

■ THEFT

eThekwini bled through dodgy city contracts

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AN AUDIT committee report attached to the executive committee agenda for yesterday's meeting has made shocking revelations about how eThekwini's money is being stolen through dodgy contracts. Payment of construction service providers at double what they are owed and the construction of houses without the city's authorisation were among a myriad concerns raised.

The report said eThekwini had made a settlement offer of R19 million to a construction service provider, despite its internal records showing that the service provider was actually owed R8.8 million.

Another service provider spent about R6m constructing houses without the city's authorisation. The case, according to the report, has been referred to the city's investigations and integrity unit as per the committee's request on August 8.

Other concerns include irregular expenditure of R623m during the year; excessive overtime payments of R1.1 billion compared to the budgeted R476m; and a breakdown in internal controls in relation to the expanded public works programme costing the city R240m against the budgeted R78m in the same year.

The report also revealed that employees charged with fraud had not been dealt with to date.

The stability of the city's revenue management system (RMS) remained uncertain, according to the report.

"The water-consumption volumes have been unknown to the city for about a year due to the challenges with the RMS or RMS training or inability to utilise the system. As a result, it has not been possible for the city to determine water losses for the period under review, and the financial analysis for the water unit has been hindered by the absence of legitimate water-sales volumes," reads the report.

A significant number of accounts are still dispatched to consumers with errors. The committee recommended that a post-implementation review be performed on RMS as soon as possible.

The city, however, said action had been taken in some of the concerned areas, stating that the July report had been analysed and the water-loss figures deemed to be fair and reasonable.

"The August report is in the process of being analysed. With regard to accounts with errors, we are not sure how this conclusion was reached as we are unaware of accounts with errors between July and September 2019."

The city said an updated report on irregular expenditure had been submitted, with the City Integrity and Investigation Unit investigating every case of irregular expenditure and submitting a report to the municipal public accounts committee.

The construction of houses without authority from the city had also been referred for further investigations.

Pressed for an explanation by the opposition parties, mayor Mxolisi Kanda said the committee had investigated the matters raised, with some of them being *sub judice*.