Mossel Bay Municipality Audit Outcomes from 2008 to 2021 – Auditor-General Western Cape

The Financial Year as at 30 June 2015

Concerns for citizens:

8. With reference to Note 55.1, the municipality is at risk regarding the possible liability claims relating to contractual disputes from third parties. The amounts in this regard were uncertain at year end and no provision for any liability that may result has been made in the financial statements.

10. As disclosed in Notes 42, the corresponding figures for 30 June 2014 have been restated as a result of errors discovered during 2015 in the financial statements of the municipality at, and for the year ended, 30 June 2014.

11. As disclosed in Note 22, an impairment of 30,3% (2013-14: 28.9%) to the amount of R28.1m (2013-14: R22.3m) was provided for on receivables from exchange transactions as a result of the impairment of irrecoverable debtors.

INVESTIGATIONS: The following matter is in the process of being investigated:

26. An allegation is being investigated where one municipal official has been accused of collusion with a contractor to fix potholes and municipal goods and equipment was possibly used.

27. **CONCLUDED:**

28. A consultant evaluated tenders, but the municipality was not informed of possible collusion amongst tenderers. The investigation was concluded during Nov 2015 resulting in a possible R2.3m of irregular expenditure being incurred which was disclosed in the financial statements.

29. Three employees were possibly involved in rent subsidy fraud. Outcome of investigation: Two employees resigned ito Claus 9.1 of the Disciplinary Code. One employee was formally dismissed.