

Association of Public Accounts Committees (A•P•A•C)

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Acting Chairperson's Review

“The biggest challenge facing APAC is managing our rapid growth, maintaining the momentum, whilst also containing that momentum so that we do not lose focus”.

By Mr. Johnny Makgato

The success of APAC largely has been the ability for us collectively to have identified key growth areas, to remain focused in our vision for an accountable and democratic society, the commitment from our members and our complete faith and reliance on the dedication of our secretariat. The task of holding the executive accountable is a daunting one, and our skills building programme tries to ensure the adherence to the principles of good governance and eradication of corruption, whilst promoting transparency.

This past year APAC was hit by a double crisis. Our visionary, resourceful and energetic Chairperson Ms. Tasneem Essop, tendered her resignation to assume duties as the Provincial Minister of Transport in the Western Cape. She unfortunately took with her the passion she bore fervently for APAC but fortunately left behind a strong institutional foundation and the vision and mission that we still embrace today - one that drives APAC. The second crisis was that of our affable and highly respected Treasurer Mr. Mohammed Dangor tendered his resignation to assume ambassadorial duties. We were very fortunate to have his wisdom and intimate knowledge of the donor fraternity.

APAC managed to raise in excess of R1 million for the period under review. This signals a phenomenal growth in our budget and translates into a bigger programme. Coupled to this was the need to employ a full-time Office Administrator to cope with the increased administrative load. Our programme scope has increased with 3 modules developed and presented. Module 4 will be presented in October later this year and the accreditation of our training course is under review, positively so, at the University of Western Cape's School of Government. Details of our projects are given under Major Achievements in this report.

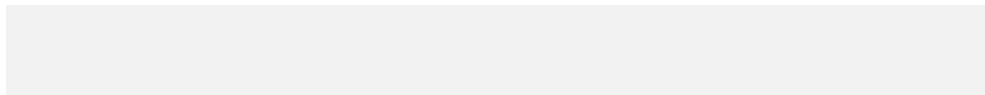
The biggest challenge facing APAC is managing our rapid growth, maintaining the momentum, whilst also containing that momentum so that we do not lose focus. The sustainability of APAC depends entirely on our jurisdictions. Through your active participation in the life of APAC, the feedback in terms of the training impact and your commitment, APAC can only rise to greater heights. APAC received an invitation to participate in the SADC forum facilitated by the Parliamentary Centre of Canada. They are keen for us to play a critical role in shaping and presenting streamlined training programmes in the region. This is recognition of our capacity and competence to deliver excellent training to our membership. As a direct outcome of our Conference 2001, SADC members who attended requested that we explore how all the SADC Public Accounts Committees could begin to work towards the setting up of a SADC PAC initiative. We are confident that this first exploratory meeting will take place at our upcoming conference in Kimberley.

In conclusion, may I on behalf of the APAC EXCO acknowledge the engine room of APAC, the people who makes all our resolutions and ideas a reality:

- Our committed Secretariat who tends to the day to day running of APAC
- The ten jurisdictions for your commitment to keeping APAC exciting
- The Office Of The Auditor-General for its continued support both infrastructural and human resources
- All our trainers who have given our training credibility and substance. A special thanks to Professor Christina Murray, Dr Iraj Abedian, AFReC, the Office of the Auditor-General's lecturing staff, Mr Ismail Momoniat and Mr Ismael Mamoojee who tirelessly provide all their services and support free of charge
- The Council of Delegates for ensuring that we do not deviate from our stated mandate
- All our donors: **Friederich Ebert Stiftung, Swedish International Development Cooperating Agency, Standard Bank, Finnish Embassy, ABSA, Deloitte & Touche, The Parliamentary Centre in Canada, IPFA and the Provincial Legislatures**
- Our in-kind donors: Gobodo Risk Management and the Office of the Auditor-General
- The SADC delegates who have participated in our training and conferences

I thank you

Hon. Johnny Makgato
Acting Chairperson: APAC Executive Committee
May 2002



2. Vision Statement

APAC shall strive to distinguish itself as an organisation empowering its members to effectively carry out their function as oversight committees over public sector financial management, as well as promoting sound, accountable, transparent governance.

