual Reports and two public hearings on the National Land Transport Amendment Bill [B 7B–2016] (NCOP).

7. Financial particulars

The Committee's actual expenditure for the 2018/19 financial year as at 14 March 2019 was R148 886.19.

2. Annual Report of the Standing Committee on Environmental Affairs and Development Planning for the 2018/19 financial year, dated 14 March 2019, as follows:

Members

The Committee comprised of the following members:

Simmers, TA (DA) – Chairperson until 5 November 2018, Member from 6 November 2018

Philander, WF – Member from 17 August 2018; Chairperson from 6 November 2018

Beerwinkel, CF (ANC)

Dijana, TM (ANC)

Hinana, NE – from 11 July 2018

Mackenzie, RD (DA) – until 10 July 2018

Mnqasela, M (DA – from 6 November 2018

Schäfer, BA (DA) – until 5 November 2018

Alternate Members

Allen, RI (DA) – from 22 January 2019

Hinana, NE (DA) – from 17 August 2018

Maseko, LM (DA)

Mnqasela, M (DA) – until 5 November 2018
 Olivier, RT (ANC)

1. Introduction

The mandate of the Committee is to -

- 1.1 maintain oversight over the Executive Member and the Department and its Entity, of the way in which they perform their responsibilities including the implementation of legislation and to hold them accountable to the Western Cape Provincial Parliament; and
- 1.2 consider and report on legislation, other matters and the Annual Reports referred to it by the Speaker.

In fulfillment of its mandate the Committee -

- 1.3 facilitated public participation and involvement in the legislative and other processes of the Committee;
- 1.4 conducted its business in a fair, open and transparent manner;
- 1.5 promoted co-operative governance; and
- 1.6 reported regularly to the House.

2. Reporting Department(s) and Entities

- 2.1 Department of Environmental Affairs and Development Planning
- 2.2 CapeNature

3. Overview of Committees Activities

No of Committee Meetings	16
No of Public Hearings	6
No of Oversight Visits	2
No of NCOP Bills considered	1

4. Oversight activities

The 2018/19 year was considered a productive year in which interactions with the Department and Entity and the many stakeholders consulted were both cordial and productive and ensured that Committee members could approach their oversight function with objectivity and insight.

The financial year was eventful and several initiatives have resulted in follow-up activities and meetings. The following is a summary of the Committee's activities during the year.

- 4.1 The shortage of landfill sites in South Africa as a whole and more specifically in the Western Cape was and continues to create problems for the country's recycling plans causing a heavy load on the already overburdened system. Landfills are usually designed with a specific life span determined by the volume of waste that can be handled. Once filled to capacity, landfills must be closed and decommissioned.

However, effective landfill remediation poses a challenge for both public and private entities, hence the Committee focusing on the regionalisation of these sites. To this end, the Committee was briefed by the Department of Environmental Affairs and Development Planning and key district municipalities on the subject of regional landfill sites with a core focus on the Eden District, Kalbaskraal and Atlantis sites. The briefing by the Department focused on Regional Waste Disposal Facilities with specific reference to regionalisation and its benefits, landfill airspace challenges, the compliance status of waste disposal facilities and pending litigation.

The Eden District Municipality, in particular, provided the Committee with information specifying the need for a regional landfill facility with specific reference to the environmental impact assessments undertaken and public-private partnerships that were formed with some municipal councils.

As a follow up to this issue, the Committee, as part of the Cluster B Visit Week that took place in August 2018, visited the the Eden District Municipal Regional Landfill Facilities. The delegation met with the Department of Environmental Affairs and Development Planning and the Eden District Municipality to discuss waste management at the Eden District Municipal Regional Landfill Facility. Focus areas included the financial impact on municipalities, benefits of the project, challenges experienced, public-private partnerships with municipal councils and the private sector that were formed, the possibility of a biofuel plant at the site and waste minimisation initiatives that were in place in the respective category B municipal areas.

- 4.2 The Committee also focused on the rehabilitation of wetland areas, including that of water retention and infiltration within catchment areas. CapeNature provided the Committee with specific information in this regard that focused on the conservation and restoration of wetlands. Due to the water crisis in the Western Cape, the Committee requested and received a comprehensive overview of the Berg River Improvement Plan and Breede River Environmental Resources Protection Plan. The Water Hub in Franschoek was instituted as a project to address the existing challenges in an increasingly volatile and uncertain environment through the application of new ideas, new technology and improved skills. The Committee hopes that the Water Hub will be the catalyst to drive a new paradigm in water management and to develop a water technology cluster.
- 4.3 Proactive planning and adaptive measures, rather than reactive measures, are needed to mitigate the effects of climate change. The Committee focused on the economic impact and opportunities stemming from climate change as well as the results of the Cost-Benefit Analysis on the Climate Change Response Strategy implemented by the Department. The Committee has requested the Department to assist municipalities in drafting their climate change adaptation plans and is pleased to report that all municipalities in the Western Cape now have climate change adaptation plans in place. Interesting to note is that each provincial government department has an annual performance plan indicator linked to a climate change focused project within their respective department.
- 4.4 The fact that biodiversity is CapeNature's core function but is contained within Programme 5 of the Department is of concern to the Committee. Of further concern is that consultants are employed by the Department to do what CapeNature is

mandated to do. The Committee is concerned that there appears to be a duplication of reporting within this programme. As CapeNature reports directly to the Minister of Local Government, Environmental Affairs and Development Planning, the Committee has suggested that these functions should be encapsulated under Programme 1 and encouraged the Department to investigate the possibility thereof.

- 4.5 In order to adequately plan its activities, the Committee received an update from the Department on the readiness of the Western Cape Biodiversity Bill for submission to the Legislature. This Bill seeks to provide the framework and institutions for nature conservation and the protection, management and sustainable use of biodiversity and ecosystems in the province. However, many challenges have been experienced in relation to the drafting of this Bill and it will not be ready for submission before the end of this parliamentary session.
- 4.6 The Committee conducted an oversight visit to the Stony Point and Kogelberg Nature Reserves. The purpose of the visit was to gain an understanding of the biodiversity and conservation issues linked to the respective Reserves and its impact on economic growth and tourism in the areas. The Committee is gratified by the outstanding achievements of CapeNature and the effort and expertise of industry experts who assisted in the development of the Oudebosch facility at the Kogelberg Nature Reserve. The Committee was also impressed with the Community involvement at the “On the Edge Restaurant” as well as the mentorship role performed by CapeNature. The Committee congratulates CapeNature on sterling achievements in this regard.
- 4.7 Spatial planning and land use management was another focus area of the Committee. To this end the Department provided the Committee with an update on the Land Use Planning Regulations, 2015: Draft Amendment 2018, and the recent developments in the domain of the Spatial Planning and Land Use Management Act, 2013 (Act 16 of 2013) (SPLUMA).

