



**OVERSIGHT REPORT OF THE MUNICIPAL PUBLIC
ACCOUNTS COMMITTEE ON THE ANNUAL REPORT
AND THE AG REPORT OF LEPELLE-NKUMPI LOCAL
MUNICIPALITY FOR THE FINANCIAL YEAR
2016/2017**

1. INTRODUCTION

Section 129(1) of the Municipal Finance Management Act (MFMA) 56 of 2003 states that the council of a Municipality must consider the report of the Municipality and of any Municipal entity, under the Municipality's sole or shared control, and by no later than two 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 –

- (a) Has approved the annual report with or without reservations;
- (b) Has rejected the annual report; or
- (c) Has referred the annual report back for revision of those components that can be revised.

The Municipal Public Accounts Committee (MPAC), through its chairperson, tables the draft oversight report on the annual report in the municipal council for discussion and resolution. The analysis and review of the annual report is based on the provisions of the National Treasury guidelines as contained in circular 32 of 2005 and the process of public consultations and hearings which took place on 07 March 2018 and 15 March 2018. No written community representations were received from the Office of the Municipal Manager and the Speaker on the AR.

MPAC is composed of the following members and role players:

- Cllr. M.I Mollo Chairperson
- Cllr. D.M Thindisa Member
- Cllr. R.S Phele Member
- Cllr. M.R Ntswane Member
- Cllr. T.C Thobejane Member
- Cllr. C.M Choung Member
- Cllr. V.M Moganedi Member
- Cllr. K.G Leshilo Member
- Cllr. K.G Seribishane Member
- Cllr. W.M Shogole Member
- Cllr. M.J Mamosebo Member
- Mr. W.T Mashita MPAC Researcher

2. RESPONSIBILITY OF THE MAYOR

Section 127 (2) of the MFMA states that 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.

The Mayor, in terms of section 127(2) of the MFMA, tabled the annual report (AR) of the municipality in the municipal council on 31 January 2018 and the AR was referred to MPAC for a detailed analysis and review. MPAC then drafted an oversight report (OR) which is now tabled in council for discussion.

The AR tabled by the Mayor included the following components of the AR as provided for under section 121(3) of the MFMA:

- The annual performance report of the municipality prepared by the municipality in terms of section 46 of the Municipal System Act; and
- An assessment by the municipality's accounting officer of the municipality's performance against measurable performance objectives referred to in section 17(3)(b) MFMA for revenue collection from each revenue source and each vote in the municipality's approved budget for relevant financial year.
- An assessment by the municipality's accounting officer of any arrears on municipal taxes and service charges;
- Particulars of any corrective actions taken or to be taken in response to issues raised in the audit reports in section 121(3)(b) and (d)MFMA;

The AR tabled by the Mayor did not include the following components of the AR as provided for under section 121(3) of the MFMA:

- The Auditor General's audit report in terms of section 126(3) on the financial statements;
- The AFS in terms of section 126.(1)(a)
- Notes of the AFS to clarify issues in connection with financial statements.
- Any explanations that may be necessary to clarify issue in connection with the financial statements
- Any recommendations of the municipality's audit committee

The AR tabled by the Mayor did not include the following components of the AR as provided for in circular 63.

- Chapter 2 on Governance in the annual report does not share information on public satisfaction on municipal services.
- Appendix A on Councillors; Committee allocation and council attendance

- Appendix B on Committee and Committee purpose, listing all committees of the council, the purpose of each committee and the names of councillors serving on them and the attendance of each councillor
- Appendix C include an organogram of the administrative structure
- Appendix D included on what constitutes a municipal function and the applicable functions of the municipality
- Appendix E on Ward reporting included with information on the functions of ward committees, the sector of community representation, reports submitted by each of these committees' challenges experienced and measures taken to address them
- Appendix J included with senior managers disclosures of financial interest
- Appendix L included on Conditional Grants received (excluding MIG) received during the year indicating adjustments budget and the actual, showing percentage variances and any major conditions applied by donors on each grant
- Appendix M included on capital expenditure (a) on new assets programme, and (b) on upgrade/renewal programmes showing the actual of the prior year, the adjusted budget and actual expenditure in the current year
- Appendix N on all capital projects in the current financial year, indicating the adjusted budget, actual in the current year and the variance
- Appendix P included on service connection backlogs at schools and clinics with their names and location
- Appendix Q included with all service backlogs experienced by the community where another sphere of government is responsible for providing the service
- Appendix S included listing all monthly MFMA S71 budget statements not submitted in time