3. Objectives of APAC

- To improve the quality and the performance of the public accounts committees in South Africa;
- To promote sound, accountable, transparent governance;
- To facilitate the exchange of information and opinions relating to the work of the public accounts committees and to discuss matters of mutual concern;
- To liaise with the Auditor-General's office so as to improve the effectiveness of external audit services;
- To communicate and build relationships with individuals and organisations knowledgeable about matters of concern to public accountability (both nationally, regionally and internationally);
- To provide information to elected representatives, media and the general public as to the purposes and activities of public accounts committees;
- To pool resources and share experiences to benefit all and promote best-practices;
- To improve the capacity of individual members of the public accounts committees to function more effectively and
- To build a sound relationship with the Speaker's Forum.

4. Executive Summary

APAC was established in 1997 after initial discussions to consolidate, harmonise and find best-practice models of oversight and accountability within the Public Accounts Committees (SCOPA's) fraternity. It was quite clear to the 9 provincial and one national public accounts committee that they would be able to carry out their responsibilities more efficiently if they joined forces through forming an association. A major objective for APAC is to improve the quality and performance of the SCOPA's in South Africa and to improve the capacity of individual members of the SCOPA's to function more effectively. To this end APAC has identified the areas of weakness in capacity and where applicable designed and developed appropriate training courses. Through our annual conferences we encourage debate on topical issues affecting the performance and efficacy of SCOPA's. In April 2001, we hosted our second training course in Gauteng, our third national Conference at the end of May and our third training course in October 2001.

Largely APAC outcomes are driven by a committed Executive Board made up of 8 members. The year 2001 saw phenomenal growth within APAC as it gained momentum in terms of output and input. In total 257 people underwent training, 220 participants attended our National Conference, we printed our first newsletter and we produced our inaugural publication, "Post-Conference Booklet". This is a collection of the conference proceedings and papers. We are receiving requests for training from people outside the scope of the APAC fraternity. For example the Chair of Chairs from the Gauteng Legislature has requested that we train the whole legislature including Members of the Executive Council (MEC's).

The donor support base was phenomenally increased by 76% as we managed to raise R1 041 768. An interesting development was that we asked each legislature to contribute to the October skills training by paying a small registration fee. In this manner we raised R223 250 therefore no outstanding debtors. Because of our income generation drive and the tremendous support from all our donors it is possible for APAC to succeed and move to higher grounds towards a more equitable, transparent and accountable society.

5. Governance Structure

APAC is an autonomous member based association not-for-gain. The membership comprises the 9 provincial SCOPA's and one National SCOPA. It is governed by the Executive Committee comprising 8 members and bound by a constitution. Our Constitution establishes APAC with the powers and responsibilities associated with a juristic person. The AGM is the highest decision making body where an incumbent Executive is elected. During the year under review, the activities of APAC were directed by the EXCO and carried out by the Secretariat. A Council of Delegates (COD) comprises the Chairperson and two other elected members of each jurisdiction. The COD is accountable

to the EXCO and meets at least three times per annum. For the period under review, we held 8 EXCO meetings, 2 COD meetings and a special Finance meeting. These meetings were held in Cape Town, Kimberley and Gauteng.

6. The Nature of SCOPA's

The Committees of Public accounts carries out its mandate within a framework refined since 1994 and subsequently officially adopted by the National Assembly in March 1999 as the Standing Committee's 10th report for 1999. The Committee is the mechanism through which the National Assembly exercises oversight over the expenditure of public money which it annually appropriates to executive organs of state in the national sphere of government.

On a provincial level the provincial SCOPA finds its mandate under the provincial legislature and exercises oversight over the expenditure of public money on a provincial level. Parliament has to be able to provide assurance to the public that public monies and assets are being managed properly and that value for money is being received by public sector institutions in their spending of public funds. In essence, the Public Accounts Committee is the final link in the accountability chain. If Parliament through the SCOPA's can provide this assurance, the confidence of the general public in our public institutions will be strengthened.

For the members in the SCOPA's to function properly they need information, proper skills training and capacity building. This has been one of the main reasons for the formation of APAC. A Westminster style tradition is that the Chairperson of a SCOPA is a member of the opposition party. The reason for this is that SCOPA's are oversight bodies scrutinising the activities of the Executive which is normally dominated by the majority party in the legislature. Because of the non-partisan nature of these committees, often decisions are arrived at unanimously. In a non-partisan manner, the Committee conducts searching and rigorous assessments of financial administration in the national public sector.

