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# Financial misconduct costs E Cape government R1bn

**Employees charged with wasting public funds rarely face consequences, premier admits**

**APHIWE DEKLERK**

Eastern Cape premier Oscar Mabuyane has revealed that the province has incurred close to R1b in financial misconduct in the past three years.

This was detailed in a reply to a legislature question posed by opposition leader Nqaba Bhanga.

Bhanga had asked Mabuyane about public funds lost by the provincial government departments due to corruption, mismanagement and fruitless and wasteful expenditure.

According to his reply, only the provincial treasury had not lost any of the public funds due to mismanagement or corruption in the past three years.

The education department, according to the replies, is the biggest culprit, having lost over R618m between 2019 and 2022.

It is followed by the department of health, which lost over R243m in the same period, and human settlements which lost over R39m.

"The three departments showing a year-on-year increase are [education, health and human settlements].

The [fruitless and wasteful

expenditure] incurred by these departments is mainly attributable to [health] due to damages, interest on late payments and interest on medico-legal claims and penalties; [education] is as a result of interest on late payments to municipality, infrastructure and fleet services; and [human settlements] for interest paid and court orders," Mabuyane said.

The department of health has long attributed its financial woes to medico-legal claims which eat up a large chunk of its budget.

According to Mabuyane, a total of 32 employees were dismissed over irregular expenditure, damage to government property and loss of assets.

A further 26 resigned from the different departments, linked to financial misconduct.

Mabuyane said in the same period the province had issued 153 warning letters to its employees linked to the financial misconduct.

He criticised the provincial government for dragging its feet when taking disciplinary action against employees found to be in the wrong.

"It is concerning to observe that from the cases finalised, a total of 37 cases amounting to R170.2m were only finalised as a result of employee resignations.

"The mere fact that an em-

ployee has resigned from the department does not stop the department [ensuring] that the case continues.

"Furthermore, this appears to be a trend for departments to wait for employees to resign, rather than dealing with the finalisation of their cases," Mabuyane said.

He said the highest number of resignations were in the department of transport, which saw 17 related to financial misconduct amounting to R150m.

The department of education in the same period saw resignations related to R1.5m.

At public works and infrastructure, there were three resignations linked to R12.3m in financial misconduct, and at rural development and agrarian reform there were five resignations.

"There is a potential risk that should provincial departments delay their internal processes, employees will resign without having [been] disciplined for their transgressions," Mabuyane said.

Bhanga said the government employees who had squandered public funds had barely been held accountable.

"What makes matters worse is that those responsible are more often than not let off with a warning, or resign before any disciplinary action is finalised, with no follow-up action taking

place to hold them accountable."

He said funds spent without following correct procedures opened the door for corrupt activities.

"It is unacceptable that these employees can just walk away, often taking up a position within a different department, with no consequences.

"Worse, it appears that departments are deliberately waiting for employees to resign, rather than finalise their cases.

"The DA is urging the premier to ensure disciplinary proceedings proceed, regardless of whether the individual has resigned.

"The public service commissioner must be engaged to ensure the case continues," Bhanga said.

He said Mabuyane was "quick to talk about consequence management" but the figures he released painted a different picture.

"As long as there is no effective consequence management in place for financial misconduct, departments will continue to bleed funds, and ultimately deprive communities of valuable public services.

"The DA will continue the fight to ensure these officials are held accountable and public funds are spent correctly," Bhanga said.