

Monday, 30 March 2026]

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PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

MONDAY, 30 MARCH 2026

COMMITTEE REPORTS

- 1. Report of the Standing Committee on Infrastructure on the Annual Reports of the Department of Infrastructure and its Entity, the Western Cape Rental Housing Tribunal, for the 2024/25 financial year.**

The 2024/25 Strategic Objectives of the WCPP linked to the Speakers Priorities, which impact committees, are as follows:

Priority 1: Building a credible WCPP; and
Priority 3: strengthening the core business.

The Standing Committee on Infrastructure, having deliberated on the Annual Reports of the Department of Infrastructure (the Department) and its Entity, the Western Cape Rental Housing Tribunal (the Tribunal), for the year ended March 2026, referred to it, reports as follows:

1. Introduction

As part of its oversight function, the Standing Committee on Infrastructure (the Committee) considered the Annual Reports of the Department of Infrastructure and the Tribunal on 16 October 2025. Annual reports are the key instruments for departments to report on performance measured against their performance targets and budgets as outlined in their strategic plans and annual performance plans. In addition, hereto, it accounts for the success of each of the programmes that were implemented.

Standing Rule 111(1)(a) of the Western Cape Provincial Parliament provides the standing committees with the mandate to consider departmental Annual Reports submitted by the Public Finance Management Act, 1999 (Act 1 of 1999).

The Annual Report Programme for the 2024/25 financial year was advertised in newspapers and on social media to invite stakeholders and members of the public to attend and participate in the discussions.

The Committee deliberated on Part A: General Information, Part B: Performance Information, and Part D: Human Resource Management on the Annual Report of the Department of Infrastructure and its Entity, the Western Cape Rental Housing Tribunal.

The Minister for Infrastructure was allowed to provide an overview of the key issues contained in the reports.

2. Western Cape Rental Housing Tribunal

2.1 Overview

The Western Cape Rental Housing Tribunal (RHT) recorded a significant increase in activity during the 2024/25 financial year, capturing 3,330 cases, a 14.43% rise from the previous year. The majority of complaints pertained to unfair rental practices, including failure to refund deposits, issuance of unlawful notices to vacate, and inadequate maintenance. The Tribunal continued to operate under the Rental Housing Act, 1999 (Act 50 of 1999), while awaiting the implementation of the Rental Housing Amendment Act, 2024 (Act 35 of 2014), which is expected to bring substantial operational changes, including the establishment of appeals panels and rental housing information offices (RHIOs).

Operational efficiency was enhanced through the continued use of the Customer Relations Management (CRM) system, although a comprehensive review and upgrade of the system was recommended to improve case tracking and communication. The Tribunal expanded its reach beyond the City of Cape Town with the successful launch of its first RHIO in Mossel Bay and engaged municipalities to establish more offices. Stakeholder engagement efforts were strengthened through collaboration with the South African Police Services (SAPS), magistrates, sheriffs, and regulatory bodies, contributing to improved service delivery and legal support.

Despite an increased demand and a growing caseload, the Tribunal maintained its commitment to impartiality and fairness. Dual hearings and mediation efforts helped manage the backlog, although human resource constraints contributed to delays. Financially, the Tribunal operated with a total expenditure of R15.97 million, with notable increases in compensation and operational costs. The Chairperson concluded the report by acknowledging the dedication of Tribunal members and staff, emphasising the importance of collective efforts in meeting the province's rental housing needs.

The Committee proceeded to discuss the Report of the Tribunal.

2.2 Key issues discussed

The recent public concerns regarding social housing issues involving the DCI Community Housing Services, the Western Cape Rental Housing Tribunal confirmed that it had received approximately 40 formal complaints from DCI tenants. The Tribunal emphasised that it can only intervene once an official complaint has been lodged. These cases are currently being processed, with both tenants and the social housing institution having been engaged. In accordance with procedural requirements, both parties were given 14 days to respond. The Tribunal has requested lease agreements and documentation detailing any unilateral changes to lease terms, which remain central to the investigation.

Regarding homeowners facing eviction due to bond defaults, the Tribunal clarified that it does not have jurisdiction over cases involving property owners. Such matters are typically referred to institutions like Legal Aid. However, in landlord-tenant disputes involving unlawful evictions, the Tribunal can intervene urgently, often within 24 hours, issuing rulings that may include reinstatement orders or directives to landlords to comply with legal obligations.

The Department of Infrastructure launched a proactive initiative in partnership with First National Bank (FNB) to assist individuals at risk of losing their homes due to arrear bonds. This process involves assessing whether affected individuals qualify for housing subsidies. Where eligible, the Department pays the outstanding amount directly to the bank, enabling the transfer of title deeds to the beneficiaries. Over 50 title deeds have been handed over through this initiative, primarily to individuals nearing the end of their 20-year bond terms. FNB has also written off accrued interest and rates, making this a mutually beneficial partnership. Encouragingly, other banks have shown interest in joining the initiative, which aims to help more citizens secure home ownership and avoid eviction.

3. Department of Infrastructure

3.1 Overview

Minister Simmers was allowed to provide introductory remarks on the key issues contained in the Department's Annual Report.

During the year under review, the department advanced several key initiatives, including catalytic housing and human settlements projects, the upgrading and maintenance of the provincial road network, and the modernisation of public infrastructure. These efforts were supported by strengthened partnerships with municipalities, national entities, and the private sector. The Department also prioritised energy resilience in public facilities, responded to the impact of load shedding, and maintained a citizen-centric approach to planning and service delivery. Despite fiscal constraints, it remained committed to safeguarding existing assets while exploring alternative funding models to scale up infrastructure delivery.

The achievements outlined in the report are a testament to the dedication of the department's workforce, which operates with only 10% of its budget allocated to employee compensation. The remaining resources were directed toward service delivery, often under difficult circumstances such as natural disasters. The department will continue to focus on spatial transformation, job creation, and community empowerment. By embracing innovation, improving governance, and deepening collaboration, the Western Cape Department of Infrastructure aims to build a more inclusive and sustainable future, with communities at the heart of its vision.

3.2. Key issues discussed

The Committee discussed the Department of Infrastructure's commitment to addressing the enduring legacy of apartheid-era spatial planning, which continues to shape the lived realities of communities across the Western Cape. The minister emphasized that despite 31 years of democracy, many areas still reflect the divisions and underinvestment of the past. Spatial transformation is therefore not only about integrating communities but also about correcting historical imbalances in infrastructure investment. The department aims to do this sustainably, even amid declining budgets, by exploring alternative funding

models such as blended financing with private sector partnerships. However, challenges such as criminal interference and informal land invasions complicate delivery efforts, creating new forms of segregation that further hinder progress.

The Department of Infrastructure announced its decision to terminate roads agency agreements with certain district municipalities due to persistent underperformance and inefficient use of allocated funds. This move stems from concerns that a significant portion of the budget, intended for road maintenance, was being diverted to cover administrative costs, including topping up salaries of senior officials unrelated to the roads function. In response, the Department is shifting to a centralised delivery model aimed at improving accountability and value for money.

During committee discussions, members raised concerns about the implications of this shift, particularly regarding funding and execution of strategic plans for regravelling roads over a multi-year period. They also questioned how the Department would manage the activation of borrow pits, which are now subject to lengthy and costly mining application processes, and whether this would affect the timely delivery of road infrastructure in rural areas.

Concerns were raised about poor contractor performance, irregular procurement practices, and the use of limited bids, which may have enabled favouritism. Additionally, seven cases of fraud and corruption were opened, some involving nepotism and ghost irregularities, suggesting systemic governance issues that undermine transparency and accountability.

4. Information requested

The Committee REQUESTED the Department of Infrastructure to provide it with:

- 4.1. A comprehensive list of Human Settlements projects and Roads projects currently underway for the 2024/25 financial year.
- 4.2. A report on ongoing investigations into alleged irregularities, which includes the issues raised on the disappearing software and nepotistic appointments. The report must comply with the Protection of Personal Information Act, 2013 (Act 4 of 2013), POPIA and exclude personal identifiers, focusing instead on the number and nature of cases, their status (e.g., under investigation, resolved), and systemic issues identified.
- 4.3. A detailed report on the impact of the decentralisation model, effective 1 April 2026, which transfers responsibility for district-managed roads, particularly gravel and unpaved roads in remote areas, back to the Province. The report should detail the Department's preparedness to manage these roads, and provide-
 - 4.3.1 A list of affected roads by district, list the risk mitigation strategies for deteriorating gravel thickness (noted to be below 25mm on average); and
 - 4.3.2 Funding constraints and asset management plans.

5. Resolutions

The Committee RESOLVED to:

- 5.1 Conduct an oversight visit to Hessequa early in 2026 to assess progress on the off-grid energy initiative, to view properties where EIAs have been conducted, and to understand the municipality's role in electricity distribution.

- 5.2 Request the Department of Infrastructure to brief it on its current state of gravel roads, the rollout plan for upgrades and maintenance, the use of gravel pits and partnerships with farmers, and the R32 billion backlog and strategies to address it, including private sector involvement and funding mechanisms.
- 5.3 Request the Department of Infrastructure to brief it on the red tape and cost implications of borrow pit applications, measures being taken to streamline the process, and the impact of delays on road maintenance and service delivery.
- 5.4 Request the Department of Infrastructure to brief it on the Department's implementation of Outcome 3 of its Strategic Plan, as outlined on page 67 of the Department's 2024/25 Annual Report, which is aligned with Medium Term Strategic Framework (MTSF) Priority 5: Spatial Integration, Human Settlements and Local Government. The report should include progress on the completion of integrated implementation plans in Bitou, Knysna, Stellenbosch, Drakenstein, and Overstrand; the alignment of Spatial Development Frameworks (SDFs) and sectoral plans with municipal Integrated Development Plans (IDPs); the total number of completed IDPs within Priority Human Settlement and Housing Development Areas (PHSHDAs); and the approval of informal settlement upgrading plans aligned to the National Upgrading Support Programme (NUSP). The Committee further requests insight into how these initiatives contribute to spatial transformation, improved land utilisation, and expanded access to housing opportunities.
- 5.5 Explore the development of an accelerated Spatial Redress and Transformation Plan with the Department of Infrastructure, which involves direct engagement with municipalities and local communities, acknowledges and proactively addresses the hesitation or limited engagement from specific municipalities, fostering collaboration through targeted outreach, capacity-building initiatives, and transparent communication, and aligns with the Department's strategic priorities and national spatial transformation goals.

6. Conclusion

The Chairperson allowed Minister Simmers and the Head of Department to provide a word of thanks, after which she thanked the members of the Committee, the Minister, the Head of Department, and all the officials for their preparation and responses to the questions raised by the Committee.

2. **The Public Accounts Committee (PAC), having considered, as part of its oversight role, the 2024/2025 annual reports of the 13 departments of the Western Cape Government (WCG), including their entities, wishes to report as follows:**

The annual reports of the departments and entities of the Western Cape Government were referred to the PAC; including the relevant standing committees on Wednesday, 1 October 2025 (ATC 9-2025) and Tuesday, 7 October 2025 (ATC 97-2025).

1. Introduction

The core functions of the PAC comprise the following mandate (according to Standing Rules 99-102 of the Western Cape Provincial Parliament (WCPP)):

- 1.1. The Committee on Public Accounts must examine:
 - 1.1.1. The financial statements of provincial departments and provincial public entities;
 - 1.1.2. Any audit reports issued on the statements;

- 1.1.3. Any reports issued by the Auditor-General on the affairs of any provincial department or provincial public entity; and
- 1.1.4. Any other financial statements or reports referred to it by the House.
- 1.2. May report on any of those financial statements or reports to the House;
- 1.3. May initiate any investigation in its area of competence as stated in paragraph 1.1.1; and
- 1.4. Must perform any other functions assigned to it by legislation, the Standing Rules of WCPP or resolutions of the House.

When the PAC examines the financial statements and reports of departments and their entities, it must take into account the previous annual financial statements and reports, including all governance matters which could impact on the audit outcomes of departments and entities, and report on the degree to which shortcomings have been rectified.

2. Departments that reported to the Public Accounts Committee

The financial statements included in the annual reports for the financial year ending 31 March 2025 of the following provincial departments were examined –

- 2.1. Department of the Premier;
- 2.2. Provincial Treasury;
- 2.3. Department of Police Oversight and Community Safety;
- 2.4. Western Cape Education Department;
- 2.5. Department of Health and Wellness;
- 2.6. Department of Social Development;
- 2.7. Department of Infrastructure;
- 2.8. Department of Environmental Affairs and Development Planning;
- 2.9. Department of Mobility;
- 2.10. Department of Agriculture;
- 2.11. Department of Economic Development and Tourism;
- 2.12. Department of Cultural Affairs and Sport; and
- 2.13. Department of Local Government.

