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Education department under fire for irregular expenditure

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The Eastern Cape education department has been heavily criticised in the provincial legislature over irregular and unauthorised expenditure since 2015 totalling R2.4bn and flagged by the auditor-general.

At a meeting of the standing committee on public accounts, MPLs grilled the department over R19.6m in irregular expenditure relating to three contracts for building schools awarded between 2015 and 2017.

The AG had flagged the R19.6m together with unauthorised expenditure of R2.4bn since 2015. The R2.4bn had accumulated over the years.

In the past financial year, the department had R184.7m in unauthorised expenditure, which it said was for different items, including procurement and cost of employment.

At the Scopa meeting, MPLs quizzed acting head of department Mahlubandile Qyase over the three tenders for building schools.

Qyase and officials in his department had blamed the department of public works, saying it was the implementing agent in the three projects.

The ANC's Monde Sondaba was the first to question Qyase, saying MPLs heard what he was saying about strengthening the department to bring about accountability, but still had questions about steps taken to prevent irregular expenditure.

"The accounting officer has to tell us what he has done to

prevent irregular expenditure, as required by the Public Finance Management Act and treasury regulations.

"We are not talking about plans here — what the department is intending to do — we want to hold people to account here," he said.

Babalwa Lobishe, who is also an ANC MPL, also said the issue of irregular expenditure was a recurring one.

Another ANC MPL, Mpumelelo Saziwe, wanted to know if the department had taken action against officials responsible for the expenditure.

The DA's Yusuf Cassim questioned the capacity of the supply chain in the department.

Speaking on the sidelines of the meeting, Qyase admitted irregular expenditure and fruitless and wasteful expenditure were still a big issue for the department.

Officials were also looking at holding employees accountable.

"There must be a consequence — either a warning or a written final warning — because it's a wrongdoing even if there is no wastage."

He said the unauthorised expenditure cut across several areas, including goods and services.

He said the department was dealing with the issues but officials had to follow due process before taking action against implicated employees.

At times, this was held up by staff who intentionally caused delays at hearings.

In a report prepared for Scopa by the provincial treasury,

the department further blamed budget cuts dating back to 2014 as a reason for it being flagged for unauthorised expenditure.

It said the unauthorised expenditure was incurred while moving to meet its obligations to pay staff and transfers and subsidies.

"Since the 2014/2015 financial year, the department has experienced numerous budget cuts implemented by the National Treasury, which amounted to over a billion [rand] on a yearly basis.

"This resulted in a loss of R31.428bn. Included in these cuts were [cost of employees] budget cuts from the 2019/2020 financial year amounting to R16.465bn, which caused a shortfall in the current COE budget, which funds existing staff and vacant posts for support staff," the department said.

The department spent more than 81.3% of its R35.1bn budget on the cost of employees in the last financial year.

Scopa chair Mxolisi Dimaza criticised the department for lack of planning.

He said the explanation on the payments of leave to people exiting the department was a demonstration of its failure to plan.

"The department must explain whether there is a lack of capacity because finances work with projections.

"You must have projections, you must have proper planning and you anticipate what is going to happen within the next three months." — *Daily Dispatch*