7. Major Achievements

7.1 Skills Training Event 18 – 20th April, 2001

In accordance with the overall aim to improve the capacity of individual members of the Public Accounts Committees to function more effectively, APAC has concentrated on developing work-based and applied courses specifically designed for SCOPA members' needs. The training is modularised and comprises a range of various interactive methodologies like case-studies, role-play etc.

In January 2001 we completed the development of Module II. The training course was run 18-20th April, 2001 at the Standard Bank Morningside College in Gauteng. This module builds onto Module I, which focuses on the basic skills needed by any SCOPA member. The second module starts to unpack the Public Finance Management Act (PFMA), the

financial regulatory framework within which all public entities have to operate. It also unpacks the principles and practices of financial oversight. An exciting addition to this module has been the Media Management course. It is clear from the positive responses of our membership base that this course was long overdue. Spin Communications, a media and communications organisation presented this very thoroughly researched course which was designed with the needs of a Public Accounts Committee in mind. Out of this course a call was made from the APAC membership for a *media protocol* to be developed within all SCOPA's and an '*Idiot's guide to media management*' which will be designed for both PAC members and journalists in mind.

The course also provided an opportunity for all beneficiaries to understand how the media operates. To this end the facilitators brought in two political journalists who gave their opinion and perspective on the matter. The one was a **Ms Ferial Haffajee, Political Correspondent editor, Financial Mail** and **Mr John O'Sullivan, producer radio 702**.

One participant happily described the course as an MBA specifically designed for PAC members. Incidentally this person was the 'guinea pig' our first external participant a woman named Ms Hope Malgas who is a member of the Women's Empowerment Unit and a member of the standing committee on education in the Eastern Cape Legislature. As a first attempt at presenting module II, the course was well received and did much to increase participants' knowledge about the PFMA, media management and business planning. The business planning session gave the participants the tools to go back to their jurisdictions to complete the process of writing up their own business plan. There were three breakaway groups who were tasked with: developing a workplan, doing a SWOT analysis and the third group evaluated the monitoring and tracking system which National SCOPA uses. The production of a business plan was a key resolution undertaken at Conference 2000. To date 8 jurisdictions have completed this exercise and submitted a copy to the APAC secretariat.

Demographics:

In total 108 members attended the course: 30 female and 78 male

Course design and development

Ms T Essop (APAC Chairperson), Mr Cobus Botes and Ms Laurie Less (OAG) are largely responsible for the design and development of the course content. In order to comfortably develop new courses, they depend on the needs that are expressed by the membership base. We do not rely on external expertise which would be rather costly to APAC. The evaluation results are also fed back into the course design process through discussions and feedback at planning meetings.

Challenges experienced – lessons to be learned

A 'post – mortem' meeting is held immediately after each project has been completed. We discussed in a logical manner what the key obstacles and successes were which was achieved. Module I we observed, was comprehensive with enough time for everyone to engage and for fruitful group discussions. The participants enjoyed the case-studies and the role-play sessions tremendously. A great amount of self-learning takes place in the group sessions. The course material for Module II was dense but it was expected at this level that participants take control of their own learning. Inherent to learning is reading. The materials were all apt and relative to the presentations. So, too were the case-studies which were 'real live' scenarios. Overall module II development was successfully designed, developed and implemented. Beneficiaries enjoyed the courses very much and the difficulty we anticipated of running two modules simultaneously was overcome because we had identified who would co-ordinate the different courses. Every secretariat

member was properly briefed and we had a rigorous action plan. An important outcome of the skills training initiative is the knitting of a closer working relationship between the OAG staff and the SCOPA members. This is very important in the delivery of an efficient and effective functioning of the SCOPA's.

