



**REPORT 9 OF 2017**  
**SELECT COMMITTEE ON PUBLIC ACCOUNTS OF THE 5<sup>TH</sup> MPUMALANGA PROVINCIAL LEGISLATURE:**  
**MPUMALANGA ECONOMIC GROWTH AGENCY (2016/17)**

## **1. INTRODUCTION**

The Select Committee on Public Accounts (SCOPA) hereinafter referred to as 'the Committee', examined the annual report of the Mpumalanga Economic Growth Agency; hereinafter referred to as 'the Entity', which includes the financial statements, report of the Auditor-General, report of the Accounting Authority and performance information.

The Committee sent preliminary questions to the Entity and received responses which were subsequently presented during a hearing. This transparent process of engagement was aimed at assisting and guiding the Entity on areas that require improvement and monitoring.

The Committee discharged its mandate of ensuring prudent financial management over the report of the Entity.

## **2. COMMITTEE PROCEDURES**

The Committee met on 21 November 2017 to deliberate on the above reports on the House Resolutions of SCOPA. Meetings of the Committee are open sessions for the public including the media as required by Standing Rule 123 and section 118 (1) (b) of the Constitution of the Republic of South Africa, Act No. 108 of 1996.

The Committee agreed during the meeting that the Entity will provide the progress report on the implementation of the house resolutions, detailed and reworked responses thereof by not later than the 28 November 2017.

### 3. COMMITTEE FINDINGS AND RECOMMENDATIONS

#### IMPLEMENTATION OF 2015/16 AUDIT ACTION PLAN

	House Resolution	Progress Report of the Department	Comments
1.1	<p><b>Property, Plant and Equipment</b></p> <p>(i) The Accounting Authority must ensure that the entity has required capacity to account properly for property, plant and equipment.</p>	<p>Progress on the OD realignment project is summarised below:</p> <ul style="list-style-type: none"> <li>• The second phase of the OD process has been finalized;</li> <li>• In total 122 employees have been placed in the new organizational structure;</li> <li>• The process is now at the appeals stage;</li> <li>• An independent Attorney has been appointed to chair the appeals process;</li> <li>• 37 appeals have been received;</li> <li>• The Appeals committee is scheduled to sit on 8, 9 &amp;10 November 2017;</li> </ul> <p>Prioritised positions were advertised internally and the closing date has been extended until the appeals have been concluded.</p>	<p>On-going</p> <p>The entity is currently busy with the appeals from individuals who could not be placed on the organizational structure.</p>
	<p>(ii) The Accounting Authority must ensure that measures are put in place to avoid misstatement in the financial statements of the entity (land and buildings).</p>	<p>The land and buildings were revalued during the 2016 financial year. The 2016 audit qualification on land and buildings was resolved during the 2017 audit. Apart from the annual reassessment process (depreciation method, estimated remaining useful lives and residual values) no major changes are expected in relation to land and buildings.</p>	<p>On - Going</p>
1.2	<p><b>Investment Properties</b></p> <p>(i) The Accounting Authority must appoint the Assets Steering Committee as part of the measures committed with the Committee.</p>	<p>The Asset Steering Committee has been appointed with Provincial Treasury representation</p>	<p>Closed</p>

	(ii) The Accounting Authority must recover and safely store all the supporting documentation for the assumptions used to fair values investment property; implementation of the MDA (Property Management System) from the service provider.	The challenge experienced with the supporting documents used for the fair valuation of MEGA's investment properties was that the AG questioned the robustness of certain of the assumptions made and the associated documentary evidence provided in support thereof. MEGA reviewed its contractual relationship with the service provided and decided to terminate the existing arrangement. A new service provider will be sourced from our approved Panel of service providers.	On-Going The Committee questioned the role of records management in the Entity.
	(iii) The Accounting Authority must ensure that copies and register of state documents issued to service providers are kept and consequence be instituted against officials who fail to protect state information.	The Entity indicated that the challenge experienced with the supporting documents used for the fair valuation of MEGA's investment properties was that the AG questioned the robustness of certain of the assumptions made and the associated documentary evidence provided in support thereof. MEGA reviewed its contractual relationship with the service provided and decided to terminate the existing arrangement. A new service provider will be sourced from our approved Panel of service providers.	On - Going
1.3	<b>Failure to produce audit evidence (Loan Agreements)</b>  (i) The Accounting Authority must compile a report for the Committee with suggested roadmap towards the desired solution regarding the historic document trail (loan agreement and rental housing).	An overall road map was developed earlier by MEGA of how the loan book can be categorised in terms of the availability of supporting documents. Management will make a submission to the Audit Committee and Board on 25 and 26 January 2018 respectively detailing the results of the actions executed by management and the proposed solution to resolve the legacy issues. The Accounting Authority will thereafter engage the Committee and other stakeholders.	On-Going
	(ii) The Committee shall hold a special meeting with MEGA, the responsible MEC, Audit Committee, Auditor General and Provincial Treasury to find amicable solution regarding MEGA's historic issues, i.e. homeland assets, loan agreements and title deeds	Management will make a submission to MEGA's Audit Committee and Board on 25 and 26 January 2018 respectively and will thereafter engage the Committee and other stakeholders.	On-Going