3. Entities that reported to the Public Accounts Committee

The financial statements included in the annual reports for the financial year ending 31 March 2025 of the following public entities were examined –

- 3.1. Western Cape Gambling and Racing Board; Western Cape Liquor Authority;
- 3.2. Government Motor Transport (GMT);
- 3.3. Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO);
- 3.4. Atlantis Special Economic Zone Company SOC Ltd;
- 3.5. Saldanha Bay Industrial Development Zone Licensing Company (SOC) Ltd;
- 3.6. Casidra;
- 3.7. CapeNature;
- 3.8. Heritage Western Cape;
- 3.9. Western Cape Cultural Commission; and the
- 3.10. Western Cape Language Committee.

4. General Findings

The Public Accounts Committee extends its gratitude to the provincial ministers, departments, and entities of the Western Cape Government for availing themselves to meet with the Committee and for engaging in a constructive and meaningful manner. The Committee congratulates those departments and entities that achieved a clean audit outcome for the financial year under review, acknowledging their dedication to sound financial governance. Furthermore, the Committee will engage with those departments and entities that did not achieve a clean audit outcome, offering support and guidance to help them improve and strive for clean audit outcomes in future financial years.

The Committee acknowledges the assurances that were provided by the first level (departmental management and leadership), second level (internal independent assurance and oversight), and the third level (standing committees) providers. These three levels of assurances were instrumental in ensuring that risks were mitigated and ensured that the departments and entities strive towards an improved audit outcome.

The Auditor-General of South Africa (AGSA) issued a call to action which the departments and entities of the WCG should note going forward as to avoid future audit findings. The recommendations of the AGSA include the following:

5. Call to action

The Public Accounts Committee notes and supports the AGSA's call to action for the Western Cape Government, which includes that:

- 5.1. The Premier, supported by the Provincial Treasury, must facilitate good inter-governmental relations for effective planning, co-ordination and best practice implementation through MEC's and accounting officers. The reviews of the annual performance plans must be intensified to ensure that all Medium-Term Development Plan (MTDP) indicators are included and that the Provincial Strategic Plan is used effectively.
- 5.2. The Department of the Premier, Provincial Treasury and the MEC for Education must implement specific initiatives that address the challenges in the Western Cape Education Department (WCED) in relation to the completeness of relevant indicators and compliance with laws and regulations.
- 5.3. Provincial leadership must improve oversight over innovative methods used to enhance service and project delivery, through effective utilisation of existing provincial capabilities, ensuring compliance with laws and regulations, thereby preventing irregular expenditure.
- 5.4. Executive authorities to apply appropriate oversight to ensure achievement of targets and inclusion of all relevant MTDP targets.
- 5.5. Executive authorities should oversee the risk assessment processes of Accounting Officers, to ensure that mitigation responses effectively manage compliance, service delivery and other risks.
- 5.6. Standing Committees must monitor the implementation of annual performance plans through in-year monitoring focusing on the achievement of targets and correlation with the related budget spending to effect change in performance where needed, enhancing the lived experience of citizens in the province.
- 5.7. Resolution tracking to be implemented to enhance adequacy of oversight for improved impact.

6. PAC Transversal Resolutions to all stakeholders

During the discussions with the departments and entities of the WCG, the Committee resolved that it would resolve on the following matters:

- 6.1. Payments of invoices after 30 days: That the departments and entities provide detailed information (footnotes) when presenting their 30 day payments in their annual reports on how many days after the receipt of the invoice/s the department and/ or entity paid such invoice; including providing reasons for the payments after 30 days.
- 6.2. Irregular, Fruitless and Wasteful Expenditures: That the departments and entities provide detailed information (footnotes) when presenting expenditures of these nature. The footnotes should include the incidences, reasons for the incidences and the consequent management measures that were implemented.

The recommendations of the Public Accounts Committee to the departments and entities of the Western Cape Government are stated below, including any requests for information, as follows:

7. Department of the Premier

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2023/24 financial year. The Department is recommended to maintain a clean audit outcome for five consecutive years.

7.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Minister and Accounting Officer should-:

- Obtain all communication of audit findings related to performance information that were issued to the other departments and entities. Access to this information will provide valuable insights into recurring performance reporting issues and will enable the Accounting Officer to strengthen oversight and support in addressing challenges;
- Strengthen the reviews of quarterly performance reports to ensure that the supporting evidence submitted is consistent with the requirements outlined in the technical indicator descriptions (TIDs);
- Engage with the Department of Public Service and Administration (DPSA) to clarify outstanding issues and concerns regarding the implementation of the professionalisation directive that became effective on 1 April 2024; and
- Monitor and enforce compliance with all directive requirements, including those relating to e-recruitment, selection committees, and pre-entry integrity assessments.

7.2. Financial Management

For the financial year under review, the Department of the Premier spent 2,072 billion from a final appropriation budget of R2,103 billion, which resulted in an under-

expenditure of R30,615 million (98,54% budget spend). During the 2023/24 financial year, the Department spent R2,006 billion from an appropriated budget of R2,030 billion, which resulted in an under-expenditure of R24,648 million (98,8% budget spend).

The under-expenditure of R24,648 million occurred under the following programmes:

- Programme 1: Executive Governance and Integration (R3,758 million);
- Programme 2: Provincial Strategic Management (R14,856 million);
- Programme 3: People Management (R5,723 million);
- Programme 4: Centre for e-Innovation (R627 000)
- Programme 5: Corporate Assurance (R3,692 million), and
- Programme 6: Legal Services (R1,959 million).

In addition, the total estimated Departmental revenue budget of R869,000 was over-collected by R856,000, which resulted in a departmental receipt of R1,725 million. The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R266 000 over-collection);
- Interest, dividends and rent on land (R16 000 over-collection);
- Sale of Capital Assets (R2 000 over-collection); and
- Financial transactions in assets and liabilities (R572 000 over-collection).

No cases of fruitless and wasteful expenditure, nor irregular expenditure were confirmed during the year under review, which is an improvement from the 2023/24 financial year.

7.3. Achievement of planned targets

The Committee noted that the Department did not achieve all of its targets under Programme 2. The non-achievement was identified under indicators 2.2.1 and 2.4.2. For indicator 2.2.1, the under achievement was due to the actual achievement which was not in terms of the technical indicator description and rather should not have been reported as an achievement. For indicator 2.4.2, the non-achievement was primarily due to the report of the activities performed only being finalised after the end of the financial year.

7.4. Resolution/s

None

7.5. Information requested

None

8. Provincial Treasury

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings. This audit opinion represents an improvement from the 2023/24 financial year, when the Department obtained an unqualified opinion on its financial statements with material findings related to compliance. The Committee commends the Department for improving its audit outcome during the financial year under review.

8.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Minister and Accounting Officer should ensure the following that-:

- The Minister should oversee and solicit feedback from the Accounting Officer on the progress to implement recommendations/ commitments made to ensure desired positive outcomes are achieved.
- The Accounting Officer, supported by management officials within the department, should continue to enhance effective oversight, conduct regular reviews, and monitor compliance with applicable laws and regulations, with a particular focus on implementing compliance checklists to ensure that there is monitoring of expenditure incurred against the approved contract values and, as such preventing fruitless and wasteful, unauthorised, and irregular expenditure.
- The Accounting Officer supported by management officials of the department, should establish a standard operating review procedures to enhance the rigorous reviews of section 71 and 72 reports.
- The Accounting Officer supported by management officials, should strengthen the monitoring of municipalities with unfunded budgets. The relevant management officials within the department should strictly monitor the financial performance indicators as outlined in the Financial Recovery Plan (FRP).
- The department must continue to maintain its current systems and controls so that the high standards of performance and accountability are upheld. Maintaining a clean audit requires dedication and accountability, and a commitment to maintaining and improving on the internal controls in place.

8.2. Achievement of planned targets

The Committee noted that the Department achieved all its planned targets during the financial year under review.

8.3. Financial Management

During the financial year under review, the Department spent R294,412 million of an appropriated budget of R306,171 million, which resulted in an underspending of R11,759 million (96,2% budget spend). During the 2023/24 financial year, the Department spent R310,800 million of an appropriated budget of R316,436 million, which resulted in an underspending of R5,636 million (98,2% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R1,206 million underspending);
 Programme 2: Sustainable Resource Management (R3,267 million underspending);
 Programme 3. Asset Management (R5,721 million underspending); and
 Programme 4: Financial Governance (R1,565 million underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R4,591 million from an estimated R88,000, which reflects an over-collection of R4,503 million. The over-collection was reported under the following line items:

Sale of goods and services other than capital assets: R9,000 over-collection;
 Interest, dividends and rent on land: R5 000 over-collection;
 Sale of capital assets: R10,000 over-collection; and
 Financial transactions in assets and liabilities: R4,480 million over-collection.

The Department recorded R16,000 in irregular expenditure resulting from noncompliance with PFMA SCM Instruction No. 03 of 2021/22, paragraph 5.1(a). The contract scope was expanded by adding extra deliverables without obtaining the necessary approval. The Committee notes that the Department did not suffer a loss, and a submission to condone the irregular expenditure was compiled.

In addition, the Department incurred R24,000 in fruitless and wasteful expenditure during the financial year under review. The Committee noted that no disciplinary action was taken by the Department regarding the fruitless and wasteful expenditure and that the Accounting Officer approved that the expenditure be written off as no gross negligence could be determined.

Of the 367 invoices that were received during the 2024/25 financial year, 357 invoices were processed and paid within the 30-day period. Only 10 invoices were paid after the 30-day period. The Department reported that the reasons for the delays in paying the 10 invoices were related to administrative delays, technical issues and procedural complexities.

8.4. Resolution/s

None

8.5. Information requested

None

9. Department of Police Oversight and Community Safety

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Department for maintaining a clean audit outcome over the past few financial years.

9.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to Accounting Officer of the Department which indicate that the Accounting Officer should ensure the following:

- Drafting, implementation, pro-active monitoring and review of audit action plans to address all audit findings, specifically those relating to non-compliance in the quotation procurement process that result in irregular expenditure.

- Enhancement of the control environment around the collation, verification and submission of performance information to ensure no weaknesses exist which could limit the department's ability to achieve its performance targets.
- Enhancement of the control environment and the standard operating procedures to ensure that monitoring measures are instituted, which covers all beneficiaries of transfer payment funding.

9.2. Achievement of planned targets

The Committee note that under Programme 2, the Department achieved 92% for Indicator 2.3.4 (Number of post-monitoring assessments conducted on police inefficiencies and systemic failures as identified through the Court Watching Brief programme), while reporting a budget spend of 97%. The Committee further note that the under-achievement was caused by the delay in receiving the report from the South African Police Services (SAPS) and despite regular follow-up from the Department, SAPS did not submit the report timeously.

9.3. Financial Management

During the financial year under review, the Department spent R755,537 million of an appropriated budget of R764,739 million, which resulted in an underspending of R9,202 million (99,8% budget spend). During the 2023/24 financial year, the Department spent R711,242 million of an appropriated budget of R714,134 million, which resulted in an underspending of R2,892 million (99,6% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R1,294 million underspending);
 Programme 2: Provincial Secretariat for Police Service (R2,575 million underspending);
 Programme 3. Provincial Policing Functions (R2,003 million underspending); and
 Programme 4: Security Risk Management (R3,330 million underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R174,000 in respect of the sales of access cards, assets and wastepaper and commission received on insurance and garnishee order deductions. Revenue in respect of receivables and recoverable revenue amounted to R117,000 during the financial year under review.

The Department recorded R1,555 million in irregular expenditure and R3,000 in fruitless and wasteful expenditure which was recovered while the responsible employee was sanctioned with departmental progressive disciplinary measures. The Committee also noted that of the R1,555 million irregular expenditure during the financial year under review, R292 000 was condoned while R669 000 was under determination.

Of the 1,269 invoices that were received during the 2024/25 financial year, 1,268 were processed and paid within the 30-day period. Only 1 invoice was paid after the 30-day period, which was due to a Logis System error that resulted in the payment of the invoice to be on hold from 19 March 2024 and only resolved on 16 April 2024 when payment was made.

