

Thursday, 17 April 2025]

No 32 - 2025] SECOND SESSION, SEVENTH PARLIAMENT

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

THURSDAY, 17 APRIL 2025

TABLING

The Speaker:

Submission of annual reports for 2023/24 in terms of section 132(1)(a) and (b) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003):

Knysna Municipality

Annual Report 2023/24 and Oversight Report 2023/24

Copies attached.

COMMITTEE REPORT

The Public Accounts Committee (PAC), having considered, as part of its oversight role, the 2023/2024 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 Friday, 4 October 2024.

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 2024 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 2024 of the following public entities were examined –

- 3.1 Western Cape Gambling and Racing Board;
- 3.2 Western Cape Liquor Authority;
- 3.3 Government Motor Transport (GMT);
- 3.4 Western Cape Tourism, Trade and Investment Promotion Agency (WESGRO);
- 3.5 Atlantis Special Economic Zone Company SOC Ltd;
- 3.6 Saldanha Bay Industrial Development Zone Licensing Company (SOC) Ltd;
- 3.7 Casidra;
- 3.8 CapeNature;
- 3.9 Heritage Western Cape;
- 3.10 Western Cape Cultural Commission; and the
- 3.11 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:

4.1 Ensuring a culture of accountability:

Provincial leadership must intensify the reviews of the annual performance reports in line with the requirements of the performance management and reporting framework, to ensure that information gathered for predetermined objectives sufficiently supports the reported performance and are complete, thus improving the audit outcomes of the Western Cape Department of Education (WCED); including the Department of Mobility. To further ensure that the Revised Medium Term Strategic Framework (MTSF) indicators for WCED are included in the Annual Performance Plans (APPs) of the Department and to provide the necessary support for monitoring and reporting on these matters.

4.2 Improve the lived realities of citizens:

The standing committees must review the APPs of their departments and entities in a timely manner before they are finalised by the respective departments, to effect the required changes and reviews, which must be formalised in a Report. The Executive authorities must ensure that the recommendations of the standing committees are implemented in the APPs of their departments and entities.

4.3 Improve infrastructure delivery for the province:

Provincial leadership must develop a mechanism to adequately manage and optimise the future planning of their relevant departments and entities on project delivery and effectively utilise dedicated capabilities to improve service delivery in the province, including intergovernmental planning and coordination.

Having considered the reports of the AGSA and the Audit Committees, and having heard evidence from the executive members (the Premier and Ministers), the heads of department (Director-General and Heads of Department (HODs), the Chief Executive Officers and Board members of the public entities and members of the public in attendance at the discussions on the 2023/24 annual reports of the Departments and public entities of the Western Cape Provincial Government, the Committee wishes to report as follows:

5. 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:

- 5.1 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.
- 5.2 Service delivery impact against predetermined objectives: That the Auditor-General of South Africa, including the Audit Committees of the WCG engage the Committee on the issue raised by the Committee in terms of its enquiry of service delivery impact of the departments and entities of the WCG against their predetermined objectives and how the non- or partial achievements of the predetermined objectives impact on service delivery of the WCG.

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:

6. Part A: Findings which relates to departments of the WCG

6.1. Department of the Premier

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 financial year of the Department, having obtained a clean audit outcome. This audit opinion remains unchanged from the 2022/23 financial year.

6.2. Audit Opinion

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

However, the Committee supports the note of the AGSA which requests a call to action for the Department of the Premier, highlighting the following:

- 6.2.1 That the Department should pay special attention during the strategic planning processes for performance information to ensure that indicators and targets are measured for the output and quality of services that are being delivered to the citizens of the Western Cape.
- 6.2.2 That the Department should intensify the reviews of the annual performance reports in line with the requirements of the performance management and reporting framework, to ensure that information gathered for predetermined objectives sufficiently support the reported performance and thus improving the audit outcomes of those departments who are still receiving material findings on the annual performance reports.
- 6.2.3 That the Premier monitors and optimises the future planning on project delivery and effectively utilises dedicated capabilities within the new Infrastructure Department to improve service delivery and support key service delivery departments in transitioning to manage their own projects.

6.3 Financial Management

For the financial year under review, the Department of the Premier 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). However, for the 2022/23 financial year, the Department of the Premier spent R1,784 billion from an appropriated budget of R1,805 billion, which resulted in an under-expenditure of R21,180 million (98,8% budget spend). The under-expenditure of R24,648 million occurred under the following programmes:

- Programme 1: Executive Governance and Integration (R212 000);
- Programme 2: Provincial Strategic Management (R6,948 million);
- Programme 3: People Management (R2,385 million);
- Programme 4: Centre for e-Innovation (R12,214 million)
- Programme 5: Corporate Assurance (R1,965 million), and
- Programme 6: Legal Services (R924 000).

In addition, the total estimated Departmental revenue budget of R1,789 million was over-collected by R1,1 million which resulted in a department receipt of R2,889 million. The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R664 000 under-collection);
- Interest, dividends and rent on land (R2 000 over-collection); and
- Financial transactions in assets and liabilities (R1,746 million over-collection).

The Department reported one case of irregular expenditure during the financial year under review amounting to R319,301.00, which was condoned by the Accounting Officer.

6.4 Resolution/s

None

6.5 List of Information Requested

- 6.5.1 The Committee requested that the Department submits information on the following matters by 31 March 2025:
- 6.5.1.1 a Report of how the Department dealt with the staff exits; including the slower-than-anticipated filling of posts as was reported during the 2022/23 financial year and how this challenge impacted on the service delivery of the Department; as reflected on page 114 of the Annual Report.
 - 6.5.1.2 a copy of the 17 Management Action Plans of which 10 plans were implemented and 7 were not, as reflected on page 116 of the Annual Report.
 - 6.5.1.3 a Report which explains the rationale, administrative steps followed and legislation consulted which resulted in the irregular expenditure which was condoned; including the irregular expenditure which was not condoned and removed during the financial year under review; as reflected on tables “c” and “d” on page 160 of the Annual Report.
 - 6.5.1.4 a Report which highlights the 58 Incapacity Leave and Ill-Health Retirement (PILIR) cases that were approved, 7 cases were declined and the 7 cases pending during the financial year under review; as reflected under note 16.2 on page 214 of the Annual Report.
 - 6.5.1.5 a Report on the assets under investigation and how the Department intends to mitigate a future recurrence; as reflected on page 223 of the Annual Report.

7 Provincial Treasury

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2023/24 financial year, having obtained a clean audit

report with no findings. This audit opinion remains the same as the audit outcome for the 2022/23 financial year, where the Department obtained a clean outcome with no findings.

7.1 Audit opinion

The Auditor-General of South Africa raised no material findings with the Department on compliance with laws and regulations, predetermined objectives nor any significant deficiencies in its internal controls.

7.1.1 However, the Committee noted the shortcomings which were identified by the Department:

7.1.2 Reporting of annual performance report, as a rigorous review of supporting evidence against listings, was not performed to prevent inaccuracies.

7.1.3 A misstatement in the Department's financial statements' preparation and review processes of the department were identified. However, the department corrected this misstatement, and this resulted in reliable financial information being provided to the users of the financial statements.

7.2 Committee

Furthermore, the Committee notes and supports the note of the AGSA which requests a call to action for Provincial Treasury, highlighting the following:

7.2.1 Management should strengthen the review processes for performance reporting records to ensure that the reported achievements in the annual performance report are supported by accurate listings and supporting information by:

7.2.2 Preparing the listings with accurate numbering for individual performance achievements.

7.2.3 Prepare the listings on a quarterly basis and ensure they agree to the quarterly performance reports. These should be implemented on a quarterly basis.

7.2.4 Management should strengthen the review processes in compiling financial statements to ensure that the prior year corresponding figures agree to the prior year audited financial Statements by: ensuring that the excel version of annual financial statements agrees to the word/ pdf versions submitted for audit. This recommendation should be implemented for the 2024/ 25 financial statements submission.

7.2.5 Provincial Treasury is encouraged to continue to assess and identify proposed remedial actions through the SIME process and reports issued, to support in moving the remaining four (4) municipalities with unfunded budgets into a funded position, by: regular (monthly or quarterly) engagements with the municipalities to confirm if the remedial actions are being implemented and remind the municipalities of implications of having unfunded budgets. This recommendation should be implemented by 31 March 2025.

7.2.6 Provincial Treasury should continue to follow up on the implementation of the disciplinary board with the municipalities (Matzikama, Kannaland, Laingsburg, Prince Albert, and Beaufort West) which do not have such boards implemented. Feedback on the follow up should be provided by 30 October 2024 and 31 March 2025.

7.2.7 Provincial Treasury is encouraged to continue to monitor and support municipalities to comply with the regulations towards the professionalisation of the Local Government Sector within the Western Cape, and to continue to host capacity building interventions and assist struggling municipalities to ensure capacitation and professionalization within the public sector.

7.2.8 Provincial Treasury should continue to support the audit process in relation to service delivery matters in acknowledgement that the AGSA's strategic vision for 2030 aimed at improving the lives of ordinary South Africans and seeing the citizens at the centre of

their focus. This must extend to the continued focus on setting targets that aim to improve service delivery.

7.3 Financial management

During the financial year under review, 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). For the 2022/23 financial year, the Department spent R317,050 million of an appropriated budget of R318,820 million, which resulted in an underspending of R1,770 million (99,4% budget spend).

The main reasons for the under-expenditure of the department were as follows:

- Late receipt of inter-departmental claims related to computer services and legal fees;
- Delays in the economic analysis of the potential imposition of taxes/charges under the proposed new legislative scheme for casinos, due to slow responses to request for information; and
- Delay in the establishment of a panel of experts' database to provide technical evaluation of project funding proposals, in order to build a credible pipeline, due to insufficient bids per sector received. The tender process followed was cancelled due to non-compliance.

In addition, the total estimated Departmental revenue budget of R84 000 was over-collected by R17,773 million which resulted in a department receipt of R17,857 million. The revenue over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R25 000 over-collection);
- Transfers received (R1 000);
- Interest, dividends and rent on land (R22 000 over-collection);
- Sale of capital assets (R83 000 over-collection); and
- Financial transactions in assets and liabilities (R17,644 million over-collection).

The Department reported a reduction of irregular expenditure. At the end of the 2022/23 financial year the Department recorded irregular expenditure of R264 000. However, at the end of the 2023/24 financial the irregular expenditure was reduced to R2 000, of which R226 000 was condoned and R50 000 was recoverable.

