
RESOLUTIONS OF THE PROVINCIAL PUBLIC ACCOUNTS COMMITTEE

FIRST REPORT 2010

RESOLUTION NO. 11

(As presented to the North West Legislature)

REPORT OF THE AUDITOR-GENERAL ON THE FINANCIAL STATEMENTS AND PERFORMANCE INFORMATION OF VOTE NO: 13 DEPARTMENT OF AGRICULTURE, CONSERVATION AND ENVIRONMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2009.

The Committee, having heard evidence on 20 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. The irregular expenditure of R40 408 000, unauthorised expenditure amounting to R9 988 000 and fruitless and wasteful expenditure of R4 217 000 from prior years have not yet been dealt with.
2. Current year irregular expenditure amounted to R35 437 000, unauthorised expenditure amounted to R1 397 000 and fruitless and wasteful expenditure amounted to R393 000.
3. The department has not implemented an adequate system to ensure that invoices are paid within 30 days.
4. Sufficient steps have not been taken to ensure that all money due to the department was collected.
5. Interest was not charged on all debt due to the state as required by Treasury Regulation 11.5.1.
6. Although there has been improvement since the previous year, the accounting officer still needs to improve the design, implementation and monitoring of internal controls relevant to the preparation of the financial statements to ensure achievement of good governance practices.
7. The prior year audit findings have not been substantially addressed and SCOPA resolutions have not been substantially implemented.
8. The provincial misconduct unit situated at the Office of the Premier completed an investigation into fruitless and wasteful expenditure resulting from prior years. The report and findings are with the accounting officer for his action.
9. There was a lack of effective, efficient and transparent systems and internal controls regarding performance management
10. The targets with regard to certain sub-programmes were not specific, measurable and time-bound.
11. The reported actual achievement of certain indicators/measures were not reliable as they could not be substantiated by adequate evidence/source documentation.
12. The source information or evidence provided to support the reported performance information with regard to the certain indicators/measures did not adequately support the accuracy and completeness of the facts.

The committee recommends that:

1. The irregular expenditure of R40 408 000, unauthorised expenditure amounting to R9 988 000 and fruitless and wasteful expenditure of R4 217 000 from prior years should be dealt with in accordance with the PFMA and a status report in this regard should be submitted to the committee **on or before 31 May 2010**.
2. The current year irregular expenditure of R35 437 000, unauthorised expenditure of R1 397 000 and fruitless and wasteful expenditure of R393 000 should be investigated and submitted to the relevant authority **on or before 31 May 2010**.
3. A post-received register should be implemented in the department **on or before 31 May 2010** 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.
4. Sufficient steps should be implemented **on or before 31 May 2010** to ensure that all money due to the department is collected.
5. Control measures should be implemented **on or before 31 May 2010** to ensure that interest is charged on all debt due to the state as required by Treasury Regulation 11.5.1.
6. The accounting officer should improve the design, implementation and monitoring of internal controls relevant to the preparation of the financial statements **on or before 31 May 2010** to ensure achievement of good governance practices.
7. Reasons why the prior year audit findings have not been substantially addressed and SCOPA resolutions have not been substantially implemented should be submitted to the committee **on or before 31 May 2010**.
8. A status report on the actions taken regarding the investigation into fruitless and wasteful expenditure should be submitted to the committee **on or before 31 May 2010**.
9. Effective, efficient and transparent systems and internal controls regarding performance management should be implemented **on or before 31 May 2010**.
10. Control measures should be implemented to ensure that all the targets with regard to sub-programmes are specific, measurable and time-bound.
- 11-12. Control measures should be implemented **on or before 31 May 2010** to ensure that the reported actual achievement of all the indicators/measures is substantiated by adequate evidence/source documentation and that the documentation provided adequately supports the accuracy and completeness of the facts.