

Municipal Public Accounts Committee Mandate and Functions

ANNEXURE TO ITEM
C 28/04/16**1. Mandate**

In terms of the amended Terms of Reference, approved by Council on 3 December 2014 (*vide* 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 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 task teams 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 task team meeting and meetings are held as often as required. The task team 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 task team 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 task team 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.

Annexure "B"

Detailed Activities for the Quarter Ended 31 December 2015

No.	MPAC Activities	Current Status	Comments
1.	Full Swing Trading CC	Outstanding Matters Schedule	<ul style="list-style-type: none"> • Trial date is awaited. • Investigation underway.
2.	African Jewellery City Project	Outstanding Matters Schedule	Section 65 enquiry has been postponed <i>sine die</i> pending further payments.
3.	Facility Management Committee Policy	Outstanding Matters Schedule	Policy was referred to political party caucuses for comment. Submission to Community Services Portfolio Committee in November 2015 or February 2016 and thereafter to Council.
4.	Unlawful Commencement of Activities in terms of NEMA Section 24G and Payment of Administrative Fines	Outstanding Matters Schedule	The MPAC Task Team is awaiting the outcome of the forensic investigation into two cases, i.e. Hendon Park and Soetwater.
5.	Advertising of New Position Without Authority	Outstanding Matters Schedule	Meeting held on 10 November 2015. Report to be submitted to an MPAC meeting early in 2016.
6.	Oversight Report: Matters requiring management response: 4.1 Loans to Sporting Bodies 4.2 Operating and Capital Expenditure for Subcouncils 4.3 Office Space and External Leases 4.4 Note 42 of the Annual Report 4.5 Note 44.2.3 of the Annual Report	Resolved	Items 4.1, 4.2, 4.4 and 4.5 were resolved (<i>vide</i> C 18/07/15). Item 4.3 has been referred to the Corporate Services and Compliance Portfolio Committee (<i>vide</i> MPAC 05/10/15)
7.	Governance: Training and Sharing • Visitors accommodated and information sharing	Resolved	Ehlanzeni District Municipality (10 November 2015)
8.	Governance: Meetings • Western Cape Association of Municipal Public Accounts Committees (WCAMPAC) on 5 November 2015	Resolved	MPAC Chairperson attended the launch of WCAMPAC as the City's representative.
9.	2014/15 MPAC Performance Assessment	Resolved	<ul style="list-style-type: none"> • Report directed to the Speaker to communicate the performance assessment outcomes. Reported to the Speaker in November 2015, post MPAC Meeting (<i>vide</i> MPAC 06/10/15) • Action Plan to be formalised
10.	MPAC Quarterly Report for the Quarter ended 30 September 2015	Resolved	Tabled at Council (<i>vide</i> C50/12/15)
11.	MPAC Annual Work Programme for the period 1 January 2016 to December 2016	Resolved	Tabled at Council (<i>vide</i> C51/12/15)

MPAC Annual Work Programme (January 2015 to December 2015)

#	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	Executive Committee Services supported by Internal Audit, 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 Committee Services - City officials and Internal Audit Internal Audit - External respondents (CTICC via Louise Muller)			
A3	Communication of Questions posed by MPAC to the City and Municipal Entity Officials based on the Oversight process	MPAC	Executive Committee Services			
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 Committee Services			
A5	Oversight Report to Council from MPAC	MPAC Chairperson	Internal Audit			
A6	Establishment of MPAC Task Teams to address Irregular, Unauthorised and Fruitless and Wasteful Expenditure (MEETING)	MPAC	Executive Committee Services			
A7	MPAC Task Team meetings (investigation, interrogation, in terms of the MFMA, section 32 and 102)	MPAC Members	Executive Committee Services		x	
A8	Tracking Of Comments And Resolutions Raised In The Oversight Report In Respect Of The 2011/12 and 2013/14 Annual Report For The City Of Cape Town And Its Municipal Entities	MPAC Members	Executive Committee Services - Outstanding Schedule Internal Audit - Schedule of responses	x	x	
B MEETINGS						
B1	MPAC Meetings (Council Diary) - Scheduling	Executive Committee Services		x	x	
B2	MPAC Meetings (Council Diary) - Attendance	MPAC	Internal Audit and Executive Committee Services	x	x	
B3	MPAC Task Team Meetings - Scheduling	Executive Committee Services			x	
B4	MPAC Task Team Meetings - Attendance	MPAC Task Team Members			x	
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	Task Team summary item and annexures	Internal Audit	Line departments, e.g. Treasury		x	
B9	Task Team report to MPAC	MPAC Task Team Chairperson	Internal Audit		x	
B10	MPAC report to Council	MPAC Chairperson	Internal Audit	x		x
C TASK TEAM INVESTIGATIONS & REPORT CONTENTS						
C1	Various matters (including matters as referred by other committees via MayCo / Council)	Task Team Chairperson and relevant Officials	Internal Audit			
	Advertising of new position without authority				x	
	Unlawful commencement of activities in terms of NEMA section 24G and payment of administration fines					
D PERFORMANCE ASSESSMENT						
D1	Annual Assessment (Self-Assessment) - Performing assessment	MPAC	Internal Audit			
D2	Annual Assessment (by Stakeholders) - Performing assessment	Speaker, Party Whips, Subcouncil Chairpersons, CAE, Legal and Portfolio Chairpersons	Internal Audit			
D3	Annual Assessment - Develop Action Plan	MPAC Chairperson and MPAC Members	Internal Audit			
D4	Annual Assessment - Reporting to Council through the Office of the Speaker	MPAC Chairperson	Internal Audit		x	
D5	Track delivery on Action Plan from Annual Assessment (based on due dates)	MPAC	Internal Audit			
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	
F2	Council Approval of Annual Work Programme	MPAC Chairperson	Internal Audit			x
F3	Suggested MPAC Delegation Updates (to be submitted to Executive Committee Services)	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	MPAC Chairperson	Internal Audit			
F9	Governance initiatives (to be reported in MPAC quarterly and annual activities report)	MPAC Chairperson and the Speaker	Internal Audit	x	x	