7.4 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 93</p> <p>Heading: Key emerging risks for the following financial year</p> <p>Note: The Committee takes note with concern the key emerging risk of the <i>“Increased strain on employee well-being due to high department vacancy rates”</i> will become prominent, given the current vacancy rates. This might exacerbate strain on employee well-being, given additional responsibilities to be performed on an already strained workforce.</p>	<p>7.4.1 That Provincial Treasury, Department of the Premier and the Department of Public Service and Administration briefs the Committee on measures that it has implemented to mitigate and prevent a future recurrence of this matter.</p>	<p>To be determined and scheduled by the PAC.</p>

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7.5 List of Information Requested

7.5.1 The Committee requested that the Department submit information or a Report on the consequence management procedure that was followed to deal with the two cases that were opened during the 2023/24 financial year by 31 March 2025.

8. Department of Police Oversight and Community Safety

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 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 2022/23 financial year.

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 commitments by the Accounting Officer of the Department to the AGSA which highlights the following:

- That Management should ensure that the line departments maintain a (daily) register which includes the receipt date of invoices, the date the invoice is required to be paid in terms of the applicable legislation, and the dates invoices were forwarded to the SCM division for payment, among other relevant information deemed to be important. This will enable the line department to monitor compliance with the applicable legislative requirements relating to the payment period of invoices.
- The above register should further be regularly reviewed per line department to ensure the information is accurate, complete and up to date, which will further assist in preventing reoccurrence of late payment of invoices.
- In addition, management should ensure that officials who are involved in the payment process of invoices (including the line departments) are aware of the legislatively required payment periods by means of refresher training/sessions.
- The Department should strengthen its monitoring procedures over compliance with supply chain management regulations, and the requirements set out in the State Information Technology Agency (SITA) Act by centralising the procurement of IT related goods and services via the SITA transversal contract with the supply chain management department.
- That management should design and implement controls relating to the payment process of Expanded Public Works Programme (EPWP) beneficiary stipends in addition to the controls performed by the service providers. This can include spot checks being performed by the department, as well as internal control reviews to ensure that the service providers have sufficient and appropriate controls in place prior to the payment of EPWP stipends to beneficiaries.

8.2 Financial Management

During the financial year under review, 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). For the 2022/23 financial year, the Department spent R767,395

million of an appropriated budget of R775,821 million, which resulted in an underspending of R8,426 million (98,9% budget spend).

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

Programme 1: Administration (R862 000 underspending);
 Programme 2: Provincial Secretariat for Police Service (R693 000 underspending);
 Programme 3: Provincial Policing Functions (R476 000 underspending); and
 Programme 4: Security Risk Management (R861 000 underspending).

The Department had no projected or actual departmental receipts which it could report on during the financial year under review.

The Department noted R68 000 in irregular expenditure which is under assessment, determination and investigation. R4 000 irregular expenditure was condoned on 3 October 2023, which was carried over from the 2022/23 financial year. The Department also reported fruitless and wasteful expenditure of R16 000, which is under investigation; including R2 000 which was recovered. R9 000 of fruitless and wasteful expenditure was written off.

8.3 Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ DATE	BRIEFING
<p>Page: 109 of the Annual Report</p> <p>Description: The Committee notes the risk that was highlighted by the Department regarding the Department's ability to lead the implementation of the Western Cape Safety Plan that is influenced by internal and external factors. This risk is broadly worded but centres around the matters that hinder the department's efforts in leading the implementation of the Western Cape Safety Plan (WCSP). The aim of the plan is to change individual and community behaviour in areas that go beyond districts and even sub-districts, through partnership with all spheres of government.</p>	<p>8.3.1 That the Department briefs the Committee on the action plan indicators which are in place to conduct oversight within the Department in order to minimise/ mitigate the risk and to lead the implementation of the WCSP.</p>	<p>To be determined and scheduled by the PAC.</p>	

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
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Page: 170 of the Annual Report Description: The Committee notes the various expansion of contracts as highlighted under Table 3.2	8.3.2 That the Department, with the Provincial Treasury, briefs the Committee on the reasons and necessity of the expansions of the various contracts; including the Treasury regulation/s which governs the allowance for the expansion of the various contracts.	To be determined and scheduled by the PAC.
Page: 210 of the Annual Report Description: The Committee notes that the Department incurred a decreased expenditure on the Extended Public Works Programme (EPWP) projects.	8.3.3 That the Department briefs the Committee on the lower spending on the EPWP projects; including the various factors which pose challenges in the rollout of the EPWP programme.	To be determined and scheduled by the PAC.

8.4 List of Information Requested

8.4.1 The Committee requested that the Department submit a Report by 31 March 2025 on the personal non pensionable allowance overpayment; as reflected under Note 10.1 on page 213 of the Annual Report.

9 Western Cape Education Department

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Department for the 2023/24 financial year, having obtained an unqualified audit report with no material findings on compliance, however with material findings on performance reporting. This audit opinion remains unchanged from the 2022/23 financial year, where the Department achieved an unqualified audit outcome and obtained an unqualified audit report with no material findings on compliance. However, the Department did incur material findings on performance reporting.

9.1 Audit Opinion

The AGSA raised findings with the Department on compliance with performance reporting. The material finding on the usefulness and reliability of the performance information of the selected programme is as follows:

Internal Control Deficiencies

The Department did not develop adequate standard operating procedures to ensure that processes are embedded to produce reliable performance information. This includes the lack of conducting adequate confirmation of evidence to support the reported performance achievements. Furthermore, the review processes for the performance information reported were not effective and adequate to prevent or detect and correct misstatements such that achievements reported are in line with the technical indicator description.

The Department did not ensure that the National Development Plan priorities and the linked indicators are reflected in the Strategic Plan and APP of the department as outlined in the Revised Medium Term Strategic Framework (MTSF) for the relevant planning cycle as required in the Revised Framework for Strategic Plans and Annual Performance. Technical

Indicator Descriptions (TIDs) for the omitted indicators were not developed and consequently no systems and processes were implemented to monitor performance.

The Committee support the following recommendations by the AGSA in order to move to a clean audit outcome:

- The Accounting Officer should oversee the creation and implementation of adequate standard operating procedures which includes appropriate monitoring and collation of information to produce reliable information. The Department should integrate the relevant MTSF indicators and ensure that systems are in place to collect evidence that meets the technical indicator descriptions designed and implemented. Additionally, the Department should enhance review controls and establish a robust control culture to prevent, detect and correct errors before reporting achievements.
- The review and evaluation process needs to be improved to ensure compliance with laws and regulations. The department should enhance compliance processes, establish thorough controls for monitoring contracts, and adhere strictly to tender document criteria during the evaluation process to ensure fairness in awarding contracts.
- The Chief Director: Business Intelligence should adequately review reported achievements to ensure that they are aligned to the indicator as defined in the technical indicator description, and further ensure management's business process is set up to produce an indicator in line with the technical indicator description.
- The Accounting Officer to ensure the action plans being monitored should address actual root causes.
- The Accounting Officer should ensure that the actions as determined in the action plan are adequately understood by the user department/responsible officials, and implemented. The action plan should clearly describe the processes to follow for addressing the root causes e.g. who is responsible, who will review actions taken i.e. ensure risk/root cause adequately addressed - preferably an independent process through the internal control unit, how many reviews will be done, and by when the actions should be taken.
- The leadership and management which includes the Accounting Officer and the Chief Director of Business Intelligence Management, should ensure that the appropriate steps are taken to ensure that all relevant standardised and MTSF indicators are included in the Strategic Plan and Annual Performance Plans of the Department
- The Chief Financial Officer needs to conduct a comprehensive retrospective and self-assessment to identify challenges and deficiencies in procurement and contract management specifically relating to:
 - ✓ participation in complex arrangements of other organs of state,
 - ✓ confirmation of tax status of suppliers and the bid evaluation process,
 - ✓ contract management including approval of contract variations/extensions and contract register record keeping.
- Thereafter, identify and map out the action and controls required to address or strengthen these areas of deficiencies, with the aim of effectively detecting and preventing irregular expenditure. It is encouraged that These types of analyses need to be done by 31 January 2025.

9.2 Financial Management

During the financial year under review, the Department spent R30,344 billion of an allocated budget of R30,383 billion, which resulted in an under-expenditure of R 39,535 million (99,9% budget spend). Compared to the 2022/23 financial year, the Western Cape Education

Department spent R28,128 billion of an allocated budget of R28,165 billion, which resulted in an under-expenditure of R36,985 million (99,9% budget spend).

The overall under-spending within the Department occurred under Programme 2: Public Ordinary School Education (R21,631 billion). During the financial year under review, the Departments departmental receipt estimated revenue budget of R26,849 million was over-collected by R35,746 million; which resulted in a departmental receipt of R62,595 million.

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

- Sale of goods and services other than capital assets (R168,000 under-collection);
- Fines, penalties and forfeits (R213,00 over-collection);
- Interest, dividends and rent on land (R1,200 million under-collection); and
- Financial transactions in assets and liabilities (R36,746 million over-collection).

During the 2023/24 financial year, the audit found no fruitless and wasteful expenditure and no unauthorised expenditure. However, the Department condoned R100,994 million irregular expenditure which occurred during the 2022/23 financial year. The Department registered irregular expenditure amounting to R53,295 million which occurred during the financial year under review. However, the cases are under assessment, determination, and investigation.

9.3 Resolutions

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Slide 8: Evaluation of Financial Statements by the Audit Committee.</p> <p>Description: The Committee notes that the Audit Committee has, in its briefing document to the Committee on the audit outcome of the Department:</p> <ul style="list-style-type: none"> • reviewed the Audited Annual Financial Statements to be included in the Annual Report; • reviewed the AGSA's Management Report and Management's response thereto; including the reviewed changes to accounting policies and practices as reported in the Annual Financial Statements. 	<p>9.3.1 That the Audit Committee brief the Committee on its evaluation of the financial statements of the Department, including its review on the performance information in light of the findings made by the AGSA.</p>	<p>To be determined by the Committee.</p>
<p>Pages : 245 (note 19) and 246 (note 21) of the Annual Report.</p> <p>Description: Under notes 19 and 21 of the Report of the AGSA, the</p>	<p>9.3.2 That the WCED be given until 30 April 2025 to rectify this matter and that the Department, AGSA and the Department of Basic Education brief the Public Accounts Committee, including</p>	<p>To be determined by the Committee.</p>

<p>Committee noted that some 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. The reason for the non-inclusion includes that the Management of WCED is dependent on the educational sector to develop Technical Indicator Descriptions (TIDs) for inclusion and implementation in the annual performance plan.</p>	<p>the Standing Committee on Education on its strategic plans to the indicators and objectives that will be addressed to prevent a recurrence of a similar finding.</p>	
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9.4 List of Information Requested

9.4.1 The Committee requested that the department submit the following information by 31 March 2025:

- 9.4.2 A Report on the irregular expenditure that was condoned during the financial year under review, including the irregular expenditure that was under assessment, determination, and investigation, as reflected on page 200 of the Annual Report.
- 9.4.3 A comprehensive report on the supply of goods and services by Masiqhame Trading 1057 CC, as reflected on page 207 of the Annual Report.
- 9.4.4 A Report to indicate the maintenance backlog that was identified and spent against, as reflected under Note 4.6 on page 279 of the Annual Report.

