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Ref Number: 11/4/1/2/1

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. the financial statements of provincial departments and provincial public entities;
	2. any audit reports issued on the statements referred to in relation to the financial statements of provincial departments and provincial public entities;
	3. any reports issued by the Auditor-General on the affairs of any provincial department or provincial public entity; and
	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.

1. **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:

* 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.

1. **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.

1. **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

1. **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. That departments and entities manage and report back on the compliance levels in terms of the Broad-Based Black Economic Empowerment Act, 2013;
	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
	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.

1. **Legislation**

During the 2019/20 financial year, the Committee dealt with no legislation.

1. **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.

1. **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.

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**LL MVIMBI, MPP**

**CHAIRPERSON: PUBLIC ACCOUNTS COMMITTEE**