1.4	<p><b>Inventory</b></p> <p>(i) The Accounting Authority must ensure that disciplinary measures are taken against officials who failed to properly account for assets in line with the requirements of IAS 16.</p>	<p>The Entity indicated that investigations are still underway and no disciplinary actions have been taken. and further stated that the historical perspective of the challenges encountered, corrective measures taken and the process that the Board will follow in determining the appropriate steps to be taken against officials to ensure that assets are properly accounted for.</p>	<p>On-Going. The Committee awaits the Entity to take disciplinary actions as required.</p>
	<p>(ii) The Accounting Authority must ensure that the fixed asset and bulk infrastructure register is updated accordingly and that an effective document management system is put in place to safeguard records.</p>	<p>The fixed asset register and bulk infrastructure asset register were updated and consequently the AG removed this 2015/16 audit qualification in 2016/17. A Document Retention Strategy was developed and approved by the Board.</p>	<p>On-going</p>
1.5	<p><b>Biological Assets</b></p> <p>(i) The Accounting Authority must take disciplinary measures against official(s) who failed to properly account for assets in line with the requirements of IAS 16 and/or providing audit evidence supporting the assumptions used by the Valuator in determining the fair value of the vines and lemons (biological assets).</p>	<p>The Entity indicated that investigations are still underway and no disciplinary actions have been taken. and further stated that the historical perspective of the challenges encountered, corrective measures taken and the process that the Board will follow in determining the appropriate steps to be taken against officials to ensure that assets are properly accounted for.</p>	<p>On-Going The Committee emphasized that intentions to take disciplinary actions are not enough</p>
1.6	<p><b>Trade and Recoverable</b></p> <p>(i) The Accounting Authority must implement the revenue confirmation exercise (measures) and submit a report to the Committee.</p>	<p>The report is attached as Annexure E. Municipal services were validated for all categories (water, electricity, sewerage and refuse) and the necessary corrections processed. Rental debtor adjustments were recalculated with effect from 1 April 2010, but the adjustments will only be processed on Pastel once validated. An impairment (provision) will be raised for back billings processed</p>	<p>On - Going</p>
1.7	<p><b>Predetermined Objectives</b></p> <p>(i) The Accounting Authority must in future consider taking disciplinary actions against officials who fail(s) to comply with the Framework for Managing</p>	<p>The Entity indicated that investigations are still underway and no disciplinary actions have been taken. and further stated that the historical perspective of the challenges encountered, corrective measures taken and the process that the Board will follow in determining the appropriate</p>	<p>On-Going The Committee emphasized that intentions to take disciplinary actions are not enough</p>

	Programme Performance Information.	steps to be taken against officials to ensure that assets are properly accounted for.	
	(ii) The Accounting Authority must provide a report and suggested measures to address the inadequate budget in MEGA.	The Revenue Enhancement Strategy is attached as Annexure F. MEGA is currently busy with various revenue enhancement strategies. However especially the infrastructure related activities will only be able to generate revenue in future financial years.	On Going
	(iii) The Accounting Authority must provide a report on progress made in implementing the organizational realignment process (restructuring).	Progress on the OD realignment project is summarised below: The second phase of the OD process has been finalized; In total 122 employees have been placed in the new organizational structure; The process is now at the appeals stage; An independent Attorney has been appointed to chair the appeals process; 37 appeals have been received; The Appeals committee is scheduled to sit on 8, 9 &10 November 2017; Prioritised positions were advertised internally and the closing date has been extended until the appeals have been concluded.	On-Going
1.8	<b>Procurement and contract management</b> (i) The Accounting Authority must take disciplinary actions against the official(s) who acted or made the entity to appoint service providers without following a procurement process that was fair, equitable, transparent and competitive (Sections 51 (1) (a) (iii) of the PFMA).	The 2016/17 irregular expenditure incurred is still under investigation and disciplinary action can only be considered once the process has been completed. MEGA appointed a service provider independent to MEGA's procurement processes to review the 2016/17 irregular expenditure incurred. The result of these investigations will be made available to MEGA's Internal Audit Unit and the Audit Committee and Board for consideration.	On- Going
1.9	<b>Irregular Expenditure (R61 906 027)</b> (i) The Accounting Authority must take disciplinary actions against the	No progress made	On -Going

