

Committee on Section 100 intervention in NW demands action against wrongdoers

MAFIKENG MAIL MAHIKENG: – The Ad Hoc Committee on the Section 100 Intervention in the North West Province has expressed concern that there was insignificant movement regarding consequence management against those that have been identified to have committed financial misconduct in the North West Province.

The committee received a briefing from the National Treasury and the Office of the Auditor-General on the financial position of the province and audit reports since the intervention. The committee highlighted the fact that despite the fact that the province incurred R3.7 billion and R3.8 billion in irregular expenditure in the 2017/18 and 2018/19 financial years, there is little or no movement in consequence management against those that irregularly awarded contracts outside legislation.

While the committee acknowledges that since the intervention there has been an appreciated downward trend in irregular expenditure, from R3.8 billion to R2.6 billion, the committee has called for consequence management to discipline those in the wrong and safeguard the resources of the state.

Also, the committee welcomes the stabilisation in the financial affairs of the province, but has called for consequence management which will act as a deterrent against wrongdoing. "Laws and regulations are there for a reason and compliance is mandatory in order to ensure transparency and accountability," said Mr China Dodovu, the Chairperson of the committee.

Some of the concerning causes for irregular expenditure are that the Department of Education had issued a tender of R25.4 million that was not evaluated by the evaluation committee, and the Department of Public Works and Roads had issued contracts worth R371 million without following proper procurement processes. Also, the Office of the Premier had issued a contract worth R19.8 million without a competitive process, and the Department of Health had contracts worth R1.1 billion in which it deviated from competitive processes, and had continued with expired contracts worth R707.8 million.

Despite the intervention, the committee raised concerns over the continued underspending by the province that impacts directly on the lives of the people of the province. Primarily, the committee is concerned that only R1.5 billion from the R45 billion of the province's budget is planned for infrastructure development, a major driver of economic development.

As a result, the committee is concerned that a considerable budget is lost to the National Treasury as a result of underspending. The province lost conditional grants allocations for the Department of Education amounting to R125.373 million in 2018/19, and R225.621 million in 2019/20, and in Human Settlements amounting to R100 million in 2020/21. The stopping of conditional grant allocations reflects poor planning and delivery on projects within the respective departments.

Furthermore, the committee highlighted concerns that even the Department of Agriculture is underspending on its conditional grants, in a province that depends on agriculture as a driver of its economic activity. The committee has called on the intervention team to work towards ensuring prudent and maximal spending of budgeted resources.

Meanwhile, the committee has called on the Office of the Auditor-General to utilise provisions of the Public Audit Amendment Act to recoup some of the losses incurred in the North West. Also, the committee has considered to issue a certificate of debt for suspected material irregularities found during successive negative audits.

This week, the committee interacted with the National Prosecuting Authority, Special Investigating Unit and the Asset Forfeiture Unit to get an update on the causes of delays in prosecuting alleged wrongdoers.