

Public works in new bid to collate state property

Nehawu says R600m plan to achieve clean audit will cause redundancy in department

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THE Department of Public Works says it will give amnesty to people who have stolen government buildings, in an effort to rectify its chaotic asset register.

The register has been in shambles for years, leading to qualified audit opinions and two consecutive disclaimers.

The department has scrapped all previous versions of the register and is now compiling new data on what properties the government owns based on Deeds Office records.

So far the government has found about 10 000 properties which were in the names of various provincial government departments, which should have been on the public works asset register.

Another 10 000 which were on the national register have been moved to the correct provincial lists.

Speaking to The Sunday Independent, chief financial officer Cox Mokgoro said the department was not expecting a clean audit for this financial year.

"We are clear on 2014. There's no way this department can have a clean audit if it doesn't have an asset register," he says.

Mokgoro's predecessor resigned after being threatened with disciplinary action.

Mokgoro's sole objective is to achieve a clean audit, since his contract expires after the reporting period in July 2014.

"It's a critical step for us to achieve a clean audit. If we can have an asset register that is compliant, that can be ticked-off by the (auditor-general), the impact of this thing will be massive with respect to the audit outcome," he says.

"If you don't have an asset register, how can you tell that you've collected all the money you're supposed to collect?"

However, it's not the first time the department has embarked on a project aimed at rectifying this key, glaring flaw.

In addition to handling all government leases, the department is meant to keep track of all government land and buildings not owned by municipalities and provincial government.

However, for years it has tried, and failed, to explain to Parliament why it simply can't get it done.

Asked how this time is different, Mokgoro says there is "a situation that now calls for some kind of state of emergency".

"You can't sit here as the state, being the biggest real estate owner, (and) just not know what your portfolio is like," he says.

While phase one of the project, which began in 2011, started with the department scrapping its previous records and going from a "zero base" using Deeds Office records

phase two will undoubtedly be more difficult.

The department has contracted accounting firm Ernst & Young to help it go from door to door of each property it owns, physically verifying the existence and condition of the asset.

This will coincide with what the department has dubbed "Operation Bring Back".

"We're going to give people a grace period to say 'own up and bring back what you know does not belong to you' - like what (Sars) did... A grace period to say, 'we will not charge you, be honest, bring back'," Mokgoro says.

As noble as the department's efforts seem, they have not been universally accepted.

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When The Sunday Independent visited the department's national headquarters in Pretoria, we were greeted by a notice from the National Education, Health and Allied Workers Union denouncing the much-vaunted "turn-around strategy".

On Friday, shop steward Themba Gumede said the union was prepared to go on strike if the turn-around plan was not stopped.

The union believes the department has effectively been "outsourced" and "privatised" by the government through a series of tenders totalling R600m.

Gumede said the union was concerned that the hiring of firms such as KPMG, Ernst & Young and Deloitte & Touche had the effect of making public works staff "redundant".

"We had a meeting with the new (director-general Mziwonke Dlabantu) on February 21. We told him that they need to suspend all activities of turn-around."

Since then, the union had been "mobilising" its members at all provincial offices in anticipation of embarking on strike action, Gumede said.

"We support any form of service improvement, as long as there is proper consultation that includes unions," he said.

A dispute has been declared at the bargaining council.

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