**MEDIA STATEMENT**

**STANDING COMMITTEE ON AG WELCOMES AG’S FIRST REPORT ON COVID-19 INITIATIVES**

**Parliament, Saturday, 5 September 2020 –**The Standing Committee on Auditor-General has welcomed the first special report on the management of government’s Covid-19 initiatives which the Auditor-General (AG), Mr Kimi Makwetu presented to the committee.

The first special report, according to Mr Makwetu, covers only R230 billion of the total stimulus package allocation. He said, R45 billion of that amount is unallocated and the remaining R190 billion is for government departments.

The AG focused on R65.9 billion which has been spent during the April-July audit period. R57 billion of that amount has been allocated for the Unemployment Insurance Fund (UIF) and the South African Social Security Agency (Sassa) grants such as the social relief and distress grant of R350, and R500 grant top-up for care-givers.

The remainder was for various government interventions that include allocations to the Department of Health for the procurement of personal protective equipment (PPEs). However, the entire amount has not been used. The AG will present the next report to the committee in November before he leaves office.

He told the committee that the report called on the committee to use it to direct oversight actions on how the multibillion-rand stimulus package entrusted for the Covid response was used. He emphasised the detection of risks and tightening of controls that open public funds to abuse.

He said: “Accounting officers and authorities should invest in preventive controls. It pays off when an institution is called on to deal with a crisis, and it is better than dealing with lengthy and costly investigation and a loss of resources and public confidence.”

The committee asked Mr Makwetu for another engagement where he will share a legacy report with the committee before he leaves office. The legacy report will also be used as a guide and to enhance its oversight work. Also, the committee asked the AG to share with it the support the AG’s office needs to strengthen its work as that office needs to be always ahead as technology advances with a fast pace.

Asked by the committee on the AG’s interaction with the Monitoring and Evaluation Ministry in the Presidency regarding the report, Mr Makwetu said he meets with the Inter-Ministerial Committee that was appointed by the President on the investigations into the allegations of corruption in the procurement and supply chain management of the stimulus package.

Mr Makwetu also informed the committee that the data his office has extracted, which points to risks of potential fraudulent activity in many of the transactions, will be passed on to the multi-agency fusion centre. He said the multi-agency fusion centre is a group of institutions across the country charged with the responsibility to pursue instances of fraud and corruption and investigations related to Covid-19.

In welcoming the report, the Chairperson of the committee, Mr Sakhumzi Somyo, said: “We appreciate the work you and your team have done to produce this report in a short space of time. Furthermore, we thank the President for engaging your office to expose risk areas to ensure that the objective, regarding the stimulus package that was made available, is achieved.”

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE STANDING COMMITTEE ON AUDITOR-GENERAL, MR SAKHUMZI SOMYO.**