9.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Page: 106 of the Annual Report of the Department</p> <p>Description: During the engagement with the Department of Police Oversight and Community Safety, the Audit Committee presented on the Department's risk-based Combined Assurance Framework. The Committee noted that while the framework is clear to oversight bodies, it may be confusing to the public, who often conflate the Department's oversight role with the operational duties of SAPS. The Committee therefore suggested that the three levels of assurance be explained more clearly and accessibly in the Department's reports to enhance public understanding and accountability.</p>	<p>9.4.1. The Committee recommends that the Department of Police Oversight and Community Safety reviews and expands its description of the Combined Assurance Framework to clearly distinguish the Department's oversight role from the operational responsibilities of the South African Police Service (SAPS). The revised framework should outline the three levels of assurance as applied within the Department and indicate how these are implemented to manage risks arising from inter-governmental dependencies.</p>	<p>The Department to meet and provide a Report to Committee on the matter by 31 July 2026.</p>
<p>Pages: 160-170 of the Annual Report of the Department.</p> <p>Description: During the Committee's consideration of Part F of the Department's Annual Report, a question was raised on the role of the Department's safety partners, including municipalities, community organisations, and an accredited Neighbourhood Watch group responsible for safety oversight. She further queried the management of transfers made to these partners and the processes applied to unspent funds at year-end. The Department explained that funding is governed by approved business plans, with spending monitored through Provincial Treasury processes, and that accredited community structures form part of its broader safety partnership framework aimed at strengthening local safety governance.</p>	<p>9.4.2. The Public Accounts Committee resolved to invite the Standing Committee on Police Oversight and Community Safety to conduct a joint oversight visit to a community safety initiative hosted by the Department of Police Oversight and Community Safety, to observe its work with municipalities, safety partners, and accredited Neighbourhood Watch structures.</p>	<p>To be determined by the Committee</p>

9.5. Information requested

None

10. Western Cape Education Department

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2024/25 financial year, having obtained an unqualified audit report with to unqualified with findings on predetermined objectives. This audit opinion represents a regression from the 2023/24 financial year, where the Department achieved an unqualified audit outcome with findings on predetermined objectives, including compliance with applicable legislation.

10.1. Audit Opinion

The AGSA raised findings with the Department on predetermined objectives and compliance with applicable legislation.

The findings of the AGSA were primarily centred around the following main compliance focus areas:

Expenditure management:

- Effective and appropriate steps were not taken to prevent irregular expenditure, as disclosed in Note 22 to the annual financial statements, as required by section 38(1)(c)(ii) of the PFMA and Treasury Regulation 9.1.1. The majority of the irregular expenditure disclosed in the financial statements was caused by non-compliance with section 44 of the PFMA.

Procurement and Contract Management

- Some of the contracts were extended or modified without the approval of a properly delegated official as required by section 44 of the PFMA. Similar non-compliance was also reported in the prior year.

The Committee supports the key recommendations by the AGSA to the Minister of Education as well as the Accounting Officer, as follows:

The Minister of Education should-:

- engage with the Western Cape Provincial Minister of Infrastructure to discuss how the department of infrastructure has managed to institutionalise the systems of compliance and utilised these best practices to improve compliance with laws and regulations and service delivery at the WCED.
- apply appropriate oversight to ensure achievement of targets and inclusion of all relevant Medium Term Development targets (MTDP).
- oversee the comprehensive assessment processes of the Accounting Officer relating to the capacity of the infrastructure directorate, to ensure the assessment process as the desired outcome.
- ensure, through interactions with the Accounting Officer, that officials fulfil their duties.

The Accounting Officer should-:

- ensure that all Medium-Term Development Plan (MTDP) indicators are incorporated into the department's Annual Performance Plan (APP) for the 2025/26 financial year by providing clear oversight and direction over the enhancement in the current systems to enable accurate and reliable reporting of these indicators as reflected in the 2025/26 annual performance plan. Additionally, the Accounting Officer should implement robust review procedures for the 2025/26 Annual

Performance Report (APR), ensuring that any deviations are clearly justified and supported by evidence.

- provide strategic oversight and clear guidance to the management team to ensure a comprehensive assessment of the Infrastructure Directorate's capacity to identify the human, financial, and technical resources required to implement and monitor the infrastructure framework agreements and implementation effectively.
- to ensure that the action plans are being designed by 30 October 2025 that address the actual root causes, and monitoring of the actions listed in the plan occurs monthly during the 2025/26 financial year. The accounting officer should utilize the action plan as a monitoring tool to ensure effective implementation of all recommendations

In addition, the Committee supports the key message from the AGSA that stated that:-

- The department's review processes were not adequate to ensure that all MTSF indicators reported in the prior-year audit report were correctly included in the current-year annual performance plan and properly reported on. In addition, the leadership of the department did not review compliance with laws and regulations relating to the changes and variations made to the infrastructure framework agreement. Consequently, the infrastructure framework agreement was executed in a manner that did not comply with legislative requirements and governance processes.
- through the audit process, it was identified that there are persistent challenges for the department, such as sector misalignment regarding the inclusion of indicators in the annual performance plans, compliance with laws and regulations, shortfalls, and fiscal pressures. These pressures underscore the need for strengthened accountability, proactive planning, and sustained collaboration with Provincial Treasury, Department of Infrastructure (infrastructure-related expertise), and Department of Basic Education.
- the department should be commended for having made significant strides in achieving service delivery targets and utilising its full budget to deliver on its mandate. Additionally, the reliability of service delivery indicators has improved due to strengthened performance review processes at the indicator level. The department should continue to enhance and embed its review controls to support the sustainability of reliable performance indicators.
- while the education service delivery department faces significant pressure to place learners in schools, the WCED must adhere to laws and regulations. Developing, monitoring, and adequately implementing detailed action plans is crucial for achieving a clean audit outcome.
- the accounting officer needs to monitor the successful implementation of key recommendations communicated as part of the audit process. Achieving these key recommendations is essential to improve the audit outcome of the department and shifting the culture.

10.2. Achievement of planned targets

The Committee notes the following planned targets that were not achieved by the Department under the following programmes:

- Programme 2: Public Ordinary School Education:

The Committee noted the comments of the AGSA that the department contributes to and is responsible for the achievement of objectives linked to priorities outlined in the Revised Medium-Term Strategic Framework (MTSF). However, indicators to measure performance on these objectives were omitted from the approved planning documents.

Consequently, the achievement of these objectives was not planned or accounted for, which is likely to result in it not being delivered and undermines transparency and accountability on the progress towards achievement of the Revised Medium-Term Strategic Framework.

Indicator	Reason provided by the accounting officer for non-inclusion
All schools implement the Early Grade Reading Assessment to support reading at the required level by Grade 3	The Revised MTSF concluded with the sixth administration and is superseded by the Medium-Term Development Plan, which was finalised in March 2025. The determination of whether to include specific performance indicators in the annual performance plan is within the executive discretion of the department.
Availability of reading material for Grade 3 learners in indigenous languages	
Number of schools that are offering a previously marginalised official African Language	

- Programme 5: Early Childhood Development:

Indicator SOI 502: Number of registered ECD Programmes – The Department planned for a target of 38 and reported an achievement of 37. Even though the Department achieved 80% of this target, the Department spent 100% of the target's budget.

10.3. Financial Management

During the financial year under review, the Department spent R31,344 billion of an appropriated budget of R31,397 billion, which resulted in an underspending of R52,690 million (99,8% budget spend). During the 2023/24 financial year, the Department spent R30,344 billion of an appropriated budget of R30,383 billion, which resulted in an under-expenditure of R39,535million (99,8% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R41,886 million underspending);

Programme 2: Public Ordinary School Education (R10,804 million underspending);

The Committee notes that the Department's receipt collection amounted to the sum total of R57,923 million in respect of an estimated receipt collection of R28,054 million, which resulted in an over-collection of R29,849 million.

The over-collection took place under the following line items:

- Goods and services other than capital assets -R604,000 over-collection.
- Fines, penalties and forfeits -R590,000 over-collection.
- Interest, dividends and rent on land -R1,688 million over-collection.
- Transactions in financial assets and liabilities -R30,363 million over-collection.

The Department recorded R185,973 million in irregular expenditure, which related to non-compliance with section 44 of the PFMA and Treasury regulations that was detected during the 2024/25 financial year, with restatement of the comparatives in line with PFMA compliance and reporting framework. Of this amount, R174,000 was under assessment for further action.

In addition, the Department also incurred R12,000 in fruitless and wasteful expenditure.

The Committee notes that the Department has implemented consequence management in order to prevent a recurrence of this type of expenditure. Of the 107,598 invoices that were received during the 2024/25 financial year, 107,501 were processed and paid within 30 days. Only 97 invoices were paid after the 30-day period, which was due to system challenges, including system downtime and connectivity challenges experienced during the year.

10.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Page: 249 of the Annual Report of the Department.</p> <p>Description: The Committee notes that indicators to measure performance on these objectives were omitted from the WCED's approved planning documents. This resulted in the achievement of these objectives not being planned or accounted for, which was likely to result in the services not being delivered and therefore undermined transparency and accountability on the progress towards the achievement of the Revised Medium-Term Strategic Framework.</p>	<p>10.3.1. The Committee resolved that the Department brief it on the matter, including the mechanism implemented to avoid a future recurrence of such a nature.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>
<p>Page: 249 of the Annual Report of the Department.</p> <p>Description: The Committee notes under Note 19 of the Annual Report that indicators to measure performance on the objectives related to Early Grade Reading Assessment, including the number of schools that are offering a previously marginalised official African Language, were omitted from the approved planning documents. This resulted in the risk that the achievement of these objectives was not planned or accounted for, which was likely to result in the indicator not being delivered.</p>	<p>10.3.2. The Committee resolved that the Department brief it on this challenge, including a mechanism that was/ is being developed by the Department to mitigate a future recurrence of a similar nature.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>
<p>Page: 281 of the Annual Report of the Department.</p>	<p>10.3.3. The Committee resolved that the Department brief it on</p>	<p>Briefing date to be scheduled by the</p>

<p>Description: The Committee notes under Note 28 of the Annual Report that the Department is party to a principal-agent arrangement and uses the Western Cape Department of Infrastructure (DOI) as an implementing agent. The DOI publishes and awards tenders and monitors the construction of infrastructure as required by the department in terms of a service level agreement. The DOI signs the contract with the contractors for the department's project.</p>	<p>the Infrastructure Plan of the Department over the 5-year Medium Term Strategic timeframe, including the initial projected cost of such a Plan, and the Education Infrastructure Grant to the Western Cape as per the Division of Revenue Amendment Bill [B13-2024].</p>	<p>Committee and communicated to the Department.</p>
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10.5. Information requested

10.5.1. The Committee requests that the Department submit the following information by 31 March 2026:

10.5.2. A Report on the rationale for the contract variations and expansions related to Royal Security CC and Blue Network Consortium, as reflected on pages 214 and 215 of the Annual Report.

11. Department of Health and Wellness

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives, key legislation nor internal control deficiencies. This audit outcome remains unchanged from the 2022/23 financial year, where the Department obtained an unqualified audit report with no findings on pre-determined objectives and internal control deficiencies. The Committee commends the Department for maintaining its clean audit outcome for a 7th consecutive year.

11.1. Audit Opinion

The Department received a clean audit outcome for the 2024/25 financial year. However, the Committee noted with concern through Member Van Wyk, the risk and fiscal challenges that the Department were faced with, which includes delivering goods and services to the stakeholders of the Western Cape; including staffing issues.

The Committee supports the following key recommendations of the AGSA for the Department of Health and Wellness for noting and actioning in the future financial years:

- Annual performance report:
 - Intensified review processes on the annual performance report before submission for audit to prevent errors.
 - Maintain systems and processes implemented by the department to improve its actual achievement of targets set for key service delivery indicators.
- Prevention of non-compliance and resultant irregular expenditure:

- Continued oversight, review and implementation of corrective action to address all areas of non-compliance.
- Continue with swift action and consequence management taken for transgressions and poor performance.
- Specific focus should be placed on smaller facilities that fail to implement the required disciplines to prevent non-compliance, especially in the area of procurement and contract management, and consequently prevent irregular expenditure.
- Annual financial statements:
 - Continuance of the processes implemented to prepare credible and accurate financial reports.
 - Improvement in ideal clinic and ideal hospital status: Implement processes to improve stock management practices at health facilities, which should include appropriate stock management functionalities to assist with maintaining stock at optimal levels and with the timing of stock reordering.

11.2. Achievement of planned targets

The Committee noted that the Department did not achieve all of its planned targets under programmes 2 (District Health Services) and 4 (Provincial Hospital Services) during the financial year under review. Programme 2 achieved a 92,7% target with a budget spend of 99,5%; while Programme 4 achieved a target of 94,1% with a budget spend of 100%.

Programme 2:

The following key delivery indicators were not achieved:

District Health Services (ideal clinic status obtained rate)- 80,2% achieved of a planned target of 83,6%.

Primary Health Care (cervical cancer screening coverage)- 23,2% achieved of a planned target of 24%.