7.2 Conference 2001 27-29 May, Elangeni Hotel KZN

The aim of this conference was twofold: to host an exciting, debate driven conference with a range of diverse guest speakers which would lead into debate and setting new objectives for APAC for the ensuing year by virtue of the resolutions. The conference theme was, "*Promoting Sound Governance, Accountability and Transparency on the African Continent*"

The Conference also aimed to increase participants' knowledge and understanding of the issues of accountability, transparency and good governance. There were four panels with the following themes:

- Oversight and Accountability
- Financial Management
- The impact of the PFMA
- Principles of Local Government Financial Management
- Ethics and Morality on the African Continent

The conference papers kicked off with the Deputy-Speaker Ms Baleka Mbete, who raised some important questions such as: the party-political nature of Public Accounts Committees and how this impacts on oversight and accountability, the fact that parliament was more reactive and not proactive enough, how to address Chapter 9 institutions and the interface and interaction between SCOPA's and other committees.

Mr Desautels (Canadian Auditor-General), posed an interesting scenario to the participants: he stated that in Canada, government was charged in a situation where they had cut back on resources without cutting back or changing the mandate of the department concerned. In such a case the department surely does not have the capacity to deliver what it was tasked to do by parliament. This was a basic theme underpinning their performance audits. Dr Iraj Abedian, emphasised the importance of laying down a good foundation today including political leadership. If we want accountability we had to put it properly in 'the fullest spectrum of accountability not only bureaucrats and technocrats but also the accountability of political leadership'.

The CEO of the Office of the Auditor-General discussed the importance of the timing of the APAC conference as we were moving from a cash basis of accounting to an accrual accounting approach. He stated that performance information when combined with accrual accounting leads to better management of resources. This will lead to better monitoring and improvement of efficiencies which ultimately will lead to enhanced accountability. He pointed out the challenge to government departments with regards to having effective financial systems in place and the proper human capital to support it. He ended stating that the Office of the Auditor-General had a role in not only auditing a department but providing the much needed advice and support.

Of note were the real concerns raised around the Local Government Financial Management Bill raised by Councillor Johnny Mokoena. It proposes that in future, municipalities will have to develop their budgets in consultation with communities. This poses many problems as it would be likely that only 20% or less of the community properly understands the process. The issue would be how to draw the community into this process of deepened accountability and responsibility. Another major problem experienced by the municipal councils is the lack of capacity.

Mr Joachim Wehner provided an insightful comparative of the SA MFM Bill and the provisions of the German public finance management system. He stated that German local government finance had a high degree of continuity because they had not experienced the radical change which SA had undergone. Germany has a 'Land' as compared to our Provinces. Each 'Land' has its own local government financial management legislation. At the same time the Länder have always co-operated and tried to harmonise legislation between each other. Recently some Länder have incorporated so-called experimental clauses where they allow for some experiments with new public management techniques and new models which allow municipalities to apply for exemptions from certain conditions. Like having greater freedom with regards to virements, the movement of funds between and within votes during a financial year. He also stated that a trend that has emerged from East Germany is a greater move towards participation in the local government budgeting process.

An historical, interesting and invigorating panel discussion was the one on Ethics and morality which provided the impetus for a vigorous debate in the commission. Ms Dorothy Mahlangu presented on behalf of the African Parliamentarians Network Against Corruption. She began by detailing the history and the current challenges of this organisation. It initially stemmed out of a meeting in Uganda in February 1999, out of the need to curb rampant corruption on the African continent. She went on to discuss the inherent weaknesses inherited as a result of colonialism. She cited as an example how various African countries could learn and share from each other. In South Africa we have recently introduced the PFMA, which is a modernised tool to ensure financial accountability and transparency. We also have a code of conduct for MP's and the Executive but, in many parts of Africa these mechanisms do not exist.

Dr. Stiaan van der Merwe, presented an exciting and humorous paper. He discussed accountability both in the private and public sector and of individuals in their public and private lives. He expressed that certain companies used the word ethics and integrity in their constitutions or policy documents because it was a 'feel good' concept. The importance was that the inclusion of the concept in a policy was not truly bringing ethics into an organisation. He discussed a system for managing or performance managing ethics in an organisation. And introduced the notion that we should perform an audit on the ethics in an organisation too. He stated that, corruption is a societal sickness like racism and gender discrimination. It is not just about bribery but about the plethora of corruption and that apartheid and colonialism was a form of corruption too. So too the massive forms of bad governance and corruption, driven by powerful institutions, states and individuals in globalisation. He ended with some humour stating that *a Code of Ethics was like Pornography, what you see is what you do not get.*

The Reverend Frank Chikane presented a paper which was an abridged version of a paper written in 1997 titled, "The crisis of Moral decadence in the South African society". He stated that the State in itself, is expected to be the organ through which society mediates its moral values to establish an acceptable social morality regarded as desirable by its members. This state became corrupt in itself and when this happens respect for the rule of law collapses and then breaking the law becomes a virtue. He explained the South African transition and pointed to the various phases we underwent and attached to it elements which exacerbated corruption.

