

MOTION WITHOUT NOTICE

"Noting the severe allegations of several counts of financial misconduct and significant fraud raised in the Auditor General's Report

and

Further noting that these allegations are so severe and damning to the reputation and integrity of Lukhanji Municipality and the Eastern Cape, with particular reference to Section 38 of the Report "the numerous misstatements identified in the Financial Statements are indicative of significant fraud, which calls into question the reliability of the evidence obtained and the genuineness of the accounting records and documentation. But for the legislated requirement to perform the Audit of the Lukhanji Municipality, I would have withdrawn from the engagement in terms of the ISAs"

and

Further noting the severe lack of service delivery as reflected in the Mid year Assessment Budget Report 2012/2013, with specific reference to gross under spending of the allocated budget in respect of critical aspects of service delivery pertaining to roads, infrastructure, etc. and the total lack of capital expenditure in accordance with budget with the resulting failure of service delivery to the poorest of the poor;

COUNCIL IS REQUESTED TO RESOLVE AS FOLLOWS:

- 1) That Council institutes a Forensic Audit of the financial affairs and management of the Municipality with immediate effect;
- 2) That aforesaid Forensic Audit be completed and the Report placed before Council within 3 months from date hereof;
- 3) That the Chief Financial Officer be suspended with immediate effect pending the aforesaid Forensic Audit as well as any other officials or office bearers that might be implicated in possible irregularities as indicated in the Auditor General's Report;
- 4) That a vote of no confidence be passed against the Executive Mayor, the honourable Councillor M Nontsele and that Council hereby remove him from his appointment as Executive Mayor of Lukhanji Municipality.