

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

WEDNESDAY, 26 JULY 2017

COMMITTEE REPORTS

1. **Annual Committee Report of the Public Accounts Committee (PAC) for the 2016/17 financial year, dated 14 June 2017, as follows:**

Members

The Committee comprised of the following members:

Christians, F C (ACDP) (Chairperson)

Mitchell, D G (DA)*¹

Joseph, D (DA)

Maseko, L M (DA)*²

Tyatyam, S G (ANC)

Alternate members

Beerwinkel, CF (ANC)

Joseph, BD (EFF)

Mnqasela, M (DA)*³

Schäfer, BA (DA)

Wenger, MM (DA)

Wiley, MGE (DA)

¹ Member LJ Botha was replaced by Member DG Mitchell on 25 April 2017 (ATC 24-2017)

² Member RD Mackenzie was replaced by Member LM Maseko on 15 December 2017 (ATC 105-2016)

³ Member M Mnqasela was added as an alternate member on 25 April 2017 (ATC 24-2017)

1. Introduction

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

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

In fulfillment of its mandate the Committee must:

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

2. Reporting departments

The financial statements included in the Annual Reports for the financial year ending 31 March 2017 of the following provincial departments were examined:

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

3. Reporting entities

The financial statements included in the Annual Reports for the financial year ending 31 March 2015 of the following public entities were examined:

- 3.1 Western Cape Language Committee.
- 3.2 Western Cape Cultural Commission.
- 3.3 CapeNature.
- 3.4 Western Cape Destination Marketing, Investment and Trade Promotion Agency (WESGRO).
- 3.5 Western Cape Housing Development Fund.
- 3.6 Government Motor Transport (GMT).
- 3.7 Heritage Western Cape.
- 3.8 Western Cape Gambling and Racing Board.

- 3.9 Western Cape Liquor Authority.
 3.10 Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA).
 3.11 Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd.

4. Overview of the Committee's activities

| | |
|---------------------------------------|----|
| Number of Committee Meetings | 23 |
| Number of Public Hearings | 13 |
| Number of International Study Tours | 0 |
| Number of Oversight Visits | 0 |
| Number of Provincial Bills considered | 0 |
| Number of NCOP Bills considered | 0 |
| Workshops/conferences attended | 5 |

5. Oversight activities

The Public Accounts Committee satisfactorily conducted oversight over the Provincial Government of the Western Cape during the 2016/17 financial year.

During the first quarter of the financial year, the Committee conducted hearings with the Auditor-General of South Africa (AGSA) on the key control measures of the Departments of Health, Transport and Public Works and the Western Cape Education Department. As a strategic partner of the Committee, AGSA briefs the Committee on a quarterly basis on the key control measures of departments and entities of the Western Cape Government (WCG). Key control mechanisms are the factors of components of internal control that can have a negative effect on the accomplishments of the departments overall control objective in obtaining a clean audit outcome. The components of internal control include the following:

- Management's integrity and ethical values.
- Management's commitment to doing things right.
- Management's ways of doing things.
- The involvement of persons charged with governance.
- The delegation of authority and responsibility.
- Personnel policies and procedures.

In addition, the Committee deemed it important to meet with the aforementioned departments since they had a significant service delivery presence within the WCG. The Department of Health (DoH) and the Western Cape Education Department (WCED) had an important contribution to the delivery of health and educational services within the Western Cape, whereas the responsibility of the Department of Transport and Public Works (TPW) included the development and maintenance of new and existing infrastructure. The TPW also served as the implementing agent for infrastructure projects on behalf of the DoH and WCED and, collectively, these three departments were the recipients of the biggest allocation for the 2016/17 financial year.

The fiscal allocations to the aforementioned departments were as follow:

| Year | Department | Fiscal Allocation |
|-------------|---|--------------------------|
| 2016/7 | 1. Department of Health | 1. R19 982 793 000 |
| | 2. Western Cape Education Department | 2. R19 247 264 000 |
| | 3. Department of Transport and Public Works | 3. R6 788 528 000 |

(Source: Western Cape Appropriation Act No 3 of 2016).

It should be noted that the Department of Health was the only auditee who received an unqualified audit outcome with findings on predetermined objectives for the 2015/16 financial year. Thus, it was important for the Committee to engage the AGSA to ensure that it look at ways in which it can assist the Department in achieving an end-of-financial year positive audit outcome.

The Committee met with the Western Cape Gambling and Racing Board during the second quarter of the 2016/17 financial year. This was a follow-up meeting on findings by the Committee when it conducted its oversight over the Entity's 2014/15 Annual Report. The Committee noted with concern that the costs that were associated to the international travel of the board members were exorbitant. The response from the Board was that due to its Supply Chain Management policy that was in place, it could not purchase airline tickets at a cheaper rate, as the Entity had to procure tickets from identified service providers only.

In addition, the Committee met with the Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd (SBIDZ) on its organisational and financial management structure. This was due to the fact that the SBIDZ operated independently from WESGRO since the 2014/15 financial year. The Committee expressed its desire to understand the Entity's operational and financial structures before conducting oversight over it.

