



**Publication:** Sowetan - Main

**Title:** R12bn lost due to graft in SA in three years-AG

**Publish date:** 24 Nov 2022

**Page:** 2

**Reach:** 71797

**AVE:** R 237972.08

**Author:** Zoe Mahopo

# R12bn lost due to graft in SA in three years - AG

'Prioritise the charges against corrupt officials'

By **Zoe Mahopo**

Crucial government departments including education, health and public works continue to have the worst audit outcomes, says Auditor-General Tsakani Maluleke.

Maluleke tabled the 2021-2022 audit report on government departments and state-owned enterprises (SOEs) yesterday, which gave a bleak picture of how poor financial management hinders service delivery.

While there was an overall improvement in audit outcomes, it seems this did not translate into how public funds were managed at key departments and SOEs.

The AG found that departments such as health, education, water & sanitation and SOEs were responsible for more than 30% of the expenditure budget but consistently had the worst audit outcomes.

Among the 424 departments and state entities assessed, only 128 reflected clean audits, making up for 6% of the R2,58-trillion expenditure budget managed by the government.

In the previous year, 115 departments and state entities had a clean audit status while the budget was R1,9-trillion.

Political analyst and researcher Jamie Mighti said although there was a slight improvement, the fact that most of the audits submitted had negative outcomes was a red flag.

Mighti said some of the issues contributing to rampant financial mismanagement could be addressed by eliminating the procurement of services from outside of the departments.

"What we see at the moment is that there is no accountability and as a result of that it emboldens the politicians. We now have a culture whereby



**Auditor-General Tsakani Maluleke tabled the 2021-2022 audit report on government departments and state-owned enterprises yesterday. /FREDDY MAVUNDA**

we know tenderpreneurs and we are even starting to see some celebrities being implicated for having sham companies," he said.

Mighti said part of the reasons behind the improvement in audits could be the use of more sophisticated accounting to root out bad practices.

"That is why we saw the increase in unsubmitted audits. In 2018-2019 only four audits were outstanding out of 412, in this report 26 were not submitted.

"I think that was not by accident. I think people were now trying to hide levels of corruption from the Auditor-General because numbers don't lie," he said.

The report also reflected that R12bn had been lost due to corruption and R5,5bn due to fruitless and wasteful expenditure over the past three years.

Executive director at Corruption Watch Karam Singh said there is worrying culture of officials who ignore financial management laws but very few were held to account.

Singh said criminal charges against corrupt officials who

are looting the public purse should be processed quicker.

He also said whistleblowers should be protected. "People don't want to speak up because they fear they will get exposed," he said.

The Eastern Cape and KwaZulu-Natal showed significant improvement in the handling of the public purse while the Western Cape showed a clean audit. The AG said R636m worth of financial loss was prevented, R14m was recovered while 15 criminal investigations were opened against officials.

Maluleke said she was optimistic about the general improvement of audits but cautioned that financial discipline was not evident among departments that deliver key services to people.

■ mahopoz@sowetan.co.za

**“People don't want to speak up because they fear they will get exposed”**