

TheSouthAfrican.com 21 November 2018

Government's irregular expenditure tops R50 billion, clean audits drop 23%

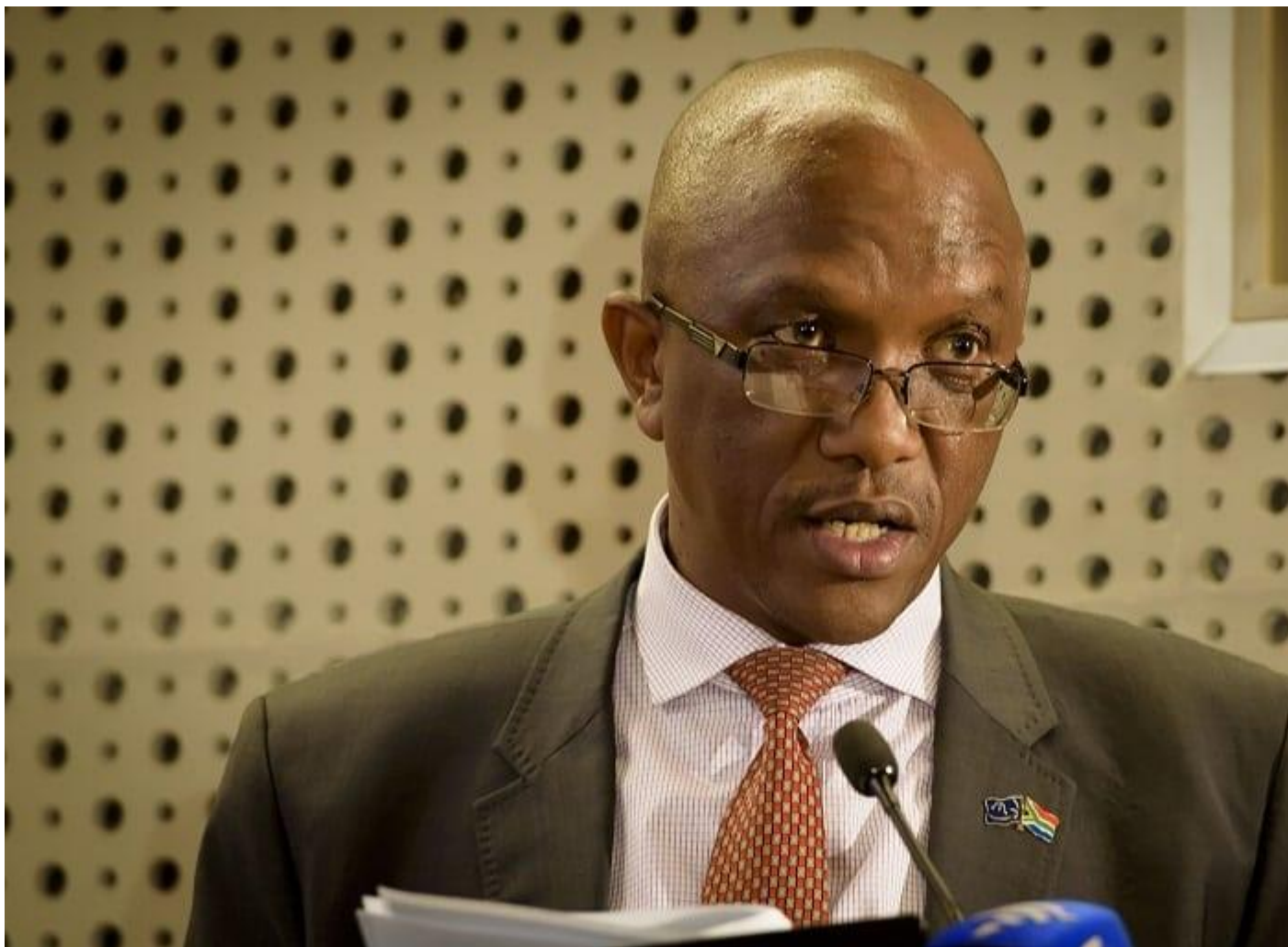
As 13 departments were given clean audits during the period under review, 23 lost their clean audit status due to irregular expenditure.



REPUBLIC OF SOUTH AFRICA by [SAnews](#)

[2018-11-21 15:32](#)

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PRETORIA, SOUTH AFRICA – JUNE 01: Auditor General Kimi Makwetu releases the 2015/2016 municipal audit report on June 01, 2016 in Pretoria, South Africa. Makwetu revealed that the number of South African municipalities which received clean audits increased from 13 to 54 in the last five financial years. Photo by Gallo Images / Beeld / Lisa Hnatowicz)

Auditor General [Kimi Makwetu](#) says the audit outcomes for national and provincial departments and their entities have declined overall this year. Makwetu said this when he briefed the media on the audit outcomes for the 2017/18 financial year at the Imbizo Centre in Cape Town.

Irregular expenditure for national and provincial government departments, [as well as state-owned entities audited by the Auditor-General](#) amounted to R51 billion and counting, it was revealed on Wednesday.

He said while 43 auditees obtained clean audits, they were overshadowed by the 73 that regressed from the previous year. This represents an overall 23% regression.

“We also noticed that there has been a regression in audit outcomes if one looks at the total number of clean audits that were achieved in the previous year. There has been a regression overall because many of those that have been there before have gone backwards because of non-compliance. ”

“In our previous reports, we said that the slow response by management to our messages was the main root cause of poor audit outcomes, but our experience over the past year is that management, at 28% of the audits with poor audit outcomes, is just not responding at all.”

Irregular expenditure increases

According to the report, 13 departments were given clean audits during the period under review, while 23 lost their clean audit status. The report also reveals that 50 public entities recorded a decline in audit outcomes, while 30 showed an improvement.

With the term of office for the current administration drawing to a close, the AG said he hoped that the outgoing administration will have emphatically tackled the governance and accountability challenges flagged by his office over the past five years.

“Those who have received and maintained positive audit results continue to demonstrate that wholesale clean administration and accountability in the public sector are possible if only we can focus on doing the basics right.”

“We remain committed to working tirelessly [within our mandate] and with all those charged with governance and oversight to strengthen

financial and performance management in national and provincial government.”

Irregular expenditure culprits identified

Makwetu said, meanwhile, that the audit report has identified the department of health, education and public works as those with the poorest audit results – and highlighted provincial health departments as those in a dire state.

He said only two departments in these sectors received clean audit opinions, as 33% were given qualified opinions. This sector, Makwetu said, receive the lion’s share of the overall budget compared to other departments, as they implement key programmes to improve the health and welfare of citizens.

He said that the financial health of the provincial departments of health “needs urgent intervention to prevent the collapse of these key service delivery departments”.

The unauthorised expenditure by provincial education departments stood at almost R1 billion and the deficit incurred by the Eastern Cape Education Department stood at R1.7 billion.