Programme 4:

Specialised hospitals (patient experience of care satisfaction rate)- 81,1% of a planned target of 84%.

11.3. Financial Management

During the financial year under review, the Department spent R30,552 billion of an appropriated expenditure of R30,686 billion which resulted in an under-expenditure of R134,343 million (99,6% budget spend). During the 2023/24 financial year, the Department spent R29,643 billion of an appropriated budgets of R29,735 million, which resulted in an underspending of R92,281 million (99,7% budget spend).

The underspending in the Department took place within the following departmental programmes:

- Programme 1: Administration (R 613,000 underspending);
- Programme 2: District Health Services (R61,763 million underspending);
- Programme 3: Emergency Medical Services (R9,415 million underspending);
- Programme 4: Provincial Hospital Services (R699,000 underspending);
- Programme 6: Health Sciences and Training (R4,199 million underspending);
- Programme 7: Health Care Support Services (R10,858 million underspending); and
- Programme 8: Health Facilities Management (R46,796 million underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R519,114 million from an estimated R433,955 million which reflects an over-collection of R85,159 million. The over-collection was reported under the following line items:

Sale of goods and services other than capital assets:	R31,562 million over-collection;
Transfers received:	R44,000 over-collection;
Interest, dividends and rent on land:	R1,490 million over-collection;
Sale of capital assets:	R2,042 million over-collection;
and financial transactions in assets and liabilities:	R50,021 million over-collection.

The Department incurred no irregular-, nor fruitless and wasteful expenditure during the financial year under review.

Of the 201,946 invoices that were received during the 2024/25 financial year, 200,555 invoices were processed and paid within the 30-day period. Only 1,391 invoice were paid after the 30-day period, of which 59 of these were invoices that were older than 30 days or agreed period (unpaid and without dispute). Two invoices were older than 30 days or agreed period and in dispute. The rationale for the late payments were due to misfiled, misplaced, and unrecorded invoices, including inadequate budget and/or cash flow management problems.

11.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Pages: 120-121 of the Annual Report of the Department.</p> <p>Description: The Committee notes that twelve strategic risks were monitored for the 2024/25 period. These included the inability to mobilise financial and other resources, disease outbreaks, service fragmentation, medicine and vaccine availability, inadequate models of care, unsafe mental health services, infrastructure vulnerabilities, climate impacts, staff safety, medico-legal claims, ICT vulnerabilities, and fraud and corruption risks. A residual ratings mechanism which ranged from low to high, with intensified management focus placed on high-rated risks and a differentiated escalation process to the department's Senior Management Team, was adopted.</p>	<p>11.4.1. The Committee resolved that the Department brief it on the management of the twelve risks, including the polycrisis matter.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>

<p>In response, the Committee enquired as to how the Department could successfully manage the twelve risks to ensure that it had a low- to no mitigating impact on the operations and finances of the Department.</p>		
<p>In addition, the Committee noted that the department remains responsive to an evolving polycrisis context defined by fiscal constraints, climate volatility, digital threats, and service pressures.</p>		

11.5 Information requested

11.5.1 The Committee requests that the Department submit the following information by 31 March 2026:

11.5.1.1 A Report which details the nature and actions taken with regards to the open cases as at 31 March 2025 in respect of the Provincial Forensic Services issued a Case Movement Certificate for the Department, as reflected on page 121 of the Annual Report.

11.5.1.2 A Report on the matter raised by Member P Lekker where the department allegedly paid for a batch of mattresses that were never actually received which also raised a question from the Member on how strong the current supply chain controls are within the Department, considering this past incident, whether those controls have been strengthened since the mattresses case occurred; including who is generally held accountable when such an incident happen. In addition, it is requested that the Department provide a full update on the investigation, including whether the right person(s) were disciplined or charged, whether the loss was recovered; including feedback on whether all the departmental individuals in the matter were investigated. The matter arose when the Committee dealt with the heading Fraud and Corruption on page 121 of the Annual Report.

11.5.1.3 A detailed Report on the reasons for the contract extensions which relates to Procurement by Other Means, as reflected on pages 191-192 of the Annual Report.

11.5.1.4 A detailed Report on the measures introduced in order to ensure a 100% planned target for the Ideal clinic status obtained rate indicator, as reflected on page 201 of the Annual Report.

11.5.1.5 A detailed Report on the cases on which legal fees were spend, as reflected on page 241 of the Annual Report.

11.5.1.6 A detailed Report indicating the nature of the debts that were written off, the reasons why these could not be recovered and who were the individuals from which the debts were raised (officials or patients), as reflected on page 245 of the Annual Report.

11.5.1.7 A detailed Report on the payments that were made as an act of grace under the financial year under review, as reflected on page 277 of the Annual Report.

12. Department of Social Development

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Department for maintaining a clean audit outcome.

12.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Accounting Officer should continue to ensure that the relevant assurance providers are afforded sufficient time to exercise their oversight responsibilities, thereby reinforcing accountability and contributing to the sustainability of the improvements in the audit outcomes.

12.2. Achievement of planned targets

The Committee notes the following planned targets that were not achieved by the Department in the following programmes:

- Programme 2: Social Welfare Services
 - Indicator 2.2.1.3 (page 59 of Annual Report) – Underperformance was due to the closure of two facilities.
 - Indicator 2.5.1.3 (page 62 of Annual Report) – Underperformance was due to delays in the conclusion of the tender process for the 2024/25 financial year.
- Programme 3: Children and Families
 - Indicator 3.2.1.2 (page 66 of Annual Report) - Underperformance was due to the temporary closure of one shelter for building and renovations and the permanent closure of another shelter due to constraints in resources.
 - Indicator 3.3.1.2 (page 68 of Annual Report) – Underperformance was due to unchanged family circumstances.

The Committee raised concerns over the lowering of the targets by the Department in order to meet its annual targets. Examples of this can be extracted from outputs 1.2.1.2, 1.2.1.3, 2.2.1.1, 2.2.1.2 and 2.2.1.3, amongst others.

12.3. Financial Management

During the financial year under review, the Department spent R2,489 billion of an appropriated budgets of R2,522 billion, which resulted in an underspending of R32,410 million (98,7% budget spend). During the 2023/24 financial year, the Department spent R2,474 billion of an appropriated budgets of R2,479 billion, which resulted in an under-expenditure of R4,369 million (99,8% budget spend).

The underspending in the Department took place within the following departmental programmes:

- Programme 1: Administration (R8,483 million underspending);
- Programme 2: Social Welfare Services (R6,892 million underspending);

Programme 3: Families and Children (R6,686 million underspending);
 Programme 4: Restorative Services (R10,199 million underspending); and
 Programme 5: Development and Research (R150,000 underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R2,730 million in respect of an estimated receipt collection of R1,374 million, which resulted in an over collection of R1,356 million.

The over- collection took place under the following line items:

- Goods and services other than capital assets -R9,000 over-collection.
- Interest, dividends and rent on land -R335,000 over-collection.
- Sale of capital assets -R79,000 over-collection.
- Transactions in financial assets and liabilities -R933,000 over-collection.

The Department recorded R219,000 in irregular expenditure, of which R142,000 occurred during the financial year under review. According to the Department, the irregular expenditure related to the irregular appointment of a staff member is currently in court. The determination of how to handle the matter is subject to the court's outcome.

In addition, the Department also incurred R14,000 in fruitless and wasteful expenditure related to the cancellation of accommodation secured and a 100 percent cancellation fee being charged by the service provider. The Department recorded no unauthorised expenditure during the financial year under review, but did incur R10,000 in material losses, which is being pursued by the Department against the former departmental official.

Of the 9,429 invoices that were received during the 2024/25 financial year, 9,417 were processed and paid within the 30-day period. Only 12 invoices were paid after the 30-day period, which were due to late payments and consequent management measures were enforced. Only 2 invoices were unpaid and in dispute during the financial year under review.

12.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Page: 102 of the Annual Report of the Department.</p> <p>Description: The Committee notes the key risks considered and addressed during the financial year under review, which includes 1) an increasing need for nutritional support and food relief due to hunger and poverty in households and communities, and 2) the lobbying by the Department for a Poverty Budget to extend short term jobs for beneficiaries to buy groceries and mitigate the impacts of poverty and unemployment.</p>	<p>12.4.1. The Committee resolved that the Department briefs the Standing Committee on Social Development on these matters in order to find a mitigating solution to these two risks.</p>	<p>Briefing date to be scheduled by the relevant Standing Committee and communicated to the Department.</p>

<p>Page: 115 of the Annual Report of the Department.</p> <p>Description: The Committee notes during the Records Management audit; it was identified that Regions were not fully utilising the Electronic Content Management (ECM) system (MyContent) and instead relied on inefficient manual processes like hard copy PD registers and movement cards. This led to delayed service delivery due to lost or misplaced files, decentralised mini-registries with limited oversight, inconsistent file management practices, including incorrect/duplicated C-codes, incomplete registers, and files not being returned on time. There was also a lack of oversight, as detective controls such as routine inspections or reconciliations were not formalised.</p>	<p>12.4.2. The Committee resolved that the Department brief it on this challenge, including a mechanism that was/ is being developed by the Department to mitigate a future recurrence of a similar nature.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>
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12.5 Information requested

12.5.1 The Committee requests that the Department submit the following information by 31 March 2026:

12.5.1.1 A Report on the number of social workers who became victims of criminal syndicates and the impact this had on the morale of staff and operations of the Department. In addition, the Report should include the impact and projected outcome of inadequate human resources risk within the Department, as reflected on page 102 of the Annual Report.

12.5.1.2 A detailed Report which highlights the number of people who are in poverty within the Western Cape, as reflected on page 102 of the Annual Report.

12.5.1.3 A Report on the investigations that were conducted by the Provincial Forensic Services during the financial year under review. These should include the nature of the cases, outcomes and consequence management measures that were put in place by the Department, as reflected on page 105 of the Annual Report.

12.5.1.4 A detailed Report on the work that was undertaken by the Internal Audit, which related to the Internal Audit Plan, 37 internal audit action plans and records management audits, as reflected on page 115 of the Annual Report.

12.5.1.5 A Report which discusses the Transfer Payments: RISIHA Implementing Sites in relation to the number of persons at these facilities, as reflected on page 118 of the Annual Report.

12.5.1.6 A Report which provides a detailed description of the expenditure on catering costs, as reflected on under Note 5 on page 220 of the Annual Report; including the expenditure on and value derived from security services as reflected on pages 102, 178 to 183 and 223 (municipal services) of the Annual Report.

13. Department of Mobility

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings. This audit opinion represents an improvement from the 2023/24 financial year, when the Department obtained an unqualified opinion on its financial statements with material findings related to compliance. The Committee commends the Department for improving its audit outcome during the financial year under review.

13.1. Audit Opinion

The AGSA raised no findings with the Department regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Minister and Accounting Officer should ensure the following that-:

- financial reporting controls should be strengthened to ensure that the financial statements are fully aligned with underlying schedules and supporting information.
- the filling of key positions fundamental to the Supply Chain Management (SCM) unit should be prioritised.
- SCM supporting documentation should be validated, and more training should be provided to the SCM user department.
- an audit action plan should be developed and implemented to rigorously monitor, review and verify the reported achievements within the annual performance report.
- any reports, whether system-generated or manual, should be reconciled to the annual performance report before submission for audit purposes.

13.2. Achievement of planned targets

The Committee noted that under Programme 2, the Department achieved 86% for Indicator 2.2.1 (Number of routes subsidised), while reporting a budget spend of 99,8%.

Furthermore, the Committee noted that under Programme 3, the Department achieved 82% while reporting a budget spend of 99,2%. The underachievement occurred under Indicator 3.3.7 (Number of schools involved in road safety education programme) and Indicator 3.3.9 (Percentage of students completing formal training courses).

13.3. Financial Management

During the financial year under review, the Department spent R3,126 billion of an appropriated budget of R3,150 billion, which resulted in an underspending of R24,080 million (99% budget spend). During the 2023/24 financial year, the Department spent R2,968 billion of an appropriated budget of R2,977 billion, which resulted in an underspending of R9,058 million (99,7% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R7,163 million underspending); and
Programme 3. Transport Regulations (R8,053 million underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R2,306 billion from an estimated R2,258 billion, which reflects an over-collection of R48,109 million. The over-collection was reported under the following line items:

Motor vehicle licences: R19,307 million over-collection;
 Sale of goods and services other than capital assets: R25,495 million over-collection;
 Fines, penalties and forfeits: R2,784 million over-collection;
 Interest, dividends and rent on land: R6 000 over-collection; and
 Financial transactions in assets and liabilities: R517 000 over-collection.

