

**ANNEXURE TO ITEM
C 10/03/15****Municipal Public Accounts Committee Mandate and Functions****1. Mandate**

In terms of the amended Terms of Reference, approved by Council on 3 December 2014 (C 44/12/14), the purpose of the Municipal Public Accounts Committee (MPAC) is to perform an oversight function on behalf of Council over the executive functionaries of Council and is authorised to investigate unauthorised, irregular, fruitless and wasteful expenditure in terms of section 32(2) and section 102 of the MFMA related to the City and the City's municipal entities respectively.

They are authorised to direct any matter for investigation and, through the Office of the City Manager and Internal Audit, they have unrestricted access to information of Council and any other sources of relevant information that may be required for the purpose of its duties and responsibilities. They have authority to instruct committee members, management and other employees of Council to be present at meetings and have access to any information they require from any councillor or employee and all councillors and employees are directed to co-operate with any MPAC request.

MPAC will ensure that all existing City internal alternative dispute resolution (ADR) processes have been exhausted before proceeding with investigations e.g. unfair supply chain management (SCM) reporting should follow processes as defined in the City's approved SCM Policy i.e. must be settled by means of mutual consultation, mediation (with or without legal representation) or, where unsuccessful, in a court of South African law. Note: City processes allow for the City Manager (or nominee) to investigate the matter with an outcome. Should the complainant dispute or object to the outcome the matter can be escalated via Provincial Treasury, National Treasury and ultimately a court of law.

2. Method of Work**a) Activities**

Oversight over the City's Annual Report is performed in terms of section 129 of the MFMA. To achieve their oversight role, MPAC reviews the City's Annual Report, including the Auditor-General's report on the financial statements and responses thereto, with a view to ensuring satisfactory responses and corrective action, where necessary. Refer to Annexure C2 for the Annual Work Programme setting out MPAC's activities for the year.

b) Process

The limited time and resources available to committee members encourages the establishment of subcommittees for in-depth interrogation of information. Members are elected at an open MPAC meeting and consist of at least 3 members. The members elect a Chairperson at the first subcommittee meeting and meetings are held as often as required. The subcommittee obtains background of the item (i.e. unauthorised, irregular or fruitless and wasteful expenditure) to deal with the expenditure incurred and considers various factors when arriving at their recommendation. Invitations are extended to answerable/responsible officials to be in attendance at meetings. The subcommittee submits a report on its recommendations to MPAC for consideration. Open MPAC meetings are held monthly and in-committee meetings are held as required directly after the open meeting.

c) Follow-up by MPAC

MPAC has effective follow-up procedures (outstanding matters schedule and work programme) to determine if action has been taken to implement their recommendations and this occurs during MPAC investigations and the comments in response to the questions posed during the oversight process. Replies are required from the Accounting Officer, or the designated official(s), and should indicate the action taken or to be taken by the executive to implement the recommendations or reasons for the non-adoption of the recommendations.

3. Reporting

Although MPAC has no executive powers, their findings and recommendations are escalated to the appropriate executive authority. MPAC considers the report of the subcommittee at a main MPAC meeting and submits a report containing their recommendations to Council for final decision making. The immediate reporting line of MPAC is to the Speaker of Council.

Detailed Activities for the Quarter Ended 31 December 2014

No.	MPAC Activities	Current Status	Comments
1.	African Jewellery City Project	Outstanding Matters Schedule	A trial date is now awaited.
2.	Full Swing Trading CC	Outstanding Matters Schedule	Application for leave to appeal to the Constitutional Court was dismissed. Section 65 enquiry was postponed to 28 Nov 2014.
3.	Unlawful Commencement of Activities in terms of NEMA Section 24G and Payment of Administrative Fines	Outstanding Matters Schedule	Subcommittee met on 17 October 2014 and 1 December 2014 and next meeting to be held in 2015.
4.	Facility Management Committee Policy	Outstanding Matters Schedule	The draft policy had been referred to the Strategy and Policy Unit.
5.	2012/13 Annual Report of the City's Municipal Entity: CTICC: Trade and Receivables: Debt Management	Outstanding Matters Schedule	A letter was forwarded to the CTICC on 31 October 2014 and a response is awaited.
6.	2013/14 MPAC Performance Assessment	Resolved	Report directed to the Speaker to communicate the outcome of the performance assessment was approved by the MPAC Chairperson on 17 November 2014.
7.	Training and Development <ul style="list-style-type: none"> • 6 – 8 Oct 2014: IMFO Annual Conference • 27 – 28 Oct 2014: PGWC: 2014 Annual Conference for Local Government Assurance Providers • 13 Nov 2014: Hosted a workshop with MPACs from Buffalo City and City of Johannesburg • 24 Nov 2014: MPAC Peer Learning Engagement: Knysna and Cape Town 	Resolved	Conference and workshops attended by the MPAC Chairperson and committee representative(s).
8.	MPAC Quarterly Report for the quarter ended 30 September 2014	Resolved	Tabled at Council (vide item C 10/12/14).
9.	MPAC Terms of Reference	Resolved	Tabled at Council (vide item C 44/12/14).
10.	MPAC Annual Work Programme for the period January 2015 to December 2015	Resolved	Tabled at Council (vide item C 45/12/14).
11.	CTICC: 2011/12 (and 2013/14) Irregular Expenditure: Non-Compliance with Supply Chain Management Regulations (R2 709 957)	Resolved	Tabled at Council (vide item C 46/12/14).