The municipal council referred the annual report, as tabled by the Mayor to MPAC for consideration and submit a report to council within two months as referred to in section 129 of the MFMA

3. RESPONSIBILITY OF THE ACCOUNTING OFFICER (AO)

Section 127(5) of the MFMA states that immediately after the AR is tabled in the council in terms of section 127(2), the AO must in accordance with section 21A of the Municipal System Act (MSA) –

- (i) Make public the AR
- (ii) Invite the local community to submit representations in connection with the AR; and
- (iii) Submit the AR to the AG, the relevant Provincial Treasury and the Provincial Department responsible for local government in the province.

The AO has fully complied with the provisions of section 127(5) of the MFMA in that the AR was placed on the municipal website and advertised for submission of representations on the AR by the local community radio stations and in the Sowetan and Observer Newspapers in February 2018.

4. METHODOLOGY

MPAC executed the following procedures during consideration of the AR with a view of arriving at determination consistence with the provision of section 129(1) (a)(b) or (c)MFMA

- Perusal and analysis of the AR
- Formulation of questions for written responses by management
- Request for inputs and comments in response to the advertisement of the AR
- Request and noting of inputs and comments from community members
- Project visits
- Consideration of written responses by senior management
- Formulation of questions for oral response at public hearing
- Consideration of oral responses by senior management
- Drafting and adoption of oversight report

5. FINANCIAL MATTERS

5.1 Annual financial statements (AFS) 2016/2017.

The AFS for the municipality for the financial year 2016/2017 have been submitted to the AG on 31ST August 2018. The AO complied with the provisions of section 126(1)(a) of the MFMA in that the AFS of the municipality were prepared and submitted to the AG within two months after the end of the financial year 2016/2017

There is no evidence to the Municipal Council that the Audit Committee (AC) expressed and submitted its views on the AFS.

5.2 An assessment by the AO on arrears.

An assessment by the AO on arrears on Municipal taxes and service charges is not adequate in that there is insufficient explanation on the causes of the arrears and of actions taken or to be taken to remedy the situation. Consequently, the municipal council is unable to discuss the issue in a meaningful way.

5.3 Particulars of corrective actions in respect of issues raised by AG.

The AR does contain particulars of corrective actions taken or to be taken in response to issues raised by the AG in 2016/2017 audit report which excluded, among others the following:

- Consumer debt recovery plan
- Material under spending of the budget;
- Measures taken to Improve performance not disclosed
- Failure by AO to evaluate whether management implement controls as designed, and performance of internal auditors.
- Investigations on financial misconduct
- Application of consequence management

The AO must submit to council the audit recovery plan to by 31 May 2018.

5.4 An assessment by the AO on municipal performance

The AO has provided an assessment or report of the municipality's performance against measurable performance objectives for revenue collection from each revenue source and for each vote in the approved budget as required by section 121(3) (f) of MFMA.

The performance of the municipality in respect of revenue and debt collection has not been met and there no plan to improve on this matter.

The AO must submit a plan on debt recovery to council by the 31 May 2018

5.5 Recommendations of the audit committee (AC)

- Not part of the components of the draft annual report submitted to council

The AO must submit recommendations of the audit committee to council by the 30 April 2018

5.6 Allocations received and made

- Not part of the components of the draft annual report submitted to council

The AO must submit all grants allocations received and made to council by the 30 April 2018.

5.7 Creditors of the municipality

The AR does not contain information on whether the municipality has met its statutory obligations, including the payment of taxes, audit fees and contributions to pension and medical aid funds.

However council can therefore satisfy itself that the information has been properly disclosed in the AFS and conditions of the allocations in terms of the approved budget have been met, from the comments of the AG in the AG's report despite the views of the AC not being submitted. Furthermore this raise a serious concern given that most of our creditors we not paid on time resulting in fruitless and wasteful expenditure.

The AO must submit a confirmation to MPAC and Council that all this wasteful expenditure incurred as the result of delays in payment will be investigated and recovered from those responsible by 30 April 2018 to MPAC and 30 May 2018 to council respectively.

5.8 Disclosure in notes to AFS

Notes of the AFS were not components of the draft annual report submitted to council and they must be submitted to council by 30 April 2018.

5.9 MUNICIPAL PERFORMANCE

The annual performance report (APR) of the municipality for the financial year 2016/2017 has been prepared and included in the AR as required by section 121(1) and (3) of the MFMA respectively. The AG has however found several inconsistencies in the annual report which are contained in the AG report on APR.