The Department recorded R842,000 in irregular expenditure, which was due to Due to the finalisation of the Provincial Land Transport Framework (PLTF), expenditure was incurred outside of the contractual period. The Accounting Officer confirmed that the irregular expenditure was valid on 15 May 2025.

In addition, the Department incurred no fruitless and wasteful expenditure during the financial year under review.

Of the 8,321 invoices that were received during the 2024/25 financial year, 8,309 invoices were processed and paid within the 30-day period. Only 12 invoices were paid after the 30-day period, of which the reasons for the late payments can be found on page 145 of the Annual Report of the Department.

13.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 85 of the Annual Report of the Department</p> <p>Description: The Committee notes that the Minister and the Department of Mobility were invited to the Standing Committee meeting held on 28 November 2024 to brief the Committee on the budgetary adjustments to Vote 8: Western Cape Mobility Department in the Schedule to the Western Cape Adjustments Appropriation Bill, 2024. The briefing included the required budgetary adjustments, which included the George Integrated Public Transport Network ("Go-George").</p> <p>The Committee raised a concern that there was no appointed Chief Executive Officer, nor executive</p>	<p>14.5.1. The Committee resolved that the Department brief it on the action plan to ensure that a CEO and non-executive directors are appointed to the Go-George Project, including the Memorandum of Understanding/Agreement which relates to the Go-George Project.</p> <p>14.5.2. The Committee resolved that a joint briefing be conducted with the Standing Committee on Mobility for the Department to brief on the total expenditure, current operations, challenges, and expenditures, including future estimated expenditures and risks relating to the implementation of the Bus</p>	<p>The Committee to determine date of the briefing and inform the Department.</p>

directors who served on the George Integrated Public Transport Network.	Rapid Transport System in the Western Cape.	
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13.6. Information requested

13.6.1. The Committee requested the Department of Mobility furnish it with the following information by 31 March 2026:

13.6.1.1. A Report which details the data relating to illegal transport operators and action taken by the Department to mitigate future-related illegal transport activities, as indicated on page 72 of the Annual Report.

13.6.1.2 A Report on the action being taken to roll out Phase 4A of the Go-George Project between Thembaletu and George Mall, including the incurred costs on the Go-George Project and the estimated costs to complete Phase 4A, which emanated from the discussion of the information on page 66 of the Annual Report.

13.6.1.3 A Report which provides a detailed breakdown of the information contained under Table B “GG Vehicle Damage and Losses”, as indicated on page 130 of the Annual Report.

13.6.1.4 A list of legislation and regulations that are used to evaluate the performance against the Annual Report of the Department (to be supplied by the AGSA and AC).

14. Department of Environmental Affairs and Development Planning

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Department for maintaining a clean audit outcome over the past few financial years.

14.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department which indicate that in order to ensure and maintain the Department’s clean audit status and improving the overall control environment that the Accounting Officer should ensure that the process of assessing the necessity of the position of Chief Director: Management Support, which customarily also serves as the Chief Financial Officer, is currently being finalised. This assessment will inform the decision to proceed with the formalisation and appointment of the role in alignment with the approved organisational structure (organogram).

14.2 Achievement of planned targets

The Committee notes that under Programme 4 (Environmental Quality Management), the Department achieved an 87% implementation rate while reporting a 99% budget spend. The 87% target achievement under this Programme is listed as follows:

Sub-programme 4.1.2: Percentage of complete Environmental Impact Assessment (EIA) applications finalised within legislated timeframes- 97% implementation.

Sub-programme 4.1.3: Percentage of Environmental Impact Assessment (EIA) non-applications timeously responded to- 90% implementation.

14.3. Financial Management

During the financial year under review, the Department spent R615,582 million of an appropriated budget of R618,754 million, which resulted in an underspending of R3,172 million (99,5% budget spend). During the 2023/24 financial year, the Department spent R583,948 million of an appropriated budget of R587,653 million, which resulted in an underspending of R3,705 million (99,4% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R509,000 underspending);
 Programme 2: Environmental Policy, Planning and Coordination (R301,000 underspending);
 Programme 3. Compliance and Enforcement (R902,000 underspending);
 Programme 4: Environmental Quality Management (R721,000 underspending);
 Programme 5: Biodiversity Management (R386,000 underspending);
 Programme 6: Environmental Empowerment Services (R47,000 underspending); and
 Programme 7: Development Planning (R306,000 underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R5,623 million against an estimated collection amount of R3,185 million. The over- and under collections occurred under the following line-items:

Sale of goods and services other than capital assets	-R8,000 under-collection;
Fines, penalties and forfeits	-R2,391 million over-collection;
Interest, dividends and rent on land	-R12,000 over-collection;
Sales of capital assets	-R29,000 over-collection; and
Financial transactions in assets and liabilities	-R14,000 over-collection.

The Department recorded R57,000 in irregular expenditure, of which R31,000 was condoned by Provincial Treasury during the financial year under review. This was due to the non-compliance with the departmental supply chain management delegations, which took place on 18 April 2024. Progressive disciplinary steps were instituted against the official who approved the procurement.

The Department recorded no fruitless and wasteful expenditure, nor any unauthorised expenditure during the financial year under review.

Of the 608 invoices that were received during the 2024/25 financial year, 607 were processed and paid within the 30-day period. Only 1 invoice was paid after the 30-day period, which was due to the delegated official who forgot to submit the invoice timeously for approval and payment. The invoice was paid 35 days after receipt. In addition, the Department also took disciplinary action against the official.

14.4. Resolution/s

None

14.5. Information requested

None

15. Department of Infrastructure

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Department for maintaining a clean audit outcome.

15.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Accounting Officer should ensure the following:

Recommendations	Root Cause
<ul style="list-style-type: none"> • Detection and prevention controls within project management should be enhanced. • Application of processes across the department and directorates should be consistent through documented standard operating procedures. • Effective oversight over project managers, holding them accountable for the delivery of project outcomes and enforcing appropriate consequence management when responsibilities are not met. 	<p>Lack of documented standard operating procedures resulting in project management controls not being consistently applied, leading to project delays and appropriate consequence management not being taken against contractors.</p>
<ul style="list-style-type: none"> • Processes and procedures for collating, monitoring and reporting of performance information should be refined through the design of documented as standard operating procedures, which should be monitored for implementation. • These processes should include the assessment of information against supporting evidence on a monthly/ quarterly basis, which will ensure valid, accurate and complete information is presented on a quarterly basis and will ultimately ensure that fewer misstatements exist at year-end. 	<p>Lack of documented standard operating procedures, reliance placed on deeds dump without assessing the completeness thereof and information not being assessed against supporting evidence on a monthly/ quarterly basis, resulting in not all achievements being reported or invalid achievements being reported.</p>

In addition, the AGSA identified material misstatements in the annual performance report that was submitted for auditing by the Department. These material misstatements were included in the reported performance information for programme 3: transport infrastructure and programme 4: human settlements. According to the AGSA, the management of the Department subsequently corrected all the misstatements, and the AGSA did not include any material findings in the Annual Report of the Department.

15.2. Achievement of planned targets

The Committee notes the targets not achieved under the following programmes:

- Programme 2: Public works Infrastructure

- Indicator 2.5.1 (page 90 of the annual report) - Poor contractor performance led to delayed completion.
- Indicator 2.6.1 (page 91 of annual report) - Use of different systems (manual IAR vs eMerge system) between planning information and actual information, resulting in planned targets being set too high.
- Programme 3: Transport Infrastructure
 - Indicator 3.1.3 (page 103 of annual report) - When planned targets were set, management did not consider the previous planned visual assessments which already occurred, resulting in overestimation of the planned target set.
 - Indicators 3.4.1, 3.4.2 and 3.4.5 (pages 104 to 106 of the annual report) - Due to the severe flooding which occurred during May to August 2024, funds had to be reprioritised with the operational focus towards emergency response activities.
- Programme 4: Human settlements
 - Indicator 4.3.2 (page 116 of annual report) - Underperformance of contractor, severe weather conditions in May to August 2024 led to decreased performance and some units are basically complete, but electrical work is outstanding, and they are not regarded as practically complete.

15.3. Financial Management

During the financial year under review, the Department spent R9,903 billion of an appropriated budget of R10,791 billion, which resulted in an underspending of R888,361 million (91,8% budget spend). During the 2023/24 financial year, the Department spent R9,113 billion of an appropriated budget of R9,627 billion, which resulted in an underspending of R514,013 million (94,7% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R1,861 million underspending);
 Programme 3: Transport Infrastructure (R580,766 million underspending); and
 Programme 4: Human Settlements (R305,734 million underspending).

The Committee notes that the Department's receipt collection amounted to the sum total of R233,461 million in respect of an estimated receipt collection of R101,964 million which resulted in an over collection of R131,497 million.

The over-collection took place under the following line items:

- Goods and services other than capital assets -R90,923 million.
- Interest, dividends and rent on land -R247,000.
- Sale of capital assets -R10,067 million.
- Transactions in financial assets and liabilities -R30,260 million.

The Department recorded no fruitless and wasteful expenditure, nor any unauthorised expenditure during the financial year under review. However, the Department recorded irregular expenditure in the sum total of R51,270 million during the financial year under review from an opening balance of R71,221 million. Of this amount, R19,984 million was condoned during the financial year under review, while R1,114 million was under investigation. The Department implemented consequence management procedures whereby cautionary letters were issued to the implicated departmental officials.

Of the 34,754 invoices that were received during the 2024/25 financial year, 34,528 were processed and paid within 30 days. Only 228 invoices were paid after the 30-day period, which was due to the interface system errors and the cessation of claims in respect of Human Settlements Development Grant and Informal Settlements Upgrading Partnership Grant.

15.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Page: 156 of the Annual Report of the Department.</p> <p>Description: The Committee notes the Case Movement Certificate of the Provincial Forensic Services for the Departments, which indicates the number of fraud and corruption cases that were open, new cases registered, and cases that were closed during the financial year under review.</p>	<p>16.4.1. The Committee resolved that the Department briefs it on each case that was still open at the start of the financial year under review, the opening of new cases during the financial year under review and the cases that were closed during the financial year under review.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>
<p>Page: 156 of the Annual Report of the Department.</p> <p>Description: The Committee notes the Case Movement Certificate of the Provincial Forensic Services ('PFS') for the Departments, which indicates the number of fraud and corruption cases that were open, new cases registered and cases that were closed during the financial year under review.</p>	<p>16.4.2. The Committee resolved that the Department, in all future annual reports, provide a narrative for the PFS Case Movement Certificate.</p>	<p>The Department to implement the resolution from the Department's 2025/26 Annual Report onwards.</p>
<p>Page: 228 of the Annual Report of the Department.</p> <p>Description: The Committee notes the comment of the AGSA under Note 8 and cross-referenced with Note 17.1 to the financial statements, whereby the department is the defendant in various ongoing litigation and claims. The ultimate outcome of these cases cannot presently be determined and no provision for any liability that may result has been made in the financial statements.</p>	<p>16.4.3. The Committee resolved that the Department briefs it on the ongoing litigation and claims against the Department and the estimated financial impact these litigations and claims have on the Department.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>

<p>Page: 239 of the Annual Report of the Department</p> <p>Description: The Committee notes the Department of Infrastructure's 91.8% overall final budget expenditure for the financial year under review. However, the Committee also notes that the Department underspent on certain programmes, such as Transport Infrastructure and Human Settlements.</p>	<p>16.4.4. The Committee resolved that the Department briefs it on the departmental funding plan for each programme.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>
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15.5. Information requested

15.5.1. The Committee requests the Department to submit the following information by 31 March 2026:

- 15.5.1.1. A breakdown of all female-owned businesses (contractors) who have done business with the Department during the financial year under review. This request emanates from the narrative of the Department minimising conflict of interest by implementing Provincial Treasury's instructions, which require all suppliers and contractors intending to do business with the Western Cape Government to register on the Western Cape Supplier Evidence Bank, as reflected on page 157 of the Annual Report.
- 15.5.1.2. A detailed Report that provides a breakdown of the investigated complaints whereby all instances where the possibility of fraud, corruption, bid rigging was reported, as reflected on page 173 under Supply Chain Management Complaints Mechanism of the Annual Report.
- 15.5.1.3. Report on the status of the roads that were repaired that experienced disasters during the financial year under review. The request emanates from the note Provincial Roads Maintenance Grant (Pr 3), as reflected on page 248 of the Annual Report.

16. Department of Agriculture

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained an unqualified audit report with no findings. This audit opinion remains unchanged from the 2023/24 financial year when the Department obtained an unqualified audit report with no findings. The Committee commends the Department for sustaining its 10th clean audit outcome during the financial year under review.