With regard to the former, the Department briefed the Committee on its background and purpose, the proposed amendments and the public participation process that was followed.

With regard to the latter, the Department provided the Committee with background information relating to the pre-promulgation of SPLUMA, the developments post implementation as well as the challenges and legal issues experienced. The Department further outlined the need for the establishment of various Working Groups and the focus area of each group. The readiness of municipalities in the Western Cape to implement the amendments to SPLUMA were provided to the Committee.

The Committee is concerned about the lack of capacity and knowledge in some municipalities to effect the necessary amendments to their Municipal Spatial Planning Bylaws and the impact that this will have on economic development in the specific municipal areas.

4.8 The Committee also evaluated the Annual Reports of the Department of Environmental Affairs and Development Planning and its Entity, CapeNature. The Western Cape Adjustments Appropriation Bill [B 6–2018]: Vote 9 and the Western Cape Appropriation Bill [B 1–2019]: Vote 9 were the subjects of intense discussion.

5. Legislation

In the 2018/19 Financial Year, the Committee dealt with the following items of legislation:

5.1 Provincial Bills

5.1.1 The Western Cape Adjustments Appropriation Bill [B 6–2018]: Vote 9 - Environmental Affairs and Development Planning

5.1.2 Western Cape Appropriation Bill [B 1–2019]: Vote 9 – Environmental Affairs and Development Planning

5.2 NCOP Bills (Section 76)

The Marine Spatial Planning Bill [B 9D–2017] (NCOP) was referred to the Committee on 17 May 2018.

After due deliberation and consideration, the Committee conducted three public hearings on the Bill, one hearing in each of the following areas; Saldanha Bay, Mossel Bay and Cape Town.

The Committee’s Negotiating and Final Mandate Reports were submitted to the NCOP in accordance with the Mandating Procedures of Provinces Act, 2008 (Act 52 of 2008) and the timeframes as stipulated by the relevant NCOP Select Committee.

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 two public hearings in consideration of the Provincial Money Bills, one public hearing in consideration of the Department and Entity’s Annual Reports and three public hearings on the Marine Spatial Planning Bill [B 9D–2017] (NCOP).

7. Financial Particulars

The Committee’s actual expenditure for the 2017/18 financial year as at 12 March 2019 was R169 236.77.

3. Annual Report of the Standing Committee on Local Government for the 2018/19 financial year, dated 15 March 2019, as follows:

Members

The Committee comprised of the following members:

Mnqasela, M (DA) (Chairperson)

Dyantyi, QR (ANC)
 Hinana, NE (DA)
 Joseph, BD (EFF)
 Simmers, TA (DA)

Alternate members

Maseko, LM (DA)
 Allen, RI (DA)
 Philander, WF (DA)
 Olivier, RT (ANC)

1. Introduction

1.1 The mandate of the Committee is to:

1.1.1 Maintain oversight over the executive member and his Department, including the implementation of legislation, and to hold them accountable to the Western Cape Provincial Parliament;

1.1.2 Consider and report on legislation, other matters and annual reports referred to it by the Speaker;

1.1.3 Evaluate the performance of municipalities and municipal entities in the province through the review of:

1.1.3.1 The annual reports submitted to the Provincial Parliament in terms of section 132(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003);

1.1.3.2 The oversight reports adopted by the respective municipal councils on those annual reports;

1.1.3.3 Any reports issued by the Auditor-General on the affairs of any municipality in the province;

1.1.3.4 The consolidated statements on the state of municipalities' budgets referred to in section 71(7) of the Local Government: Municipal Finance Management Act, 2003; and

1.1.3.5 Any other report or statement concerning the affairs of a municipality referred to the committee by the House.

1.2. In fulfilment of its mandate the Committee:

1.2.1 facilitated public participation and involvement in the legislative and other processes of the Committee;

1.2.2 conducted its business in a fair, open and transparent manner;

1.2.3 promoted cooperative governance; and

1.2.4 reported regularly to the House.

2. Reporting department

Department of Local Government.

3. Overview of Committee's activities

3.1	Number of committee meetings	13
3.2	Number of oversight visits	1

3.3	Number of provincial bills considered	2
3.4	Number of NCOP bills considered	2
3.5	Number of public hearings	9

4. Oversight activities

- 4.1 During the first quarter the Committee facilitated six public hearings on the Traditional and Khoi-San Leadership Bill [B 23D–2015] (NCOP). The public hearings were well attended by 1 118 members of the public and 69 oral and written submissions were made during these hearings. After due consideration, the Committee submitted its Negotiating Mandate on behalf of the Western Cape to support the Bill with amendments. In light of the Committee’s oversight responsibility, the Department briefed the Committee on the raid by the Hawks on the George Municipality and the status update on governance and service delivery at all the other municipalities in the province. There are various Hawk investigations underway and future feedback sessions with the Department need to be programmed.
- 4.2 The Committee considered and adopted the Final Mandate Report on the Traditional Leadership and Governance Framework Amendment Bill [B 8D–2017] (NCOP) and, as part of its oversight function, the Committee visited the Eden District. The Committee, as part of the Service Delivery Cluster, visited the Cango Caves during which it was briefed on the future of the Cango Caves as a major tourist attraction for Oudtshoorn and the greater Eden District. After the briefing, the Committee undertook a guided site visit of the Cango Caves.
- 4.3 The Committee also adopted the Final Mandate Report on the Traditional and Khoi-San Leadership Bill [B 23D–2015] (NCOP). During the adoption of the Final Mandate Report, the Committee recommended that the Western Cape’s delegation in the NCOP should not support the Bill. The Committee also considered the Department of Local Government’s Annual Report for the 2017/18 financial year and deliberated on Vote 14: Local Government in the Schedule to the Western Cape Adjustments Appropriation Bill [B 6–2018] after which the Committee adopted its report on the Schedule to the Bill.
- 4.4 The Department briefed the Committee on the recent fire disasters in the Western Cape during which they highlighted the impact of the fires on affected communities; the implications on the budgets of municipalities concerned; and the status of disaster declaration by various municipalities. The Committee also deliberated on Vote 14: Local Government in the Schedule to the Western Cape Appropriation Bill [B 1–2019] after which the Committee adopted its report on the Vote.

