**MEDIA STATEMENT**

**URGENT CONSEQUENCE MANAGEMENT NECESSARY FOR ERRONEOUS R134 MILLION BOJANALA TRANSFER**

**Parliament, Tuesday, 11 February 2020 –**The Select Committee on Cooperative Governance and Traditional Affairs, Water and Sanitation has instructed the North West provincial government and the Bojanala District Municipality to urgently investigate and institute consequences against those who participated in the irregular and “erroneous” transfer of R134 million into Bojanala District Municipality’s account.

The committee is of the considered view that systems collapsed from the provincial level right through to the municipal level. “It is totally unacceptable that assurance processes within the provincial Department of Cooperative Governance did not pick up the erroneous transfer to Bojanala before it happened. Furthermore, municipal oversight mechanisms seem to have failed, as they did not pick up the issue timeously, and the Municipal Public Accounts Committee will only sit this Friday to look into the matter” said Mr China Dodovu, the Chairperson of the committee.

It is also concerning that the mayor did not receive Municipal Finance Management Act (MFMA) Section 71 reports on the state of municipality’s finances from February to October 2019. This points to a total undermining of the MFMA, which cannot be condoned. “We cannot accept the simple explanation that it was human error, without adequate consequence management. While we welcome the suspension of the municipal manager and chief financial officer, we urge the speedy completion of an internal investigation and implementation of recommendations,” Mr Dodovu said. The committee has also emphasised the need for a criminal investigation into the matter.

Furthermore, the committee finds it unacceptable that the Department of Cooperative Governance, Human Settlements and Traditional Leaders transferred funds to Bojanala without gazetting the transfer, as per the Division of Revenue Act principles. The committee has instructed the provincial Department of Finance to ensure adherence to all legal frameworks before any transfers are made.

Regarding the City of Johannesburg’s irregular expenditure, the committee is displeased that the City failed to honour the initial meeting called in November 2019. Despite this, the committee welcomes a council resolution to form a full-time sub-committee to deal with the alarming R12 billion in unauthorised, irregular, fruitless and wasteful (UIFW) expenditure in 2018/19. The committee further welcomes that investigations into R8.2 billion of the value of the UIFW have been completed, leading to the dismissal of 41 officials.

The committee also welcomes the establishment of an Operation Clean Audit steering committee to monitor and hold management accountable on all control deficiencies. The committee will continue to monitor the municipalities that are among the five highest contributors to UIFW with the aim of finding lasting solutions to this problem.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR CHINA DODOVU**