	official(s) who caused MEGA to incur irregular expenditure in 2015/16 financial year.		
	(ii) The Accounting Authority must take disciplinary actions against the official(s) who caused MEGA to incur fruitless and wasteful expenditure in 2015/16 financial year.	Progress has not yet been made	On-Going
1.10	<b>Investigations</b> (i) The Accounting Authority must furnish the Committee with the copy of the investigation report from the Office of the Premier.	MEGA is not currently in possession of a copy of the Report	On-Going
	(ii) The Accounting Authority must write to the Director-General in the Office of the Premier and request for the formal report.	The Chairperson of the MEGA Board submitted a formal request to the DG to obtain a copy of the Report.	On-Going

The Committee asked the Entity to provide an update on the implementation of the 2015/16 SCOPA house resolutions.

The Accounting Authority indicated that there was a slight improvement noting that the Entity received a qualified outcome further indicating that the Entity is working hard towards changing the outcomes for the current year.

The Accounting Authority indicated that the Entity was faced with budgetary constraints which caused limitation in discharging its full mandate. The Entity is in a process of mobilization of funds from private sector in a bid to raise the necessary capital required in turning the Entity around.

The Committee further indicated that the Auditor General's outcome is one of the key fundamentals that the Entity should take into consideration. The Entity's failure to act on issues raised by the Committee and further exercise consequence management on those found costing the Entity will continue in escalating of irregular and unwanted expenditures.

The Committee noted that the Accounting Authority did not provide the progress report on the implementation of 2015/16 Audit plan.

The Accounting Authority indicated that management submitted 2016/17 the Audit Remedial Action Plan to the Provincial Treasury on 25 August 2017.

### **3. AUDITOR GENERAL FINDINGS AND QUESTIONS**

The Committee noted that the Auditor General's report on page 98 of the Annual report indicated that some properties that the Entity rented out and earned rental on were not included on the asset register, resulting in an understatement of investment properties. There was an incorrect fair value of the properties one by the Entity without considering appropriate inputs that were in line with the supporting source documents; as a result, investment property and related fair value adjustment were misstated. This item has been plaguing the Entity for several years, even in the previous financial year it was an issue.

The Committee asked the Accounting Authority to indicate if there was any progress made in ligating this matter considering it was a recurring finding and if so the Accounting Authority should state what steps have the Entity taken to address the matter.

The Accounting Authority indicated that there was progress made. The Accounting Authority indicated that the following properties should not be recorded in MEGA's books.

#### **(i) Overview ownership analysis and proposed way forward**

Item No	Description	No of Properties	Recommendation
1.	Zithabiseng Holiday Resort	1 092	These properties are managed and controlled by Mpumalanga

			Tourism and Parks Agency (MTPA). A request to confirm ownership of these properties will be forwarded to MTPA.
2.	KwaNdebele Government	142	The Mpumalanga Government is the successor in title to these erstwhile homelands.
	KwaNgwane Government	27	The Mpumalanga Public Works Department, who is responsible to manage these properties will be requested to manage these properties will be requested to confirm ownership of these properties be the Mpumalanga Government.
3.	Dual properties (excluding repossessions)	600	Ownership should be transferred to the home owner.
			Also refer to the Report by the Legal Department dated 26 October 2017. It is recommend that the dual properties be derecognized from the Investment Property Register, once the deeds transfer documents have been lodged with the Deeds Office.
	Total of properties investigated and found not to belong to MEGA	1 861	



The Accounting Authority indicated that the Entity has requested an updated list from the Deeds Office/ Registry of all properties registered in the name of the Entity and its predecessors. The list will be compared to the current list of 2018 properties obtained from the AG. Differences between the two lists, if any will be investigated and reported on by management.