5. Legislation

In the 2018/19 financial year, the Committee dealt with the following legislation:

5.1 Provincial bills

- 5.1.1 Western Cape Adjustments Appropriation Bill [B 6–2018]: Vote 14
 5.1.2 Western Cape Appropriation Bill [B 1–2019]: Vote 14

5.2 NCOP bills (section 76)

5.2.1 Traditional Leadership and Governance Framework Amendment Bill [B 8D–2017] (NCOP)

5.2.2 Traditional and Khoi-San Leadership Bill [B 23D–2015] (NCOP)

6. Financial particulars

At the close of the 2018/19 financial year, expenditure attributed to the activities of the Committee accumulated to R402 797.

4. Report of the Standing Committee on Community Safety on the recommendation for the appointment of a candidate to the Governing Board of the Western Cape Liquor Authority, dated 14 March 2019, as follows:

1. The Governing Board of the Western Cape Liquor Authority (the Board) had a vacancy that needed to be filled.
2. In accordance with Section 3(1) of the Western Cape Liquor Act (Act 4 of 2008) that stipulates that “(t)he standing committee must make the recommendations referred to in subsection(1) after evaluating all candidates as to their suitability for appointment, the Committee interviewed the shortlisted candidates on 13 March 2019.
3. The Committee resolved to submit the name of its preferred candidate and thereafter list, in ranking order, the names of the remaining candidates, in the event that the preferred candidate declines the appointment.
4. The Committee’s preferred candidate for appointment to the vacancy to the Board is Ms L Venter. The remaining candidates, in ranking order, are Mr RG Nicholls and Mr WB Viljoen.
5. Dr LM Mdunyelwa withdrew from the interview process prior to the Committee meeting of 13 March 2019.

5. Report on the Western Cape South African Police Service’s Annual Report for the 2017/18 Financial Year.

The Standing Committee on Community Safety, having considered the Annual Report of the Western Cape South African Police Service (SAPS) for the 2017/18 financial year, reports as follows.

1. Introduction

The Committee, through the provisions afforded by S206(9) and S207(5) of the Constitution (1996), and S67(2) and S67(3) of the Western Cape Constitution, was briefed by the South African Police Service’s (SAPS) Western Cape Provincial Commissioner on the 2017/18 Annual Report. Given the Committee’s regular engagements with the SAPS, a thorough deliberation on the Crime Statistics for 2017/18

had already been addressed in September 2018. The below therefore reflects largely on the SAPS' performance for the year under review.

2. Salient points from the Western Cape SAPS Annual Report 2017/18

- 2.1 The SAPS achieved 71.3% of its 143 indicators.
- 2.2 The SAPS 103.93% of its R772 598 000 budget allocation. This resulted in an actual expenditure of R802 922 570 for the 2017/2018 financial year.
- 2.3 The fuel expenditure for the year under review was R245 404 894. The reasons for the high expenditure include general marked fuel price increases and the cost of fueling the SAPS' 6228 vehicle fleet, especially the double cab and Nyala vehicles. These two vehicle types are heavily fuel dependent. The monthly spend on fuel for vehicles used for Public Order Policing (POP) and Tactical Response Team (TRT) operations is roughly R20 million.
- 2.4 The SAPS reported that it has an early warning system to monitor the fluctuating fuel costs in relation to its budgetary allowance.
- 2.5 Increased and sporadic protest action incidents influence the fuel spend as well as other related expenses such as travel and subsistence, overtime, additional deployments as well as vehicle maintenance and repair.
- 2.6 Although SAPS vehicles have Automatic Vehicle Locator (AVL) devices, the systems are currently inactive pending the conclusion of a tendering process to procure a new service provider. This matter is currently being addressed by the SAPS National Office.
- 2.7 The SAPS engages with other stakeholders as follow up processes to areas where protest action has occurred. The SAPS reported that these stakeholder engagements seek to deter recurrence of protest actions by addressing the cause of the initial unrest.
- 2.8 The SAPS provides Employee Health and Wellness support initiatives to immediate family of members who pass on in the line of duty. Some of the support includes covering burial costs, the issuance of death grants close to R250 000, and a bursary fund to assist with educational costs for the deceased members' dependents.
- 2.9 The site for the Tafelsig Police Station will be handed over to the contractor in March 2019.
- 2.10 The SAPS reported that densely populated communities hamper policing methods. The environmental design of many communities, especially informal settlements, cause conventional policing methods to not be effective. There are also outreach programmes conducted to better educate communities. Environmental design adversely impacts policing methods, resources needed, and reaction times due to insufficient street lighting, road infrastructure, street addresses etc.
- 2.11 Persons from whom alcohol is confiscated, specifically in the illegal liquor trade, often have the confiscated alcohol returned to them after paying an admission of guilt fine.
- 2.12 The SAPS briefly explained its role to aid the Department of Correctional Services to implement rehabilitative measures to curb recidivism by prison gang members.
- 2.13 The SAPS is participating in a study to address measures to combat the murder rate in the province guided by the Crime Causation Hypothesis.
- 2.14 A total of 1070 entry level constables are expected to enter into the SAPS College by March 2019, and these constables are expected to graduate in December 2019.

- 2.15 The SAPS also reported that 97 administrative personnel will be added to the staff contingent in the province.
- 2.16 The SAPS have also approved the re-enlistment of former members up until Warrant Officer level.
- 2.17 The SAPS acknowledged that there should be increased appointments of females to senior levels.
- 2.18 In terms of firearm competency training, the SAPS achieved an 88.3% success rate of members who are firearm competent. There are maintenance competency training course, referred to as pistol clinics, to aid members prior to their firearm competency assessments.

3. Resolutions

- 3.1 The Committee resolved to write to the National Minister to raise concern about liquor confiscations returned after payment of the admission of guilt fine; to have this system changed as it is demoralising for officers that have made confiscations and serves as an incentive to continue illegal liquor trading.