"On a socio/philosophical level, morality like values cannot be legislated because in the final analysis, it is about a voluntary submission to a higher code of probity" Dr Frene' Ginwala.

The plenary was divided up into 4 commissions which were tasked with discussing the themes. The salient points were presented to plenary on the Tuesday afternoon with a set of resolutions. The resolutions were applicable and posed a challenge for APAC to

implement them over the new year (see the resolutions, which were eventually placed into Strategic Objectives categories in the post conference booklet).

For more detail please refer to the post-conference booklet.

Beneficiaries of the Conference 2001

A total of 208 people attended the conference. Of this number 46 were female and 157 were male. Once again the gendered skewness is due to the gender ratio of the total complement of women in Parliament.

The beneficiaries comprised APAC members, staff of the OAG including the Auditor-General and his CEO, SAICA, SALGA, international guests the Auditors-General of Canada, Swaziland, Zambia and Mozambique and their Public Accounts Committee members, MEC's, speakers of the various legislatures, the Public Service Commission, Finance and Fiscal Commission, Donors, IDASA, Inter-Governmental Relations, the Institute of Internal Auditors, IFPA, Namibian National Assembly, Office of the Presidency, various Portfolio Committee members, and Transparency International.

7.3 One day workshop/seminar

On 6 June, 2001, we were given the opportunity of hosting visiting Professor Schick, from the University of Maryland to present to APAC a brief presentation on lessons learnt re: Legislative Oversight. This discussion included the following broader issues:

- Clarity of roles and responsibilities
- Clarity of performance expectations
- Balance of expectations and capacities
- Credibility of reporting
- Reasonableness of review

Approximately 30 APAC members attended this presentation which took place in Cape Town over a luncheon period. Professor Schick is an authority on performance auditing and legislative oversight. It was an excellent opportunity for APAC to host Professor Schick as he was in Cape Town presenting a course for AFReC. This session, was very informative and Prof. Schick provided a stimulating and useful discussion that foregrounded performance auditing and measures. This workshop was an unintended outcome but we were extremely fortunate to have had the opportunity to host Prof. Schick.

7.4 Skills Training 6 – 9 October 2001

Our October training took place at the Parktonian Hotel in Braamfontein, Gauteng. We started our programme on Sunday, 6 October, 2001. Because of the demand for more information about the Public Finance Management Act (PFMA) it was decided to invite an 'expert' Mr Ismail Momoniat, who was instrumental in the development and roll-out of the PFMA. It was agreed that the PFMA should be added to Module I and that this particular session was to be attended by all members on the Sunday. From the questions posed and the interest shown, we will have to develop an advanced course focusing on the PFMA.

An interesting new development was that we asked all participants to pay a registration fee of R1800.00. We had overspent in terms of our budget and this provided the necessary leverage to enable APAC to run all three modules for 149 beneficiaries. Please note that we had only budgeted to train 100 participants for both our Skills Training

interventions. We have by far exceeded this expectation through training 108 in April and 149 participants in October. Partly this was due to the registration fee collection and more importantly the financial freedom leveraged through our donor support. We are very appreciative of all the support we received.

Demographics:

In total 149 members attended the course: 50- female and 99- male

Whilst we actively seek out female members to attend our courses we are limited by the total number of women members within the SCOPA's. To date we only have one female chairperson, located in Gauteng, Ms Sibongile Nkomo.

