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KZN education slammed for reckless spending

Department ordered to put brakes on tenders

By **Sihle Mavuso**

The KwaZulu-Natal Department of Education has been instructed to halt the awarding of new tenders and undertaking projects after overspending its annual budget by billions.

This was after the department, headed by MEC Siphon Hlomuka from the ANC, overspent by billions and was found to be issuing new tenders even when there was no money to pay service providers after delivery.

These allegations against the department are contained in a letter dated April 5, 2025, which was written by the head of department of the provincial treasury, Carol Coetzee, to Nkomo Ngcobo, her counterpart in the Department of Education.

The letter dated March 25, 2025 was in response to a request by Ngcobo for more funding.

Coetzee raised concern that the department had written several letters to the provincial treasury highlighting its financial challenges and consistently requesting additional allocation of funding, despite being



KwaZulu-Natal Education MEC Siphon Hlomuka overspent his department's budget by billions of rands. / Supplied

fully aware that the provincial treasury has no surplus funds to dish out.

Coetzee also raised concern that the department had not demonstrated any real efforts to reduce its spending and instead, continued to commit to contracts and commitments where it did not have the funding due to the excessive carry-through effects of the accruals it had already incurred.

As a result of the reckless spending, the department would now be given money to only pay salaries, suppliers for the critical

school nutrition programme and a few other items.

Coetzee wrote in the letter to Ngcobo that the provincial treasury will invoke section 18 of the Public Finance Management Act and immediately withhold all funding to the department, excluding funds to pay compensation of employee costs, NSNP grants and transfer payments to schools.

This was until the dispute with public works and infrastructure was resolved in writing with a clear payment plan, and the department provided a

detailed analysis of all unpaid creditors and the repayment plan.

MEC for provincial treasury, Francois Rodgers, told *Sunday World* that they had to intervene in terms of their powers enshrined in the Public Finance Management Act, to stop the department from incurring any new contractual commitments.

This will ensure that funds are secured to ensure that the current creditors can be paid.

In addition, the department has failed to honour rental lease payments

The department was provided with a final opportunity to present its recovery plan, but to date, a week after the issuing of the letter, no such plan has been presented.

"The provincial Department of Education had projected to overspend by R1.1-billion in the February In-Year Monitoring report. Further to this, there were invoices totalling R1.6-billion that had been captured on the basic accounting system that could not be released as they had no funds left to pay these invoices. This excludes other in-

voices and commitments (such as the transfer to schools) that had not been honoured in the 2024/25 financial year, estimated to be in the region of R2-billion to R3-billion," Rodgers said.

He added that the Department of Education had appointed the Department of Public Works and Infrastructure, as well as other implementing agents, to undertake capital infrastructure projects on their behalf and had accrued a significant debt to these agents. "As a result of their failure to pay these agents, the contractors appointed by the implementing agents could not be paid, and this has had a devastating impact on these service providers and on the projects."

"In addition, the department has failed to honour their rental lease payments, which again has placed the Department of Public Works and Infrastructure in a serious financial crisis, being the contracting party to these leases," Rodgers added.

The Department of Education did not respond when asked about the funding debacle.

The province of KwaZulu-Natal is run by a government of provincial unity, which is made up of the ANC, which runs the education department, the DA, which runs the provincial treasury and the public works department.

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