4. Requests for information

The Committee REQUESTED that the Western Cape SAPS provides the following information:-

- 4.1 A list of areas where community outreach programmes were held for the 2017/18 financial year.

5. Committee Programme Updates

The Committee added the following items to its Committee Programme.

- 5.1 A briefing by the WC SAPS on the Crime Causation Hypothesis and the implementation thereof.
- 5.2 SAPS mechanisms to combat township gangs as are used to combat gang structures predominantly on the Cape Flats.

6. Considering and Adoption of draft committee documents

The Committee considered and adopted the Draft Minutes of 22 August 2018, 2 November 2018, 14 November 2018 as well as the Draft Report on the Western Cape Police Ombudsman 2017/18 Annual Report and the Cape Town Metropolitan Police Department's 2018/19 Annual Police Plan discussions.

6. The Standing Committee on Community Safety having debated on the 2017/18 Policing Needs and Priorities Report, dated 14 March 2019, reports as follows:

The Committee recommended that:

- 1. With reference to 12.1.3 in the report, the Department should include aspects related to shift management at South African Police Service (SAPS) station level to address absenteeism. Absenteeism can be as a result of sick leave, leave, re-deployment and/or training and all these categories should be considered.

2. With reference to 12.1.4 in the report the distribution of resources should be amended to increase personnel at station level rather than at provincial office level.
3. With reference to Recommendation 9 in the report, a designated team be allocated to ensure that dockets are court ready. A prosecutor should be assigned to and based close to each police station to ensure that dockets are court-ready. This will promote prosecution-led investigations of all cases as all evidence reports are ready.
4. With reference to Recommendations 6 and 8 in the report, more education of officials is needed when dealing with intimate partner, parent-child and teacher-child related violence cases.
5. With reference to Recommendation 6 in the report, read with Recommendations 9 and 10, the role of the Forensic Science Laboratory should be considered.
6. With reference to Recommendation 13 in the report, that police resources not only be increased in the Western Cape but that the distribution thereof be such that resources are allocated based on the needs of areas affected by the prevalence of serious crimes.
7. The report should include a recommendation on School Safety to ensure that learners are safe at school, as well as to and from school.

2. Requests for Information:

The Committee requests the Department of Community Safety to provide:

- 2.1 A list of the Errata of the 2017/18 Policing Needs and Priorities Report submitted to the South African Police Service.

7. Annual Activity Report 2018/19 of the Standing Committee on Community Safety for the Period of 1 April 2018 to 31 March 2019.

During the year, the Standing Committee on Community Safety held 16 briefings, conducted three oversight visits both announced and unannounced and participated in a Cluster Oversight Visit Week from 24 to 27 July 2018.

During April 2018 the Committee conducted an oversight visit to the Parow South African Police Service (SAPS) Station which included a briefing from the police station management on resourcing, crime profiles and area-specific concerns. The visit was a platform for various stakeholders, including the local councilor, the Parow Community Police Forum (CPF) and the corresponding Neighbourhood Watch (NHW), to voice concerns and successes about the policing of the Parow precinct, especially the Voortrekker Road corridor.

Also during April, the Office of the SAPS Provincial Commissioner briefed the Committee on matters related to the availability of illegal firearms in the Western Cape. This briefing highlighted the SAPS' operations to clamp down on the availability and use of these firearms. In addition to recovering 38 of the 65 police issued lost/stolen firearms in 2017/18, the SAPS seized 1342 firearms and large quantities of ammunition. These figures underline the serious threats that communities face from the dangers that the availability of such weaponry pose.

During May 2018 the Committee conducted an oversight visit to various Safety Kiosks in the Cape Town Central Business District. The Committee also hosted a briefing by Mr I Lester, the CEO of *Beyond Wireless*, the local implementing agency of the *ShotSpotter* technology in South Africa. He was joined, via Skype, by Mr R Clark, the President and CEO of *ShotSpotter*. Mr Clark is based in San Francisco in the United States of America (USA). The purpose of the briefing was to gain an understanding about the origin, purpose and success rate of the *ShotSpotter* technology. This briefing laid the platform for the Committee's oversight visit in June 2018 to the Transport Management Centre in Goodwood, where the *ShotSpotter* technology is used by the City of Cape Town's Safety and Security Directorate. The *ShotSpotter* technology is basically a system that uses auditory sensors in order to detect and triangulate gunfire sounds and also provide the location from which the sounds emanate. During this oversight visit the Committee engaged with various officials at the TMC and viewed first-hand how the *ShotSpotter* technology worked, as well as inspected the surveillance centre at the TMC.

In July 2018 the Western Cape Liquor Authority presented on its Quarterly Performance Reports for 2017/18 as well as the first quarter of 2018/19. This meeting was followed by a busy month of Committee activities during August. The Public Service Commission (PSC) presented its report on police shortages in the Western Cape. This report was drafted following the Committee's earlier request to the PSC to conduct this investigation. The Committee also considered and approved the appointment of the new of the Western Cape Police Ombudsman (WCPO), Mr J Brand, in terms of the Western Cape Community Safety Act (2013).

Also during August 2018, the Department of Community Safety (Department) presented on its Neighbourhood Watch (NHW) programme and provided an update on the NHW accreditation processes, an update on the progress of the Alcohol Harms Reduction Game

Changer specific to cases related to upstreaming prosecutions and the forfeiture of liquor, and an update on the implementation of the Khayelitsha Commission of Inquiry recommendations. The SAPS briefed the Committee on progress of *Operation Thunder*.

In September 2018, the Committee hosted a delegation from the Hanns Seidel Foundation, and by extension, the Bavarian Police's Central Investigation Office.

The engagement focused on crime analysis. The SAPS also briefed the Committee on the 2017/18 Western Crime statistics as well as the Rapid Rail Unit's challenges and successes in the Province.

The Committee participated in the cyclical Annual Report and Appropriation periods between October and November 2018. Committee activities included the discussion on the Department and WCLA's 2017/18 Annual Report and its Adjustments Appropriation Bill process for 2018/19, the 2017/18 Annual Reports of the Western Cape SAPS and the WCPO, as well as the Cape Town Metropolitan Police Department's (CTMPD) Annual Police Plan for 2019/20.

The Committee was tasked to once again consider the appointment to fill a vacancy on the WCLA's Governing Board. After a meeting with the Department on the role requirements of the vacant position, the Committee submitted its preferred candidate to the Provincial Minister of Community Safety for appointment to the Board.