The Accounting Authority indicated that the following properties should be reflected in MEGA's records:

- Industrial Parks (with buildings, vacant and farm land): 114 properties; and
- Repossessed residential houses: 41 houses. Recommendations have been made for the Entity to dispose these houses.

**(ii) Analysis and classification of “dual” residential properties for accounting purposes**

The Accounting Authority further indicated that the Committee should note that the 41 repossessed houses were included under Investment Property per the 2016/17 financial statements. Management is considering selling these repossessed houses as letting of residential properties is not part of the Entity's core business. The revenue generated by these repossessed properties is insignificant relative to the management time needed to ensure proper administration thereof. The rights of tenants occupying houses will be observed when disposing of these properties. Management will also engage Auditor General on the most appropriate accounting treatment of these 41 properties before disposing of them. However it proposed that these properties remain classified as Investment Property until sold.

**(iii) Completeness of properties registered in MEGA's name.**

The Accounting Authority indicated that the rental debtor listing was compared to the deeds listing and the following differences were identified by the Asset Management Team:

- 25 properties per the housing rental debtors' age analysis were not included in the list of 2018 properties analyzed.
- In addition to the aforesaid there are also 55 properties on tribal land that are rented out without these properties appearing on the Entity's records. The Legal Department appointed a service provider to assist with resolving the ownership of these properties. This process can be summarized as follows:
  - Appoint a Land Surveyor to draw up a sub-division diagram;
  - Obtain a letter from the Local Chief authorizing the Entity to occupy the land;
  - Obtain consent from COGTA ( Department of Co-Operative Governance and Traditional Affairs) to register the sub-division; and;
  - Submit sub-division application to the Surveyor-General for registration.

(iv) Determination of market related rentals

The Accounting Authority indicated that in accordance with the accounting standards, market related rentals should be used when determining the fair value of investment property. In this regard Deloitte conducted a detailed review in 2013/14 financial year and determine the rate per square meter that should apply to the different types of property owned /administered by MEGA. Management increased the rate per square meter by 8% annually with an allowance being made to take the condition of the building into account.

The fair value of investment property must be determined annually in accordance with IRFS standards. However no specific guidance is given on how regular basis the market related rental should be determined independently if the rent changed per lease agreements are not deemed to be market related.

The Committee asked the Entity to provide comfort to the Committee that this matter will be resolved.

The Accounting Authority indicated that the tribal land issues and "dual properties will be resolved and management has put action plans in place to achieve this objectives. The

exact timing of completing these deliverables is, however not entirely under the control of MEGA.

The Accounting Authority further explained that properties rented out on which the Entity earned rental income without the properties being included in the Investment Property register are mainly buildings erected on tribal land.

### **3.1.1 RECOMMENDATIONS**

The Committee recommends the House to resolve that:

- (i) The Accounting Authority must submit the new list of properties registered on the Entity's name from the deeds office.
- (ii) The Accounting Authority must indicate which process will be undertaken to dispose the repossessed properties and how long the process will take.
- (iii) The Accounting Authority must provide the name of the Service Provider appointed to assist with resolving the ownership of the 55 properties and the timeframe thereof for completing the process.
- (iv) The Accounting Authority must submit a progress report on the transfers, ownership and disposal of the properties.

### **3.3 ANNUAL FINANCIAL STATEMENTS, PERFORMANCE REPORT AND ANNUAL REPORT**

The Committee noted on page 105 of the annual report, the Auditor General has reported that financial statements submitted for auditing were not prepared in accordance with the prescribed financial reporting framework and supported by full and proper records as required by Section 55 (1) 9a) and (b) of the PFMA. There were misstatements on current assets, liabilities, revenue, expenditure and disclosure items by auditors which were subsequently corrected but uncorrected material misstatement and supporting records could not be provided resulted in the financial statements receiving a qualified audit opinion.

The Committee enquired why has the Entity contravened Section 55 (1) (a) and (b) of the PFMA.

The Accounting Authority indicated that the amounts disclosed in the 2016/17 financial statements include transactions that originated before the establishment of the new MEGA, and further indicated that the lack of supporting documents is largely a legacy issue.

The Committee asked why the Auditor General did have to correct the financial statements of the Entity for the sixth (6<sup>th</sup>) consecutive year.

