



REPORT TO COUNCIL

DATE

1. ITEM NUMBER : C 10/03/15

2. SUBJECT

**QUARTERLY REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
FOR THE QUARTER ENDED 31 DECEMBER 2014**

ONDERWERP

**KWARTAALVERSLAG VAN DIE MUNISIPALE KOMITEE OOR OPENBARE
REKENINGE VIR DIE KWARTAAL WAT OP 31 DESEMBER 2014 GEËINDIG
HET**

ISIHLOKO

**INGXELO YARHOQO NGEKOTA YEKOMITI KAMASIPALA EJONGENE NEE-
AKHAWUNTI ZOLUNTU, EPHELE NGOWAMA-31 DISEMBA 2014**

LSU : E7257

3. STRATEGIC INTENT

The Strategic Focus Areas of the City are enshrined in the City's Integrated Development Plan (IDP) and are categorised into the following five pillars:

- Opportunity City
- Safe City
- Caring City
- Inclusive City
- Well-run City

The City of Cape Town's vision includes serving the citizens of Cape Town as a well-governed and corruption-free administration. MPAC, as the mechanism through which Council exercises oversight over the expenditure of public money, aligns itself to the City's "Well-run City" strategic focus area with particular reference to:

- Objective 5.1: Ensure a transparent government, and work towards eradicating corruption
- Programme 5.1(a): Transparent government (oversight) programme



4. PURPOSE

041

To provide a Quarterly Report to the Council on the activities of the Municipal Public Accounts Committee (MPAC) for the quarter ended 31 December 2014.

5. FOR NOTING BY

This report is for noting only/information only.

6. EXECUTIVE SUMMARY

This report is submitted to Council in terms of section 63 of the Local Government: Municipal Systems Act, Act 32 of 2000, read with Part 24 of the Council approved System of Delegations, on all activities listed in Annexures "A" to "C2" for the quarter ended 31 December 2014.

An MPAC Work Programme was approved by Council (vide item C 33/03/14) and forms the basis for the quarterly reporting process for 2014.

7. RECOMMENDATION

It is recommended that Council notes the report of MPAC on its quarterly activities, submitted in terms of relevant legislation, as required.

AANBEVELING

Daar word aanbeveel dat die Raad kennis neem van die munisipale komitee oor openbare rekeninge (MPAC) se verslag oor sy kwartaallikse aktiwiteite wat voorgelê word soos vereis ingevolge die toepaslike wetgewing.

ISINDULULO

Kundululwe ukuba iBhunga maliqwalasele ingxelo yeMPAC kwimisebenzi yayo yekota, efakwe njengoko kuyimfuneko ngokwemigaqo yomthetho ofanelekileyo.

8. DISCUSSION/CONTENTS

MPAC's authority is defined in the City's System of Delegations. MPAC is also authorised, by its Terms of Reference which has been revised and approved by Council on 3 December 2014, to investigate unauthorised, irregular, fruitless and wasteful expenditure in terms of section 32(2) of the Local Government: Municipal Finance Management Act, Act 56 of 2003 (MFMA). MPAC also has oversight of the annual report of the City of Cape Town and the City's Municipal Entities in terms of section 129 of the MFMA.

In terms of paragraph 6.5 the approved MPAC Terms of Reference and the approved System of Delegations Part 24 delegation 1(7), MPAC must report to Council quarterly on its activities. The quarterly reporting is based on the Council approved MPAC Annual Work Programme as per the approved System of Delegations Part 24 delegation 1(4).

Making progress possible. Together.

Apart from the ordinary meetings held on a monthly basis, subcommittees (consisting of a minimum of 3 councillors) are established to investigate items:

- (i) highlighted in the Auditor General's report;
 - (ii) included in the Annual Financial Statements as unauthorised, irregular or fruitless and wasteful expenditure (in the accounting notes); and
 - (iii) referred by Council resolution.
- (a) During this quarter the following can be reported from the MPAC activities as required in **Annexure "A"**:
- (i) Two ordinary meetings were held.
 - (ii) Four reports were approved by Council:
 - Quarterly Report of the Municipal Public Accounts Committee for the quarter ended 30 September 2014 (vide item C 10/12/14)
 - Revised Terms of Reference for the Municipal Public Accounts Committee (vide item C 44/12/14)
 - The Municipal Public Accounts Committee's Annual Work Programme for the period January 2015 to December 2015 (vide item C 45/12/14)
 - Cape Town International Convention Centre: 2011/12 Irregular Expenditure: Non-Compliance with Supply Chain Management Regulations: R2 709 957 (vide item C 46/12/14)
 - (iii) The report to the Speaker to communicate the outcome of the MPAC Performance Assessment for the 2013/14 financial year was approved by the MPAC Chairperson on 17 November 2014.
 - (iv) Two MPAC subcommittees met on:
 - 17 October 2014 and 1 December 2014 to discuss the Unlawful Commencement of Activities in terms of NEMA Section 24G and the Payment of Administrative Fines. The matter is still in progress.
 - 14 November 2014 to discuss the Cape Town International Convention Centre Irregular Expenditure. The matter has been finalised (vide item C 46/12/14)
 - (v) Training and Development:
 - 6 – 8 Oct 2014: Institute of Municipal Finance Officers (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

Annexure "B" depicts the detail of activities for the quarter ended 31 December 2014 and attached as **Annexure "C"** is the MPAC 2014 Annual Work Programme progress at 31 December 2014.