The Committee had 14 meetings, during the third quarter of the financial year, with the departments and entities of the WCG on their respective Annual Reports for the 2015/16 financial year. During the meetings the Committee established that the movement in audit outcomes of the different departments and entities have resulted in an overall improvement in the audit outcomes of the WCG. The improved audit outcomes included those departments and entities that progressed to clean audit outcomes by addressing control deficiencies in respect of Predetermined Objectives (PDO's) and/or compliance with laws and regulations which were reported on respectively in the 2013/14 and 2014/15 financial years.

During the fourth quarter of the financial year, the Committee formed new relations with the Public Service Commission. The Public Service Commission (PSC) has been established due to the prescripts which are contained in sections 195 and 196 of the Constitution of the Republic of South Africa 1996. The PSC is tasked and empowered to, amongst others, investigate, monitor, and evaluate the organisation and administration of the public service. This mandate also entails the evaluation of achievements, or lack thereof of government programmes.

The Committee resolved with the Audit Committee Chairpersons of the WCG that it would engage with the Audit Committees on a more frequent basis. The rationale of the Committee's resolution was based on the fact that the chairpersons can engage the Committee on matters which affected governance issues within each respective department and entity. The maintenance of good governance leads to favourable feedback of a department/entity in terms of management of public finances and resources. The Committee met with the Audit Committee Chairpersons on the dates indicated below to discuss the following matters:

1. Internal Control challenges experienced by the various audit committee clusters.
2. Emerging risks which emanated within the 1st and 2nd quarters of the 2016/17 financial year.

| Audit Committee | Date |
|---------------------------------------|------------------|
| Governance and Administration Cluster | 8 February 2017 |
| Social Cluster | 22 February 2017 |
| Economic Cluster | 1 March 2017 |
| Education and Health | 8 March 2017 |

The forming of new strategic partnerships, as well as the commitment of regular engagements with the respective Audit Committees ensures that the oversight function of the Committee is enhanced and relevant in the administrative climate where clean audit outcomes are achieved by departments and entities year-on-year.

6. Legislation

During the 2016/ 17 financial year, the Committee dealt with no legislation.

7. Facilitation of Public Participation

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

8. Financial particulars

The Standing Committee was allocated a budget of R110 714. At the close of the 2016/17 financial year, expenditure attributed to the activities of the Committee accumulated to an amount of R136 800. There was thus an overspending of R26 086.

2. Annual Report of the Standing Committee on Community Safety for the 2016/17 financial year, dated 31 March 2017, as follows:

Members

The Committee comprises of the following members:

Wenger MM (DA) (Chairperson)
 Christians FC (ACDP)
 Kivedo BD (DA)
 Lekker PZ (ANC)
 Mitchell DG (DA)

Alternates

Botha LJ (DA)
 Dijana TM (ANC)
 Max LH (DA)
 Wiley MGE (DA)

1. Introduction

The mandate of the Committee is to:

- 1.1 Maintain oversight over the Executive Member and the Department of Community Safety and its entities and to oversee the manner in which the Executive Member and Department perform their responsibilities including the implementation of legislation and budgets and to hold them accountable to the Western Cape Provincial Parliament.
- 1.2 To consider and report on legislation, other matters and the Annual Reports referred to it by the Speaker.
- 1.3 Require the Provincial Police Commissioner to appear before the Committee to answer questions
- 1.4 Exercise compliance and performance oversight over the relevant departments falling under this committee.
- 1.5 Scrutinize and interrogate annual reports, quarterly reports and budget votes of departments falling under this committee.
- 1.6 Responsible for the consideration of provincial bills and NCOP (76 Bills).

In fulfilment of its mandate, the Committee:

- 1.7 Facilitated public participation and involvement in the legislative and other processes of the Committee.
- 1.8 Conducted its business in a fair, open and transparent manner.
- 1.9 Promoted co-operative governance.
- 1.6 Reported regularly to the House.

2. Reporting Department(s) and Entities

- 2.1 Department of Community Safety
- 2.2 Western Cape Liquor Authority

2.3 Western Cape Provincial Police Ombudsman

2.4 South African Police Service: Western Cape

3. Overview of committees activities

The Committee held 21 meetings, 6 public hearings, conducted 5 oversight visits to police stations in the province and 1 oversight visit to the Western Cape Liquor Authority.

(The number of Committee meetings held includes the number of public hearings, as a public hearing, although serving a different function, is still considered to be a meeting of the Committee).

The Committee also considered Provincial Legislation and conducted interviews for recommendations to vacancies to the Liquor Authority.

4. Oversight activities

4.1 Highlights of engagements with the Department of Community Safety and stakeholders

During May 2016, the Committee invited the South African Police Service (SAPS) to present on the Rapid Rail Unit, specific to the Western Cape. This briefing, which received significant interest and coverage by various media outlets, provided deeper insights into the challenges, successes and partnerships that the SAPS Rapid Rail Unit has in respect of the Western Cape railway system. Officials from the Department of Community Safety and Metrorail were also present.

