

NC depts in the top 10 for unauthorised expenditure

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UNAUTHORISED expenditure by the Northern Cape departments of Education and Health are among the top 10 highest in the country.

This was revealed at a joint meeting between the Standing Committee on Public Accounts (Scopa) and the Standing Committee on Appropriations during a briefing by the auditor-general (AG) on the 2017/18 audit outcomes.

A total of 434 government departments and state-owned enterprises were audited. Only 25% received clean audits compared to last year when 34% received clean audits.

In the Northern Cape, three departments received clean audits (down from four in the 2016/17 financial year), while eight departments received an unqualified with findings audit and two received qualified audits. According to the auditor-general's report, two provincial departments improved their audit outcomes and three regressed.

The Northern Cape departments of Health and Education are among the top 10 contributors to unauthorised expenditure out of the 434 departments audited nationally.

At number seven, the provincial Department of Education had R123

million in unauthorised expenditure (from R69 million in 2016/17), followed in eighth position by the provincial Department of Health, with R100 million (up from R52 million) in unauthorised expenditure.

The report, indicating the financial health key indicators for the departments of Health and Education, points out that the Department of Health in the Province is in a vulnerable position. Its payment rate for creditors is 80 days, while the department also has a deficit of R9 million. Claims against next year's budget, meanwhile, total 105%.

The Northern Cape Department of Education is not deemed to be in a vulnerable position and no deficit has been incurred. Its creditors' pay period is 32 days, and 26.5% of its cash shortfall is funded by next year's budget. Claims against next year's budget is 11.9%.

The Northern Cape was also fingered for its underspending on the Expanded Public Works Programme Integrated Grant and the Community Library Services Grant.

According to the auditor-general, the root causes of limited improvement in the audits of government departments included the fact that management did not respond with the required urgency to messages about addressing risks and improving internal controls.