

**A 73 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MPAC OVERSIGHT REPORT ON
THE 2016/17 SDBIP 2ND QUARTER REPORT**

(E/C 2017 08 31; 2017 08 31)

(12/2/3/1/1)

RESOLVED

- a) That due to the incompleteness, inaccurate and incomplete information in the report, the committee recommend that Council must not approve or adopt the 2016/17 2nd quarter SDBIP report.
- b) That the report be referred back for correction and authentic information.
- c) That the report be tabled back in council within 30 days with corrections and accurate information.
- d) That the 2016/17 2nd quarter SDBIP report that was submitted to the sector departments on the 25th January 2017 be withdrawn and the corrected report be resubmitted after consideration by Council.
- e) That the report be corrected within 7 days.

Signed by the Speaker

Councillor DJ Mmetle.....


**A 73 MUNICIPAL PUBLIC ACCOUNTS COMMITTEE MPAC OVERSIGHT
REPORT ON THE 2016/17 SDBIP 2ND QUARTER REPORT**

(E/C 2017 08 31; 2017 08 31)

(12/2/3/1/1)

REPORT OF THE MUNICIPAL PUBLIC ACCOUNTS COMMITTEE
CHAIRPERSON: COUNCILOR DG MKHABELA.

Purpose of the report

The purpose of the report is to table before Council the Municipal Public Accounts committee's oversight report on the 2016/17 2nd quarter SDBIP report.

Background

The 2016/17 2nd quarter Service Delivery Budget Implementation Plan (SDBIP) was referred to the Municipal Public Accounts committee by Council on the 26th April 2017, for oversight processes by the committee.

Challenges

- The committee perused the report and crafted clarity seeking questions which were submitted to the Acting Municipal Manager, on the 02 June 2017 to respond in writing.
- The clarity seeking questions were supposed to be responded to within 7 working days to enable the committee to conduct its oversight duties on the report, but responded after 15 days despite countless reminders.

Findings by the committee

The Municipal Public Accounts Committee made an observation as follows:

1. Non-compliance with legislation by the management
 - The 2nd quarter Service Delivery Budget Implementation Plan report should be tabled in council on or before the 25th January as per the MFMA Section 72(1), which clearly stipulates “that the accounting officer of the municipality must by the 25th January of each year” (a) Assess the performance of the municipality during the 1st half of the financial year”, but however the report was tabled on the 26th April 2017.
 - Also that the 2nd quarter SDBIP report was tabled in council late, and section 52(d) of the MFMA, stipulates that “the mayor of the municipality must, within 30 days of the end of each quarter submit the report to the council on the implementation of the budget and the financial state of affairs of the municipality”.
 - The 2nd quarter SDBIP report was submitted to the sector department on the 25th January 2017 before consideration by council.
 - Performance Assessment Management was not conducted due to management’s resistance to adhere to reporting timeframes.
2. The committee found that the 2016/17 2nd quarter SDBIP report is incomplete, not accurate and misleading. MFMA Section 171(1) stipulates that “the accounting officer of the municipality commit an act of financial misconduct if that accounting officer deliberately or

negligently (d) provide incorrect or misleading information in any document which in terms of the requirement of this act must-

- (i) submitted to the Mayor or the Council of the municipality, or to the auditor general, National Treasury or organs of the state; or
- (ii) made public.

RECOMMENDATIONS

- a) That due to the incompleteness, inaccurate and incomplete information in the report, the committee recommend that Council must not approve or adopt the 2016/17 2nd quarter SDBIP report.
- b) That the report be referred back for correction and authentic information.
- c) That the report be tabled back in council within 30 days with corrections and accurate information.
- d) That the 2016/17 2nd quarter SDBIP report that was submitted to the sector departments on the 25th January 2017 be withdrawn and the corrected report be resubmitted after consideration by Council.

FOR CONSIDERATION