

**Cindy-Joy Balie**

**From:** Gregory Coetzee <gregory.coetzee@gmail.com>  
**Sent:** 16 February 2018 01:12 PM  
**To:** Cindy-Joy Balie  
**Subject:** Comment on the proposed amendments to the Public Audit Act

Hello Cindy

I wish to comment on the following parts of the bill:

Page nr	Paragraph Reference	Commentary on the section	Proposal
29	1(g)	<p>The current wording suggest that it is only a financial loss of public resources or such resources not used for its lawful purpose.</p> <p>This assertion is not complete as the AG also report on material non-compliance with laws and regulations. An environment with scant regard for effective and efficient implementation of legislation is leading to little or no confidence in the public authority.</p> <p>Unwanted expenditure such as irregular expenditure, fruitless and wasteful expenditure and unauthorised expenditure can all be presented correctly and fairly in the annual financial statements of the public authority but it does not make it right to have it incurred in the first instance</p>	Undesirable outcome should also include a material non-compliance with legislation as highlighted by the AG
32	(b) (1A)	The option for the AGSA to may refer is arbitrary and only when it AG want it to be referred to for investigation. Considering that the AG will follow a process of assessment against certain criteria, it is counterproductive to AG to still have a choice for decision making for referrals to investigative entities	The section should be worded that result in AG not to have a choice for referral once the undesirable audit outcome was assessed against the predetermined criteria. It must provide certainty to all stakeholders that once AG has done the assessment and conclude it is a undesired outcome, such public authority will be investigated for prosecution
32	(b) (1B) (a)	<p>The AG must recover from the responsible accounting officer...</p> <p>I am not noticing an mechanism of voluntary disclosure by the public authority that would prevent costly litigation. Once an audit is concluded and the type of outcome communicated</p>	<p>Consider including a "plea bargain" section that would encourage voluntary disclosure</p> <p>Consider inserting wording that provide assurances to employees that they need</p>

		<p>(desirable or not), a platform must be created for a public authority to make presentations with the purpose of getting a full disclosure on the causes for such outcome and perhaps entering into something similar like a plea bargain before prosecution.</p> <p>In addition, the amendment does not have a protection provision for employees of the public authority, whether it is the accounting officer or another official. Consideration should be given that officials are often forced into silence because of the risk of being unemployed, disciplined etc. The amendment to the act should provide specific text on instances such as this</p>	<p>not to be afraid if making presentations to the AG (providing protection against victimisation and or other negative consequences.</p>
40	10(a)	The option of may could create uncertainty and also the suggestion that it can change from year to year.	Remove the "may make regulations) ... and align it to (b) that makes use of the wording "must"

And just a correction on page 45 – Financial Implications – change R33 956 979 million per annum to R33,956979 million or R33,9 million

Regards,

Gregory Coetzee