10. Department of Health

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 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.

10.1 Audit Opinion

The Department received a clean audit outcome for the 2023/24 financial year.

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:

- 10.1.1 Continued oversight and review by all levels of leadership to maintain the audit outcome of the Department. This must include continuing the processes implemented by the department to hold executives and the administration accountable for preparing

credible and accurate financial and performance reports, by using the AGSA reports and briefings to identify and document key areas that require attention through an audit action plan, with specific focus on findings raised on service delivery matters. This must extend to ensuring that processes are strengthened around the review of the financial statements and supporting accounting records, to ensure that the supporting accounting records are accurate and complete and that the financial statements are free from material misstatements. These processes must be institutionalised at all facilities to prevent a regression in the audit outcome and must not be limited to only the facilities subjected to audit, and also not be focussed only on the internal control deficiencies identified during the audit. The strengthening of internal control processes must be extended to all areas of financial performance and compliance.

- 10.1.2 Continued oversight, review and implementation of corrective action by all levels of leadership to address all areas of non-compliance and improve the understanding that any tolerance of non-compliance and transgressions are key drivers that could lead to a regression in audit outcomes. Specific focus must be placed on smaller facilities. Continued oversight and review should therefore also be focussed on the prevention of fruitless and wasteful, unauthorised and preventable irregular expenditure.
- 10.1.3 Developing processes to influence the health sector as a whole by sharing the best practices established at the Western Cape Department of Health and Wellness, especially in the area of service delivery and medico-legal claims. The AGSA's reporting on service delivery and reflection on good medico-legal practices can be used in this regard.
- 10.1.4 Continued support for the audit process in relation to service delivery matters in acknowledgement that the AGSA's strategic vision for 2030 and the Departments Healthcare 2030 dovetails to achieve the same objective, i.e. consistent and meaningful impact on improving the lives of ordinary South Africans and seeing the citizens at the centre of their focus. This must extend to the continued focus on setting targets that aim to improve service delivery and continuously enhancing processes to improve service delivery against the targets set.

10.2 Financial Management

During the financial year under review, the Department spent R29,643 billion of an appropriated budget of R29,735 billion (99,7% budget spend). For the 2022/23 financial year, the Department spent R28,915 billion of an appropriated budget of R29,095 billion (99,4% budget spend).

The Department's receipts collected, for the 2023/24 financial year, amounted to R500,689 million from an estimated R448,375 million. This represents an over-collection of R52,314 million.

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

- Sale of goods and services other than capital assets (R15,757 million over-collection);
- Transfer received (R995 000 over-collection);
- Interest, dividends and rent on land (R1,153 over-collection);
- Sale of capital assets (R1,757 million over-collection); and
- Financial transactions in assets and liabilities (R32,652 million over-collection).

The Department recorded irregular expenditure of R67,025 million which was condoned and R6,866 million as irregular expenditure for the financial year under review.

10.3 Resolutions

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 219 of the Department of Health</p> <p>Description: The Committee notes the note on the Payments for capital assets in that there was an under-spending during the financial year under review which can be attributed to the slow project progress with the Capital (Buildings) portfolio.</p>	<p>10.3.1. That the Department briefs the Committee on its 5-year equipment and infrastructure plan for the Western Cape; including the total estimated costs and any risks which could be anticipated in the execution of such a plan.</p>	<p>To be determined by the Committee.</p>
<p>Pages: 191 and 240 of the Department of Health</p> <p>Description: The Committee notes the extension on the transversal security services, the property management fees increase due to annual statutory increases in security related costs; including the centrally negotiated contracts that do not always take the local budget impact into consideration.</p>	<p>10.3.2. That the Department briefs the Committee on any security plans it has conceptualised in terms of either privatising or self-employing security services in order to arrest or minimise the expenditure on safety and security.</p>	<p>To be determined by the Committee.</p>

10.4 List of Information Requested

The Committee requested that the Department submit the following information by 31 March 2025:

- 10.4.1 The Department's 7-year Multi-Term Audit Plan which is geared towards meeting the ideals of the 2023 National Development Plan.
- 10.4.2 A copy of the strategic risks assessment and management report which deals with the issues of the high risk of unsafe care at community mental health facilities, and staff safety and well-being; as reflected on page 121 of the Annual Report.
- 10.4.3 The circumstances and consequent management mechanisms implemented in the instance of the R30 000 fruitless and wasteful expenditure that was not recoverable and written off during the financial year under review; as highlighted on page 183 of the Annual Report.
- 10.4.4 The reasons for the extension of the maintenance contract for the patient monitoring systems in PICU (Paediatric Intensive Care Unit); as highlighted on page 193 of the Annual Report.
- 10.4.5 The reasons for the extension of the supply and delivery of fresh meat products for the food services department at Tygerberg Hospital by Blaauwberg Meat Specialities; as reflected on page 194 of the Annual Report.

- 10.4.6 A Report on the liabilities for a prior period error relating to the provision for exit gratuity owing to Minister N Mbombo; as highlighted on pages 253 and 262 of the Annual Report.

11 Department of Social Development

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 financial year of the Department, having obtained a clean audit opinion with no findings on pre-determined objectives, internal control deficiencies nor non-compliance with key legislation. This audit opinion remains unchanged from the 2022/23 financial year.

11.1 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 call from the AGSA to the Provincial Minister of Social Development to, on a regular basis, obtain detailed feedback from the Accounting Officer on the progress of the Department in regards of the commitments made regarding improvement on controls relating to the accumulation of collected performance information for reporting in the annual performance report.

11.2 Financial Management

For the financial year under review, the Department spent R2,474 billion of an appropriated budget of R2,479 billion, which resulted in an under-expenditure of R4,369 million (99,8% budget spend). During the 2021/22 financial year, the Department spent R2,356 billion of an appropriated budget of R2,365 billion, which resulted in an under-expenditure of R8,578 million (99,6% budget spend).

The overall under-spending within the Department occurred in following programmes:

- Programme 2: Social Welfare Services (R2,270 million);
- Programme 4: Restorative Justice (R1,603 million); and
- Programme 5: Development and Research (R496 000).

During the 2022/23 financial year, the Department collected R2,212 million in departmental receipts from an estimation of R1,315 million, which resulted in an over-collection of R897 000.

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

- Interest, dividends and rent on land (R59 000 over-collection); and
- Financial transactions in assets and liabilities (R838 000 over- collection).

The Committee notes that the Department recorded irregular expenditure of R77 000, which was due to 3 cases of irregular appointments of staff. The Department also confirmed and condoned past and confirmed irregular expenditure of R6,408 million. Regarding instances of fruitless and wasteful expenditure, the Department recorded an amount of R14 000 which was due to cancellation of a booking, due to budget cuts introduced by National Treasury of which the matter is yet to be confirmed.

11.3 Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 93 of the Department of Social Development</p> <p>Description: The Committee takes cognisance of the key risk note on “<i>Increased household hunger in many communities within the WC</i>”. Funding remains the key limiting factor to the risk and it has increased the residual severity of the risk from 9 (High) to 12 (Extreme). There was a significant increase in the number of vulnerable households not having money to buy food and relying on food parcels that were issued by the Department. The provision of food parcels is not a DSD mandate but the core mandate of South African Social Security Agency (SASSA). Provision of the food parcels and the Special Relief of Distress (SRD) Grant of R350 offered some degree of relief to the most vulnerable citizens within the Western Cape. There has been an increasing need for nutritional support and food relief due to hunger and poverty in households and communities. The Department is funding Food Distribution Centres and CNDCs, however the constrained fiscal environment could impact this service severely. The Department’s targeted feeding approach provided cooked meals to qualifying beneficiaries at Departmental CNDCs and feeding sites across the Western Cape.</p>	<p>10.3.1. That the Department develops a mechanism and briefs the Committee on a solution to mitigate the impact of this risk in the Western Cape.</p> <p>10.3.2. That the Department briefs the Committee on the specific challenges of this strategic risk.</p> <p>10.3.3. That the Department, in consultation with the departments of Health and Wellness and Agriculture, briefs the Committee on the research that was undertaken on food security and nutrition, value for money, root causes and progress made to address this risk.</p>	<p>To be determined by the Committee.</p>
<p>Pages: 163-166 of the Department of Social Development.</p> <p>Description:</p>	<p>10.3.2. That the Western Cape Departments of Social Developments and Infrastructure brief the committee on why the Department extended so many contracts through procurement by</p>	<p>To be determined by the Committee.</p>

The Committee notes the multiple extensions of contracts through its procurement by other means.	any means; including why the Department could not timeously procure or extend such contracts.	
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11.4 List of Information Requested

11.4.1 The Committee requested that the Department submits the following information by 31 March 2025:

- 11.4.1.1 A Report which details what mechanisms the Department used to mitigate the risk associated with the “Inability to effectively address the capacity constraints of NGOs”, including the non-governmental organisations (NGOs) the Department has stopped funding from 2019 to date; as reflected on page 93 of the Annual Report.
- 11.4.1.2 A Report on the processes the Department followed and the legislative requirements it satisfied when it extended the various contracts through procurement by other means, and how it applied for emergency procurement; as highlighted on pages 163-166 of the Annual Report.
- 11.4.1.3 A Report on the number of Child and Youth Care Centres that were funded by the Department for the financial year under review; as highlighted under note 20 on page 171 of the Annual Report.
- 11.4.1.4 A Report which highlights the plans, if any, of the Department in maintaining and opening more rehabilitation centres (e.g. mental health centres), as the Committee opines that the Department should open and maintain its own rehabilitation centres. This discussion emanated from the 100% budget spend against sub-programme 4 and transfers and subsidies allocated to various NGOs; as highlighted respectively on pages 182 and 230 of the Annual Report.

12 Department of Infrastructure

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2023/24 financial year, having obtained an unqualified audit report with no findings on performance reporting nor compliance.

12.1 Audit opinion

The Auditor-General of South Africa raised findings with the Department on performance reporting, which was subsequently corrected by management.