16.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Department which indicate that:-

- the Department must continue to maintain its current systems and controls so that the high standards of performance and accountability are upheld. Maintaining a clean audit requires dedication and accountability and a commitment to maintaining and improving on the internal controls in place.
- the Accounting Officer maintains institutional integrity by ensuring ethical behaviour and compliance with legislation is institutionalised through policies, procedures and the tone set by leadership.
- the Accounting Officer ensures that there is accountability and that there are consequences for those who transgress.
- the Accounting Officer maintains transparency by continuing to provide credible information on the department's finances, performance and compliance with legislation.

16.2. Achievement of planned targets

The Committee noted that the Department achieved all its planned targets during the financial year under review.

16.3. Financial Management

During the financial year under review, the Department spent R940,015 million of an appropriated expenditure of R954,125 million with an under-expenditure of R14,110 million (98,5% budget spend). During the 2023/24 financial year, the Department spent R310,800 million of an appropriated budget of R316,436 million, which resulted in an underspending of R5,636 million (98,2% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R 7,642 million underspending);
 Programme 2: Sustainable Resource Use and Management (R273,542 million underspending);
 Programme 3: Agricultural Producer Support and Development (R2,497 million underspending);
 Programme 6: Agricultural Economic Services (R929,000 underspending); and
 Programme 7: Agricultural Education and Training (R3,539 million underspending).

The AGSA highlighted that, as disclosed in Note 24.3 to the financial statements, that the accrued departmental revenue was significantly impaired. The impairment allowance amounted to R18 million for the financial year under review.

Furthermore, as disclosed in the appropriation statement and Note 35 to the financial statements, the Department materially underspent the grant allocation relating to the Comprehensive Agriculture Support Programme (CASP) grant by R270,8 million.

The Committee notes that the Department's receipt collection amounted to the sum total of R54,515 million from an estimated R39,295 million which reflects an over-collection of R15,220 million. The over-collection was reported under the following line items:

Sale of goods and services other than capital assets:	R10,472 million over-collection;
Interest, dividends and rent on land:	R3,475 million over-collection;
Sale of capital assets:	R789,000 over-collection; and

Financial transactions in assets and liabilities: R484,000 over-collection.

The Department recorded R78,000 in irregular expenditure. The Committee notes that the Department took disciplinary action.

In addition, the Department incurred R5,000 in fruitless and wasteful expenditure during the financial year under review.

Of the 16,633 invoices that were received during the 2024/25 financial year, 16,632 invoices were processed and paid within the 30-day period. Only one invoice was paid after the 30-day period. The Department reported that the reason for the delay in paying the one invoice late occurred because of delays caused by interface challenges between the Central Supplier Database and the Basic Accounting System (BAS) relating to banking details of the service provider.

16.4. Resolution/s

None

16.5. Information requested

16.5.1. The Committee requests that the Department submit the following information by 31 March 2026:

16.5.1.1. A Report on the incidents which led to the identification of the fruitless and wasteful expenditure, the disciplinary measures put in place against the employees involved, including the mechanism that was developed and introduced to mitigate a future recurrence, as reflected under Reconciliation Notes on page 204 of the Annual Report.

16.5.1.2. Report providing the details of the 7 cases of irregular expenditure, as shown on page 255 of the Annual Report.

16.5.1.3. Report which details the unspent conditional grants that were not approved for roll-over, as reflected on page 256 of the Annual Report.

16.5.1.4. A detailed Report on the work and assistance that was offered by the Senior Management Team of the Department, Audit Committee and Internal Audit on the supply chain management function of Casidra which led to a downgrade in the Entity's audit outcome for the 2024/25 financial year, as emanated from page 263 of the Annual Report.

16.5.1.5. A Report which highlights the policy and criteria used to transfer funds to the various non-profit institutions, as reflected on pages 280-282 of the Annual Report.

17. Department of Economic Development and Tourism

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2024/25 financial year, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2023/25 financial year. The Committee commends the Department on achieving its 5th consecutive clean audit outcome.

17.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Accounting Officer of the Department, which indicate that the Minister and Accounting Officer should ensure the following: that the department continues to strengthen its internal control environment by focusing on the development and implementation of proactive, rather than reactive, control measures.

It is further recommended that these controls, along with the underlying values and practices that promote accountability and good governance, be institutionalised across all levels of the department. By embedding a culture of continuous improvement and preventative controls, such a significant contribution will ensure the sustainability of a clean administration and ultimately result in improved future audit outcomes.

17.2. Achievement of planned targets

The Committee noted with concern that under Programme 3, the Department achieved 83% for Indicator 3.5 (Number of businesses reached with district export awareness campaigns), while reporting a budget spend of 99%.

17.3. Financial Management

During the financial year under review, the Department spent R495,091 billion of an appropriated budget of R501,148 billion, which resulted in an underspending of R6,057 million (98,8% budget spend). During the 2023/24 financial year, the Department spent R474,214 million of an appropriated budget of R483,932 million, which resulted in an under-expenditure of R8,718 million (98,2% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R888,000 underspending);
 Programme 2: Integrated Economic Development Services (R565,000 underspending);
 Programme 3: Trade and Sector Development (R1,827 million underspending);
 Programme 4: Business Regulation and Governance (R263,000 underspending);
 Programme 5: Economic Planning (R2,076 million underspending);
 Programme 6: Tourism, Arts and Entertainment (R313,000 underspending); and
 Programme 7: Skills Development and Innovation (R125,000 underspending).

The Committee notes that the Department's receipt collection amounted to the total of R14,109 million from an estimated R423,000, which reflects an over-collection of R13,686 million. The over-collection was reported under the following line items:

Transfers received:	R11,939 million over-collection;
Sale of goods and services other than capital assets:	R26,000 over-collection;
Interest, dividends and rent on land:	R77,000 over-collection; and
Financial transactions in assets and liabilities:	R1,689 million over-collection.

The Department recorded R13,000 in irregular expenditure, which was due to SCM non-compliance. The Department confirmed that disciplinary action was taken against all responsible officials, and that no elements of criminality were identified in relation to the irregular expenditure cases. The irregular expenditure was recovered from the responsible departmental officials.

In addition, the Department incurred only R1,000 in fruitless and wasteful expenditure during the financial year under review, which was recovered through the responsible official.

The Department reported no unauthorised expenditure during the financial year under review.

Of the 535 invoices that were received during the 2024/25 financial year, 513 invoices were processed and paid within the 30-day period. Only 22 invoices were paid after the 30-day period. The delays were due to oversight by officials and significant staffing constraints within financial management. To mitigate a future recurrence of late invoice payments after the 30-day period, the Department's Financial Management Directorate implemented a 30-day non-compliance training for all departmental officials. The Department further reported that in all instances of non-compliance, consequence management was applied, and the officials concerned were required to complete the online training.

17.4. Resolution/s

None

17.5. Information requested

17.5.1. The Committee requested the Department furnish it with the following information by 31 March 2026:

17.5.1.1. A detailed report on which municipalities and institutions received donations from the Department, as indicated on page 243 of the Annual Report.

17.5.1.2. A detailed report of the contingent liabilities against the Department, as indicated on page 253 of the Department.

18. Department of Cultural Affairs and Sport

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2024/25 financial year, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Department on achieving its 15th consecutive clean audit outcome.

18.1. Audit Opinion

The AGSA raised no findings with the Department regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA, which indicate that although no material compliance findings were identified during the financial year under review, the AGSA encourages management to continue to monitor the overall good practices implemented and proactively monitor any emerging risks that may arise.

In addition, the Department is advised to strengthen the monitoring and prevention controls, to strengthen compliance with legislation.

18.2. Achievement of planned targets

The Committee noted with concern that under Programme 3, the Department achieved 78% for Indicator 3.2.6 (Number of libraries with public internet access), including Indicator 3.2.7 (Number of library service points), while reporting a budget spend of 100%.

18.3. Financial Management

During the financial year under review, the Department spent R906,356 million of an appropriated budget of R932,963 million, which resulted in an underspending of R26,607 million (97,1% budget spend). During the 2023/24 financial year, the Department spent R874,202 million of an appropriated budget of R888,290 million, which resulted in an under-expenditure of R14,088 million (98,8% budget spend).

The underspending in the Department took place within the following departmental programmes:

Programme 1: Administration (R777,000 underspending);
 Programme 2: Cultural Affairs (R2,335 million underspending);
 Programme 3: Library & Archive Services (R12,431 million underspending); and
 Programme 4: Sport and Recreation (R11,064 million underspending);

The Committee notes that the Department's receipt collection amounted to the total of R8,565 million from an estimated R5,891 million, which reflects an over-collection of R2,674 million. The over-collection was reported under the following line items:

Fines, penalties and forfeits:	R38,000 over-collection;
Sale of capital assets:	R64,000 over-collection;
Interest, dividends and rent on land:	R31,000 over-collection; and
Financial transactions in assets and liabilities:	R2,711 million over-collection.

The Department recorded R3,605 million in irregular expenditure, which related to the awarding of a bid to a supplier whose tax matters were not confirmed as 'tax compliant' at the time of award.

In addition, the Department incurred no fruitless and wasteful expenditure during the financial year under review.

The Department reported no unauthorised expenditure during the financial year under review.

Of the 1,670 invoices that were received during the 2024/25 financial year, 1,668 invoices were processed and paid within the 30-day period. Only 2 invoices were paid after the 30-day period. The delays were mainly due to system-related challenges and capturing errors. The matters were addressed by management where required.

18.4. Resolution/s

None

18.5. Information requested

None

19. Local Government

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Department, having obtained a clean audit report. This audit opinion remains unchanged from the 2023/24 financial year.

19.1. Audit Opinion

The AGSA raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee further notes the comments by the AGSA to the Department. This includes the following key observations:

- The overall control environment within the department remains stable and well-functioning. There was no significant internal control deficiencies identified in financial recordkeeping, financial statement preparation, or related financial and performance management processes, including compliance with applicable legislation.
- Management, leadership, and those charged with governance continue to demonstrate a proactive commitment to maintaining the integrity of financial and performance reporting by ensuring that adequate internal controls are effectively implemented and monitored throughout the year. This is further supported by the department's history of clean audit outcomes, which reflects a sustained focus on accountability, good governance, and sound financial management practices.
- The Department has demonstrated commendable commitment and effectiveness in fulfilling its mandate. Its proactive, collaborative, and structured approach has contributed meaningfully to improved municipal governance, performance, and the overall functioning of local government institutions. The department is commended for its dedication and commitment to improving local government in the province.

19.2. Achievement of planned targets

The Committee noted that the Department did not achieve all of its targets under Programme 2: Local Governance. The non-achievement occurred under *2.1.4(a) Code of Conduct cases assessed to ensure legislative compliance* where the Department only achieved 3 of a planned target of 10. For the non-achievement of *SPI: 6 Number of work opportunities reported through Community Work Programme (CWP) (MTSF 2019-2024, Priority 2)*, the Department reported an achievement of 14 962 out of a planned target of 16 647. The Auditor-General of South Africa reported that the mentioned variables were uncontrollable and outside of the control of the Department. However, the Department utilised 99% of its allocated budget, indicating strong financial performance and effective use of resources toward planned and funded activities.

19.3. Financial Management

For the financial year under review, the Department spent R423,212 million of a final appropriated budget of R437,262 million, which resulted in an underspending of R14,050 million (96,75% budget spend). In comparison, during the 2023/24 financial year, the Department spent R409,709 million of an appropriated budget of R 411,626 million, which resulted in an underspending of R1,917 million (99,5% budget spend).

The under-expenditure occurred within the following programmes:

- Programme 1: Administration (R1,053 million under-expenditure);
- Programme 2: Local Governance (R1,677 million under-expenditure);
- Programme 3: Development and Planning (R10,944 million under-expenditure); and
- Programme 4: Traditional Institutional Management (R376,000 under-expenditure).

For the 2024/25 financial year, the estimated departmental receipt of R124,000 was over-collected by R7,282 million, which resulted in a collected amount of R7,406 million.

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

- Sale of goods and services other than capital assets (R9 000);
- Sale of capital assets (R125,000); and
- Financial transactions in assets and liabilities (R7,148 million).

The committee further notes that the department incurred expenditure of R1,000 for the year under review and that it has recovered fruitless and wasteful expenditure of R1,000.