Monitoring and Evaluation

A comprehensive monitoring and evaluation system is in place. We will monitor the committees progress i.e. have they set objectives, effective prioritising, analysis of resolutions, effective follow-up processes, steps taken to promote financial accountability, workload management, and the gathering of statistics. The quality of the questions posed is a rather subjective area and will require research and a thorough analysis of preparation for hearings. Many of these outcomes are intangible and will require observation. Observation is an expensive exercise as it requires a resource person who can attend all these hearings on a National and Provincial level because the Hansards are often incomplete and does not reflect important nuances like tone and attitude. Subtle issues can never be captured in a Hansard. We intend to work much closer with the SCOPA support staff so that they may assist us in collecting these vignettes. A questionnaire template will be developed which will be used to identify trends and patterns across the jurisdictions. It will be presented by each Chairperson at the COD meetings.

Beneficiaries of the Skills Training

In total the complete APAC membership totals 124. Female members equal 25 and male members equal 99. Other beneficiaries comprise parliamentary managers and provincial auditors from the Office of the Auditor-General, members from the Women's Empowerment Unit. It is envisaged, because of the demand, that our courses will be made available to members from other committees with which Public Accounts Committees interface, example the finance committees. In October the Chair of Chairs, Mr Nkomfe from the Gauteng Legislature, approached APAC and requested that we train their entire legislature including the MEC's. He would require that the courses be 'streamlined' to suit their needs. They would pay APAC to run these courses. This is true testimony to the credibility of APAC's training.

Methodologies employed

It is important to note that there is no body of knowledge or an emerging discipline which guides the work and activities of a Public Accounts Committee member (nor any other committee member for that matter). Besides APAC, the Applied Fiscal Research Centre (AFReC) based at UCT, provides courses to Parliamentarians. APAC's courses are directly designed as an outcome of the specific needs of a SCOPA member. The courses aim to give beneficiaries the necessary theoretical underpinnings to appreciate the legal basis of their work but more importantly is the application of this theory.

The overall methodology employed in the workshops is consistent with an adult education paradigm or a transformative and iterative methodology, aimed towards cognitive and behavioural change. Formal didactic presentations followed by group discussions, led by a facilitator, and back into plenary to present findings and then a question and clarity session in plenary. In the small groups (which remain constant through the two days) participants work through exercises or scenarios or role-play. Herein, an opportunity lies for APAC to develop a core group of committee support staff acting as trainers or facilitators. This would entail redesigning the course work into a modularised train-the-trainer workshop format.

We encourage lecturers to apply a critical approach to their presentations so as to encourage self-learning and questioning. This is done through deductive and applied methodologies because we assume that the participants have accumulated knowledge which frames their perspectives. Characteristic to the APAC courses is that participants do not require formal preparatory reading. This is bent on the premise that Parliamentarians are extremely busy people and have very little time to read. Workshops involve active participation without preparation. For the final Module IV we will require that participants do some preparation i.e. a range of pre-test readings and a project.

Challenges experienced

The gravest problem or challenge for any organisation hosting training workshops for Parliamentarians is to synchronise their diaries. We had to change our dates to suit their diaries and this impacted on the availability of a suitable venue. In our Council of Delegates meeting, we requested that all SCOPA's prepare and budget for future training with APAC in their Business Plans. Our earlier experience required that we house and present the courses under one roof. To this end it was a rather difficult exercise to find a suitable venue as our numbers are large.

7.5. Staffing

To date APAC has only one contract staff member, Ms Zuzi Msutu who is the office administrator. We have terminated the employ of the part-time bookkeeper and Ms Msutu will in future be assisting us in this regard. The project manager is Ms. Laurie Less who is seconded on a 65% basis through the Office of the Auditor-General. Ms Sharon Rensburg is the project administrator and is seconded through Gobodo Risk Management (an auditing firm) on a half-day basis. From time-to-time students are employed to assist with mass faxing and photocopying in order to develop the course readers. We have recently used the services of the OAG to complete an internal audit of APAC's finances.

The APAC secretariat relies heavily on the support (both infrastructural and administrative), of the Office of the Auditor-General. All the staff are encouraged to participate with the planning and execution of APAC activities as the need arises. Mr Cobus Botes, APAC technical advisor, allocates some time each week to APAC business. If we manage to secure enough funds we would like to employ a full-time Projects Co-ordinator and a researcher so that our many important resolutions may be acted on.