The Committee supports the key recommendations of the AGSA that:

- Senior management should design documented standard operating procedures to ensure that an understanding is created of the objective of indicators, the information required to be collected and the persons responsible to gather the information, and to review such information, including timelines and the process to be followed for such information to be reviewed. Documented standard operating procedures should be reviewed by programme heads and the accounting officer for implementation, and regular monitoring in line thereof.
- Senior management should continue to enhance project management processes to ensure appropriate monitoring of projects by project managers and implement consequence management where project managers are not fulfilling their roles and responsibilities in overseeing project deliverables. Senior management should also report poor performance of contractors to the Accounting Officer on a quarterly basis, with the assessment of appropriate consequence management taken.

Furthermore, the Committee notes the challenges the Department faced during the financial year financial year under review, as follows:

Shortcomings, within all programmes scoped in, were identified regarding effectively ensuring accurate reporting of actual achievements in the Annual Performance Report (APR), as a rigorous review of supporting evidence against listings was not performed on a regular basis to prevent inaccuracies, including identification of duplicate information.

Some deficiencies within project management practices exist, which highlight a need for improved oversight and accountability. To address these issues and maintain the commitment to transparency, efficiency and effective service delivery, it is imperative that management further strengthen these controls, enhance monitoring procedures and implement robust mechanisms to hold contractors and project managers accountable. This might include the need for a relook on whether current contract stipulations are sufficient to ensure that appropriate accountability processes can be instituted where required.

12.2. Financial management

During the period under review, the Department spent R9,113 billion of an appropriated budget of R9,627 billion, which resulted in an under expenditure of R514,013 million (94,6% budget spend). In addition, the total estimated departmental receipts budget of R78,135 million was over-collected by R180,325 million, which resulted in a departmental receipt of R258 460 million.

The revenue over- and under collections occurred under the following line items:

- Sale of goods and services other than capital assets (R104,180 million over-collection);
- Transfers received (R24,192 million over-collection);
- Interest, dividends and rent on land (R8,252 million under-collection);
- Sale of the Departmental capital assets (R24,435 million over-collection); and
- Transactions in financial assets liabilities (R35,770 million over-collection).

During the financial year under review, the Department recorded irregular expenditure of R311,140 million. Of these, R314,244 was from the previous financial year, while R52 000 was recorded in the 2023/24 financial year and R3,155 million condoned. R114,174 million irregular expenditure was under assessment, determination, and investigation. In addition, the audit found no fruitless and wasteful expenditure during the 2023/24 financial year.

12.3 Resolution/s

BACKGROUND/ CONCERNS	RECOMMENDATIONS	ACTION/ BRIEFING DATE
Page: 237 of the Department (Note 25- Programme 2) Description: The Committee notes with concern that the Department spent 99% of its budget and only achieved 44% of its annual target in Programme 4.	12.3.1 That the Department briefs the Committee the challenges of it not meeting the annual target of Programme 2; including what mechanisms it has put in place to avoid a recurrence of such a finding by the AGSA.	To be determined by the Committee.
Page: 238 of the Department (Note 25- Programme 4)	12.3.2 That the Department briefs the Committee the challenges of it not meeting the annual target of	To be determined by the Committee.

Description: The Committee notes with concern that the Department spent 89% of its budget and only achieved 58% of its annual target in Programme 4.	Programme 4; including what mechanisms it has put in place to avoid a recurrence of such a finding by the AGSA.	

Page: 151 of the Annual Report. Description: The Committee notes the risk as indicated by the Department of Infrastructure that there is a decay of the provincial immovable asset base to below the mandatory standards arising from several contributing factors, including insufficient capital and maintenance budgets, uncertain budget allocations, and the practice of cutting infrastructure budgets when faced with financial constraints. These factors lead to insufficient and ineffective assets, and lack of maintenance resulting in the need for future rebuilding or rehabilitation.	12.3.3. That the Department, in conjunction with Provincial Treasury, briefs the Committee on the available business model used by the Department to fund infrastructure projects- especially new versus old maintenance. Furthermore, the Department should include in its briefing how it considers diversifying its funding of both its own governmental funding and/ or crowd-funding from and with private sector (where and if) such exist.	To be determined by the Committee.
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12.4 List of Information Requested

The Committee requested that the department submit the following information by 31 March 2025:

- 12.4.1 A copy of the Road Maintenance Action Plan, as alluded to by the officials of the Department.
- 12.4.2 A Report which provides the reasons for the limited bidding through the Department's procurement by other means, as reflected on pages 223-232 of the Annual Report.
- 12.4.3 A Report to indicate the maintenance backlog that was identified and spent on, as reflected under Note 4.6 on page 279 of the Annual Report.
- 12.4.4 The AGSA to provide a written response on how their impact to service delivery assessment was done for Programmes 3, 4 & 5; including the conclusion reached on each, given the percentages non-achieved and variables that were taken to account on the value judgement provided by AGSA on each of the respective programmes as per slide 10 of their brief to PAC.
- 12.4.5 The Department, through the Office of the HoD, to share its 10-year maintenance backlog in the province; including the cost, budget and shortfall that was referred to- as highlighted on page 151 of the Annual Report (upon receipt of the Report the PAC may call the Department to brief it on the contents of the Report).

13. Department of Environmental Affairs and Development Planning

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Department for the 2023/24 financial year, having obtained a clean audit with no findings on compliance with key legislation, predetermined objectives nor internal control deficiencies. This audit opinion remains unchanged from the 2022/23 financial year.

13.1 Audit opinion

The Auditor-General of South Africa raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA that the finalisation of the process of assessing if the Chief Director: Management Support, which normally also fulfils the role as Chief Financial Officer, is necessary, hence finalising and filling the organogram.

Furthermore, the Department should prepare for the following upcoming changes:

- Componentisation of assets: The Department is encouraged to componentise assets in their asset register as it will become a requirement in the future.
- Inventory: The Department is encouraged to develop their inventory management system, as the inventory disclosure note will become a requirement in future.
- Change in finance lease accounting: Capital assets acquired through a finance lease will be recorded in the asset register on commencement of lease rather than at the end of the lease term (as currently being done if the Department retains the assets) for the financial period beginning on 1 April 2024.
- Change in accounting for prepayments and advances: The Department will no longer be allowed to expense prepayments and advances paid in the statement of financial performance in accordance with Chapter 8 on expenditure prior to receipt of goods and service, with the effective date still to be determined.

13.2 Financial management

During the financial year under review, the Department spent R583,948 million of an appropriated budget of R587,653 million; which resulted in an under-expenditure of R3,705 million (99,3% budget spend). For the 2022/23 financial year, the Department spent R570,667 million of an appropriated budget of R575,592 million; which resulted in an under-expenditure of R4,925 million (99,1% budget spend).

The under-expenditure occurred under the following programmes:

- Programme 1: Administration (R389 000 under-expenditure);
- Programme 2: Environmental Policy, Planning and Coordination (R70 000 under-expenditure);
- Programme 3: Compliance and Enforcement (R964 000 under-expenditure);
- Programme 4: Environmental Quality Management (R887 000 under-expenditure);
- Programme 5: Biodiversity Management (R183 000 under-expenditure);
- Programme 6: Environmental Empowerment Services (R13 000 under-expenditure); and
- Programme 7: Development Planning (R1,190 000 under-expenditure).

In addition, the Department collected R4,151 million of an estimated departmental receipt of R3,048 million, which resulted in an over-collection of R1,103 million.

The revenue over- and under- collections occurred under the following line items:

- Sale of goods and services other than capital assets (R147 000 over-collection);
- Fines, penalties and forfeits (R1,049 million over-collection);
- Interest, dividends and rent on land (R20 000 over-collection); and

- Financial transactions in assets and liabilities (R113 000 under-collection).

At the close of the 2023/24 financial year, the Department recorded an amount of R31 000 in respect of irregular expenditure, which was condoned by Provincial Treasury on 6 May 2024. The irregular expenditure was incurred in and carried over from the 2022/23 financial year.

13.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 227 of the Annual Report</p> <p>Description: The Committee notes the footnote which relates to Note 2.4, which highlights other receipts including Recoverable Revenue.</p>	<p>13.3.1 That the Department ensures that in future, the departmental annual reports, provide an in-depth narrative regarding the collection of revenue.</p>	<p>For actioning and report back by the Department at the meeting when the Department will engage the Committee on its 2024/25 Annual Report.</p>

13.4 List of Information Requested

13.4.1 The Committee requested that the Department submit the following information by 31 March 2025:

13.4.1.1 A Report on why it has not developed and implemented a preferential procurement policy; including if it has plans to do so and, if yes, by when such a policy will be implemented, as indicated on page 138 of the Annual Report.

13.4.1.2 A Report which highlights the value for money and benefit that the Department received from the foreign travel; including how and when the Department will implement what was learnt from the overseas travel, as reflected on page 232 of the Annual Report.

14. Department of Mobility (WCMD)

The Committee noted the audit opinion of the Auditor-General regarding the annual financial statements of the Department for the 2023/24 financial year, having obtained an unqualified opinion on the financial statements with non-compliance findings on strategic planning and performance management reported.

14.1 Audit opinion

The Auditor-General of South Africa raised findings with the Department on strategic planning and performance management. Management did not comply with the requirements of Treasury Regulation 5.2.3, thus resulting in material non-compliance being reported thereon.

The Committee supports the recommendations by the AGSA that:

- The Department should put procedures in place to ensure complete reporting for movable assets in the 2024/25 financial year as this is the final transitional measure for the financial statements that is outstanding due to the transfer of functions from the Department of Infrastructure in the 2023/24 financial year. This exemption is coming to an end in the 2024/25 financial year.
- Management should coordinate with the management of the Western Cape Department of Infrastructure to locate and transition all documentation that relates to the Western

Cape Mobility Department to enable proper record keeping. Furthermore, WCMD should put processes in place to verify the movable assets transferred to it by the Western Cape Department of Infrastructure, as the measuring period is ending within the next financial year.

- Management should establish clear guidelines to define and document what constitutes sufficient and appropriate evidence for reported achievements relating to specific indicators. This should align with the data sources outlined in the Technical Indicator Descriptions (TID). Additionally, submitted evidence must be evaluated to ensure it meets both the documented criteria and TID requirements. Management should put processes in place to rigorously review and verify the actual achievements which are reported in the annual performance report (APR).

14.2 Financial management

During the financial year under review, 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). In addition, the total estimated departmental revenue budget of R2,061 million was over-collected by 106,047 million, which resulted in a departmental receipt of R2,167 billion.

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

- Motor vehicle licences (R63,011 million over-collection);
- Sale of goods and services other than capital assets (R19,567 million over-collection);
- Fines, penalties and forfeits (R3,453 million over-collection); and
- Financial transactions in assets and liabilities (R20,015 million).

