

Co-management explained

The exact role the finance department plays is to manage spending patterns in faltering departments – treasury

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THE provincial finance department said it won't stand to be blamed for issues of maladministration affecting departments under co-management.

This follows insinuations from legislature committees and officials at some of the departments blaming co-management for the difficulties they are facing.

Recent scandals at the health department have brought the issue of co-management into focus with questions raised on the exact role the finance department was playing.

The departments of health, education and sports development and that of public works and roads were placed under co-management in 2015.

Under this arrangement, the finance department was given the responsibility to oversee some of the affected departments' functions.

At the time, Premier Supra Mahupelo said the decision to have the departments under co-management was to manage their spending patterns.

Put together, the three departments take more than 50% of the provincial budget.

Responding to questions raised by the media, finance MEC Wendy Nelson said co-management does not mean affected departments lost their autonomy.

"Co-management is not administration. What we do is sit with each department and deal with specific issues. For instance, we were dealing mostly with the issue of accruals where expenditure of previous years is carried over to the new year.

"Since co-management started, we had in excess of R1bn in accruals and that has so far been reduced to R600m. It is not an overnight thing but takes painstaking efforts over a considerable period of time."



EXPLANATION: Finance head of department Ndlela Kunene clears up the co-management confusion. PICTURE: OTSILETLAPE

Nelson said each department would continue to do its other duties without any hindrance from finance.

"The departments still account individually and the auditor-general audits each one of them separately.

"It is incorrect to project a picture that says the department's functions have been usurped by the provincial treasury," the MEC said.

The head of department, Ndlela Kunene, weighed in saying every accounting officer at the department

under co-management carries the responsibility to account.

"The perception that finance is hugely involved in the affairs of departments under co-management is faulty.

"In fact, there has not been concern from the affected department to say co-management was in any way hindering their operations," he said.

Kunene said the provincial treasury does not sit on the bid adjudication committees of departments nor does it control the supply chain management

processes. "Ours is a duty that says how do we come up with structures to deal with accruals?

"For instance, the health department is the worst hit when it comes to accruals as a result of medicine supplies and related expenses.

"We would send an official to work with the department on that particular aspect.

"However, the department would still appoint service providers and operate normally in all other aspects," he said.

At the education and sport development department, Kunene said the issue of funded and unfunded posts was the major reason for the co-management.

Co-management, he said, also sought to help the public works and roads department to deal with a high number of incomplete projects.

"As finance, we do not intend to stay forever at the affected department but will move out as and when we resolve the problems at hand," Kunene said.

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