7.6. Research

It is clear from the conference Resolutions that were tabulated into strategic objectives, that research is needed into a range of issues which affects the proper functioning of a SCOPA. For the year 2002, a concerted effort will be made to secure funds in order to expedite the research. We have an in principled decision from USAID to provide APAC

with R500 000 towards expediting our two research projects: the production of a Best-Practices Handbook and research into Local Government oversight and accountability arrangements.

7.7. Policy Interventions

From the set of resolutions APAC will engage in lobbying around the amendment of standing rules/method of work in order for other portfolio committees to participate in the processing of Auditor-General Report applicable to local authorities. A survey was done amongst all APAC members: The impact of the PFMA on the SCOPA's. This was a call from both the Auditor-General and the National Treasury in their wish to further enhance the management of Public Finances.

Ms Tasneem Essop (APAC Chair) was nominated to be a member of the Accounting Standards Board. This is recognition of APAC's strength and legitimacy. Currently the Accounting Standards Board is in the process of operationalising itself.

APAC has lobbied for membership on the Anti-Corruption Forum. This forum is still in its infancy (planning) stage.

When the Municipal Finance Management Bill was gazetted on 31 August 2001, APAC immediately responded as we had put together a task team in this regard as an outcome of Conference 2000. The bill has been introduced into Parliament and is under deliberation by the NCOP, Select committee on Finance and Portfolio Committee on Finance as well as both committees on local Government. It is envisaged that the MFMB will be enacted before the end of 2002.

7.8. International Linkages

APAC was invited to join the Australasian Council of Public Accounts Committees (ACPAC) and the APNAC Southern African Chapter requested that we serve as their secretariat. Our AGM agreed to decline as APAC was not financially strong nor did we have appropriate human resources. We are in the process of planning how to take forward the resolution of building a SADC initiative.

Our Chairperson attended a Global Organisation of Public Accounts Committees (GOPAC) training initiative, as a guest speaker, held in Kenya. This was sponsored by the World Bank.

We are also in contact with both INTOSAI and SADCOSAI Auditor-General's initiatives. These existing institutions have been extremely useful in contacting the relevant SCOPA's in the SADC region.

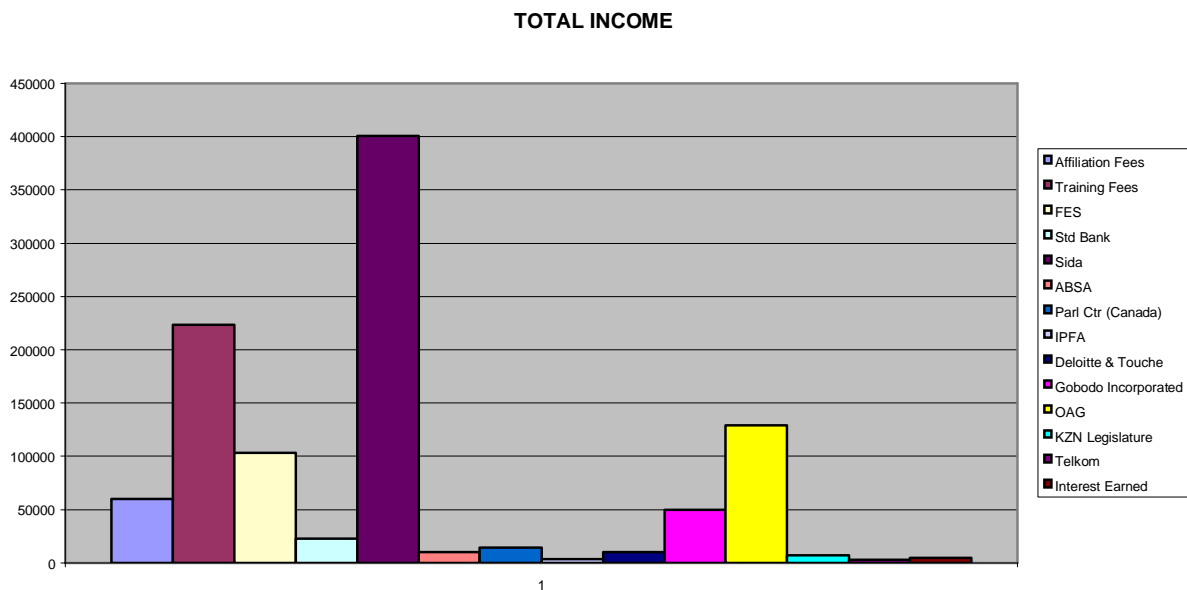
The Parliamentary Centre of Canada invited our Acting Chairperson to attend a workshop on accountability in Ethiopia 10th April 2002. They are in the process of setting up a network providing training on financial oversight and accountability to all stakeholders in Africa. To this end APAC was identified as a critical service provider.