The audit found no irregular expenditure, nor any instances of fruitless and wasteful expenditure.

14.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Pages: 142-143 of the Annual Report</p> <p>Description: The Committee notes the procurement by other means that was used by the Department during the 2023/24 financial year.</p>	<p>14.3.1 That the Department engages the Committee on the limited and emergency bids that were used in the financial year under review.</p> <p>14.3.2 The Committee recommends that the Department develop and implement a mechanism or policy to reduce or mitigate the use and reliance on limited and emergency bids.</p>	<p>To be determined and scheduled by the PAC.</p>

14.4 List of Information Requested

- 14.4.1 The Committee requested that the Department furnish it with a Report highlighting all the contracts and tenders that were award from the 2021-2023 financial years, as emanating from pages 142-143 of the Annual Report by 31 March 2025.

15. Department of Agriculture (WCDoA)

The Committee noted the audit opinion of the Auditor-General regarding the annual financial statements of the Department for the 2023/24 financial year, having obtained an unqualified audit opinion with no findings on key legislation, predetermined objectives and internal control deficiencies. This audit opinion remains unchanged from the 2022/23 financial year.

15.1 Audit opinion

The Auditor-General of South Africa raised no findings with the Department on key legislation, predetermined objectives, nor deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA, in respect of the following:

- The Department is commended for maintaining a clean audit outcome for five consecutive years i.e. financially unqualified with no material findings on predetermined objectives and compliance with laws and regulations.
- The Department must continue to maintain its current systems and controls so that the high standards of performance and accountability is upheld. Maintaining a clean audit requires dedication and accountability, and a commitment to maintaining and improving on the internal controls in place. By implementing the recommendations to mitigate the root cause around the monitoring of compliance with treasury regulations when IT equipment is disposed of identified during the audit, the Department's audit outcome will be maintained.
- The Department is encouraged to review procurement and contract management legislation to ensure compliance thereto.
- The Department is encouraged to review its asset disposals to ensure compliance with prescribed legislation.

15.2 Financial management

During 2023/24 financial year, 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). For the 2022/23 financial year, the Department spent R978,689 million of an appropriated expenditure of R992,695 million with an under-expenditure of R14,006 million (98,6% budget spend).

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

- Programme 1: Administration (R3,795 million under-expenditure);
- Programme 2: Sustainable Resource Use and Management (R4,141 million under-expenditure);
- Programme 5: Research and Technology Development Services (R1,038 million under-expenditure);
- Programme 7: Agricultural Education and Training (R5,136 million under-expenditure).

In addition, the Department's Departmental receipt estimated revenue budget of R36,301 million was over-collected by R14,334 million, which resulted in a Departmental receipt of R50,635 million.

The revenue over-collection was collected under the following line items:

- Sale of goods and services other than capital assets (R7,794 million over-collection);
- Interest, dividends and rent on land (R1,913 million over-collection);
- Sale of capital assets (R296 000 over-collection); and
- Financial transactions in assets and liabilities (R4,331 million over-collection).

At the end of the financial year, the Department recorded irregular expenditure of R131 000, of which R125 000 was carried over from the previous financial year, while R6 000 was confirmed in the 2023/24 financial year. The Department also recorded fruitless and wasteful expenditure of R10 000 which occurred during the 2023/24 financial year, of which R8 000 was under assessment, determination, and investigation, and R2 000 was recoverable.

15.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Pages: 214 of the Annual Report</p> <p>Description: The Committee notes reported non-achievement of the Programme 4: Veterinary Services, where the Department spent 100% of its budget and only achieved 80% of its targets.</p>	<p>15.3.1 That the Department briefs the Committee on how service delivery took place when only 80% of the targets were achieved.</p> <p>15.3.2 The Committee recommends that the Department develop and implement a mechanism or policy to reduce or mitigate the use and reliance on limited and emergency bids.</p>	<p>To be determined and scheduled by the PAC.</p>

15.4 List of Information Requested

- 15.4.1 The Committee requested that the Department furnish it with the following by 31 March 2025:
- 15.4.1.1 A Report which provides an explanation of how the Department's Code of Conduct is enforced to avoid a recurrence of irregular expenditure, as emanating from page 201 of the Annual Report.
- 15.4.1.2 A copy of the mapping and submission made in respect of sub-programme 2.4 on page 224, sub-programme 3.3 on page 225 and sub-programme 8.2 on page 230.
- 15.4.1.3A Report which highlights the value for money, lessons learnt; including how and when the Department intends to operationalise the lessons learnt from its domestic and foreign travel during the 2023/24 financial year, as reflected on page 251 of the Annual Report.

16. Department of Economic Development and Tourism

The Committee noted the Auditor-General's audit opinion regarding the Department's Annual Financial Statements for the 2023/24 financial year, having obtained an unqualified audit with no findings on pre-determined objectives. This audit opinion remains unchanged from the 2022/23 financial year.

16.1 Audit Opinion

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

The Committee notes and supports the mechanisms implemented by the Department regarding the AGSA's recommendations which are focussed on assisting the Department to prevent internal control deficiencies from escalating in future years, to do good for the citizens of the

province, and to assist in influencing the economic development and tourism sectors as a whole.

The AGSA's recommendations for the Accounting Officer are to continue:

- focussing on ensuring optimal staff capacity by filling any vacancies;
- implementing consequence management;
- timely responses to implementing recommendations; and
- setting an ethical tone by leadership.

Furthermore, the Committee raises the recommendation of the AGSA to the Department which includes the following information:

- During discussions with management, it was noted that management already implemented a control to mitigate the risk of late payments. The implementation of a tracking document of all payments within a program which must be maintained and reviewed to ensure that no late payments occur.
- It is recommended that the tracking document used for supplier invoices be adequately and periodically monitored by user departments to identify pending invoices and these be followed up on to ensure prompt submission to finance for processing, as these should not be unnecessarily delayed by preventing non-compliance with Treasury Regulation 8.2.3 of the Public Finance Management Act, 1999 (Act 1 of 1999).

16.2 Financial Management

During the financial year under review, the Department spent R474,214 million of an appropriated budgets of R483,932 million, which resulted in an under-expenditure of R8,718 million (98,2% budget spend). For the 2022/23 financial year, the Department spent R502,883 million of an appropriated budget of R510,030 million, which resulted in an under-expenditure of R7,147 million (99% budget spend).

The following departmental programmes were affected by the under-expenditure, as follows:

- Programme 1: Administration (R503 000 under-expenditure);
- Programme 2: Integrated Economic Development Services (R826 000 under-expenditure);
- Programme 3: Trade and Sector Development (R1,553 million under-expenditure);
- Programme 4: Business Regulation and Governance (R16 000 under-expenditure);
- Programme 5: Economic Planning (R3,522 million under-expenditure);
- Programme 6: Tourism, Arts and Entertainment (R1,258 million under-expenditure); and
- Programme 7: Skills Development and Innovation (R1,040 million under-expenditure).

For the 2023/24 financial year, the Department collected R9,625 million, from an estimated receipt collection of R1,092 million, which resulted in an over-collection of R8,533 million.

The over-collection occurred under the following line items:

- Sale of goods and services other than capital assets (R65 000 under-collection);
- Transfers received (R415 000 over-collection);
- Interest, dividends and rent on land (R123 000 over-collection); and
- Financial transactions in assets and liabilities (R8,890 million over-collection).

For the 2023/24 financial year, the Department confirmed irregular expenditure to the value of R60 000. With regards to fruitless and wasteful expenditure, the Department recorded a value of R3 000 in the same period.

16.3 Resolutions

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION DATE
<p>Page: 14 of the Annual Report</p> <p>Description: The Committee notes that the Department received R8,890 million for financial transactions in assets and liabilities which mainly comprises repayment of a township-based entrepreneurship project and refunds of WESGRO's surplus funds.</p>	<p>16.3.1 That the Department engages the Committee on the status, success and challenges of the township-based entrepreneurship project, including how it reduced red-tape and created an enabling environment for small businesses in the informal sector (township businesses).</p>	<p>To be determined and scheduled by the PAC.</p>
<p>Page: 154-155 of the Annual Report</p> <p>Description: The Committee notes the key risks that were considered and addressed by the Department during the 2023/24 financial year. The Committee raised a concern that it questions whether the Department can effectively manage the key risks against its predetermined objectives.</p>	<p>16.3.2 That the Department engages the Committee on how it plans to mitigate, not only the key risks and the possible effects of these.</p>	<p>To be determined and scheduled by the PAC.</p>

16.4 List of Information Requested

16.4.1 The Committee requested that the Department furnish it with a report which explains the decrease in net assets, as reflected on page 243 of the Annual Report by 31 March 2025.

17. Cultural Affairs and Sport

The Committee noted the audit opinion of the Auditor-General regarding the annual financial statements of the Department for the 2023/24 financial year, having obtained an unqualified audit opinion with no findings on predetermined objectives and compliance with applicable laws and regulations. This audit opinion remains unchanged from the 2022/23 financial year.

17.1 Audit Opinion

The Auditor-General of South Africa raised no findings with the Department on compliance with laws and regulations, predetermined objectives nor significant deficiencies in its internal controls.

The Committee support the recommendation of the AGSA, in respect of the following:

- The Department is commended for maintaining its clean audit outcome for five (5) consecutive years. Maintaining the clean audit outcome requires continued focus on financial management, performance management and compliance, while also ensuring that service delivery is placed at the forefront. This can be attributed to continuous efforts from senior management, together with oversight from the accounting officer in ensuring, that the control environment of the Department is effective in preventing and detecting any potential errors in the financial statements, compliance with legislation and

performance information reporting. The recommendations communicated in the management report aim to support the Department in its efforts to improve performance, accountability, transparency and institutional integrity.

- The Department commits to workshopping the Accounting Officer System (AOS) for the Supply Chain Management (SCM) requirement on having reasons recorded for all instances where less than three (3) quotes were obtained through the eProcurement System (ePS). The SCM Manager will ensure that SCM practitioners are made aware of the requirements and that they ensure that approval of the reasons is obtained from the Accounting Officer or his/her delegated official. Feedback to be given by SCM manager to the Chief Financial Officer (CFO) on 31 October 2024 on the awareness sessions conducted and implementation of the AOS requirement.
- The CFO will continue consulting National Treasury and Provincial Treasury with regards to the interpretation of requirements relating to the disclosure of prepayments and advances for instances where transfers and subsidies paid, have not yet been applied for intended purposes as at 31 March, being the year-end of the Department. These would be instances where there are specific deliverables contained in the transfer payment agreements (TPAs) and budget breakdown/allocation with specified timeframes by when those deliverables should happen. Consultations to be finalised by the CFO on 31 March 2025.