The Committee also deliberated on the 2017/18 Policing Needs and Priorities report and submitted its comments to the Department for consideration. The Committee deliberated on and finalised its report on Vote 4: Community Safety, in the Schedule of the Western Cape Appropriation Bill [B 1–2019].

Through its engagements with the Department of Community Safety, the Western Cape Police Ombudsman, the Western Cape Liquor Authority, the South African Police Service and the Cape Town Metropolitan Police Department, the Committee continued its oversight of the implementation of the Western Cape Liquor Act (Act 4 of 2008); the Western Cape Community Safety Act (Act 3 of 2013), Section 207 of the Constitution of the Republic of South Africa, as well as Sections 66, 67 and 74 of the Constitution Western Cape.

Number of Committee Meetings: 16
 Number of Public Hearings: 3
 Number of Oversight Visits: 3
 Number of Cluster Visit Weeks: 1
 Number of International Visits: 0

8. Annual Activity Report 2018/19 of the Standing Committee on Cultural Affairs and Sport for the Period of 1 April 2018 to 31 March 2019.

During the year, the Standing Committee on Cultural Affairs and Sport held 11 briefings and participated in a Cluster Oversight Visit Week from 24 to 27 July 2018.

In May 2018 the Zip Zap Circus School briefed the Committee on its social outreach and training programmes, specifically aimed at youth. The Zip Zap Circus School reported on its successes and challenges, especially on its financial sustainability and the increasing number of youth benefitting from the core training and outreach programmes. Immediately after this briefing the Department of Cultural Affairs and Sport (the Department) presented its Quarterly Performance Reports for the first three quarters of 2017/18.

Also in May 2018, the Department and its Entity, the Western Cape Cultural Commission (WCCC), presented on the challenges linked to traditional initiation processes in the Western Cape. The Department detailed its role in enabling that traditional initiation rites of passage are respectfully and properly facilitated. Of particular note were the efforts to build sustainable partnerships with all role players, both community based and governmental. Following this engagement the Heritage Western Cape (HWC) on the delegation of responsibilities. This briefing highlighted the inter-governmental structure regarding the delegation of responsibilities to process heritage applications.

In July 2018 the Committee, due to a vacancy of membership, elected Mr RD Mackenzie as the Chairperson, in terms of the Western Cape Provincial Parliament's Standing Rules. Later this quarter, in August, an organisation known as *Street Talk* presented on its work to the Committee. *Street Talk* representatives showcased some of their best work and explained how they use film for social activism and to improve the lives of elderly through sport.

The Committee participated in the Cluster A visit week. In addition to oversight visits to hospitals, clinics, schools and other key locations, the portfolio specific visit was conducted at the Saldanha Bay Sports Stadium. The briefing by the Department focused largely on updates of the West Coast Sports Academy, its successes, challenges and infrastructural developments. The delegation did a walk-through of the Stadium's facilities.

Between August and October the Committee was tasked to advertise calls for nominations to the Western Cape Cultural Commission (WCCC) and the Western Cape Language Committee (WCLC). The terms of office for these Entities came to an end on 30 September 2018 and 31 October 2018 respectively. The Committee, having deliberated on the nominees for each Entity, furnished the Provincial Minister of Cultural Affairs and Sport with a shortlist for each Entity to appointment members to each body.

In September 2018 the Committee engaged with the Robben Island Museum (RIM) executive to discuss the latest developments and heritage programmes for the RIM, its sustainable partnerships with government structures, the public and private sectors, as well as equipment upgrades. The meeting was held at the Nelson Mandela Gateway at the V and A Waterfront due to inclement weather restricting commute between Robben Island and the mainland. Also in September, the National Portfolio Committee on Sports and Recreation invited the Committee to a two day oversight tour of sports facilities in George and Swellendam. These visits provided a platform for inter-governmental and inter-legislative networking and collaboration.

As part of the cyclical oversight process, the Committee participated in and finalised reports on the Department's 2017/18 Annual Report discussion, the Western Cape Adjustments Appropriation Bill [B 6–2018] and the Western Cape Adjustments Appropriation Bill [B 1–2019].

Number of Committee Meetings: 12

Number of Public Hearings: 3

Number of Oversight Visits: 0

Number of Cluster Visit Weeks: 1

Number of International Visits: 0

9. Report of the Standing Committee on Community Development on an Oversight T Visit to Tygerberg Hospital on Tuesday 5 February 2019.

The Standing Committee on Community Development (Health), having conducted an oversight visit to Tygerberg Hospital on 5 February 2019, reports as follows:

Delegation

The delegation included the following Members:

Democratic Alliance

Botha, LJ (Chairperson)

Mitchell, DG

African National Congress (ANC)

Makeleni, P

Additional Members

Gopie, D (ANC)

Lekker, PZ (ANC)

Apologies

Gillion MN (ANC)

Wenger, MNM (DA)

Ms N Jamce, Committee Coordinator, accompanied the delegation.

1. Introduction

The Standing Committee, as part of its oversight mandate over the Department of Health and in complying with its programme, resolved to embark on an oversight visit to Tygerberg Hospital.

2. Overview

The delegation visited Tygerberg Hospital on Tuesday 5 February 2019. The purpose of the visit was to assess the ongoing infrastructure projects at Tygerberg Hospital, specifically the challenges experienced by the hospital as a result of the ongoing infrastructure projects, the renovations, the building of the new Tygerberg Hospital and the impact of the project on service delivery.

3. Key points emanating from the visit

- 3.1. Tygerberg Hospital was built in 1972 and it occupies 64 hectares of land.
- 3.2. The hospital delivers specialist and a full suite of subspecialist services and is a large service platform footprint in the Cape metropolitan area and the rural districts.
- 3.3. The operational budget of Tygerberg Hospital in 2017/18 was R2,8 billion. The hospital has a 90% bed occupancy rate, with a total of 1 384 beds of which 310 are allocated to the children's services.
- 3.4. During the 2017/18 financial year, the hospital reported that it had 107 862 admissions, 519 857 outpatient visits, 7 361 caesarean births, 29 289 surgical operations and an emergency centre headcount of 40 161.
- 3.5. The hospital provides a training platform for health professionals in partnership with four institutions of higher education, namely the University of Stellenbosch, the University of Cape Town, the University of the Western Cape and the Cape Peninsula University of Technology.
- 3.6. The aging infrastructure of the hospital poses a risk to the delivery of healthcare service and results in service interruptions, a congested environment, logistical and operational inefficiencies, stressed staff and problems with fire and staff compliances.
- 3.7. A Mitigation Strategy for the aging and deteriorating infrastructure has been developed for the maintenance and remedial work, with more focus on infrastructure, technology, people and access.
- 3.8. The Mitigation Strategy aims to address key challenges such as operational inefficiencies, the obsolescence and inflexibility of the current hospital building and

the poor environment for providing health care, training and research. There is also the need to accommodate the new service-platform requirements and the future healthcare needs of the population.

