
RESOLUTIONS OF THE PROVINCIAL PUBLIC ACCOUNTS COMMITTEE

FIRST REPORT 2010

RESOLUTION NO. 5

(As presented to the North West Legislature)

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO: 6 DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009.

The Committee, having heard evidence on 24 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 of R36 448 000 from prior years is still awaiting condonation. The department has applied to the provincial treasury for condonement of this expenditure.
2. Unauthorised expenditure of R440 000 in respect of prior years had not yet been dealt with in accordance with section 34 of the PFMA. The department has applied to the provincial treasury for condonement of this expenditure.
3. The department has materially underspent the budget by R4 961 000, mainly on programmes 1 and 2.
4. Various instances of non-compliance with the PFMA and the Public Service regulations occurred.
5. Various instances of non-compliance with regulatory requirements occurred.
6. The Department has not reported throughout on its performance with regard to its objectives, indicators and targets as per the approved strategic and annual performance plan.
7. Sufficient appropriate evidence in relation to the reported performance information for four of the sub-programmes could not be obtained as the relevant source documentation could not be provided for audit purposes.
8. The source information or evidence provided to support the reported performance information with regard to the indicators/measures of 4 subprogrammes did not adequately support the accuracy and completeness of the facts:

The committee recommends that:

1. A status report on the irregular expenditure of R36 448 000 from prior years should be submitted to the committee **on or before 31 May 2010.**
2. A status report on the unauthorised expenditure of R440 000 in respect of prior years should be submitted to the committee **on or before 31 May 2010.**
3. Reasons for the underspending of the budget by R4 961 000 and its effect on service delivery should be submitted to the committee **on or before 31 May 2010.**

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- 4-5. Adequate controls should be implemented by management **on or before 31 May 2010** to ensure compliance with applicable laws and legislation and the accuracy and completeness of performance information and these controls should be monitored on a regular basis.
 6. Control measures should be implemented **on or before 31 May 2010** to ensure that the department reports throughout on its performance with regard to its objectives, indicators and targets as per the approved strategic and annual performance plan.
 - 7-8. Control measures should be implemented **on or before 31 May 2010** to ensure that relevant source documentation is available for all the reported performance information and that it is accurate and complete.