19.4. Resolution/s

None

19.5 Information requested

- 19.5.1. The Committee requested the Department of Local Government to furnish it with the following information by 31 March 2026:
- 19.5.1. A Report which details vacancies in Programme two for the 2024/25 financial year, including the impact these vacancies had on the operations of the Department, as indicated on page 99 of the Annual Report.
- 19.5.1.1. A Report which explains in detail the two limited bidding contracts under the heading of procurement by any means, as indicated on page 137 of the Annual Report.
- 19.5.1.2. A copy of the Department's Financial Recovery Plan and Support Plans, which were documented for the municipalities in the Western, as discussed in the contents on page 142 of the Annual Report.
- 19.5.1.3. The Committee requests that the Auditor-General of South Africa furnish the Committee with its General Report on Material Irregularities in terms of the Municipal Finance Management Act.

Part B: Findings which relates to Entities

20. Western Cape Gambling and Racing Board (WCGRB)

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Entity for the 2024/25 financial year, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2023/25 financial year. The Committee commends the Entity on achieving a 5th consecutive clean audit outcome.

20.1 Audit Opinion

The AGSA raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee supports the comments by the AGSA to the Entity, that:-

- the audit outcome for the WCGRB, is an unqualified opinion with no findings. While the AGSA acknowledges a stable control environment, there are areas of concern that require immediate attention, such as:
 - based on the audit of financial statements, performance reports, and compliance with legislation, we noted limited progress on prior year recommendations to address the underlying internal control deficiency relating to the compilation of GRAP-compliant financial statements, compliance with legislation, particularly in the area of procurement and contract management. In the area of performance information, management sufficiently implemented the recommendations and addressed the underlying control deficiencies.
- the AGSA encourages management to carefully review and apply its recommendations to improve the financial statement review process and make timely decisions on implementing consequence management.
- the AGSA encourages the Accounting Authority and management, supported by internal audit and the audit committee, to enhance preventative and detective controls to maintain strong control environment in financial reporting and to sustain clean administration.
- the Accounting Authority supported by management officials, should compile mid-year or nine (9) months GRAP-compliant financial statements to alleviate the pressure at year-end to prepare financial statements for 12 months. This will also strengthen the internal regular review process and allow sufficient time for management, the accounting authority, internal audit and audit committee to review and interrogate the financial statements and related disclosures for adherence to GRAP requirements.
- the Accounting Authority supported by management officials, should design a procurement compliance checklist for quotations, deviations, competitive bidding, local content, CIDB and contract management to enable review of new awards and existing contracts against the applicable legislative requirements to prevent non-compliance with legislation and irregular expenditure being incurred.
- the leadership should establish and approve a policy/ standard operating procedure to be complied with for debt recoveries that will apply to all types of debtors and will provide steps for follow-up of long outstanding debtors and ensure recovery of revenue due to the public entity. This will assist in preventing non-compliance regarding steps taken by the accounting authority to recover all debt owing to the Entity.
- The Minister should oversee and solicit feedback from the Accounting Officer on the progress to implement recommendations/ commitments made to ensure desired positive outcomes are achieved.

20.2 Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets.

20.3 Financial Management

During the financial year under review, the Entity spent R77,463 million of an appropriated budget of R86,310 million, which resulted in an underspending of R8,847 million (89,7% budget spend). For the 2023/24 financial year, the Entity spent R98,502 million of an appropriated budget of R108,333 million, which resulted in an underspending of R9,830 million (91% budget spend).

The Committee notes that the Entity's receipt collection amounted to the total of R97,528 million from an estimated revenue projection of R86,310 million. This resulted in an over-collection of R11,217 million during the financial year under review. The over-collection occurred under the following sources of revenue:

- Application fees: R3,315 million over-collection;
- Investigation fees: R1,456 million over-collection;
- Interest income: R1,997 million over-collection;
- Board Inspector charge-out fees: R3,403 million over-collection;
- Limited Pay-out Machine Operator fees: R35,961 over-collection;
- Rental income: R191,098 over-collection; and
- Other income: R817,348 over-collection.

The Entity recorded R704,000 in irregular expenditure. This was due to the Entity that procured plumbing and electrical maintenance services without specifying the minimum CIDB grading requirements in the Request for Quotation documentation, as required by Regulation 25 of the Construction Industry Development Regulations.

The Committee further noted that the Entity did not incur any fruitless and wasteful expenditure during the financial year under review.

Of the 472 invoices that were received during the 2024/25 financial year, 458 invoices were processed and paid within the 30-day period. Only 14 invoices were paid after the 30-day period. The Entity reported that the reasons for the delays in paying the 12 invoices were related to awaiting confirmation of bank details before processing payments, awaiting clarity on pricing and payments were made only after the goods or services had been received or rendered.

20.4. Resolution/s

None

20.5. Information requested

None

21. Western Cape Liquor Authority

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Entity, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee notes the comment of the AGSA that the clean audit of the Entity can be attributed to continuous efforts of the assurance provider in securing an environment that is effective in preventing and detecting material findings in the financial statements, compliance with legislation and reported performance information. The Committee commends the Entity for maintaining a clean audit outcome over the past few financial years.

21.1 Audit Opinion

The AGSA raised no findings with the Entity on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the comment by the AGSA to the Entity, that it should continue to ensure that leadership ensure that the relevant assurance providers are afforded sufficient time to exercise their oversight responsibilities, thereby reinforcing accountability and contributing to the sustainability of the improvements in the audit outcomes.

21.2. Achievement of planned targets

The Committee note that under Programme 3, the Entity achieved 71% overall for the following indicators:

- 3.3 (Percentage of complaints received finalised within two (2) months); and
- 3.5 (Percentage of new licensed premises to be inspected within three (3) months after the issuance of the licence).

Under Indicator 3.3 the Entity planned to achieve 95%, while only achieving 94.92%. The under-performance was due to isolated instances which arose where the nature of complaints required a more complex form of investigation(s). Under Indicator 3.5 the Entity planned to achieve 95%, while only achieving 87.76%. The under-performance was due to control deficiencies within the component.

21.3. Financial Management

For the financial year under review, the Entity spent R69,290 million of an appropriated budget of R77,677 million, which resulted in an underspending of R8,386 million (89% budget spend). During the 2023/24 financial year, the Entity spent R71,964 million of an appropriated budget of R73,632 million, which resulted in an underspending of R1,668 million (97,7% budget spend).

The Committee notes that the Department's receipt collection amounted to the sum total of R69,569 million from an estimated revenue projection of R64,588 million. This resulted in an over-collection of R4,981 million collections during the financial year under review. The over-collection occurred under the following sources of revenue:

- Application fees: R26,000 over-collection;
- Granting fees: R179,000 over-collection;
- Other income: R2,992 million over-collection; and
- Interest received: R148,000 over-collection.

The Entity recorded irregular expenditure of R89 000, which was condoned. In addition, the Entity recorded an additional case of irregular expenditure of R1,357 million that was still under assessment at the close of the financial year under review. No fruitless and wasteful expenditure was recorded during the financial year under review. Of the 636 invoices that were received during the 2024/25 financial year, 631 were processed and paid within the 30-day period. Only 4 invoices were paid after the 30-day period, whilst also recording 12 invoices that were unpaid and under dispute by the Entity with the affected suppliers.

21.4. Resolution/s

None

21.5. Information requested

None

22. Government Motor Transport (GMT)

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Entity for the 2024/25 financial year, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2023/25 financial year. The Committee commends the Entity on achieving its 13th consecutive clean audit outcome.

22.1 Audit Opinion

The AGSA raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, or internal control deficiencies.

The Committee supports the comment by the AGSA to the Entity that it should continue to ensure that leadership ensures that the relevant assurance providers are afforded sufficient time to exercise their oversight responsibilities, thereby reinforcing accountability and contributing to the sustainability of the improvements in the audit outcomes.

22.2. Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets.

22.3. Financial Management

During the financial year under review, GMT spent R699,734 million of an appropriated budget of R770,973 million, which resulted in an underspending of R71,239 million (90,8% budget spend). For the 2023/24 financial year, GMT spent R654,998 million of an appropriated budget of R736,491 million, which resulted in an underspending of R81,494 million (88,9% budget spend).

The Committee notes that the Entity's receipt collection amounted to the total of R1,173 billion from an estimated revenue projection of R1,040 billion. This resulted in an over-collection of R133,192 million during the financial year under review. The over-collection occurred under the following sources of revenue:

- Daily and kilometre tariffs, and interest earned on finance lease receivables: R68,134 million over-collection;
- Other income: R14,699 million over-collection;
- Government grants and other subsidies received (funding received from clients for additional vehicles): R38,105 million over-collection; and
- Interest received: R12,658 million over-collection.

The Entity recorded no irregular expenditure of R89 000, nor fruitless and wasteful expenditure during the financial year under review. was recorded during the financial year under review.

In addition, the Entity reported no late and/or non-payment of invoices from suppliers during the financial year under review.

22.4. Resolution/s

None

22.5. Information requested

None

23. CapeNature

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2024/25 financial year of the Entity, having obtained an unqualified audit report with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity for maintaining a clean audit outcome over the past few financial years.

23.1. Audit Opinion

The AGSA raised no findings with the Entity on compliance with laws and regulations, predetermined objectives nor internal control deficiencies.

The Committee supports the comment by the AGSA to the Entity, that the Chief Executive Officer, together with the Chief Financial Officer and Management in Supply Chain Management, will continue to strengthen the review and monitoring controls applicable laws and regulations, to ensure that the Entity does not incur any fruitless and wasteful and irregular expenditure in future financial years.

23.2. Achievement of planned targets

The Committee notes that the Entity achieved all of its planned targets for the financial year under review.

23.3. Financial Management

For the financial year under review, the Entity spent R403,621 million of an appropriated budget of R421,113 million, which resulted in an underspending of R17,491 million (96% budget spend). During the 2023/24 financial year, CapeNature spent R395,085 million of a budget of R407,736 million, resulting in an overall under-expenditure of R12,650 million (97% budget spend).

The Committee notes that the Entity's receipt collection amounted to the sum total of R412,840 million from an estimated revenue projection of R421,113 million. This resulted in an over-collection of R8,273 million during the financial year under review. The over-collection occurred under the following source of revenue:

- Government Grant, own revenue and special projects -R8,273 million over-collections.

The Entity recorded irregular expenditure of R1,599 million at the end of the financial year under review. In addition, the Entity recorded R33,762 in respect of Fruitless and wasteful expenditure. No unauthorised expenditure was incurred by the Entity during the financial year.

Of the 6,137 invoices that were received during the 2024/25 financial year, 5,842 were processed and paid within the 30-day period. Only 295 invoices were paid after the 30-day period. The Entity recorded that the late payments of invoices were the result of the late submission of invoices from its suppliers.

23.4. Resolution/s

None

23.5 Information requested

23.5.1 The Committee requests that the Entity submit the following information by 31 March 2026:

23.5.1.1 A Report which details the mechanisms in place to avoid and mitigate future related irregular and fruitless and wasteful expenditures, including the disciplinary measures in place within the Entity to avoid a recurrence of such expenditures, as reflected on pages 83 and 85 of the Annual Report.

23.5.1.2 A Report highlighting the mechanism of the Entity to ensure that its suppliers submit their invoices after the services have been rendered or products have been supplied; including supplying the policy of the Entity which relates to how invoices are handled from the date of receipt, as reflected under Note 2 on page 86 of the Annual Report.

23.5.1.3 A Report which whether it has put mitigation strategies in place to address the contingent liabilities against it, as reflected under Note 27 on page 130 of the Annual Report.

24. Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA)

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Entity for the 2024/25 financial year, having obtained an unqualified audit outcome with material findings relating to compliance with legislation in relation to expenditure management. This audit opinion represents a regression from the 2023/25 financial year when the Department received an unqualified audit outcome with no findings.

24.1. Audit Opinion

The Committee noted with concern the R2,216 million deficit that was recorded by the Entity in its Statement of Financial Performance.

The AGSA raised findings with the Entity on compliance with legislation relating to expenditure management.

Expenditure management

- Effective and appropriate steps were not taken to prevent irregular expenditure as disclosed in note 35 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with Regulation 3(1) of the Preferential Procurement Regulations, 2022, where the applicable preference point system used to evaluate the quotations was not stipulated in the invitations.

The Committee supports the comments by the AGSA to the Entity, that:-

- by implementing the recommendations to mitigate the root causes identified, the Entity's audit outcome will improve.
- management must adequately review and monitor compliance with the applicable procurement and contract management legislation as the audit finding issued in the prior year relating to the applicable preference point system not being stipulated in the written request for quotations was not fully addressed and controls were not

- fully implemented. The supply chain management unit should be adequately staffed to ensure that there is compliance with legislative requirements.
- the SCM Unit requires an additional resource that is appropriately qualified and experienced to assist the Supply Chain Officer with the quality reviews of procurement documentation as CASIDRA undertakes a vast number of procurement transactions each year.

