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Five key takeaways from AG's report on government, SOEs

Auditor-General (AG) Kimi Makwetu. (Photo: GCIS)

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The [auditor-general](#) of South Africa (AGSA), Kimi Makwetu, has released the combined audit outcomes of the country's national and provincial governments and their entities for the 2017-2018 financial year on Wednesday.

This comes after President Cyril Ramaphosa signed into law the Public Audit Act Amendment Bill on Tuesday.

The law will give the AGSA teeth to act against irregular spending in government.

Five key things you need to know from the AG's report

1. Fruitless and wasteful expenditure increased by over 200% from the previous year to R2.5 billion. This refers to money which is effectively lost.
2. Unauthorised expenditure increased by 35% from the previous year to R2.1 billion of which 86% is a result of overspending.
3. Nationally there is a regression in the audit outcomes where the number of clean audits decreased by 23% of the total audited population.
4. Departments of education, health and public works continued to have the poorest results of all and 33% of these departments received qualified opinions compared to only 16% of the other departments.
5. TVET colleges continued to struggle to account for their finances. For instance, of the 48 colleges audited by the AGSA only three received clean audits, compared with the previous year.

While the Western Cape and Gauteng continued to produce the best results with 83% and 52% respectively, the Eastern Cape, Free State and Northern Cape require urgent intervention says Makwetu.

Healthcare is a key service delivery department and its collapse should be prevented. Overall, the audit outcomes regressed at both departments and public entities, he noted.

