**MEDIA STATEMENT**

**SCOPA TO PRIORITISE OVERSIGHT OF AILING STATE-OWNED ENTITIES**

**Parliament, Wednesday, 3 February 2021 –**The Standing Committee on Public Accounts (Scopa) today received a briefing from the Auditor-General on state-owned entities’ audit outcomes for the 2019/2020 financial year.

Scopa was briefed on the audit outcomes of the Development Bank of South Africa (DBSA), the Passenger Rail Agency of South Africa (Prasa), Denel, Eskom, SABC and Transnet. The audit outcomes paint a very bleak picture and their financial state is regressing rather than improving. There is a sharp increase in irregular, fruitless and wasteful expenditure in most of them. Consequence management is lacking for those responsible for financial management and, in some instances, there is no evidence of investigating the causes of the irregular, fruitless and wasteful expenditure.

Scopa would like to commend the DBSA for receiving a clean audit. Scopa has however requested DBSA to provide a detailed report on the R3,5 billion loan amount that was granted to South African Airways (SAA), as there were conditions linked to that loan.

Scopa could not be briefed on SAA’s audit outcomes, as the airline has not been audited owing to the business rescue process. Scopa will prioritise this matter and will communicate with the Minister of Public Enterprises on the need to finalise it.

Scopa takes seriously the regression in these audit outcomes. The committee will schedule meetings with the Department of Public Enterprises and other line function departments under which these entities fall. Thereafter, the committee will schedule hearings with the affected entities in order to map a plan to assist them, in so far as Scopa’s mandate allows.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF SCOPA, MR MKHULEKO HLENGWA.**