**MEDIA STATEMENT**

**NATIONAL TREASURY ADVISED TO IMPROVE ON ITS COMMUNICATION WITH THE LARGER PUBLIC**

**Parliament, Tuesday, 1 September 2020 –**The Standing Committee on Appropriations has advised the National Treasury to improve on its communication with the larger public, especially with regard to the spending of Covid-19 relief funds.

The committee has heard that national and provincial departments have to date recorded an R18 billion spend against the allocation of R122.4 billion in Covid-19 relief package funds. While the National Treasury is yet to fully reconcile its figures, the committee believes that the National Treasury is to dispel, through improved communication, the mainstream narrative which suggests that the majority of the funds have been squandered.

In its attempt to mitigate fraud and corruption, the National Treasury has issued several instructions including the Public Finance Management Act (PFMA) Instruction 7 and Municipal Finance Management Act (MFMA) Circular 103 that deal with preventative measures in response to the Covid-19 pandemic. The committee was told that these instructions were issued to give accounting officers/authorities proactive guidance on how to revisit their control environment in response to Covid-19. However, the committee believes that these actions are not enough and the National Treasury needs to take a stronger stance.

The committee applauds the leadership of the President, Mr Cyril Ramaphosa, the National Command Council (NCC) and the Cabinet in ensuring that the country deals effectively with the pandemic.

The committee also applauds the good work done by frontline workers and those who have worked tirelessly to deal with the pandemic. The committee further thanks the majority of South Africans for their utmost discipline during this time and for adhering to the government’s regulations.

With this said, the committee strongly condemned the corrupt activities of those defrauding vulnerable South Africans of the much-needed support. The committee calls on law enforcement agencies to deal with those involved in a speedy and punitive manner.

The National Treasury was requested to provide the committee with an opportunity to comment and deliberate on the Public Procurement Bill which the committee said has a technical role to ensure that government gets value for money, and the transformation of the economy is enhanced.

The committee notes that the 2020/21 Quarter spending outcomes presented by the Deputy Director-General: Public Finance, Dr Mampho Modise, are still to take into consideration the supplementary adjustments and also take into consideration the effects of lockdown on spending patterns. However, the committee raised its concern over the R1.8 billion underspending in the Department of Agriculture, Land Reform and Rural Development which they say is not entirely related to Covid-19, but is an annual occurrence by the department.

The committee has resolved to engage several state-owned companies (SOCs) on the challenges that continue to impede on their viability and their continuous requests for bailouts. The National Treasury today confirmed that the South African Post Office (Sapo) has requested R4.9 billion in support, the South African Broadcasting Corporation (SABC) has requested R1.5 billion and the Airports Company South Africa (Acsa) has requested a three-year R3.5 billion guarantee.

While Denel has not requested additional financial support, it has requested to relax the conditions of the R504 million to be used for working capital instead of repaying guaranteed debt. The committee will also engage the entity on these and the continuous failure to implement its turnaround strategy which impacts on the implementation of strategic initiatives.  The committee believes that the delays in implementing turnaround strategies across state-owned enterprises which continue to seek government bailouts and guarantees need to be urgently addressed.

The Chairperson of the committee, Mr Buthelezi, said: “there is nothing more depressing as being told that the undertakings made by state-owned companies are not being followed through”. This, he said, is a gross dereliction of duty.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON APPROPRIATIONS, MR SFISO BUTHELEZI.**