


A 19 MPAC REPORT- SDBIP 1<sup>ST</sup> QUARTER REPORT  
(E/C 2016 03 30; C 2016 03 30)

(12/2/3/1/1)

RESOLVED

- a) That Council approves the 2015/16 1<sup>st</sup> quarter report with the following reservations:
- (i) That Council ensures that management come up with ways to curb the overspending on legal fees as a matter of urgency
  - (ii) That the legal division draft a report on the revised tariffs as a matter of urgency and present it to Council to assist in curbing the overspending on legal fees.
  - (iii) That the Accounting officer ensures that all departments spend on the budgeted projects to avoid the rollover of projects.
  - (iv) That the Accounting officer ensures that all projects that are approved to be implemented in the 2015/16 financial year are implemented.

Signed by the Speaker  
Councillor C Machimana.



5/4/2016

**REPORT OF THE MPAC CHAIRPERSON: CLLR TK NUKERI**

**1. INTRODUCTIONS**

The 1st quarter SDBIP report was referred to the Municipal Public Accounts Committee for oversight processes on the 09 December 2015.

**2. PURPOSE**

The purpose of this report is to table to Council, on findings of the Municipal Public Accounts Committee on the 1<sup>st</sup> quarter SDBIP.

**3. DISCUSSIONS**

The Municipal Public Accounts Committee held a meeting on the 06<sup>th</sup> January 2016 to formulate questions on the 2015/16 1st quarter SDBIP and make recommendations on the findings of the committee on the 1<sup>st</sup> quarter 2015/16 1<sup>st</sup> quarter SDBIP report.

**4. FINDINGS**

The following are the findings from the Municipal Public Accounts Committee when perusing the 2015/16 1<sup>st</sup> quarter SDBIP Report:

**Overspending on legal fees**

- Corporate services Department overspent on legal fees with R4,6 million of the annual budget of R9 million already spent by the end of the first quarter according to table 3 of the 2015/16 1<sup>st</sup> quarter SDBIP.
- The money to settle the R3 million and the R5 million were sourced from the legal budget even though the arbitration matter emanated from other departments.
- Even though the municipality has appointed a panel of attorneys, there are still exorbitant legal fees that are incurred by the Municipality.
- The revised tariffs have not been presented to Council for approval.

## 2.2.2 Slow spending on Grants

- There is a slow spending on grants due to late appointments of service providers and delays by the supply chain processes.
- Majority of projects planned for 2015/16 have not yet started by end of September 2015.
- There is an indication that there will be roll overs of projects again due to timeframes that were not adhered to.

## RECOMMENDATIONS

- a) That Council approves the 2015/16 1<sup>st</sup> quarter report with the following reservations:
  - (i) That Council ensures that management come up with ways to curb the overspending on legal fees as a matter of urgency
  - (ii) That the legal division draft a report on the revised tariffs as a matter of urgency and present it to Council to assist in curbing the overspending on legal fees.
  - (iii) That the Accounting officer ensures that all departments spend on the budgeted projects to avoid the rollover of projects.
  - (iv) That the Accounting officer ensures that all projects that are approved to be implemented in the 2015/16 financial year are implemented.

## FOR CONSIDERATION