The Accounting Authority indicated that the Entity received a disclaimer audit opinion in relation to its 2015/16 financial statements, and further stated that management initiated a dedicated effort to improve the 2016/17 audit outcome with specific focus on the items qualified; due to time constraints, audit files were not prepared in full support of all other items included in the financial statements.

The Committee asked what corrective measures will the Entity put in place to ensure that the above matters are addressed and do not occur again in the next financial years.

The Accounting Authority indicated that management requested Auditor General to perform an interim review in preparation of the 2016/17 audit as a result improved audit outcome was realized in 2016/17 financial year. The Accounting Authority indicated that management has adopted a similar approach in preparation of the 2017/18 financial statements with the interim review scheduled to start on 15 January 2018.

### **3.3.1 RECOMMENDATIONS**

The Committee recommends the House to resolve that:

- (i) The Accounting Authority must take disciplinary actions against officials who failed to prepare annual financial statements in accordance with the prescribed financial reporting framework and supported by full and proper records as required by Section 55 (1) (a) and (b) of the PFMA.

### **3.4 EXPENDITURE MANAGEMENT**

The Committee noted on page 105 of the Annual Report that the Auditor General has reported that effective steps to prevent irregular expenditure of R45 331 441 and fruitless and wasteful expenditure of R24 184 000 in the financial year under review were not taken according to Section 51 (1) (b) (ii) of the PFMA and treasury regulations 31 1.2 (a) and (e).

The Committee asked the Accounting Authority why did the Entity contravene Section 51(1) (b) (ii) of the PFMA and treasury regulations 31 1.2 (a) and (e).

The Accounting authority indicated that no disciplinary steps were taken as a result of the contravention.

The Committee indicated that the Entity will fail to move towards a clean audit until consequence management is implemented as required by prescribed regulations. The Committee further raised its concerns as to what extent does the Entity implement the recommendations of the Auditor General and the recurrence of irregular expenditure in year under review as a result of non-compliance.

The Committee asked the Entity to explain the fruitless and wasteful as well as irregular expenditure incurred in the 2016/17.

The Accounting Authority indicated that fruitless and wasteful expenditure amounted to R24 184, 78 and R40 187 991, 00 of irregular expenditure respectively during 2016/17 financial year.

The details pertaining to the 2016/17 irregular expenditure incurred can be summarized as follows:

tem no.	Description	Amount	Comments	Corrective action
1.	Prior period contraventions in awarding tenders carried forward to the current period	29 284 651	Multi-year procurement awards made in prior years and found to be irregular	Competitive bidding processes will be followed
2.	Payments made to suppliers whose contracts were extended without valid deviations.	8 325 365	Short term insurance contract and Export Market Agent for Tekwane.	Competitive bidding processes will be followed for short term insurance and the corporatisation of Tekwane
3.	Payments made to suppliers in excess of the approved contract or quoted amount.	1 075 015	Foreign exchange difference relating to the purchase of the 132KV Transformer for Ekandustria	Tender checklist to be updated to reflect if transaction is subject to foreign exchange movements – isolated incidence.
4.	Preference point system not applied for procurement of goods and services above R30 000 (PPPF Act Section 2(a))	625 962	5 transgressions. Original BBBEE certificates were not submitted.	Original or originally certified BBBEE certificates will be placed in a separate file by SCM
5.	Three quotations not obtained for transactions between R10 000 & R500 000 (PN 9 of 2007/2008)	503 000	3 transgressions noted.	
6.	Tax clearance certificates were not obtained for transactions greater than R30 000 (PN 8 of 2007/08).	326 622	Some of the transgression occurred before the introduction of CSD on 1 April 2016.	Confirm tax status per CSD or SARS pin number.
7.	Payments made to suppliers not listed on the MEGA Database and for which deviations were not obtained.	47 376	Two transgressions noted. Three quotations were obtained, but suppliers not listed on CSD, e.g. KFC costs incurred to support the 2016 career exhibition at Thaba Chweu Local Municipality. The other transaction occurred within the first week of the introduction of the CSD.	Quotes to be sourced from CSD.
	<b>TOTAL</b>	<b>40 187 991</b>		

The Committee asked the Accounting Authority what steps has the Entity taken to prevent this irregular as well as fruitless and wasteful expenditure from recurring.