The performance targets set in the budget and service delivery and budget implementation plan (SDBIP) have been included in the AR. It is not clear whether all the performance targets included in the AR were included in the performance agreements since there are no performance agreements signed in contravention of institutional and individual performance management policy paragraph 2.

The AO must submit all performance agreements of the AO and Senior Managers to council by 30 May 2018.

Of serious concern is that of the 55 planned targets for basic service delivery core municipal function for the year under review, only 13 targets were achieved. This represents 76% of total planned targets that were not achieved during the year under review.

MPAC noted that none of the departments achieved all the targets they have reported on. This further emphasise the agent need for management to implement the institutional and individual performance management policy and be cascade down to all levels of employment.

The AO must submit plans on how the municipality will implement the individual performance management policy to all levels of employment in the next financial year to council by the 31 May 2018.

6. MPAC Analysis of the AG Report and AO Responses

6.1. Property Plant and Equipment

The committee have realized that management has so far registered 1874 properties in the name of the municipality and 1318 are still to be registered. Adequate budgetary provision has been made during budget adjustment processes to conclude the process of registration of properties. It is anticipated that the process

will reach fruition on or before 30 June 2018. Consequently, the made shall be cleared.

And it was realised from the report of the AG that by the time of audit LNM managed to register 1090 properties in the name of the municipality from those farm portions, currently busy with the process of unbundling the property values (Land values and Buildings/Improvement) for those property which have improvements and the FAR will be adjusted accordingly after the unbundling

This raise a concern with the committee that it took management eight month from the time of audit to register 784 properties from the 1090 registered by the time of audit as per Management respond to the AG. This bring us to the issue of practicality whether it is practical to register the 1318 before the end of the financial year 2017/18 as anticipated by management.

The AO must submit to council by 30 April 2018 a plan that will ensure that the remaining properties (1318) will be registered on or before 30 June 2018.

6.2 Late identification and recording of the direct deposits from the municipality's bank account

The committee has realized that the AO's response on this audit finding is not consistent and this is misleading on both council and the office of the Auditor general

The AO's respond in the auditor general's report

Disagree with the findings. The direct deposits into the municipality's bank accounts are identified, recorded and reconciled in the month they occurred. The final reconciliation reports are run after month-end when all the transactions are reconciled but they are updated on the general ledger of the current month.

The AO's respond during public hearing 15/03/2018

The failure of management to identify, record and reconcile the transactions in question is due to human error on the identification of deposits on the bank statement of the municipality. These are deemed anomalies and did not reoccur

The AO's must submit to both council and the MPAC by the 30 April 2018 the real reasons behind this internal control deficiency.

6.3 The municipality's bank account details were not submitted to treasury on time

In terms of section 9(b) of the Municipal Finance Management Act No. 56 of 2003 (MFMA), the accounting officer of a municipality must submit to the relevant provincial treasury and the Auditor-General, in writing annually before the start of a financial year, the name of each bank where the municipality holds a bank account, and the type and number of each account.

The committee has come to a conclusion that this could have been avoided if proper monitoring controls were in place but still this was an act of negligence, therefore this is contrary to the Act.

The AO must submit to council and MPAC by 31 April evidence of disciplinary processes or action taken as the result of this act of negligence.

6.4 Performance assessments were not performed

The committee acknowledge management's responses that the municipality, for the year under review, did not put in place a performance audit committee to advise Council specifically on issues of performance. The instability at senior management level also attributed to this challenge. The management undertook a benchmarking exercise with a municipality of similar category and is in the process of amending the PMS policy to ensure full implementation and cascading of the policy to lower levels of the organizational structure

The committee also like to indicate that the municipality cannot continue to operate in this manner especially that this finding is recurring. There must be accountability and although there was instability at senior management level, but people have been appointed to act with full powers and responsibilities. Acting allowances were paid, which gives no reason for not assessing performance.

Council has again requested that performance management framework be cascaded down to lower levels which seems impractical given that the policy was never submitted for review to ensure that financial implications as the result of implementing this system are budgeted for during budget process. The AG in his report indicated that Human Resource needs a serious intervention and the AO must take this into cognisance.

The AO must submit a plan to council by 30 April 2018 on how he is going to implement performance assessments.

The AO must ensure that performance management framework is implemented to the latter by the beginning of the financial year 2018/19

The AO must submit to council by the 31 May 2018 all performance agreements of senior management and lower level employees to council.

