
RESOLUTIONS OF THE PROVINCIAL PUBLIC ACCOUNTS COMMITTEE

FIRST REPORT 2010

RESOLUTION NO. 1

(As presented to the North West Legislature)

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO: 1 NORTH WEST OFFICE OF THE PREMIER FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009.

The Committee, having heard evidence on 4 November 2009 on the aforementioned Report of the Auditor-General (AG) for the financial year 31 March 2009, **wishes to express its concern over the following:**

1. Irregular expenditure to the amount of R16 712 000 was incurred.
2. Not all payments were made by the department to suppliers within 30 days of receipt of the invoice as required by Treasury Regulation 8.2.3. The department did not adequately record the date of receipt of the invoice to ensure compliance.
3. Insufficient steps had been taken to ensure that all money due to the department was collected in terms of section 38(1)(c)(i) of the PFMA and Treasury Regulation 11.2.1
4. SCOPA resolutions have been substantially implemented.
5. The Office of the Premier has not reported on all the predetermined objectives for two of the sub-programmes, as required by section 40(3)(a) of the PFMA.
6. The accounting officer did not ensure that the Office of the Premier has and maintains an effective, efficient and transparent system and internal controls regarding performance management, which describe and represent how the institution's processes of performance planning, monitoring, measurement, review and reporting will be conducted, organised and managed, as required in terms of section 38(1)(a)(i) and (b) of the PFMA.
7. The Office of the Premier has not reported on its performance with regard to all of its objectives, indicators and targets as per the approved strategic and annual performance plan for four of its sub-programmes. This was mainly due to changes to the objectives, indicators and targets from the approved strategic and annual performance plan during the year. No evidence could be provided that these changes had been approved.
8. Some indicators and targets with regard to the Communication and Provincial Policy Management programme were not specific and measurable.
9. The source information or evidence provided to support the reported performance information for the following sub-programmes, with regard to the Communication and Provincial Policy Management chief directorates did not adequately support the accuracy and completeness of the facts.

The committee recommends that:

- 1.1 The control measures implemented to prevent irregular expenditure should be monitored on a regular basis.

- 1.2 A detailed report should be submitted to the committee **on or before 31 May 2010** containing details and dates of the investigations into the irregular expenditure.
- 2.1 A post-received register should be implemented **on or before 31 May 2010** in the department and the department should design and implement a system to ensure that invoices are paid within 30 days. These measures should be monitored to ensure compliance with Treasury Regulations.
- 2.2 An approved risk management strategy should be implemented **on or before 31 May 2010**.
- 3.1 The current status regarding the amount of R997 000 owed by the Department of Defence should be submitted to the committee **on or before 31 May 2010**.
- 3.2 A reviewed policy regarding the awarding of bursaries to indigents should be finalised **on or before 31 May 2010**.
4. Reasons why the department did not respond to the resolutions of the prior year should be submitted to the committee **on or before 31 May 2010**.
5. Control measures should be implemented **on or before 31 March 2010** to ensure that the department reports on all its predetermined objections.
6. An effective, efficient and transparent system and internal controls regarding performance management should be implemented **on or before 31 May 2010**.
7. Control measures should be implemented **on or before 31 May 2010** to ensure that the department reports on all its performance with regard to all of its objectives, indicators and targets as per the approved strategic and annual performance plan.
8. Control measures should be implemented **on or before 31 May 2010** to ensure that all indicators and targets are specific and measurable.
9. Steps should be implemented **on or before 31 May 2010** to ensure that the information or evidence provided to support the reported performance information is accurate and complete.