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MEC NQATHA CONVENES ENGAGEMENTS ON FINANCIAL IRREGULARITIES IN MUNICIPALITIES



MEC Nqatha and Cllr Pakati

COGTA MEC Xolile Nqatha recently kick-started his Province wide engagement sessions with the leadership of the Buffalo City Metro (BCM) and Amathole District Municipality (ADM) on the negative audit outcomes

recently released by the Auditor General (AG). Local Municipalities under ADM also attended, namely Great Kei, Raymond Mhlaba, Amahlathi, Mbhashe, Ngqushwa and Mnquma.

The meeting was held in BCM to discuss the Unauthorized, Irregular, Fruitless and Wasteful Expenditure (UIF&W). Other sessions are lined up with the rest of the Districts and the Metro on the same issue of financial irregularities.

“Section 23 of the Municipal Finance Management Act (MFMA) requires that Municipal Public Accounts Committee (MPAC) should investigate the UIFW and take reasonable consequence management steps,” said MEC Nqatha.



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MEC Nqatha convened the engagement sessions to deal with escalating UIF&W which is sitting at R27 billion in the Eastern Cape Province. The engagement was also held to ensure that municipalities monitor the spending of Municipal Infrastructure Grants (MIG).

“The issues that are underlined in the AG’s Report are geared towards ensuring that there is accountability and consequence management. Everything else that happens in our municipalities or everything that does not happen in a municipality is as a result of lack of accountability and consequence management. If there are no consequences it is an incentive to do more wrong things. As a result, we are talking about R27,73 billion of financial irregularities,” said MEC Nqatha.

Buffalo City Executive Mayor Councillor Xola Pakati welcomed the MEC and expressed appreciation to the meeting as it related to matters of financial accountability. He said this is the first meeting of its kind and it will remain in our minds only if we honour that which we will agree upon in the processes of engagement. Good governance is one of the key pillars of our Metro’s Development Strategy.

“We also had an engagement with the AG and we said it would be proper that the role of the AG does not begin and end with the audit process and the findings. The AG should also see to it that management responds to the recommendations of the AG. We should not wait for the end of the financial year to make a determination whether those recommendations have been implemented or not,” he said.

Councillor Pakati said the structures of accountability including internal audit, external audit committee, Municipal Public Accounts Committee (MPAC) as well as Council Committees and the Municipal Council itself, should always play their roles.

“The responsibility of the political office bearers is to ensure that things are done by the book. We are aware that the findings of the AG mainly have more to do with contract management and flouting of supply chain processes. The responsibility resides with all of us both the administrative and political leadership to see to it that some of these issues are resolved,” added Councillor Pakati.

“In efforts to restore good governance, rule of law and due processes, let’s adhere to our own roles both as the political and administrative leadership. These interactions have the potential to be productive depending if the outcomes are taken seriously by all of us individually and collectively,” said MEC Nqatha.

The municipalities will implement the resolutions of the engagement and report to the Department quarterly.