6.5 Total payments made exceed amount as per contract

The committee noted management's response that the service provider was paid for additional scope of work on the contract.

A variation order was approved by the Accounting office. Adequate systems of internal controls have been put in place to ensure that specifications of projects are clearly defined from the onset to avoid abrupt 'surfacing' of additional works resulting in variation orders having to be approved during public hearing.

However circular 62 states on management or expansion of orders against the original contract.

That the AO of a municipality or municipal entity are advised that contracts may be expanded or varied by not more than 20% for construction related goods, services and/or infrastructure projects and 15% for all other goods and services of the original value of the contract. Furthermore, anything beyond the abovementioned thresholds must be reported to council. Any expansion or variation in excess of these threshold must be dealt with in terms of the provision of section 116(3) of the MFMA which will be regarded as an amendment to the contract.

Subsequent to that section 32 (3) MFMA state that:

If the accounting officer becomes aware that the council, the mayor or the executive committee of the municipality, as the case may be, has taken a decision which, if implemented, is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, the accounting officer is not liable for any ensuing unauthorised. Irregular or fruitless and wasteful expenditure provided that the accounting officer has informed the council, the mayor or the executive committee, in writing, that the expenditure is likely to be unauthorised, irregular or fruitless and wasteful expenditure.

The AO must immediately suspend and investigate the officials responsible

The AO must submit to council by the 30 May 2018 evidence of disciplinary action taken on the individual concern for this act of financial misconduct.

The AO must ensure that the money spend on the project Construction of Makadikadi/Ireland Small Access Bridge R 432807.76 recovered from the responsible officials

The AO must ensure that the matter is reported to relevant law enforcement agencies

The AO's failure to implement will be regarded as misconduct

6.6 Unauthorised expenditure not accurately reported

In terms of Municipal Financial Management Act (MFMA) section 32(4) it states that The accounting officer must promptly inform the mayor, the MEC for local government in the province and the Auditor-General, in writing, of—

(a) any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality;

(b) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and

(c) the steps that have been taken —

i. to recover or rectify such expenditure; and

to prevent a recurrence of such expenditure.

The committee regardless of managements respond to the finding that:

- The municipality has contracted the services of an accounting firm, KPMG to assist in identification, reporting and investigation of fruitless and wasteful expenditure.

- Subsequent completion of the investigation the municipality will seek legal advice on the recoverability of the amounts involved given the fact that in many instances, the municipality was enriched as a result of the rendering of these services albeit compliance issues.

- The management has implemented an internal control system that ensures that instances of UIF&W are promptly reported to ALL relevant stakeholders as prescribed by section 32 of MFMA, Act 56 of 2003

The committee resolved that this was an act of misconduct in violation of section 171 (d) of the MFMA which states: (1) The accounting officer of a municipality commits an act of financial misconduct if that accounting officer deliberately or negligently- provides incorrect or misleading information in any document which in terms of a requirement of this Act must be-

(i) Submitted to the mayor or the council of the municipality, or to the Auditor-General, the National Treasury or other organ of state;

(ii) Made public.

The AO must institute disciplinary process against the affected officials

The AO must submit report to council and MPAC by 30 April 2018 on progress in this regard

The AO's failure to implement will be regarded as misconduct

6.7 Risk areas

Quality of submitted financial statements

The committee is concerned with the quality of our AFS as indicated by the AG. The AO must insure that proper reviews are made to improve on the auditor general's opinion. The AO must ensure that figures are correctly stated, reconciliations are made on time and that there is improvement on internal controls.

Quality of submitted performance information

The committee is again concerned with the quality of our performance information as indicated by the AG. This are amongst others some of the issues raised by the AG

- Inconsistency with respect to strategic objectives/ performance indicators/ performance targets
- Annual performance report was submitted without complete and accurate underlying records
- Inconsistencies between the reported actual performance and their indicators

The AO must ensure that there is improvement on internal control deficiency

6.8 Status of the drivers of internal controls

Leadership

It is concerning to both the AG and MPAC on the status of leadership in the municipality both administratively and politically. It is of great importance that there is effective leadership culture, committees of council performs their oversight responsibilities, management adheres to policies and procedures and that the audit action plan is implemented without fail.

