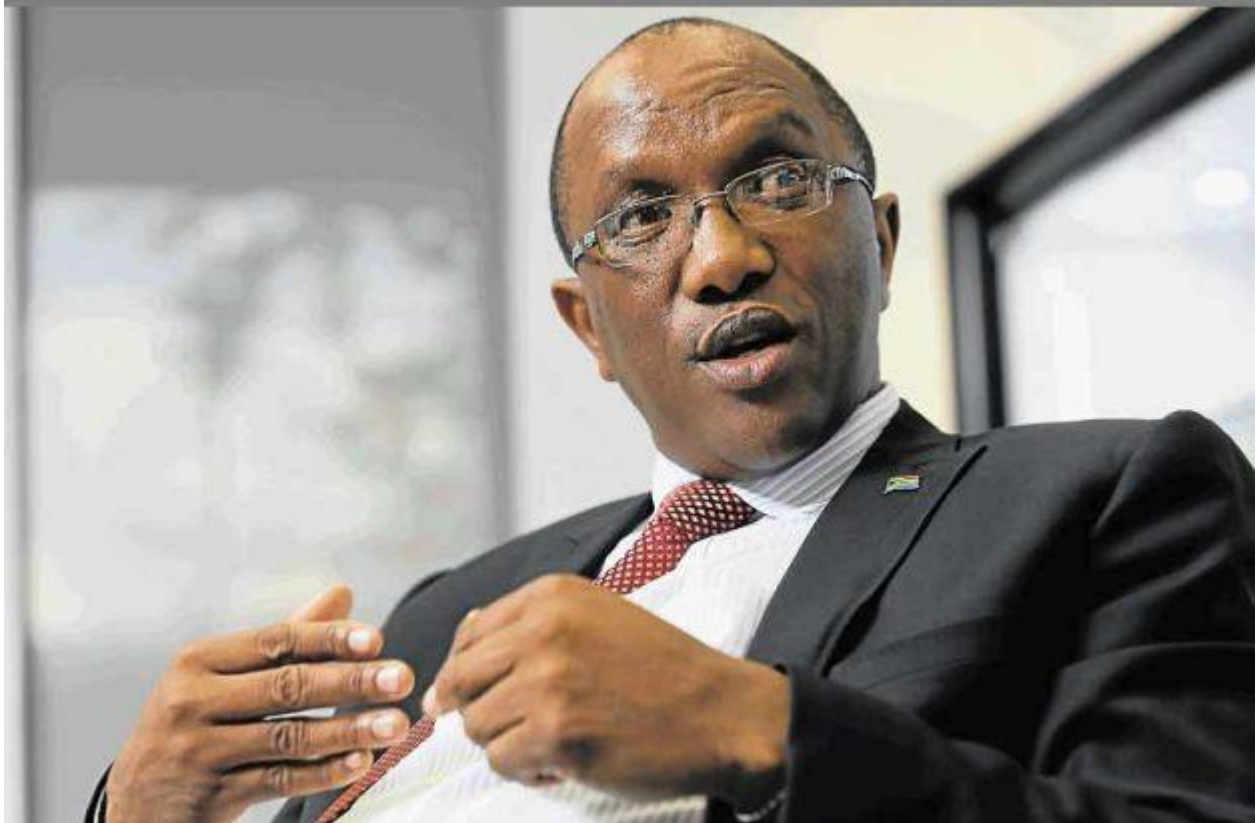


Auditor-general reveals government still commits above R45bn in irregular expenditure

Our government's bank balance is in shambles...

by [Andile Sicetsha](#)

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Auditor General Kimi Makwetu

Whether or not spending only increased by two percentage points, from R45.3-billion in March 2017 to R45.5 in March 2018, it is still extremely high and unacceptable.

This was the general consensus at a joint meeting of the standing committees on public accounts and appropriation that was held on Wednesday.

Auditor-general delivers report on the financial state of government entities

The auditor-general, Kimi Makwetu, went through the financial standings of more than 434 government entities for the 2017/2018 financial year.

It is reported by the [Sowetan](#) that Makwetu reported that the number of government departments and entities that received clean audit outcomes (those who accounted properly for public funds) had declined during the period under review and had been doing so in the last four years.

The A-G told MPs that of the 295 departments and entities that received unqualified audits, only 99 (or 25%) obtained such audits with no findings at all while 196 were unqualified audits with findings.

Makwetu, delivering the rotten report to his audience, revealed that from 129 departments, only 99 resulted in clean audits, a notable drop from the last financial year's figures.

The state departments and parastatals that spend the most irregularly

He also stated that

“There are reversals of audits outcomes that were achieved in the previous year as well as the year before.

“So we’ve got a whole 75 percent of departments and entities that still need to do a significant amount of work to be able to produce reliable financial statements that are without qualifications.”

The Department of Water and Sanitation, Correctional Services, provincial departments of health in Kwa-Zulu Natal and Gauteng, the Department of Roads and Public Works in the North West and Free State have been identified as the biggest contributors towards the irregular expenditure totalling R45.5-billion.

The other departments and entities that were revealed to have contributed to irregular expenditure include:

- The SABC – R571-million
- Airports Company of South Africa (ACSA) – R544-million
- Armscor – R12-million

The auditor-general warned that the figure may increase since state parastatals like the South African Airways (SAA) and Denel still had to be looked at.

Godi: Blame the ministers and no one else

The root cause of this grave form of expenditure was due to the poor management of procurement processes as well as the submission of erroneous financial statements.

This, according to Makwetu, is the reason why they could not account for the auditing of government tenders totalling R6.4-billion. Missing documents also contributed to this.

He also uncovered the fact that R265-million in tenders had been awarded to government employees, an act that is in breach of legislation.

“The audit environment has become one of major contestation, and we do not shy away from those contestations because they enrich the final outcome.

“But there are those outlayers who are contesting the audit because they don’t like [the results], not because they’ve got evidence to support their assertions. Sometimes people can’t live with the fact that one plus one is two, sometimes they want it to be a different answer.” he stated.

Themba Godi, the chairperson at SCOPA laid the responsibility and accountability in the hands of Cabinet ministers.

“We seem to be running away from the real culprits, the ministers and the directors-general. Those are people who must act, and we are always moving around them.

“The reason we have this amendment to the audit act is an admission that the ministers and the DGs are not doing their work as per the public finance management act,” said Godi.