8.1. Constitutional and Policy Implications

In terms of section 59 of the Local Government: Municipal Systems Act, Act 32 of 2000, the City's System of Delegations were compiled to maximize



administrative and operational efficiency and to provide for adequate checks and balances by delegating appropriate powers, functions and duties.

MPAC's delegations are defined in the City's System of Delegations as adopted by Council on 29 January 2014.

Furthermore, the MPAC has a Council approved Terms of Reference (vide item C 44/12/14) that is based on the National Treasury Guideline for Establishment of Municipal Public Accounts Committees (MPAC).

The submission of this monthly report is prescribed in terms of section 63 referred to above, read with the System of Delegations

8.2. Sustainability Implications

Does the activity in this report have any sustainability implications for the City?	No <input checked="" type="checkbox"/>	Yes <input type="checkbox"/>
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8.3. Legal Implications

Part 24 of the City of Cape Town's System of Delegations

(4) Develop an annual work programme, including a monitoring mechanism (subject to the Council's approval), linked to the Council's planning cycle, and concluding with the Committee's recommendations on the oversight report.

(7) Report to Council quarterly on its activities, and when deemed necessary on any matter within the terms of reference of the committee.

Section 127(2) of the MFMA

The mayor of a municipality must, within seven months after the end of a financial year, table in the municipal council the annual report of the municipality and of any municipal entity under the municipality's sole or shared control.

Section 129(1) of the MFMA.

The Council of a municipality must consider the annual report of the municipality and or any municipal entity under the municipality's sole or shared control, and by no later than 2 months from the date on which the annual report was tabled in the council in terms of section 127, adopt an oversight report containing the council's comments on the annual report, which must include a statement whether the Council has approved the annual report with or without reservations; has rejected the annual report; or has referred the annual report back for revision of those components that can be revised.

Section 59(1) of the Municipal Systems Act

A municipal council must develop a system of delegation that will maximise administrative and operational efficiency and provide for adequate checks and balances.

Section 63 of the Municipal Systems Act

A political structure, political office bearer, councillor or staff member of a municipality to whom a delegating authority has delegated or sub-delegated a power or duty, must report to the delegating authority at such intervals as the delegating authority may require, on decisions taken in terms of that delegated or sub-delegated power or duty since the last report

8.4. Staff Implications

Does your report impact on staff resources, budget, grading, remuneration, allowances, designation, job description, location or your organisational structure?

No
Yes

8.5. Other Services Consulted

None

ANNEXURES

Annexure "A" : MPAC Mandate, Method of Work and Reporting

Annexure "B" : Detailed Activities for the quarter ended 31 December 2014

Annexure "C1" : MPAC Annual Work Programme (October 2014 to December 2014)

Annexure "C2" : MPAC Annual Work Programme (January 2014 to December 2014)

FOR FURTHER DETAILS CONTACT:

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DIRECTORATE	Compliance and Auxiliary Services
FILE REF NO	
SIGNATURE: ACTING CHIEF AUDIT EXECUTIVE	<i>[Signature]</i>

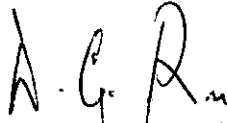


MPAC CHAIRPERSON

COMMENT:

NAME COUNCILLOR W S MXOLOSE

DATE _____



EXECUTIVE DIRECTOR: COMPLIANCE AND AUXILIARY SERVICES

SUPPORTED FOR ONWARD SUBMISSION TO MAYOR / MAYCO / COUNCIL

NOT SUPPORTED

REFERRED BACK

COMMENT:

NAME G RAS

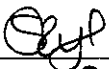
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REPORT COMPLIANT WITH THE PROVISIONS OF COUNCIL'S DELEGATIONS, POLICIES, BY-LAWS AND ALL LEGISLATION RELATING TO THE MATTER UNDER CONSIDERATION.

NON-COMPLIANT

Comment:

For Noting @



LEGAL COMPLIANCE

NAME Sarah van Zyl
~~R SAYED / J ROMAN / A DHANSAY~~

TEL 021 400 9446

DATE 15.01.2015