Financial and performance management

The accounting officer must ensure that there's proper record keeping, processing and reconciling controls, regular reporting, compliance monitoring since this is another area of concern to the AG

Governance

As the result of concern from the AG, the AO must ensure that Risk management, Internal audit unit, Audit committee are given the necessary support to discharge their responsibility with efficiency and effectiveness

6.9 Projects

The committee conducted projects visits on several projects as indicated in the PR as completed projects and this are the findings:

Project No 01

Project Name	Electrification of Rakgoatha village	Project Number	LNM 029/2015/16
Project Budget	R 5 960 055.65	Expenditure To Date	R 5 847 158.05

Consultant	Kanas Consulting		Contractor	Xiverengi Business Enterprise		
Award Date	11 April 2016	Start Date	01 May 2016	Completion Date	11 September 2016	
Scope of Work	Electrification of 749 Households at Rakgoatha Village					
Status Quo	Complete and Energised					
Challenges encountered						
Job creation	Adult Male	Adult Female	Young Male	Young Female	Disable	TOTAL
	2	3	7	5	1	18

The committee found that out of the 749 households at Rakgoatha village to be electrified only 371 were completed. Furthermore the AG's finding on this project was:

Indicator	Reported achievement	Audited achievement	Difference
Number of households electrified at Rakgoatha village during fourth quarter	749	264	(485)

The committee resolved that an investigation be conducted on this project and the retention on this project be withheld till finalization of the investigation.

Resolved that the AO must immediately suspend and investigate the officials

The AO must institute disciplinary process against the affected officials

The AO must ensure that the matter is reported to relevant law enforcement agencies

The AO's failure to implement will be regarded as misconduct

Project 2

Anti Fraud and Corruption Hotline: 0800 20 50 53

Project Name	Small access bridges :Madisha Ditoro		Project Number	LNM032/2015/16		
Project Budget	R6 931 409.76		Expenditure To Date	R6 739 441.17		
Consultant	Makhoshi Consulting and project		Contractor	October integrated tech (PTY) PTD		
Award Date	24/06/2016	Start Date	14/07/2016	Completion Date	06/04/2017	
Scope of Work	<ul style="list-style-type: none">• Clearing and gabbing earthworks• Construction of embankment• Installation of concrete box culvert• Gabions• Guardrails• Road sings					
Status Quo	100 % complete					
Challenges encountered	<ul style="list-style-type: none">• Delays due to late delivery of material (Culverts)					
Job creation	Adult Male	Adult Female	Young Male	Young Female	Disable	TOTAL
	5	3	4	2	1	15

The committee has found that the left wall wing of the bridge from the eastern side was of poor quality and the committee recommend that retention on this project be withheld till the right wall wing is reconstructed

Portfolio for infrastructure must conduct a project visit on small access bridge :Madisha Ditoro and recommend to council on findings from their visit

7. CONCLUSIONS

MPAC having noted the failure of various role players in the municipality to resolve or ensure resolution of all the issues raised in the AG report and AC report for 2015/2016 and implement resolutions of the municipal council arising from the oversight report on AR tabled in council March 2017 and further having fully considered the AR of the municipality tabled in January 2018 and representations made.

8. RECOMMENDATIONS

8.1 Council must adopts the oversight report

8.2 Council must adopt AR with reservations.

8.2 Resolves that the Mayor must table the outstanding components of the AR 2016/2017 in council and provide a written explanation why they were not tabled as provided for in the MFMA and circular 63 by 30 April 2018.

8.3 Resolves that the AO must provide the audit recovery plan to be implemented on issues raised by AG by 30 May 2018.

8.4 Resolved that budget and treasury portfolio committee must submit to council a consultation plan/program with the community of Lebowakgomo on debt recovery by the 30 May 2018.

8.5 Resolves that the Mayor must submit performance agreements for Municipal Manager and Senior Managers to council in terms of section 53(3)(b) of the MFMA. Copies of such performance agreements for 2016/2017 must be submitted to council by the 30 May 2018.

8.6 Resolved that internal disciplinary processes be conducted on all transgressors in the fruitless and wasteful expenditure on the Supply and installation of cable at traffic station, ESKOM, SARS and AGSA and progress be submitted to MPAC by 30 April 2018. The AO's failure to implement will be regarded as misconduct

8.7 Resolved that processes of recovering the fruitless and wasteful expenditure on the Supply and installation of cable at traffic station, AGSA, ESKOM and SARS be undertaken and progress be submitted to MPAC by 30 April 2018.

8.7 Resolved that an independent forensic investigation be conducted on all ongoing investigations on unauthorised, irregular as indicated in the AG 's report

8.8 Resolved that all documents related to electrification of 749 households at Rakgoatha village be submitted to MPAC by 30 April 2018.