24.2. Achievement of planned targets

The Committee noted that the Entity did not achieve all of its planned targets under Programme

3 (Poverty Alleviation and Disaster Response). The under-achievements occurred under the following target indicators:

- Number of new projects contracted for Western Cape Department of Agriculture: The Entity achieved 1 of a planned target of 4 (25% achievement) .
- Number of projects implemented for Western Cape Department of Agriculture from previous years: The Entity achieved 8 of a planned target of 10 (80% achievement).
- Value of disaster funding assistance to farmers per instruction: The Entity spent R6,162 million of a planned expenditure of R35 million (18% achievement).

24.3. Financial Management

During the financial year under review, the Entity spent R200,292 million of an appropriated budget of R202,120 million, which resulted in an underspending of R1,828 million (99% budget spend). For the 2023/24 financial year, the Entity spent R239,459 million of an appropriated budget of R239,200 million (100% budget spend).

The Entity recorded R358,704 in irregular expenditure. This was due to Bid No. 19/2023 that was cancelled due to incorrect procurement processes that was followed.

The Committee further noted that the Entity incurred R69,717 in fruitless and wasteful Expenditure during the financial year under review. This was due to beneficiaries who did not receive goods and services to the value of R66,806. The Entity did report the matter to the South African Police Service.

Of the 4,381 invoices that were received during the 2024/25 financial year, 4,229 invoices were processed and paid within the 30-day period. Only 141 invoices were paid after the 30-day period. Of the 141 invoices that were paid after the 30-day period, 3 invoices were paid without dispute while 8 invoices were in dispute.

24.4. Resolution/s

BACKGROUND/ CONCERNS	RESOLUTION	ACTION/ BRIEFING DATE
<p>Page: 48 of the Annual Report of the Entity.</p> <p>Description:</p>	<p>25.4.1. The Committee resolved that the Entity must develop and implement a mechanism to avoid a future recurrence of such an instance. Furthermore, the Entity</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>

<p>The Committee notes that the Entity has not paid 141 invoices after the 30-day period.</p>	<p>should brief the Committee on the factors which led to a breakdown which led to the non-payment of the invoices and how the new mechanism impacted on the compliance to the 30-day payment requirement.</p>	
<p>Page: 54 of the Annual Report of the Entity.</p> <p>Description: The Committee notes that, under Note 25 of the Report of the AGSA, effective and appropriate steps were not taken to prevent irregular expenditure, as required by section 51(1)(b)(ii) of the PFMA. The majority of the irregular expenditure was caused by non-compliance with Regulation 3(1) of the Preferential Procurement Regulations, 2022, where the applicable preference point system used to evaluate the quotations was not stipulated in the invitations.</p>	<p>25.4.2. The Committee resolved that the Entity must develop and implement a mechanism to mitigate a future recurrence of a similar matter. In addition, the Entity should brief the Committee on the internal controls which led to a breakdown of the matter and how the developed mechanism has impacted on the matter.</p>	<p>Briefing date to be scheduled by the Committee and communicated to the Department.</p>

24.5. Information requested

None

25. Saldanha Bay IDZ Licensing Company (SOC) Limited t/a Freeport Saldanha

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 4th consecutive clean audit outcome.

25.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee notes and supports the recommendations by the AGSA to the Entity to continue strengthening its internal control environment by focusing on areas of improvement and its underlying root causes, which stem from deficiencies in the overall control environment and failures in the accountability system, to move the Entity on the culture shift continuum. By implementing the recommendations and creating an action plan detailing a focused and systematic approach with responsibilities assigned to all role-players in the accountability system, the Entity will be able to address the areas requiring attention, to ensure funds are utilised on activities which directly contribute to

planned performance targets and ensure alignment of strategic intent and operational execution to ensure performance indicator targets are achieved.

Furthermore, the Committee notes the key recommendations of the AGSA to the CEO of the Entity, that-:

- The CEO, in collaboration with the CFO and the executive team, should implement a performance-based budgeting framework to ensure that all budget allocations are directly linked to clearly defined performance targets and measurable outputs. Detailed activity plans that explicitly demonstrate how each planned expenditure contributes to approved targets must be compiled before budget approvals are finalised. The Executive Management Team, under the leadership of the CEO, should institute quarterly budget-performance review sessions to assess spending against delivery progress, and any expenditure not supporting performance targets should be flagged for reallocation or justification.
- Further action is needed to address the underlying misalignment between strategic intent and operational execution that contributed to the non-achievement of performance targets. The CEO should ensure that future strategic and performance planning processes incorporate a more rigorous assessment of external factors, including prevailing economic and market conditions, to ensure that targets are realistic, achievable, and contextually grounded. Performance indicators must reflect not only the entity's long-term strategic objectives but also its current operating environment and available capacity. To strengthen implementation, performance reviews should be enhanced to include structured mechanisms for:
 - Identifying and addressing early warning signs of underperformance.
 - Implementing corrective actions for off-track indicators; and
 - Applying proactive risk mitigation measures to protect performance delivery.

25.2. Achievement of planned targets

The Committee noted with concern that under Programme 2, the Entity achieved only 82% while reporting a budget spend of 97%.

25.3. Financial Management

During the 2024/25 financial year, the Entity spent R46,305 million of its final appropriated budget of R47,828 million, resulting in an underspending of R1,522 million for the financial year under review. For the 2023/24 financial year, the SBIDZ spent Entity spent R48,178 million of its finally adjusted budget of R52,966 million, resulting in an underspending of R4,787 million for the financial year under review.

25.4. Resolution/s

None

25.5. List of Information Requested

None

26. Western Cape Tourism, Trade and Investment Promotion Agency (Wesgro)

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 2nd consecutive clean audit outcome.

26.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee notes and supports the recommendations by the AGSA to the Entity to continue strengthening its controls around compliance with laws and regulations and the control environment to ensure the audit outcome is sustained.

Furthermore, it is recommended that the Entity must continue to uphold its existing systems and controls to ensure that the high standards of performance and accountability are maintained. Achieving and sustaining a clean audit outcome requires unwavering dedication, a strong sense of accountability, and a continuous commitment to strengthening and enhancing internal control measures.

26.2. Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets for the financial year under review.

26.3. Financial Management

During the 2024/25 financial year, the Entity spent R23,406 million of its final appropriated budget of R25,817 million, resulting in an underspending of R2,411 million for the financial year under review. For the 2023/24 financial year, Wesgro spent R27,661 million of its final adjusted budget of R30,307 million, resulting in an underspending of R2,646 million for the financial year under review.

The Entity reported R1,428 million on irregular expenditure during the financial year under review. In addition, the Entity also wrote off R55,000 in fruitless and wasteful expenditure which could not be recovered.

Of the 2,247 invoices that were received during the 2024/25 financial year, 1,759 invoices were processed and paid within the 30-day period. Only 360 invoices were paid after the 30-day period, while 128 invoices were unpaid after the 30-day period.

26.4. Resolution/s

None

26.5. List of Information Requested

None

27. Atlantis Special Economic Zone Company SOC Ltd

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 5th consecutive clean audit outcome.

27.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The Committee supports the key recommendations by the AGSA to the Entity that:-

- All the requirements included in the Supply Chain Management Policy should be adhered to, and the core principles of the Supply Chain Management Policy should be actively enforced monthly, quarterly, and annually.
- Robust procedures should be established to ensure that all Request for Quotations (RFQ) and tender documentation is systematically organized and readily accessible upon request. This may include the use of centralized digital filing systems, standardized naming conventions, and regular audits of procurement records. Strengthening these practices will support transparency, accountability, and timely access to procurement information.
- All minimum requirements included in the RFQs and tender documentation should be relevant and appropriate. A formal review process should be implemented to validate the RFQ and tender criteria before publication. This will assist in preventing the inclusion of not applicable requirements that could discourage eligible suppliers from participating in the procurement process, thereby promoting fair competition and value for money.

27.2. Achievement of planned targets

The Committee noted with concern that under Programme 2, the Entity achieved only 80% for Indicator 2.4.1 (Percentage roof space generating solar electricity on newly constructed buildings), while reporting a budget spend of 99%.

27.3. Financial Management

For the financial year under review, the Entity spent R32,412 million of its budget of R34,565 million, resulting in an underspending of R2,153 million for the financial year under review. For the 2023/24 financial year, the SBIDZ spent R26,410 million of its budget of R26,656 million, resulting in an underspending of R246,000 for the financial year under review.

The Entity's rental income decreased from an estimated R895,000 in the 2023/24 financial year to R756,000, which represents an under-collection of R139,000.

The Entity recorded R480,160 in irregular expenditure, which was due to non-compliance with Section 2 of the Preferential Procurement Policy Framework Act. The objective criteria were not stipulated in the terms of reference for the security tender (18-month contract) and an award for the marketing panel.

In addition, the Entity incurred no fruitless and wasteful expenditure during the financial year under review.

The Entity reported no unauthorised expenditure during the financial year under review. Of the 636 invoices that were received during the 2024/25 financial year, 635 invoices were processed and paid within the 30-day period. Only 1 invoice was paid after the 30-day period. The reason for the non-payment of the invoice older than 30 days was due to a dispute with a supplier. The supplier has agreed to issue a credit note and reverse the invoice.

27.4. Resolution/s

None

27.5. List of Information Requested

None

28. Heritage Western Cape

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 9th consecutive clean audit outcome.

28.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity on compliance with laws and regulations, predetermined objectives nor internal control deficiencies. The AGSA had no further recommendations to make to the Entity for the Committee to support.

28.2. Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets for the financial year under review.

28.3. Financial Management

During the 2024/25 financial year, the Entity spent R1,704 million of its final appropriated budget of R2,183 million, resulting in an underspending of R479,000 for the financial year under review. For the 2023/24 financial year, the Entity spent R2,722 million of an appropriated budget of R2,727 million, which resulted in an under-expenditure of R5,000 for the financial year under review.

The Entity reported no irregular expenditure during the financial year under review, nor incurred any fruitless and wasteful expenditure.

The Entity paid all of its 52 invoices that were received during the 2024/25 financial year.

28.4. Resolution/s

None

28.5. List of Information Requested

None

29. Western Cape Cultural Commission

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 15th consecutive clean audit outcome.

29.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The AGSA had no further recommendations to make to the Entity for the Committee to support.

29.2. Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets for the financial year under review.

29.3. Financial Management

During the 2024/25 financial year, the Entity spent R3,832 million of its final appropriated budget of R4,264 million, resulting in an underspending of R432,000 for the financial year under review (89,7% budget spend). For the 2023/24 financial year, the Entity spent R3,126 million of an appropriated budget of R3,349 million, which resulted in an under-expenditure of R223 000 (93,3% budget spend).

The Entity reported no irregular expenditure during the financial year under review, nor incurred any fruitless and wasteful expenditure.

The Entity paid all of its 160 invoices that were received during the 2024/25 financial year.

29.4. Resolution/s

None

29.5. List of Information Requested

None

30. Western Cape Language Committee

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2024/25 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2023/24 financial year. The Committee commends the Entity on achieving its 15th consecutive clean audit outcome.

30.1. Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity regarding compliance with laws and regulations, predetermined objectives, nor internal control deficiencies.

The AGSA had no further recommendations to make to the Entity for the Committee to support.

30.2. Achievement of planned targets

The Committee noted that the Entity achieved all of its planned targets for the financial year under review.

30.3. Financial Management

For the financial year under review, the Entity spent R338,828 million of its budget of R361 million, resulting in an underspending of R22,172 million for the financial year under review. For the 2023/24 financial year, the Entity spent R309,000 of an appropriated budget of R321,000, which resulted in an under-expenditure of R12,000.

The Entity reported no irregular expenditure during the financial year under review, nor incurred any fruitless and wasteful expenditure.

The Entity paid all of its 22 invoices that were received during the 2024/25 financial year.

30.4. Resolution/s

None

30.5. List of Information Requested

None

31. Conclusion

The Committee thanked the Premier, Ministers, Director-General and Heads of Department, the Auditor-General of South Africa, the audit committees and all other role players, for the information provided towards ensuring efficient and productive oversight outcomes in terms of this process.

It should be noted that the public was invited to participate in the 2024/25 financial year annual reports process through placing adverts in various newspapers in the Western Cape. No inputs were received from the members of the public in the meetings of the Public Accounts Committees with the departments and entities on their annual reports. The Committee is of the view that in order to increase public interest, knowledge and participation in this important oversight process, more community organisations and members of the public should be invited to engage in this important process.

The Committee also acknowledges the important role that the administrative staff embarked on for this Committee to have achieved its goal during this season of annual reporting.

Report to be considered.