17.2 Financial Management

During the period under review, the Department spent R874,202 million of an appropriated budget of R888,290 million, which resulted in an under-expenditure of R14,088 million (98,4% budget spend). For the 2022/23 financial year, the Department of Cultural Affairs and Sport spent R916,787 million of an appropriated budget of R983,467 million, which resulted in an under-expenditure of R21,680 million (97,7% budget spend).

The under- and over-expenditure occurred under the following programmes:

Programme 1: Administration (R689 000 under-expenditure);

Programme 2: Cultural Affairs (R567 000 under-expenditure);

Programme 3: Library and Archive Services (R10,514 million under-expenditure); and

Programme 4: Sport and Recreation (R2,318 million under-expenditure).

In addition, the total projected Departmental receipts of R5,673 million was over-collected by R1,511 million, which resulted in a Departmental receipt of R7,184 million. The revenue over- and under collections occurred under the following line items:

- Interest, dividends and rent on land (R519 000 under- collection);
- Financial transactions in assets and liabilities (R1,907 million over- collection); and
- Fines, penalties and forfeits (R123 000 over- collection).

The Department recorded irregular expenditure of R15,324 million during the 2023/24 financial year. R12 000 was condoned during the financial year under review. The audit found no fruitless and wasteful expenditure, nor irregular expenditure during the financial year under review.

17.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
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Pages: 157 of the Annual Report Description: The Committee notes the internal audit engagement that was approved by the Audit Committee which relates to the Mass participation, Opportunity and access, Development and growth programme (MOD Programme).	17.3.1 That the Committee conducts a joint oversight visit with the Standing Committee on Police Oversight and Community Safety to a MOD Centre in the Western Cape, to evaluate the value for money, including to ascertain how the MOD Programme can be expanded to more vulnerable schools.	To be determined and scheduled by the PAC.
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17.4 List of Information Requested

17.4.1 The Committee requested that the Department furnish it with the following by 31 March 2025:

- 17.4.1.1. A Report on the irregular expenditure in terms of procuring goods from the First Coast Technologies, including indicating the mechanisms and consequence management measures that the Department implemented to avoid a similar future recurrence; as reflected on page 191 of the Annual Report.
- 17.4.1.2 A Report on the material losses the Department incurred, including the mechanisms that were developed and implemented to mitigate a future recurrence, as reflected under Note 7 on page 204 of the Annual Report.
- 17.4.1.3 A Report indicating how long the vacant posts will remain vacant within the Department, including providing a copy of the Department of Public Service and Administration Directive which impacted on the delay in the filling of the various posts within the Department, as reflected on page 220 of the Annual Report.
- 17.4.1.4 A Report which highlights the funds spent, value for money and successes of the initiatives that were rolled out during the 2023/24 financial year to allow access to arts and culture for youth, and to enrich their daily experiences and developmental pathway, as reflected on page 68 of the Annual Report.

18. Local Government

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 financial year of the Department, having obtained a clean audit report. This audit opinion remains unchanged from the 2022/23 financial year.

18.1 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 and supports the recommendation by the AGSA to the Department. This includes the following key commitments:

That the Department continues to enhance support to municipalities with defective control environments and service delivery challenges, with the aim of improving the performance of underperforming municipalities in the province by:

- Offering direct support through collaboration on strategic initiatives to address skills shortages and monitoring to identify areas where specialised support is needed.

- Diagnostic assessments and support plans to address actual challenges and, where necessary, providing hands-on support to municipalities facing capacity challenges and offers grant funding in line with compliance measures.
- Assisting with operational support plans for some municipalities upon request with the aim of improving governance practices.
- Assisting with training by providing training to municipal councillors and Municipal Public Accounts Committees (MPACs).
- Assisting with financial oversight in collaboration with Provincial Treasury to strengthen financial and performance management.

That the Department should provide continued support to municipal councils especially with respect to-

- Providing ongoing training to Councillors on their roles and responsibilities through workshops.
- Advisory support to municipalities to strengthen municipal governance.
- Monitoring and training MPACs in collaboration with the South African Local Government Association (SALGA).
- Workshops on the Code of Conduct for Councillors to ensure compliance and enforcement.
- Training on consequence management, financial misconduct procedures, accountability, and legal principles to promote transparency, integrity, and efficiency within municipalities.
- Intervening in high-risk troubled municipalities through diagnostic assessments and developing support plans based on identified concerns.
- Assisting with the review of Integrated Development Plans reviews of municipalities.

18.2 Financial Management

For the financial year under review, the Department spent R 409,709 million of an appropriated budget of R 411,626 million, which resulted in an underspending of R1,917 million (99,5% budget spend). During the 2022/23 financial year, the Department spent R376,001 million of an appropriated budget of R388,912 million which resulted in an underspending of R12,911million (97% budget spend). The under-expenditure occurred within the following programmes:

- Programme 1: Administration (R255 000 under-expenditure); and
- Programme 3: Development and Planning (R1,662 million under-expenditure).

For the 2022/23 financial year, the estimated departmental receipt of R119 000 was over-collected by R3,343 million, which resulted in a collected amount of R3,462 million.

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

- Sale of goods and services other than capital assets (R11 000); and
- Financial transactions in assets and liabilities (R3,332 million).

The committee further notes that the department incurred expenditure of R5,000 for the year under review and that it has incurred fruitless and wasteful expenditure of R7,000.

18.3 Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
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Page: 85 of the Annual Report Description: The Committee notes that the Department provided the Standing Committee on Local Government with a copy of the Notice of Intervention in the Kannaland Municipality in terms of Section 139(5)(a) of the Constitution).	18.3.1 That the Department briefs the Committee on the Notice of Intervention in the Kannaland Municipality; including the support it provided to the Municipality during the 2023/24 financial year.	To be determined by the Committee.
Page: 191 of the Annual Report. Description: The Committee notes the Department did not allocate or transferred any Municipal Service Delivery and Capacity Building Grant to the Theewaterskloof Municipality.	18.3.2 That the Department briefs the Committee on the support it provided to the Theewaterskloof Municipality during the 2023/24 financial year.	To be determined by the Committee.

18.4 List of Information Requested

18.4.1 The Committee requests that the Department furnish it with the following information by 31 March 2025:

18.4.1.1 A Report which explains why the Chief Financial Officer and Risk Champion did not attend the Enterprise Risk Management Committee (ERMCO) meetings, as indicated on page 77 of the Annual Report.

18.4.1.2 A Report which explains how the Department monitors municipalities through its own Anti-Fraud and Corruption Strategy, as indicated on page 80 of the Annual Report.

18.4.1.3 A Report which provides reference to the increase of resettlement costs; including the total number of staff the amount was spent on, as indicated under Note 4.7 on page 175 of the Annual Report.

18.4.1.4 A Report to explain why there was a reduction in the Consolidated Paymaster General Account, as reflected under Note 8 on page 177 of the Annual Report.

18.4.1.5 A Report which explains the Seven (7) Policy and Procedure on Incapacity Leave and Ill-Health Retirement (PILIR) cases under investigation which were not finalised by the Department as at 31 March 2024, as reflected under Note 15.1 on page 180 of the Annual Report.

18.4.1.6 A Report which highlights the 28 assets which were not presented for verification during the annual asset verification process; as indicated on page 185 of the Department.

Part B: Findings which relate to WC Public Entities.

19. Western Cape Gambling and Racing Board

The Committee noted the audit opinion of the AGSA regarding the annual financial statements of the Entity for the 2023/24 financial year, having obtained a clean audit outcome. The outcome remained the same as the previous four years. Based on the history of material findings

in compliance, the Entity obtained an unqualified audit outcome with material findings on compliance with key legislation.

19.1 Audit opinion

The Auditor-General of South Africa raised no material findings with the Entity on compliance with laws and regulations, predetermined objectives nor any significant deficiencies in its internal controls.

- 19.1.1 Furthermore, the Committee notes and supports the note of the AGSA which requests a call to action for the Entity, highlighting the following:
- 19.1.2 Management should conduct a thorough process of identifying and reconciling all sources of financial transactions to ensure completeness and accuracy of financial records. Appropriate adjustments should be made to rectify any omissions and ensure the faithful representation of the company's financial position and performance.
- 19.1.3 It is recommended that management and other responsible officials thoroughly review and reconcile supporting information to annual reports to ensure performance information reported is accurate.
- 19.1.4 It is recommended that the management follows a procurement process as per the SCM policy for transactions with combined transactional value of above R2 000. It is recommended that management should ensure that for all expenditure, three quotes are obtained from three different suppliers, and should investigate the incurrence of the irregular expenditure.

19.2 Financial management

For the financial year under review, 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). During the 2022/23 financial year, the Western Cape Gambling and Racing Board (WCGRB) spent R68,695 million of an appropriated budget of R71,527 million, which resulted in an underspending of R2,832 million (96% budget spend).

The WCGRB's revenue collection for the 2023/24 financial year estimate of R108,332 million was exceeded by R10,230 million, which resulted in an end of year revenue yield of R118,562 million.

19.3 Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
Page: 64 Heading: Strategic risks Subheading: SR3: Ineffective and inefficient utilisation of the Entity's resources. Note: The Committee takes note the strategic risks regarding temporary employees who are employed to assist the Entity; including the structure workload to alleviate excessive periods of temporary employment.	7.4.1 That the Entity briefs the Committee on the measures that it has implemented to mitigate and prevent a future recurrence of this matter.	To be determined and scheduled by the PAC.
Page: 71	7.4.2 That the Entity briefs the Committee on the measures that it	To be determined and scheduled by the PAC.

<p>Heading: B-BBEE COMPLIANCE PERFORMANCE INFORMATION</p> <p>Note: The Committee takes note the Entity could not determine the qualification criteria for the sale of state-owned enterprises, could not develop a criteria for entering into partnerships with the private sector and could not determine criteria for awarding incentives, grants and investment schemes in support of Broad-based Black Economic Empowerment.</p>	<p>has implemented to deal with these identified challenges.</p>	
<p>Pages: 88 (Note 8) and 125 (Note 9)</p> <p>Heading: Note 8: Material impairment – property, plant and equipment and Note 9: Material impairment losses</p> <p>Note: The Committee notes that the land and buildings using the revaluation model were revalued in the current year resulting in the recognition of a material impairment loss of R4 297 946. Furthermore, the Committee noted that the Board recognised a total impairment loss of R4 297 944 in respect of the land and building. The impairment loss incurred was brought about by the revaluation of the building. The Board bought the building at a premium; in addition to this, the Board paid non-refundable Value-Added-Taxes to the amount of R3 300 000. As the Board is not a VAT vendor, the non-refundable taxes are not recoverable by the Board and thus resulted in the increased impairment loss on the building.</p>	<p>7.4.3 That the Entity briefs the Committee on this matter, including the total cost of acquiring the property and an explanation of the revalued model that was used by the Board.</p>	<p>To be determined and scheduled by the PAC.</p>

19.4 List of Information Requested

- 19.4.1 That the WGRB/ Provincial Treasury provides the Committee with the regulation/s relating to the contract variations and expansions that exceeded 15% of the original contract value or exceeded the amount of R15 million, as reflected on page 86 of the Annual Report of the Entity by 31 March 2025.