The Accounting Authority indicated the following steps that the Entity put in place to reduce reoccurrence of irregular expenditure:

- Identifying the root causes of irregular expenditure being incurred and implementing corrective measures. e.g. eliminating contracts running on a month to month basis by either following a tender process or by an existing transversal contract.
- Appointment of temporary personnel to relief the capacity constraints within the Supply Chain Unit. The implementation of the organizational realignment process will assist in capacitating MEGA, including the Supply Chain Unit, appropriately.

- The MEGA Board approved the Document Retention Strategy. MEGA is currently renting off-site storage facilities to address the safekeeping of documents and “limitation of scope” concerns;
- We have appointed a fellow Public Entity to assist us with the tender specifications and evaluation of large scale construction contracts and
- A renewed focus on consequence management. Our Board is firmly of the view that appropriate consequence management is needed to reduce/ eliminate the occurrence of irregular expenditure.

In addition to the aforesaid, MEGA will implement the following actions during the 2017/18 financial year to further enhance compliance with supply chain management prescripts:

- Completion of the organizational realignment process and filling of critical vacancies;
- Appointment of a service provider to assist MEGA with Business Process Mapping and documenting Standard Operating Procedures;
- Eliminating remaining month-to-month contracts by following an open tender process or by joining relevant transversal contracts;
- Compilation of a comprehensive Contracts Register that will serve as an early warning system of contracts that is due to expire in the next six months.
- The Supply Chain Management Policy and Delegation of Authority document will be workshopped with staff on a regular basis to facilitate a better understanding of the supply chain requirements and the punitive measures for non-compliance.

The fruitless and wasteful expenditure items incurred relate to interest charges being levied on the late payment of invoices. It is mainly the result of the late receipt of invoices and management is exploring alternatives to eliminate the occurrence of late payments resulting in interest charges being levied. For the 6 months ended 30 September 2017 the interest charges on late payments have been reduced to less than R3 000.

The Committee enquired what disciplinary action was taken against individuals concerned and what steps will the Entity take in recovering the expenditures.

The Accounting Authority indicated no actions were taken as yet as investigations were still underway.

### **3.4.1 RECOMMENDATIONS**

The Committee recommends the House to resolve that:

- (i) The Accounting Authority must take disciplinary actions against officials who caused the Entity to incur irregular expenditure amounting to R45 331 144 and fruitless and wasteful expenditure amounting to R24 184 00.
- (ii) The Accounting Authority must take disciplinary actions against officials who contravene Section 51(1) (b) (ii) of the PFMA and Treasury Regulations 31 1.2 (a) and (e).
- (iii) The Accounting Authority must submit a list of all month to month contracts of the Entity and highlight how it plans to correct the situation (contract management).

### **3.5 REVENUE**

The Committee noted that according to the Auditor General's report on page 105 of the Annual Report, effective and appropriate steps were not taken to collect all monies due, as required by section 51 (1) (b) (i) of the PFMA and Treasury Regulations 31 1.2 (a) and (e).

The Accounting Authority indicated that due to capacity issues, the entity struggled to take proactive steps that would ensure an improvement in cash collections. In addition, a number of clients at Ekandustria were placed under business rescue which had a negative impact on cash collections.

It was indicated that the completion of the Organisational Development realignment project and the filling of critical vacancies within the Debtors' Unit will assist in improving collections. Measures will also be put in place to assess the risks associated with potential tenants before concluding lease agreements. The payment of adequate rental and municipal deposits will be part of the strategy to mitigate the risk of non-payment.



### 3.5.1 RECOMMENDATIONS

The Committee recommends the House to resolve that:

- (i) The Accounting Authority must take disciplinary actions against officials who contravened section 51 (1) (b) (i) of the PFMA and Treasury Regulations 31 1.2 (a) and (e).
- (ii) The Accounting Authority must provide a detailed report on the Organizational Development realignment project.

### 4. CONCLUSION

The Committee has satisfied the requirements of the Mpumalanga Provincial Legislature Rules and Orders of conducting oversight over the financial statements of the Department.

**Unless otherwise stated a report detailing progress made in the implementation of all recommendations in this report should be forwarded to the Committee by 30 March 2018 and thereafter on quarterly basis.**

### 5. ADOPTION OF THE REPORT

The Select Committee on Public Accounts recommends that the House adopt this report and its recommendations as House Resolutions.



**Hon. SI Malaza**  
**Chairperson**  
**Select Committee on Public Accounts**  
**Mpumalanga Provincial Legislature**



**Date**