Legend:

- x Mandatory
- # Optional
- Not on approved Annual Work Programme

MPAC Annual Work Programme (January 2015 to December 2015)

#	ACTIVITY OVERSIGHT PROCESS	RESPONSIBILITY	SUPPORTED BY	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
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	x											
A2	Questions prepared by MPAC for communication to the City and Municipal Entity Officials based on the Oversight process (MEETING)	MPAC	Executive Committee Services - City officials and Internal Audit Internal Audit - External respondents (CTIOC via Louise Muller)		x										
A3	Communication of Questions posed by MPAC to the City and Municipal Entity Officials based on the Oversight process	MPAC	Executive Committee Services		x										
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 Committee Services			x									
A5	Oversight Report to Council from MPAC	MPAC Chairperson	Internal Audit			x									
A6	Establishment of MPAC Task Teams to address Irregular, Unauthorised and Fruitless and Wasteful Expenditure (MEETING)	MPAC	Executive Committee Services				x								
A7	MPAC Task Team meetings (investigation, interrogation, in terms of the MFMA, section 32 and 102)	MPAC Members	Executive Committee Services	#	#	#	#	#	#	#	#	#	#	#	#
A8	Tracking Of Comments And Resolutions Raised In The Oversight Report In Respect Of The 2011/12, 2012/13 and 2013/14 Annual Report For The City Of Cape Town And Its Municipal Entities	MPAC Members	Executive Committee Services - Outstanding Schedule Internal Audit - Schedule of responses	x	x	x	x	x	x	x	x	x	x	x	x
B MEETINGS															
B1	MPAC Meetings (Council Diary) - Scheduling	Executive Committee Services		x	x	x	x	x	x	x	x	x	x	x	x
B2	MPAC Meetings (Council Diary) - Attendance	MPAC	Internal Audit and Executive Committee Services	x	x	x	x	x	x	x	x	x	x	x	x
B3	MPAC Task Team Meetings - Scheduling	Executive Committee Services		#	#	#	#	#	#	#	#	#	#	#	#
B4	MPAC Task Team Meetings - Attendance	MPAC Task Team Members		#	#	#	#	#	#	#	#	#	#	#	#
B5	MPAC and Internal Audit Meetings	MPAC Chairperson	Internal Audit	x	x	x	x	x	x	x	x	x	x	x	x
B6	Council Meetings (Potential MPAC Reports)	MPAC Members		x	x	x	x	x	x	x	x	x	x	x	x
B7	Liaise with Audit Committee and other relevant role-players as required	MPAC Chairperson	Internal Audit		#	#	#	#	#	#	#	#	#	#	#
B8	Task Team summary item and annexures	Internal Audit	Line departments, e.g. Treasury	#	#	#	#	#	#	#	#	#	#	#	#
B9	Task Team report to MPAC	MPAC Task Team Chairperson	Internal Audit	#	#	#	#	#	#	#	#	#	#	#	#
B10	MPAC report to Council	MPAC Chairperson	Internal Audit	#	#	#	#	#	#	#	#	#	#	#	#
C TASK TEAM INVESTIGATIONS & REPORT CONTENTS															
C1	Various matters (including matters as referred by other committees via MayCo / Council)	Task Team Chairperson and relevant Officials	Internal Audit	#	#	#	#	#	#	#	#	#	#	#	#
D PERFORMANCE ASSESSMENT															
D1	Annual Assessment (Self Assessment) - Performing assessment	MPAC	Internal Audit										x		
D2	Annual Assessment (by Stakeholders) - Performing assessment	Speaker, Party Whips, Subcouncil Chairpersons, CAE, Legal and Portfolio Chairpersons	Internal Audit										x		
D3	Annual Assessment - Develop Action Plan	MPAC Chairperson and MPAC Members	Internal Audit											x	
D4	Annual Assessment - Reporting to Council through the Office of the Speaker	MPAC Chairperson	Internal Audit												x
D5	Track delivery on Action Plan from Annual Assessment (based on due dates)	MPAC	Internal Audit	x	x	x	x	x	x	x	x	x	x	x	x
E INDUCTON 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											x	
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 Committee Services)	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		x							x
F8	Annual Report to Council on MPAC activities	MPAC Chairperson	Internal Audit								x				
F9	Governance initiatives (to be reported in MPAC quarterly and annual activities report)	MPAC Chairperson and the Speaker	Internal Audit	#	#	#	#	#	#	#	#	#	#	#	#

Legend:
c: Mandatory
#: Optional

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Annexure "C2"