20 Western Cape Liquor Authority

The Committee noted the audit opinion of the AGSA regarding the annual financial statements for the 2023/24 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 2022/23 financial year.

20.1 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, as follows:

- The Entity is commended for its comprehensive approach to responsible licensing practices that prioritise public safety and well-being. The Entity conducts thorough situational analysis to assist the Liquor Licensing Tribunal in making informed decisions on license applications, involving regular inspections of licensed outlets to monitor compliance and address public concerns. This process should ensure that licensing decisions align with the public interest. Furthermore, the entity has implemented an e-license system to enhance accessibility, efficiency, and transparency in licensing processes, accommodating diverse stakeholder needs through an online platform and walk-in centre which is still in the development phase. The measures foster a more accessible and responsive regulatory environment that serves the public interest by promoting compliance, efficiency, and convenience in licensing procedures.
- The review identified internal control deficiencies relating to several immaterial misstatements. To maintain the review outcome, it is imperative that the recommendations contained within this management report are implemented and monitored. Furthermore, controls must be established to prevent these immaterial misstatements from recurring in the future.

20.2 Financial Management

For the financial year under review, 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). During the 2022/23 financial year, the spent R66,322 million of an appropriated budget of R85,972 million, which resulted in an underspending of R19,649 million (77% budget spend).

The Entity recorded irregular expenditure of R84 000, while fruitless and wasteful expenditure was recorded to the value of R9 000 at the financial year end.

20.3 Resolution/s

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ DATE	BRIEFING
<p>Page: 41 of the Annual Report</p> <p>Description: The Committee notes that the Entity dispensed fines, penalties and forfeits to the amount of R5,851 million.</p>	<p>20.3.2 That the Entity briefs the Committee on the fines, penalties and forfeits under Note 18, including why the Entity dispensed the fines, penalties and forfeits.</p>	<p>To be determined and scheduled by the PAC.</p>	

Page: 76 of the Annual Report	20.3.1 That the Entity develop a mechanism/ policy to address the challenges of paying invoices after 30 days.	To be determined and scheduled by the PAC.
Description: The Committee notes that the Entity recorded 19 invoices that were paid after the 30 day period and 64 invoices which were older than 30 days.		

20.4 List of Information Requested

20.4.1 The Committee requested that the Entity furnish it with copies of its motor vehicles and office equipment which are subject to finance lease, as reflected on page 35, under Note 6 of the Annual Report by 31 March 2025.

21 CapeNature

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Entity for the 2023/24 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2022/23 financial year.

21.1 Audit opinion

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

The Committee supports the recommendations of the AGSA which includes the following:

- Management should maintain the good practices and control environment which resulted in the auditee achieving its audit opinion. However, the review controls and processes to detect and prevent the recurrence of misstatements can be strengthened to ensure that any errors as a result of human error and oversight, can be avoided.
- Management should enhance their review controls and processes to detect and prevent the recurrence of misstatements, even those resulting from oversight and human error. Furthermore, the control environment which gave rise to the opinion, should be maintained.
- To proactively manage the risk of irregular expenditure, management should either seek an exemption for the Standards Bid Documents forms for foreign supplier from the related Treasury, or seek to enhance the internal processes to obtain the relevant information as they have done so in prior years.

21.2 Financial management

During the financial year under review, 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). For the 2022/23 financial year, the Entity spent R378,148 million of a budget of R383,577 million, resulting in an overall under-expenditure of R5,428 million (99% budget spend).

The total estimated revenue budget of CapeNature of R407,737 million was under-collected by R17,881 million, which resulted in a departmental receipt of R389, 856 million. The under-

expenditure occurred under the line-item Government Grant, Own Revenue and Special Projects.

21.3 Resolution/s

None

21.4 List of Information Requested

21.4.1 The Committee requests that the Entity submit a Report that explains in-depth the reasons, status and action plans in respect of the contingent liabilities, as reflected under Note 26 on page 131 of the Annual Report by 31 March 2025.

22 Government Motor Transport

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements of the Entity for the 2023/24 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2022/23 financial year.

22.1 Audit opinion

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

The Committee supports the recommendations of the AGSA that the Entity should focus on implementing the following:

- It is acknowledged that creating a good governance and administration strategy is necessary to achieve a clean audit outcome and requires a combined effort from all role-players in the accountability ecosystem. Maintaining the clean audit outcome requires continued focus on financial management, performance management and compliance, while also ensuring that service delivery is placed at the forefront.
- At GMT this also includes ensuring that their fleet of vehicles are maintained to a level where the users thereof can trust in its reliability, while balancing the funding requirements with the needs of its clients in a cost-effective manner. GMT has managed to do so effectively in the past and is commended for continuing to do so, while improving its information technology systems and environment.

22.2 Financial management

During the financial year under review, 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). For the 2022/23 financial year, the Entity spent R607,933 million of an appropriated budget of R693,114 million, which resulted in an underspending of R85,181 million (87,7% budget spend).

In addition, the total estimated departmental revenue budget of R935,834 million was over-collected by R152,657 million, which resulted in a departmental receipt of R1,088 billion.

The over- and under collection of revenue occurred under the following categories of revenue:

- Daily-, kilometre tariffs and interest earned on finance lease receivables (R80,020 million over-collection);
- Other income (R2,007 million over-collected);

- Government grants and other subsidies received (funding received from clients for additional vehicles) (R3 000 over-collected); and
- Interest earned – accounts receivables, and cash and cash equivalents (R70,643 million over-collected).

22.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 78 of the Annual Report</p> <p>Description: The Committee notes the key risks that were considered and addressed during the year by the Entity; including the new strategic risks and the strategic risks for the department that were identified during a strategic risk workshop.</p>	<p>22.3.1 That the Entity briefs the Committee on the potential impact that the strategic risks that were identified could have on it and its future audit and operational outcomes.</p>	<p>To be determined and scheduled by the PAC.</p>

22.4 List of Information Requested

22.4.1 The Committee requests that the Entity furnish it with the following information by 31 March 2025:

22.4.1.1 A Report on the Freight Rail Strategy, as referenced by the HOD on discussions of optimising freight systems, as indicated on page 78 of the Annual Report.

22.4.1.2 A Report on why the Entity has not developed and implemented a preferential procurement policy; and the manner in which the public-private partnerships (PPPs) legislation, which the Entity conforms to, differs from a preferential procurement policy; as indicated on page 93 of the Annual Report. The Report should also highlight the successes and challenges of the PPP legislation.

22.4.1.3 A Report which includes detailed incident reports, contractual obligations and responsibilities, investigation progress and findings, financial impact analysis and compliance and disclosure considerations; as highlighted under Note 33.1.5 on page 211 of the Annual Report.

22.4.1.4 A Report that highlights the succession plan for the Department in respect of the outgoing HOD; including the risk that the exit of the HOD may have on the Department.

23 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 2023/24 financial year, having obtained an unqualified audit opinion with findings on predetermined objectives and internal control deficiencies. This audit opinion remains unchanged from the 2022/23 financial year.

23.1 Audit opinion

The Auditor-General of South Africa raised findings with the Entity which relate to predetermined objectives and deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA, in respect of the following:

- The Entity is commended for maintaining a clean audit outcome for two consecutive years i.e. financially unqualified with no material findings on performance information or compliance with legislation.
- By implementing the recommendations to mitigate the root causes communicated during the audit relating to monitoring, compliance with supply management regulations can improve the area of procurement and contract management, although no material findings occurred. The AGSA commends the Entity for the submission of an accurate performance report and for maintaining the positive audit outcome in this respect.
- Compliance with SCM requirements to be monitored and reviewed to ensure that all requirements are met regarding documentation and timelines. Oversight and monitoring should also include holding staff accountable for areas within their sphere of control in this regard.

23.2 Financial management

As disclosed on page 60 of the Entity's Annual Report, Casidra SOC Ltd. spent R239,459 million during the financial year under review, while collecting a total revenue of R239,200 million. For the 2022/23 financial year, the Entity spent R222,667 million of a collected revenue of R216,491 million.

23.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Page: 55 of the Annual Report</p> <p>Description: The Committee notes that the Entity under-achieved in Programme 3: (Poverty Alleviation and Disaster Response) in respect of achieving only 2 from the planned target of 20 for the number of new projects contracted for the Department of Agriculture.</p> <p>Similarly, the Entity under-achieved in Programme 3: (Poverty Alleviation and Disaster Response) in respect of achieving only 9 from the planned target of 10 for the number of projects implemented for the WCDa from the previous financial year.</p>	<p>23.3.1 That the Entity briefs the Committee on the service delivery impacts the non-achievement of the key service indicator had on the Western Cape, including the successes and challenges of implementing these planned targets.</p>	<p>To be determined and scheduled by the PAC.</p>

23.4 List of Information Requested

23.4.1 The Committee requests that the Entity furnish it with the following information by 31 March 2025:

23.4.1.1 A Report which highlights the need for the expansions of the various contracts, as reflected under Note 3.2 on page 52 of the Annual Report.

- 23.4.1.2 A Report on the consequence management that was implemented, or is planned to be implemented, with regards to the irregular expenditure of R1,1173 million, as reflected under Table B on page 46 of the Annual Report.
- 23.4.1.3 A Report which highlights the reasons for the incurrence of the R9,915 fruitless and wasteful expenditure, which is under determination, as reflected on page 48 of the Annual Report.
- 23.4.1.4 A Report which provides a detailed breakdown of the invoices paid within and after 30 days, as indicated under Table 2 on page 49 of the Annual Report.

24 Saldanha Bay Industrial Development Zone (SOC) Ltd (SBIDZ)

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2023/24 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2022/23 financial year.

24.1 Audit Opinion

The Auditor-General of South Africa raised no findings with the Entity on compliance with laws and regulations, predetermined objectives nor significant internal control deficiencies. The Committee notes and supports the recommendations by the AGSA to the Entity, as follows:

- The Head of Supply Chain Management should strengthen his review processes to ensure that functionality points calculated are accurate within the supply chain management processes.
- The Head of Supply Chain Management should ensure that all deviations are reported to the Provincial Treasury; including the AGSA within the required period of 14 days of finalisation of the award as required by the legislation.
- The Chief Financial Officer should strengthen his/ her review processes to ensure that figures reported in the financial statements are accurate to prevent future material misstatements.

