



REPORT TO MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
REPORT TO AUDIT COMMITTEE
REPORT TO COUNCIL

DATE

1. ITEM NUMBER : C 54/05/16

2. SUBJECT

QUARTERLY REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
FOR THE QUARTER ENDED 31 MARCH 2016

ONDERWERP

KWARTAALVERSLAG VAN DIE MUNISIPALE KOMITEE OOR OPENBARE
REKENINGE VIR DIE KWARTAAL WAT OP 31 MAART 2016 GEËINDIG HET

ISIHLOKO

INGXELO YARHOQO NGEKOTA YEKOMITI KAMASIPALA EJONGENE NEE-
AKHAWUNTI ZOLUNTU, EPHELE NGOWAMA-31 MATSHI 2016

LSU : E4989

3. STRATEGIC INTENT

- 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

To provide a Quarterly Report to the Council on the activities of the Municipal Public Accounts Committee (MPAC) for the quarter ended 31 March 2016.

5. FOR NOTING BY / FOR DECISION BY

This report is for noting only/information only.

6. EXECUTIVE SUMMARY

As per the MPAC Terms of Reference approved by Council on 3 December 2014 (*vide* C44/12/14), the MPAC must report to Council quarterly on its activities.

MPAC's 2016 Annual Work Programme was approved by Council on 10/11 December 2015 (*vide* C51/12/15) and will form the basis for the quarterly reporting process.

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 March 2016.

7. RECOMMENDATION

It is recommended that Council acknowledges the activities of the Municipal Public Accounts Committee as detailed in this Quarterly Report for the quarter ended 31 March 2016.

AANBEVELING

Daar word aanbeveel dat die Raad erkenning gee aan die aktiwiteite van die munisipale komitee oor openbare rekeninge wat uitvoerig uiteengesit is in hierdie kwartaalverslag vir die kwartaal wat op 31 Maart 2016 geëindig het.

ISINDULULO

Kundululwe ukuba iBhunga malamkele imisebenzi eyenziwe yiKomiti kaMasipala ejongene nee-Akhawunti zoLuntu njengoko icaciswe ngokuzeleyo kule ngxelo yarhoqo ngekota, ephela ngowama-31 Matshi 2016.

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 had been revised and adopted 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) and to have 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.

(a) Apart from the ordinary meetings held on a monthly basis, task teams (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 a Council resolution.
- (b) During this quarter the following can be reported from the MPAC activities as required in **Annexure A**:
- (i) Four ordinary meetings were held.
 - (ii) One report was approved by Council:
 - Oversight Report in respect of the 2014/15 Annual Reports for the City of Cape Town and its Municipal Entity (*vide* C32/03/16)
 - (iii) Governance – Training and Sharing:
 - 19 January 2016: Refresher training in respect of the oversight process and principles
 - 19 January 2016: Revisit MPAC governance requirements
 - 19 February 2016: Induction training for new MPAC member
 - (iv) Governance – Meetings:
 - 5 February 2016: Standing Committee on Local Government
 - 10 February 2016: Standing Committee on Public Accounts
 - 12 February 2016: SALGA: Provincial Governance & IGR Working Group Meeting
 - 24 March 2016: 1st Quarterly Meeting of the Western Cape Association of Municipal Public Accounts Committees (WCAMPAC)

Annexure B depicts the detail of activities for the quarter ended 31 March 2016 and attached as **Annexure C** is the MPAC 2016 Annual Work Programme progress at 31 March 2016.

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* C44/12/14) that is based on the National Treasury Guideline for Establishment of Municipal Public Accounts Committees (MPAC).

The submission of this quarterly report is prescribed in terms of section 63 of the Local Government: Municipal Systems Act 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 Yes

8.3. Legal ImplicationsPart 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 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 March 2016
 Annexure C1 : MPAC Annual Work Programme (January 2016 to March 2016)
 Annexure C2 : MPAC Annual Work Programme (January 2016 to December 2016)

FOR FURTHER DETAILS CONTACT:

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MPAC CHAIRPERSON

NAME COUNCILLOR WS MXOLOSE

DATE 21/04/2016

Comment:

This report is tabled for noting by Council.

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LEGAL COMPLIANCE

NAME CHARLYNNE ARENDSE

TEL 021 400 1265

DATE 22-04-2016

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

NON-COMPLIANT

Comment:

Certified as legally compliant:
Based on the contents of the report.

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EXECUTIVE DIRECTOR: CORPORATE SERVICES AND COMPLIANCE

GERHARD RAS

DATE 20/04/2016

- SUPPORTED FOR ONWARD SUBMISSION TO MAYOR / MAYCO / COUNCIL
- AUDIT/PERFORMANCE AUDIT
- NOT SUPPORTED
- REFERRED BACK

COMMENT: