

Debate on SCOPA Report

Hon Speaker

Hon MEC

Hon Committee Chair

Hon Members

All Guests

During last year's debate on the 2013/14 report of the Auditor General, I expressed the National Freedom Party's concern about the rising trend of irregular and wasteful expenditure in KZN. Wasteful expenditure increased by R2 million and irregular expenditure increased by just under R1 million. Irregular expenditure has increased by almost 100% over the past three years and now stands at R4.2 billion. Honorable members, this should shock all of us because this indicates an arrogant disregard for rules and regulations. After the recent follow-up hearings, it is clear that some departments are still struggling to manage their funds appropriately.

We remain unimpressed with the general disregard for laws and regulations. What is the purpose of having these if government is not going to comply with them? Honorable Members, there is a danger of certain departments thinking and believing they are a law unto themselves and that they are not answerable to anyone.

We need to recognise efforts by The Department of Sports and Recreation to curb irregular expenditure. In 2013/14 irregular expenditure dropped from R90 million to R14.2 million in this department.

The Auditor General spoke out on the poor quality of financial statements, all this because of poor financial management and in some cases because of vacant senior positions. This needs to be addressed urgently as we cannot keep speaking about this while nothing changes.

In the 2012/13 financial year, the number of departments who obtained clean audits regressed from 6 to 2 departments. In the 2013/14 year we have more government entities that have regressed as well as the Department of Transport. While government talks about achieving clean audits, it fails to achieve this. A government must be able to account for every single cent it spends.

In the 2012/13 year, non-compliance with Supply Chain Management was an issue and in the 2013/14 year, this continued to be an issue. Departments still fail to do simple things like obtaining 3 quotes; irregularities in tender processes and failure to submit documents.

According to resolution 21/2014, the Human Settlements department recorded findings on Supply Chain Management because of the departments' failure to pay monies it owes

within 30 days or the period agreed on as required by Treasury regulations. The department of Community Safety and Liaison is another culprit. This department reflected irregular expenditure as a result of non-compliance with Supply Chain Management processes.

We need to commend the department for filling vacant funded Senior Management posts in 2014/15 financial year. However, the same cannot be said of other department as the non filling of key posts remains a problem.

The Auditor General has consistently stated that vacancies in senior management positions have an adverse effect in financial performance, compliance with laws and regulations and leadership and governance. We would like to see this resolved by the end of this financial year across all departments.

The NFP welcomes the commitments by the Treasury to investigate cases of irregular expenditure by mid-May and we hope to see consequences on all who have failed to comply.

We note that Ezemvelo was left in a state of disruption and that the organisation is working on a plan to regain stability. We encourage government to provide the Acting CEO with assistance so that this entity can get back on its feet.

We are gravely concerned about the unresolved issue between the department of Economic Development, Tourism and Environmental Affairs and the North Sea Jazz Festival. The department paid R26 million for an event which did not happen. We are pleased to note that the matter is receiving legal attention and we hope it will be finalised without delay.

Madam Speaker, the issues raised in the Auditor General's report are not impossible to overcome. What is needed is a commitment on the part of government to comply with rules, the right people need to be appointed into vacant positions and if we as public representatives continue to play our part in holding government accountable. Together, we can all turn our province around.

I thank you.

Presented by: Hon EM Zungu