24.2 Financial Management

As disclosed on page 89 of the Annual Report, the 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. For the 2022/23 financial year, the SBIDZ spent R68,987 million of its finally adjusted operating budget of R72,869 million, resulting in an underspending of R3,882 million for the financial year under review.

24.3 Resolution/s

None

24.4 List of Information Requested

None

25 The Western Cape Tourism, Trade and Investment Promotion Entity (WESGRO)

The Committee noted the Auditor-General's audit opinion regarding the Entity's Annual Financial Statements for the 2023/24 financial year, having obtained a clean audit with no findings. This is an improvement from the 2022/23 financial year where WESGRO received a qualified audit opinion, with findings on key legislation.

25.1 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 Committee notes and supports the recommendations by the AGSA to the Entity, as follows:

- That the leadership and management of the Entity continue to build on the good controls and processes that were implemented.
- That the leadership and management of the Entity ensure the action plans implemented to address audit findings identified during the audit, address the actual root causes and the implementation thereof is adequately monitored.

25.2 Financial Management

During the financial year under review, the Entity spent R187,070 million of an appropriated budget of R198,242 million; which resulted in an under-expenditure of R11,172 million (94,4% budget spend). For the 2022/23 financial year, WESGRO spent R161,845 million of an appropriated budget of R166,788 million; which resulted in an under-expenditure of R4,943 million (97% budget spend).

In addition, the total projected revenue collection of the Entity of R163,334 million was under-collected by R5,888 million, which resulted in a departmental receipt of R157,446 million. The revenue over- and under collections occurred under the following line items:

- City of Cape Town (R4,332 million under-collection);
- Interest (R222 000 under-collection); and
- Other income (R1,334 million over-collection).

25.3 Resolution/s

None

25.4 List of Information Requested

- 25.4.1 The Committee requested that the Entity furnish it with its Social Responsibility Plan, highlighting the challenges and successes which enabled the Entity to invest in ten young graduates, enabling them to gain work experiences, as reflected on page 100 of the Annual Report by 31 March 2025.

26 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 2023/24 financial year, having obtained a clean audit. This audit opinion remains unchanged from the 2022/23 financial year.

26.1 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 Committee notes and supports the mechanisms implemented by the AGSA that the AGSA's recommendations are focussed on assisting the Department to prevent internal control

deficiencies from escalating in future years, to do good for the citizens of the province, and to assist in influencing the economic development and tourism sectors as a whole.

The AGSA's recommendations for the Accounting Officer is to continue:

- focussing on ensuring optimal staff capacity by filling any vacancies;
- implementing consequence management;
- timely responses to implementing recommendations; and
- setting an ethical tone in leadership.

Furthermore, the Committee urges the Entity to implement the key commitment made to the AGSA that the Entity will adhere to requirements included in the Supply Chain Management Policy and actively enforce the core principles of the supply chain management policy in its annual, monthly, and quarterly tasks.

26.2 Financial Management

For the financial year under review, the Entity spent R26,410 million of its budget of R26,656 million, resulting in an underspending of R246 000 for the financial year under review. For the 2022/23 financial year, the SBIDZ spent R36,042 million of its budget of R38,862 million, resulting in an underspending of R12,820 million for the financial year under review.

The Entity's rental revenue increased from R59,179 in the 2022/23 financial year, to R886,565 in the 2023/24 financial year from the letting of the Eco-Green Link Building.

At the end of the financial year under review, the Entity recorded irregular expenditure that was valued at R1,299 million, and which was an under assessment. The audit found no fruitless and wasteful expenditure during the 2023/24 financial year.

26.3 Resolutions

None

26.4 List of Information Requested

26.4.1 The Committee requested that the Entity furnish it with the following information by 31 March 2025:

26.4.1.1 The number of Corporate Social Responsibility projects and impact of the Entity's Corporate Social Responsibility projects, as highlighted on page 74 of the Annual Report.

26.4.1.2 A Report which indicates how many black-owned Small, Medium and Micro Enterprises the Entity does business with.

27 Heritage Western Cape

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements for the 2023/24 financial year of the Entity, having obtained an unqualified audit with no findings on pre-determined objectives and compliance with applicable laws and regulations. This audit opinion remains unchanged from the 2022/2023 financial year.

27.1 Audit Opinion

The Auditor-General of South Africa raised no material findings with the Entity on compliance with laws and regulations, predetermined objectives nor significant deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA, in respect of the following:

- The Entity is commended for maintaining their clean audit outcome for five (5) consecutive years. Maintaining the clean audit outcome requires continued focus on financial management, performance management and compliance which has been achieved through the continuous oversight and administrative support from the Department. This support helps to ensure that the control environment of the entity is effective in preventing and detecting any potential errors in the financial statements, compliance with legislation and performance information reporting.
- The Entity, supported by the department, commits to workshopping the Accounting Officer System (AOS) for the Supply Chain Management (SCM) requirement on having reasons recorded for all instances where less than three (3) quotes were obtained through the eProcurement System (ePS). The SCM Manager will ensure that SCM practitioners are made aware of the requirements and that the reasons should provide before approval from the Accounting Officer or his/her delegated official. Feedback to be given by the SCM manager to the CFO on 31 October 2024 on the awareness sessions conducted and implementation of the AOS requirement.

27.2 Financial Management

For the year under review, Heritage Western Cape spent R2,722 million of an appropriated budget of R2,727 million, which resulted in an under-expenditure of R5 000. During the 2022/23 financial year, the Entity spent R1,585 million of an appropriated budgets of R2,648 million, which resulted in an under-expenditure of R1,063.

As indicated on page 30 of the Entity's Annual Report, the estimated revenue budget of R2,727 million was over-collected by R1,143 million, which resulted in a Departmental receipt of R3,870 million.

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

- Other operating income (R21 000 over-collection);
- Transfer payment (R574 000 over-collection); and
- Interest income (R584 000 over-collection).

For the financial year under review, the audit found no irregular expenditure, nor any fruitless and wasteful expenditure.

27.3 Resolution/s

None

27.4 List of Information Requested

27.4.1 The Committee requested that the Entity the provides information on the following by 31 March 2025:

27.4.1.1.A Report which discusses the commitment to the AGSA to workshopping the Accounting Officer System for the Supply Chain Management requirement on having reasons recorded for all instances where less than three (3) quotes were obtained through the eProcurement System.

27.4.1.2 A list of the heritage sites within the Western Cape, as reflected on page 56 of the Annual Report.

28 Western Cape Cultural Commission

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements for the 2023/24 financial year of the Entity, having obtained an unqualified audit opinion with no findings on pre-determined objectives and compliance with applicable laws and regulations. This audit opinion remains unchanged from the 2022/23 financial year.

28.1 Audit Opinion

The Auditor-General of South Africa raised no material findings with the Entity on compliance with laws and regulations, predetermined objectives nor significant deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA, in respect of the following:

- The Entity is commended for maintaining their clean audit outcome for five (5) consecutive years. Maintaining the clean audit outcome requires continued focus on financial management, performance management and compliance which has been achieved through the continuous oversight and administrative support from the department. This support helps to ensure that the control environment of the entity is effective in preventing and detecting any potential errors in the financial statements, compliance with legislation and performance information reporting.
- That the Entity, supported by the Department, commits to continuously strengthen and consistently implement measures to ensure that planned reported targets are accurately captured and consistent with planned targets per the annual performance plan.

28.2 Financial Management

During the financial year under review, 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). However, for the 2022/23 financial year, the Western Cape Cultural Commission spent R2,548 million of an appropriated budget of R2,730 million, which resulted in an under-expenditure of R182 000 (93% budget spend).

As indicated on page 19 of the Annual Report, the estimated revenue collection budget of the Entity of R3,349 million was over-collected by R2,222 million which resulted in an end-of-financial year receipt of R5,571 million. The revenue over- and under collections occurred under the following line items:

- Other operating income (R578 000 over-collection);
- Transfer payments (R1,5 million over-collection); and
- Interest income (R144 000 over-collection).

For the financial year under review, the audit found no irregular expenditure, nor any fruitless and wasteful expenditure.

28.3 Resolution/s

None

28.4 List of Information Requested

None

29 Western Cape Language Committee

The Committee noted the audit opinion of the Auditor-General regarding the Annual Financial Statements for the 2023/24 financial year of the Entity, having obtained an unqualified audit with no findings on pre-determined objectives and compliance with applicable laws and regulations. This audit opinion remains unchanged from the 2022/23 financial year.

29.1 Audit Opinion

The Auditor-General of South Africa raised no material findings with the Entity on compliance with laws and regulations, predetermined objectives nor significant deficiencies in its internal controls.

The Committee supports the recommendation of the AGSA, in respect of the following:

- The Entity is commended for maintaining their clean audit outcome for five (5) consecutive years. Maintaining the clean audit outcome requires continued focus on financial management, performance management and compliance which has been achieved through the continuous oversight and administrative support from the department. This support helps to ensure that the control environment of the entity is effective in preventing and detecting any potential errors in the financial statements, compliance with legislation and performance information reporting.
- That the Entity, supported by the Department, commits to continuously strengthen and consistently implement measures to ensure that planned reported targets are accurately captured and consistent with planned targets per the annual performance plan.

29.2 Financial Management

During the year under review, the Entity spent R309 000 of an appropriated budget of R321 000, which resulted in an under-expenditure of R12 000. For the 2022/23 financial year, the Western Cape Language Committee spent R427 000 of an appropriated budget of R454 000, which resulted in an under-expenditure of R27 000.

As highlighted on page 17 of the English version of the Entity's Annual Report, the total estimated Departmental revenue budget of R321 000 was over-collected by R24 000, which resulted in a Departmental receipt of R345 000. The over- collection relates to interest income of R24 000.

29.3 Resolution

BACKGROUND/ CONCERNS	RESOLUTIONS	ACTION/ BRIEFING DATE
<p>Pages: 24 of the Annual Report</p> <p>Description: The Committee notes the risk that was addressed during the financial year under review that the Western Cape Language Policy was not fully implemented by certain provincial departments.</p>	<p>29.3.1 That the Department develop and implement a monitoring and evaluation mechanism that will mitigate this risk in all future instances.</p>	<p>To be implemented and report back to the Committee by 30 June 2024.</p>

29.4 List of Information Requested

None

30 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 2023/24 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.