7.9. Newsletter

In October 2001 we produced the first APAC newsletter. It was well received. Provided that sufficient funds are available we hope to continue with the production of a quarterly newsletter.

8. Treasurer's Report

For the period under review, 1st April 2001 – 31st March 2002, we fundraised a total of R1 041 768 from 9 donors. This includes both cash and in-kind donations. This is a significant increase of 941% on the previous year (R100 316.22) and is testimony to our increased scope and content of the APAC programme.



Our total operational expenses equals 26.2% of our total expenses incurred over the period under review. Of note is the fact that such a large operation runs with only one full-time staff member and total salaries equals 5.3% of our total expenses. Our gravest difficulty has been fundraising towards salaries to fully capacitate APAC. Largely our financial activities are centred around our five main projects; Conference 2001, the production of a post-conference booklet, Skills training in April, the production of our newsletter and our October Skills training.

On an operational level our accounting and bookkeeping systems have vastly improved since the appointment of our office administrator cum bookkeeper. We have fully implemented our computerized bookkeeping programme called TurboCash and produced cash flow projections. Our Treasurer Mr Mohamed Dangor has unfortunately resigned from APAC due to his appointment to a Diplomatic post in Saudi Arabia. Mr Mike Tarr was seconded to act as the Treasurer until the AGM elects a new Treasurer in May 2002. At our previous AGM the Constitution was amended to increase our affiliation fees from R5 000 to R6 000 per annum payable by all jurisdictions before 31st March 2002. All subsistence and travelling costs for meetings and APAC training activities are covered by each respective jurisdiction.

8.1. Auditing

SAB&T Chartered Accountants (S.A.) were appointed as our external auditors. Before our annual audit we requested that the Office of the Auditor-General conduct an internal audit. We also conducted a special audit on the Swedish International Development Cooperating Agency's (Sida) funds. This was stipulated in the Sida contract. An unqualified audit opinion was stated.

8.2. Sustainability

In January 2002 a fundraising task team spent one week in Pretoria and Gauteng meeting with a vast range of donors. This exercise resulted in a significantly increased donor base. We managed to achieve in-principled decisions for the year 2002-2004 and a major success is the securing of a three-year rolling fund from the Parliamentary Centre of Canada. Coupled to this is the current deliberations of a draft proposal to the World Bank Institutional Development Fund (IDF). We are positive that the outcome will be successful. We have also confirmed an in-principled decision from USAID towards the research project for the next financial year. In-roads have been made with new donors such as DFID, the World Bank, the Norwegian Embassy, the OECD and the Embassy of Denmark.

Our income generation exercise of charging R1 800 per delegate attending our skills training was extremely successful and resulted in a total accumulation of R223 250. The affiliation fees amounts to R60 000 resulting in a zero balance for outstanding debtors.

9. Conclusion

It is clear that APAC has managed to achieve all of its major goals for the year 2001-2002; to develop module II, and III, to deliver it to the beneficiaries, to host an annual conference, the publication of our first newsletter and the 'post-conference' booklet.

Module IV will be developed in June and plans in this regard are under development. To date 257 beneficiaries have undergone training through module I, II and III. We held our AGM in May together with the conference (to save costs).

There are plans to develop a training of the trainer module and this development should bring the committee support staff on board as a more active component of the APAC family. The committee support staff is integral to the success of APAC especially their support in monitoring the impact of all APAC training interventions.

In conclusion it is clear that APAC enjoys legitimacy as an organisation geared to capacitating its members. This is proven by the members indication to provide more financial support (affiliation fees) to APAC. APAC has grown phenomenally over the past year and has increased its capacity to reach all of its goals. The management of APAC is committed to put to use its creative energies and time to ensure APAC's sustainability and the continuity of our programmes.