- 3.9. Tygerberg Hospital is busy with a redevelopment project to address the infrastructure challenges. This will provide in the need for an efficient, flexible, well-balanced and fully functional facility.
- 3.10. The aim of the redevelopment project is to renovate the current Tygerberg Hospital and to turn it into a modern facility with 1 600 beds. A central hospital with a 1 100-bed allocation will also be built on site to cater for level 2, level 3 and quaternary patients.
- 3.11. The Department of Health reported that a new regional hospital with 550 beds is earmarked to be built behind the University of the Western Cape next to the train station. The new hospital will ease the service pressure on Tygerberg Hospital and will bring the health services closer to the people.
- 3.12. A 10-year Infrastructure Maintenance and Remedial Work Strategy has been established to address the poor infrastructural conditions which result in severely compromised healthcare service delivery and a poor working environment. The Infrastructure Maintenance Strategy is designed as capital and maintenance projects.
- 3.13. The Department of Transport and Public Works, which was also in attendance, reported that Tygerberg Hospital's 10-year Infrastructure Maintenance and Remedial Work Strategy has guiding principles and a framework that focus on ensuring that the technical condition is improved, the risk of service-delivery interruption is reduced and that security, fire safety and occupational health and safety are enhanced.
- 3.14. The implementation of the 10-year Infrastructure Maintenance and Remedial Work Strategy aims to streamline the development and acceptance of the strategic brief and the coordination between planning, design, construction and health technology.
- 3.15. The Department of Transport and Public Works also reported that it was responsible for the management of contractors to ensure coordination between work packages and the management of specialist subcontractors while the Department of Health was responsible for the health technology.
- 3.16. The Department of Transport and Public Works informed the Committee that Tygerberg Hospital project will be finalised on the due date. The Department has appointed more staff in 2018 who will monitor the projects strictly. Furthermore, the Department has developed an internal quality assurance document to monitor the performance of contractors.
- 3.17. The Tygerberg Hospital will be getting a new CT scan (computerised tomography scanner) with the latest technology.
- 3.18. The Committee observed that four operating theatres were renovated and others were under construction.
- 3.19. Two lifts on the west side of the pharmacy have been renovated.
- 3.20. The water boilers have been upgraded and bulk water reticulation and boreholes have been installed.
- 3.21. The entrance 2 of the hospital will be revamped to become a child-friendly entrance.
- 3.22. The paediatric emergency was struggling to keep up with the flow of patients.
- 3.23. The outpatient ward will be converted into paediatric wards with 28 beds.
- 3.24. The Committee visited the Tygerberg laundry that cleans the laundry of the hospital and Lentegour Hospital. On the laundry site, there was a water treatment plant where water is pumped and purified for hospital use.

3.25. The emergency ward was filled to capacity with some patients with drips lying in the passageways waiting for beds to become available.

4. Recommendations

The Committee recommended that the Department should install clearly visible signs in all three official languages in the hospital.

5. Acknowledgments

The Committee wishes to express its appreciation to the entire staff of the Tygerberg Hospital, the officials of the Department of Health and the Department of Transport and Public Works for the presentation. Appreciation was also extended to the entire staff of Tygerberg Hospital for their dedication and hard work in providing the communities of the Western Cape with good healthcare services under trying working conditions.

6. Conclusion

The Committee successfully concluded the oversight visit to Tygerberg Hospital.

10. Report of the Public Accounts Committee on the Annual Reports of the Department of Agriculture and Cape Agency for Sustainable Integrated Development in Rural Areas (Casidra) for the 2016/17 and 2017/18 Financial Years.

1. Introduction

On 27 February 2019 the Public Accounts Committee (the Committee) conducted oversight over the annual reports of the Department of Agriculture (the Department), including CASIDRA, for the 2016/17 and 2017/18 financial years.

The Committee did not conduct oversight over the aforementioned annual reports of the Department and Entity when the Western Cape Provincial Parliament (WCPP) scheduled meetings during the period of October/ November 2017, due to the fact that the annual reports were not submitted to the legislature for this period; and therefore not tabled.

Furthermore, the Committee was unable to conduct oversight of the annual reports of the Department and Entity when the Western Cape Provincial Parliament (WCPP) scheduled meetings during the period of October/ November 2018. The reason for the delay was that there was a difference of opinion between the Department and the Auditor-General of South Africa (AGSA). The difference of opinion related to the classification of certain expenditure as transfer payments or goods and services.

The Minister of Economic Opportunities in the Western Cape lodged a dispute at the Western Cape High Court on 22 October 2018, with the aim to request the Court to review and set aside the Auditor-General qualified opinion and the following findings:

That the Department of Agriculture did not account for payments in accordance with the Modified Cash Standard;

That the Department incorrectly budgeted for payments as transfers instead of goods and services;

That the Department irregularly entered into contracts with “implementing agents” without applying the National Treasury Regulations; and

That the principal-agent relationships were not disclosed.

Since there was uncertainty as to the scope of the sub judice rule, including the extent to which the Committee could engage with issues being ventilated before a court of law, a meeting was scheduled on 27 February 2019 whereby the Committee conducted oversight over the annual reports of the Department and Entity for the 2017/18 financial years.

This report should be read with the report of the Committee on the audit outcomes of the annual reports of the Western Cape Government [ATC 102 of 2018].¹

The Committee documents its findings in accordance with WCPP Standing rules 98(1)(a)(iii), 98(2) and 98(3), and indicates these findings, recommendations and request for information for each respective year hereunder.

2. Vote 11: Department of Agriculture (2016/17 Financial Year)

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2016/17 financial year, having obtained a qualified audit opinion with findings in relation to internal control deficiencies. This audit opinion represents a regression from the 2015/16 financial year.