MPAC Annual Work Programme (October 2014 to December 2014)

#	ACTIVITY	RESPONSIBILITY	SUPPORTED BY	Oct	Nov	Dec
A OVERSIGHT PROCESS						
A1	Annual Report (including AFS and Audit Reports) for the City and Municipal Entities, disseminated to MPAC Members	MPAC	Internal Audit assisted by Finance and IDP.OPM			
A2	Questions prepared by MPAC for communication to the City and Municipal Entity Officials based on the Oversight process (MEETING)	MPAC	Executive Support			
A3	Communication of Questions posed by MPAC to the City and Municipal Entity Officials based on the Oversight process	MPAC	Executive Support			
A4	Oversight Meeting with City and Municipal Entity Officials to answer the MPAC Oversight questioning process (MEETING)	* MPAC * City and Municipal Entity Officials to provide responses	Executive Support			
A5	Oversight Report to Council from MPAC	MPAC Chairperson	Internal Audit			
A6	Establishment of MPAC Subcommittees to address Irregular, Unauthorised and Fruitless and Wasteful Expenditure (MEETING)	MPAC	Executive Support			
A7	MPAC Subcommittee meetings (investigation, interrogation, in terms of the MFMA, section 32 and 102)	MPAC Members	Executive Support	#	#	#
A8	Tracking Of Comments And Resolutions Raised In The Oversight Report In Respect Of The 2011/12 and 2012/13 Annual Report For The City Of Cape Town And Its Municipal Entities	MPAC Members	Executive Support			
B MEETINGS						
B1	MPAC Meetings (Council Diary) - Scheduling	Executive Support		x	x	
B2	MPAC Meetings (Council Diary) - Attendance	MPAC	Internal Audit and Executive Support	x	x	
B3	MPAC Subcommittee Meetings - Scheduling	Executive Support		#	#	#
B4	MPAC Subcommittee Meetings - Attendance	MPAC Subcommittee Members		#	#	#
B5	MPAC and Internal Audit Meetings	MPAC Chairperson	Internal Audit	x	x	
B6	Council Meetings (Potential MPAC Reports)	MPAC Members		x		x
B7	Liaise with Audit Committee and other relevant role-players as required	MPAC Chairperson	Internal Audit			
B8	Subcommittee summary item and annexures	Internal Audit	Line departments, e.g. Treasury			
B9	Subcommittee report to MPAC	MPAC Subcommittee Chairperson	Internal Audit		#	
B10	MPAC report to Council	MPAC Chairperson	Internal Audit			#
C SUBCOMMITTEE INVESTIGATIONS & REPORT CONTENTS						
C1	Various matters (including matters as referred by other committees via MayCo / Council)	Subcommittee Chairperson and relevant Officials	Internal Audit	#	#	#
C.1.1	Cape Town International Convention Centre: 2011/12 Irregular Expenditure: Non-Compliance with Supply Chain Management Regulations (R2 709 957)					
C.1.2	Unlawful Commencement of Activities in terms of NEMA Section 24G and Payment of Administrative Fines					
D PERFORMANCE ASSESSMENT						
D1	Annual Assessment (Self-Assessment) - Performing assessment	MPAC	Internal Audit	x		
D2	Annual Assessment (by Stakeholders) - Performing assessment	Speaker and Party Whips	Internal Audit	x		
D3	Annual Assessment - Develop Action Plan	MPAC Chairperson and MPAC Members	Internal Audit			
D4	Annual Assessment - Reporting to Council	MPAC Chairperson	Internal Audit			
D5	Track delivery on Action Plan from Annual Assessment (based on due dates)	MPAC	Internal Audit	x	x	

#	ACTIVITY	RESPONSIBILITY	SUPPORTED BY	Oct	Nov	Dec
E	INDUCTION AND TRAINING					
E1	Induction Packs	Internal Audit				
E2	Induction Presentation	Internal Audit				
E3	Induction Sessions (as necessary)	Internal Audit	MPAC Chairperson			
E4	Provincial Legislature Training	Eugene Kotze and Chief Whip	MPAC Chairperson	#		
E5	AG Training on APAC	Eugene Kotze and Chief Whip	AGSA			
E6	Other (as necessary e.g. Combined Assurance)	Eugene Kotze and Chief Whip	MPAC Chairperson	#	#	
F	MPAC GOVERNANCE PROCESSES					
F1	Annual Work Programme Assessment	MPAC	Internal Audit	x	x	
F2	Council Approval of Annual Work Programme	MPAC Chairperson	Internal Audit			x
F3	Suggested MPAC Delegation Updates (to be submitted to Executive Support)	MPAC Chairperson	Internal Audit			
F4	Terms of Reference Review (based on latest approved Delegations) - workshop	MPAC Chairperson	Internal Audit			
F5	Terms of Reference Review (based on latest approved Delegations) - MPAC meeting	MPAC Chairperson	Internal Audit			
F6	Council Approval of Terms of Reference	MPAC Chairperson	Internal Audit			#
F7	Quarterly Reports to Council on MPAC activities	MPAC Chairperson	Internal Audit			x
F8	Annual Report to Council on MPAC activities (vide item C08/09/14)	MPAC Chairperson	Internal Audit			