

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

THURSDAY, 21 MAY 2020

COMMITTEE REPORTS

1. **Annual Committee Report of the Public Accounts Committee (PAC) for the 2019/20 financial year, as follows:**

Members

The Committee comprised of the following members:

Mvimbi, LL (Chairperson)
America, D (DA)
Baartman, DM (DA)
Maseko, LM (DA)
Xego, M (EFF)

Alternate members

Allen, RI (DA)
Bosman, G (DA)
Botha, LJ (DA)
Mackenzie, RD (DA)
Makamba-Botya, N (EFF)
Mitchell, DG (DA)
Nkondlo, ND (ANC)
Philander, WF (DA)
Smith, D (ANC)
Van der Westhuizen, AP (DA)
Wenger, MM (DA)

1. Introduction

The mandate of the PAC, as prescribed by Standing Rule 101, is to examine:

- 1.1. the financial statements of provincial departments and provincial public entities;
- 1.2. any audit reports issued on the statements referred to in relation to the financial statements of provincial departments and provincial public entities;
- 1.3. any reports issued by the Auditor-General on the affairs of any provincial department or provincial public entity; and
- 1.4. any other financial statements or reports referred to it 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 that were included in the annual reports of the following provincial departments, for the financial year ending 31 March 2019, were examined:

- 2.1 Department of the Premier.
- 2.2 Provincial Treasury.
- 2.3 Department of Community Safety.
- 2.4 Western Cape Department of Education.
- 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 of the following public entities, for the financial year ending 31 March 2019, 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 Cape Agency for Sustainable Integrated Development in Rural Areas (CASIDRA).
- 3.8 Heritage Western Cape.
- 3.9 Western Cape Gambling and Racing Board.
- 3.10 Western Cape Liquor Authority.
- 3.11 Saldanha Bay Industrial Development Zone Licencing Company (SOC) Ltd.

4. Overview of the Committee's activities

Number of Public Hearings	21
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	1

5. Oversight activities

The Public Accounts Committee satisfactorily conducted oversight over the Provincial Government of the Western Cape during the 2019/20 financial year.

The Parliamentary Oversight Committee was established on 3 June 2019, through the Announcements, Tablings and Committee Reports (ATC) No 4 of the WCPP. The Committee convened thereafter on 4 June 2019 to elect a Chairperson.

The Committee commenced the 2019/20 financial year by meeting audit committees of the Western Cape Government in order to engage the structure on its internal audit function, including the emerging risks and assurance engagements which it had with the departments and entities during the 2018/19 financial year. Thereafter, the Committee engaged the Departments of Social Development, Environmental Affairs and Development Planning, Cultural Affairs and Sport, Provincial Treasury and the Western Cape Gambling and Racing Board. The engagements were to conclude the resolutions of the Public Accounts Committee of the 5th Public Accounts Committee of the Western Cape Provincial Parliament. Some of the briefings included that departments brief the Committee on the mechanisms which they have developed and introduced to address the risks that were raised by the Audit Committees during the 2018/19 financial year, including how irregular expenditure will be addressed. The Committee was also briefed by Provincial Treasury on the local content of commodities which relates to all tenders within the departments of the Western Cape Government.

During the 3rd Quarter of the 2019/20 financial year, the Committee conducted oversight over the annual reports of the departments and entities of the Western Cape Government in terms of the financial and governance activities which occurred during the 2018/19 financial year. The Committee passed some transversal resolutions which would assist the departments and entities to remain compliant to the national procurement prescripts, including national auditing and provincial auditing guidelines. Some of the resolutions that were passed included the following:

- 1.1. That departments and entities manage and report back on the compliance levels in terms of the Broad-Based Black Economic Empowerment Act, 2013;
- 1.2. That departments and entities engage the Auditor-General of South Africa (AGSA) on the verification and interpretation of predetermined objects in order to remain compliant with the audit objectives to obtain clean audits for future financial years; and

- 1.3. That departments and entities monitor the deviations which have been raised by the Auditor-General of South Africa, such as a potential deviation from Treasury Regulation 16A6.4 and National Treasury Instruction 3 of 2016/17, the procurement of legal services through the State Attorney, material irregularities and deviation concerns in terms of information and communication technologies.

During the 4th Quarter of the 2019/20 financial year, the Committee met twice to discuss the way forward in terms of a matter that was raised by one of the Members of the Western Cape Provincial Parliament, Mr Brett Herron, to the Committee for its consideration. The matter will be dealt with by the Committee during the 2020/21 financial year.