2.1 Audit opinion

The AGSA raised findings with the Department on deficiencies in its internal controls.

2.1.1 Qualified opinion

Transfers and subsidies: The Department did not account for payments made to implementing agents in accordance with the requirements of the Modified Cash Standard (MCS), prescribed by the National Treasury. The Department budgeted and accounted for these payments as transfers and subsidies instead of either expenditure for capital assets or goods and services, as required by the MCS. Consequently, transfers and subsidies is overstated by R274, 3 million in the 2016/17 financial year and by R250 million in the 2015/16 financial year and the following components of the financial statements are understated or not disclosed:

- Expenditure for capital assets or goods and services classified according to the nature of the expense incurred.
- Capital assets that belong to the Department acquired or created under these arrangements.
- Prepayments representing advance payments provided to implementing agents that were unspent as at year-end.
- Appropriate adjustments to the appropriation statement to reflect the correct classification of transactions as required by the MCS.

¹ Please see ATC 62 of 2017, ATC 80 of 2018 and ATC 102 of 2018 of WCPP which provides a timeline to the subject matter at hand. The ATCs will be attached to the end of this Report.

Irregular expenditure: The Department entered into contracts with implementing agents without applying Treasury Regulations. When implementing agents are contracted by the Department, this does not release the Department from ensuring that funds spent on its behalf by the agents comply with the requirement for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective. Supply chain management (SCM) practices utilised by these implementers were not consistent with the principles of the PFMA and the Treasury Regulations. The Department did not identify and disclose any irregular expenditure resulting from non-compliance with applicable SCM prescripts by implementing agents as required by section 40(3)(b)(ii) of the PFMA. Consequently, irregular expenditure is understated. The AGSA was not able to determine the full extent of the understatement as it was impracticable to do so.

2.1.2 Finding related to internal control deficiencies

Leadership: Leadership did not exercise adequate oversight over financial reporting to ensure that there is consistency in how the entities are accounting for funds transferred to them, which consequently resulted in misclassification of the funds transferred by the Department to the entities. The inadequate oversight by the Department also resulted in non-adherence to SCM prescripts by the entities not being prevented which resulted in irregular expenditure being incurred.

2.2 Financial management

The Department spent R807,7 million of a budget of R815,8 million, resulting in an overall under-expenditure of R8 million (1%). In addition, the total Departmental revenue budget of R28,8 million was over-collected by R11,2 million, which resulted in a Departmental receipt of R40 million.

The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R3,6 million);
- Interest, dividends and rent on land (R6,9 million);
- Sale of the Departmental capital assets (R187 000); and
- Financial transactions in assets and liabilities (R368 000).

The Committee noted that the overall under-spending within the Department occurred under the following:

Programmes

- Programme 1: Administration (R2,2 million), and
- Programme 2: Sustainable Resource Management (R5,8 million).

Economic classifications

- Current payments (R8 million);
- Compensation of employees (R5,8 million); and
- Goods and services (R2,2 million).

2.3 Resolutions

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION DATE
<p><u>Page:</u> 177 of the Annual Report</p> <p><u>Heading:</u> “The Effectiveness of Internal Control”</p> <p><u>Description:</u> The Committee takes note of the following assurance engagements that were approved and completed by Internal Audit during the 2016/17 financial year, as follows:</p> <ul style="list-style-type: none"> • Further Education and Training (FET) & Higher Education and Training (HET) (Assurance Engagement); • Evaluation Plans - Management Improvement Plan (Assurance Engagement); • Transfer Payments – WIETA (Assurance Engagement); and • FRUITLOOK Project (Consulting Engagement). 	<p>The Committee requested that the Department includes an explanatory note in all future annual reports, which highlights past assurance engagements of the previous financial year and how these were addressed, including whether any engagement linkages were identified between the previous and currently reported assurance engagements.</p>	<p>To be implemented in all future annual reports of the Department.</p>

2.4 List of Information Requested

2.4.1 The Committee requested that the Department of Agriculture provides it with the following:

2.4.1.1 The responding filing papers of the AGSA in relation to the dispute that was lodged by the Minister of Economic Opportunities at the Western Cape High Court on 22 October 2018, with the aim to request the Court to review and set aside the Auditor-General’s qualified opinions and associated findings; as indicated by the Minister of Economic Opportunities during her opening speech at the Public Accounts Committee meeting on 27 February 2019.

2.4.1.2 A report on the assurance engagements that were undertaken by the Department during the 2016/17 financial year, as indicated on pages 176 and 177 of the Annual Report.

3 Vote 11: Department of Agriculture (2017/18 Financial Year)

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2017/18 financial year, having obtained a qualified audit opinion with findings on predetermined objectives and internal control deficiencies. This audit opinion represents a regression from the 2016/17 financial year.

3.1 Audit opinion

The AGSA raised findings with the Department on its predetermined objectives, as well as deficiencies in its internal controls.

3.1.1 Qualified opinion

Transfers and subsidies: The Department did not account for payments made to implementing agents in accordance with the requirements of the Modified Cash Standard (MCS) prescribed by the National Treasury. The Department budgeted and accounted for these payments as transfers and subsidies instead of either expenditure for capital assets or goods and services, as required by the MCS. Consequently, transfers and subsidies is overstated by R259,1 million (2017: R274,3 million) and the following components of the financial statements are understated, or not disclosed:

- Expenditure for capital assets or goods and services classified according to the nature of the expense incurred.
- Capital assets that belong to the Department acquired or created under these arrangements.
- Prepayments representing advance payments provided to implementing agents that were unspent as at year-end.
- Appropriate adjustments to the appropriation statement to reflect the correct classification of transactions as required by the MCS.
- Principal-agent relationships were not disclosed.

Irregular expenditure: The Department entered into contracts with implementing agents without applying Treasury Regulations. When implementing agents are contracted by the Department, this does not release the Department from ensuring that funds spent on its behalf by the agents comply with the requirement for an appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost effective. Supply chain management (SCM) practices utilised by these implementers were not consistent with the principles of the PFMA and the Treasury Regulations.

The Department did not identify and disclose any irregular expenditure resulting from non-compliance with applicable SCM prescripts by implementing agents as required by section 40(3)(b)(ii) of the PFMA. Consequently, irregular expenditure is understated. The AGSA was not able to determine the full extent of the understatement as it was impracticable to do so. These and the prior year misstatements, remained unresolved.