- 8.9 Resolved that retention on Rakgoatha electrification project be withheld till finalization of the investigation, the AO must institute disciplinary process against the affected officials, the AO's failure to implement will be regarded as misconduct
- 8.10 Resolved that retention on Small access bridges: Madisha Ditoro be withheld till the right wall wing of the bridge is reconstructed, Portfolio for infrastructure must conduct a project visit on Small access bridges :Madisha Ditoro and recommend to council on findings from their visit by 31 May 2018
- 8.11 Resolved that the AO must ensure that there is proper record keeping, processing and reconciling controls, regular reporting and compliance monitoring
- 8.12 Resolved that the AO must submit to council a plan to ensure that management adheres to policies and procedures by 31 May 2018
- 8.13 Resolved that the AO must submit to council a plan on proper records keeping to council by 31 May 2018
- 8.14 Resolved that the AO must submit to council evidence that all Irregular, fruitless and wasteful expenditure not reported have been reported to the relevant institutions by 30 April 2018
- 8.15 Resolved that the AO must submit to MPAC by 30 April 2018 evidence that there are amendments (retention and penalty clause) to the contract between LNM and SEBATA in compliance with the GCC.
- 8.16 Resolved that community service portfolio committee develop and submit to council a plan to ensure that the municipality comply with the municipal indigent policy by 31 May 2018
- 8.17 Resolved that the AO institute disciplinary proceedings to the officials who are implicated in the act of negligence, traffic fines withdrawn due to traffic fine forms not adequately completed to avoid recurrence by 31 May 2018
- 8.18 Resolved that the AO submit job descriptions of all employees to council by 31 May 2018
- 8.19 Resolve that the AO submit skills audit of all employees to MPAC by 30 April 2018
- 8.20 Resolved that the AO submit to council a report on financial viability of the municipality to MPAC by 30 April 2018 and to council by 31 May 2018 respectively

- 8.21 Resolved that the AO must ensure that review of the municipal organisational structure respond to the short-term and long-term objective of the institution and also taking into account the issue of limitation of the use of consultants
- 8.22 Resolved that the AO must ensure that there is improvement on the quality of AFS in the audit report for 2017/18 financial year
- 8.23 Resolved that the AO must submit a plan to council by 31 May 2018 on improvement of municipal performance
- 8.24 Resolved that the AO must submit to council by 30 April 2018 a plan that will ensure that the remaining properties (1318) will be registered on or before 30 June 2018
- 8.25 Resolved that the AO's submit to both council and the MPAC by the 30 April 2018 the real reasons behind this Internal control deficiency that resulted in late submission of municipal bank account to the treasury.
- 8.26 Resolved that the AO must submit to council and MPAC by 31 April evidence on disciplinary processes or action taken as the result of this act of negligence (late submission of municipal bank account to the treasury)
- 8.27 Resolved that the AO must immediately suspend and investigate the officials responsible for the project Construction of Makadikadi/Ireland, AO must submit to council by the 30 May 2018 evidence that disciplinary action taken on officials affected for this act of financial misconduct (Total payments made exceed amount as per contract), The AO must ensure that the money spend on the project Construction of Makadikadi/Ireland Small Access Bridge R 432807.76 be recovered from the responsible officials, The AO must ensure that the matter is reported to relevant law enforcement agencies, The AO's failure to implement will be regarded as misconduct
- 8.28 Resolved that The AO must institute disciplinary process against the affected officials on electrification of Rakgoatha village , that AO submit report to council and MPAC by 30 April 2018 on progress in this regard, the AO's failure to implement will be regarded as misconduct
- 8.29 Resolved that the AO ensures that there is improvement on internal control deficiency in terms of the quality of our PR in the next audit circle.
- 8.30 Resolved that all committees of council exercise their oversight role as effective and efficient as expected by law

8.31 Resolved that the AO must ensure that necessary support is given to Risk management, internal audit and the audit committee to discharge their functions effectively

8.32 Resolved that the AO investigate the act of fraud exercised in appointing Todipjane Transport, the AO institute disciplinary processes on official responsible, AO's failure to implement will be regarded as act of misconduct, the AO report to council on progress to council by 30 April 2018.

8.33 Resolved that councillors and officials must claim only kilometres travelled using their own cars

FOR AND ON BEHALF OF
MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
MOLLO M.I MPAC CHAIRPERSON

26.03.2018
DATE