6. Legislation

During the 2019/20 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 21 public meetings during the 2019/20 financial year, of which 13 of those meetings related to the engagements that were held during the Annual Report period from October to November 2019.

8. Financial particulars

The Standing Committee was allocated a budget of R100 000, 00 for the 2019/20 financial year. At the end of the financial year, the expenditure which attributed to the activities of the Committee accumulated to an amount of R60 895, 00. There was thus an underspending of R39 105, 00.

2. Annual Committee Report of the Budget Committee for the 2019/20 financial year, as follows:

The Committee comprises the following members:

Baartman, DM (DA) Chairperson
 Brinkhuis, G (AL JAMA-AH) from 5 November 2019
 De Jager, I (AL JAMA-AH) until October 2019
 Mackenzie, RD (DA)
 Mvimbi, LL (ANC)
 Philander, WF (DA)

Alternate members

Allen, RI (DA)
 America, D (DA)
 Bosman, G (DA)
 Botha, LJ (DA)
 Maseko, LM (DA)
 Mitchell, DG (DA)

Nkondlo, ND (ANC)
Smith, D (ANC)
Van der Westhuizen, AP (DA)
Wenger, MM (DA)

1. Introduction

1.1 The mandate of the Committee is to:

- 1.1.1 Consider and make recommendations to the House on budget allocations in the annual Medium Term Budget Policy Statement (MTBPS), the main budget, the Budget Review and the relevant Bills with a view to improve spending effectiveness and efficiency;
- 1.1.2 Review and assess overall provincial expenditure and non-financial reports on a quarterly basis for spending efficiency and effectiveness;
- 1.1.3 Engage the provincial government on spending patterns;
- 1.1.4 Perform such other tasks assigned to it by resolution of the House; and
- 1.1.5 Ensure public involvement in all budgetary processes.

1.2 In fulfilment of its mandate the Committee -

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

2. Reporting department

2.1 Provincial Treasury

3. Overview of Committee's activities

Number of Committee Meetings	12 (this includes public hearings)
Number of Public Hearings	3
Number of Oversight Visits	0
Number of Provincial Bills considered	3
Number of NCOP Bills considered	1

5. Oversight activities

The Budget Committee held its first meeting on 4 June 2020. In accordance Standing Rules 82 and 85 of the Standing Rules of the Western Cape Provincial Parliament, the Committee had to elect a Chairperson for the Budget Committee. Advocate D Baartman was elected as the Chairperson of the Budget Committee.

In August 2019, the Committee had an introductory briefing by Provincial Treasury, which included the expected legislation for the upcoming year. During the aforementioned meeting the 4th Quarter Departmental Performance (Financial and Non-Financial) was presented to the chairpersons and committee members to provide better insight into the situation of each Department in the 4th quarter of the respective standing committees. During the latter part of

the month, the Committee was briefed by the Financial and Fiscal Commission on the 2020/21 Submissions for the Division of Revenue Bill [B 15-2019] (NCOP)

The Committee held the following recurring annual briefings:

- The Provincial Economic Review and Outlook (PERO);
- The Municipal Economic Review and Outlook (MERO) in September 2019;
- The Annual reporting process by National and Provincial Treasury; and
- The Audit Outcomes of the Public Finance Management Act (Act No 1 of 1999) for the Western Cape Provincial Departments and Entities by the Auditor-General in October 2019.

6. Legislation

In the 2019/20 financial year, the Committee dealt with the following legislation:

1. The Division of Revenue Amendment Bill [B 15-2019](NCOP) in November 2019
2. The Western Cape Adjustments Appropriation Bill [B 6–2019] in November 2019;
3. The Western Cape Additional Adjustments Appropriation Bill (2019/20 Financial Year) [B 2-2020] in March 2019; and
4. The Western Cape Appropriation Bill [B 2-2020] in March 2020.

7. Facilitation of Public Involvement and Participation

In line with its mandate to facilitate public participation as part of the legislative process, the Committee held three public hearings. To give effect to this, the Committee advertised the annual reporting activities, informing and inviting stakeholders to participate in public hearings.

8. Financial particulars

The Committee's actual expenditure for the 2019/20 financial year was R 38 835.00 against a budget allocation of R100 000.00 resulting in an under expenditure of R61 165.00