3.1.2 Findings related to the predetermined objectives

Programme 2 – sustainable resource management

Sub-programme 2.2: LandCare – promote the conservation of the natural agricultural resources.

Indicator P.2.2.4 – number of protection works: The AGSA was unable to obtain sufficient appropriate audit evidence to validate the existence of a system and processes that enable reliable reporting of actual achievement against the indicator. Sufficient appropriate audit evidence could not be provided in some instances while in other cases, the supporting evidence provided did not agree to the reported achievements in the annual performance report. Based on the supporting evidence provided, the achievements were different from those reported in the annual performance report, but the AGSA was unable to further confirm the reported achievements by alternative means. Consequently, the AGSA was unable to determine whether any further adjustments were required to the reported achievements of the indicator.

Indicator P.2.2.6 – number of veld utilisation works: The AGSA was unable to obtain sufficient appropriate audit evidence to validate the existence of a system and processes that enable reliable reporting of actual achievements against the indicator. Sufficient appropriate audit evidence could not be provided in some instances; while in other cases, the supporting evidence provided did not agree to the reported achievements in the annual performance report. Based on the supporting evidence provided, the achievements were different from those reported in the annual performance report, but the AGSA was unable to further confirm the reported achievements by alternative means. Consequently, the AGSA was unable to determine whether any further adjustments were required to the reported achievements of the indicator.

Indicator P.2.2.10 – number of farm plans updated for sustainable farming purposes: The AGSA was unable to obtain sufficient appropriate audit evidence to validate the existence of a system and processes that enable reliable reporting of actual achievements against the indicator. Sufficient appropriate audit evidence could not be provided in some instances; while in other cases, the supporting evidence provided did not agree to the reported achievements in the annual performance report. Based on the supporting evidence provided, the achievements were different from those reported in the annual performance report, but the AGSA was unable to further confirm the reported achievements by alternative means. Consequently, the AGSA was unable to determine whether any further adjustments were required to the reported achievements of the indicator.

3.1.3 Internal control deficiencies

Leadership: Although leadership exercised adequate oversight over financial reporting, the audit outcome has been modified due to the technical requirement on how entities should be accounting for funds transferred to them, which consequently resulted in the misclassification of the funds transferred by the department to the entities.

Financial and performance management: The annual performance report contained misstatements of material indicators, some of which were corrected. There were also limitations on the evidence provided as per the technical indicator description. This was due to an inadequate system and processes to collate evidence required for those indicators.

3.2 Financial management

The Department spent R866,8 million of a budget of R877,6 million, resulting in an overall under-expenditure of R10,7 million (1,2 %).

In addition, the total Departmental revenue budget of R29,2 million was over-collected by R19, 2 million, which resulted in a Departmental receipt of R48,4 million. The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R9,3 million);
- Interest, dividends and rent on land (R8,6 million);
- Sale of the Departmental capital assets (R241 000); and
- Financial transactions in assets and liabilities (R1 million).

The Committee noted that the overall under-spending within the Department occurred under the following:

Programmes

- Programme 1: Administration (R835 000),
- Programme 2: Sustainable Resource Management (R3,5 million);
- Programme 4: Veterinary Services (R2,4 million);
- Programme 5: Research and Development (R724 000);
- Programme 6: Agricultural Economic Services (R311 000);
- Programme 7: Structured Agricultural Education and Training (R2,3 million); and
- Programme 8: Rural Development (R633 000).

Economic classifications

- Current payments (R7,8 million);
- Compensation of employees (R3,7 million).
- Goods and services (R4,1 million).
- Transfers and Subsidies (R1,3 million)
- Public Corporations and Private Enterprises (R1,3 million).
- Payments for Capital Assets
- Buildings and other fixed structures (R1,6 million).

3.3 Resolutions

None

3.4 List of Information Requested

None

4 Vote 11: Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA) (2016/17 Financial Year)

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Entity for the 2016/17 financial year, having obtained an unqualified audit opinion with no findings on predetermined objectives. This audit opinion remains unchanged from the 2015/16 financial year.

4.1 Audit opinion

The AGSA raised no findings with the Entity on compliance with key legislation, predetermined objectives nor deficiencies in its internal controls.

4.2 Financial management

As disclosed in the detailed financial statements on page 62 of the Entity's Annual Report, CASIDRA spent R34,5 million (2015/16: R29,2 million) on operating expenditure. This excludes project expenditure and salaries of R277,1 million (2015/16: R278 million) as disclosed on page 62 of the Entity's Annual Report.

4.3 Resolutions

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION DATE
<p><u>Page:</u> 22 of the Annual Report</p> <p><u>Heading:</u> "Linking Performance with Budgets"</p> <p><u>Description:</u> The Committee takes note of the fact that the Entity reported on its appropriated budget, as well as expenditure against all the programmes for the 2016/17 financial year. However, the Committee found that there were no explanatory notes which provided further information</p>	<p>The Committee requested that the Entity, in all future annual reports, provide footnotes which explains the over-and under expenditure of appropriated funds against each of its programmes.</p>	<p>To be implemented in all future annual reports of the Entity.</p>

4.1 List of Information Requested

4.4.1 The Committee requested that CASIDRA provide it with the Memorandum of Agreement that is in place between itself and the Department of Agriculture, and which sets establishes the concept of the Principal-Agent principle.

5. Vote 11: Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA) (2017/18 Financial Year)

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Entity for the 2017/18 financial year, having obtained an unqualified audit opinion with findings on predetermined objectives. This audit opinion represents a regression from the 2016/17 financial year.

5.1 Audit opinion

The AGSA raised findings with the Entity on compliance with key legislation, predetermined objectives and deficiencies in its internal controls.

5.2 Financial management

As disclosed in the detailed financial statements on page 56 of the Entity's Annual Report, CASIDRA spent R38,3 million (2016/17: R34,4 million) on operating expenditure. This excludes project expenditure and salaries of R309,9 million (2016/17: R277, 1 million) as disclosed in the annexure to the financial statements on page 72 of the Entity's Annual Report.

5.3 Resolutions

None

5.4 List of Information Requested

The Committee requested that CASIDRA provide it with a report which explains the resignations and terminations, as indicated on pages 49 and 50.