The Committee, as part of the Social Cluster Provincial Visit Week, conducted oversight visits at the Gansbaai SAPS, the Bredasdorp SAPS and the Grabouw SAPS. The key challenges faced by these stations included the challenges in dealing with abalone poaching as well as the criminality that contribute and emanate from this illegal activity; waiting periods for repairs to SAPS vehicles; understaffing and overall lack of resources to address specific needs relative to the police stations; and distances to be covered per policing precinct.

Following the visit week, the Committee conducted an oversight visit to the Manenberg SAPS. Here the Committee gained insight to the challenges faced and successes achieved. Representatives of the Manenberg Community Police Forum were also present and provided valuable input into the relationship between the local SAPS and the community in combatting especially, the gang and drug related challenges in the precinct.

During the second quarter of 2016/2017, the Committee advertised for comments on the *Western Cape Liquor Amendment Bill* [B 4–2016]. The Committee considered and amended the Bill. The Department of Community Safety reported on its first Quarterly Performance Report (QPR) for 2016/17. On the anniversary of the release of the report of the O'Regan Commission of Inquiry into a breakdown in community police relations in Khayelitsha, the Committee invited the South African Police Service and Department of Community Safety for an update on the implementation of the recommendations of the Commission.

The Committee also hosted a joint meeting with the Standing Committee on Education regarding school learner safety and the Committee did its planning for the public hearings on police resources in the Province which took place in the following quarter.

During the third quarter, the Committee hosted stakeholder meetings and public hearings on police resourcing in the Western Cape. The hearings were broadly advertised via paid-for advertisements in three newspapers, via the WCPP's website and social media platforms, through a press briefing and media alerts sent to various news agencies. The number of written and/or oral submissions totalled 55. Included in the stakeholder submissions received were submissions from various Western Cape Government Departments, the SAPS, the Community Police Board, the Dullah Omar Institute based at the University of the Western Cape, Agri-Western Cape amongst others as well as oral and written submissions from members of the public, neighbourhood watch and other civil society and community safety structures. The Committee travelled to the Eden District as well as to the Winelands District and Metropolitan Area to host these public hearings. The hearings were held in Cape Town Central, Worcester and George. The Committee drafted a comprehensive report following the hearings on its findings, with recommendations for the SAPS.

The Committee also held a briefing session by the Department of Community Safety on the Western Cape Liquor Authority (WCLA) and its associated duties, which was followed by interviews and shortlisting for vacancies on the Board of the WCLA. The Committee posed the same set of questions to all 15 interviewees. The Committee forwarded its shortlist of four candidates, to the office of the Minister of Community Safety. The Committee further considered the 2015/16 Annual Reports of the Department of Community Safety, the Western Cape Provincial Police Ombudsman (the first Annual Report of this new entity), the SAPS Western Cape and the Cape Town Metro Police Department's Annual Police Plan.

In keeping with its mandate to monitor the implementation of legislation passed by the Provincial Parliament, the Committee held a meeting on the implementation of the Western Cape Community Safety Act (2013) and its regulations. The Department provided an update on the overall implementation of the Act.

In 2017, the Committee was briefed by the Department of Community Safety on its Quarterly Performance Reports for the second and third quarters of 2016/17, engaged in discussion with the Department on its budget allocation for 2017/18, conducted the first ever oversight visit by a standing committee to the offices of the Western Cape Liquor Authority. In this quarter the Committee also conducted an oversight visit to the Milnerton SAPS.

5. Legislation

5.1 Provincial Bills

5.1.1 *Western Cape Adjustment Appropriations Bill* [B 5–2016], Vote 4: Community Safety

5.1.2 *Western Cape Appropriations Bill* [B 1–2017], Vote 4: Community Safety

5.1.3 *Western Cape Liquor Amendment Bill* [B 4–2016]

5.2 NCOP Bills (Section 75)

The Committee received the *Judicial Matters Amendment Bill* [B 14–2016].

5.3 NCOP Bills (Section 76)

No section 76 Bill was referred to the Committee during the period under review.

6. Facilitation of public involvement and participation

There were several Committee meetings attended by members of the public as well as the media. During the Annual Report discussion as well as the Appropriations discussion, members of the public were asked if they had any contributions to submit. There were several members of the public in attendance throughout the sessions held on the SAPS crime statistics and the impact of police resources.

In addition, there were approximately 102 participants at the Police Resourcing Public Hearings and 55 submissions were made.

7. Co-operative governance

The Committee maintains a good working relationship with the IPID as well as the CTMPD.

8. International relations

None

9. Financial particulars

As part of the appropriations made to Vote 2: Provincial Parliament, in the Schedule to the *Western Cape Appropriation Bill* [B 2–2016], each Standing Committee was allocated an amount of R110 000 before adjustments. The Committee's budget allocation was adjusted to R140 572.

At the close of the 2016/17 Financial Year, expenditure attributed to the activities of the Standing Committee on Community Safety accumulated to an amount of R146 150, resulting in an over expenditure of R5 578.