**MEDIA STATEMENT**

**STANDING COMMITTEE ON AUDITOR-GENERAL CONCERNED ABOUT BLEAK PICTURE PAINTED BY PFMA CYCLE**

**Parliament, Friday, 12 March 2021 –**The Standing Committee on the Auditor-General (SCOAG) today received a high-level briefing from the Auditor-General (AG) on the 2019/20 Public Finance Management Act (PFMA) national and provincial audit outcomes.

The committee has noted that the report on the PFMA cycle under review paints a very bleak picture of financial management in government departments nationally and provincially, as well as state-owned enterprises. These reports are shared with cabinet ministers and premiers of all provinces and they need to take action to ensure improvement in their various sectors. The AG produces these reports and they are lamented but there seems to be no progress. There is no excuse for this lack of financial management in the public sector.

The committee has also noted that instability at leadership level is one of the main factors that has added to the challenges faced by the AG when conducting audits. This year was difficult as a result of delays due to the Covid-19 pandemic but the AG reported that it was made more difficult by the instability at accounting officer and accounting authority level. Another concern of the committee is the finding by the AG of R116 million worth of contracts that have been awarded to companies of government employees and office bearers.

The committee has noted the little improvement on clean audits from 98 in the 2018/19 to 111 audits in the year under review. The AG has also raised pointedly that the education sector across all provinces needs attention when it comes to unauthorised expenditure. The committee believes that it is important for the responsible institutions to do corrective work when it comes to unauthorised and irregular expenditure.

The committee has noted that the current standing for the budget, with no major issues, is at 57 percent. The committee is also pleased with the fact that the AG has not highlighted any difficulties in security risks in the hectic environment they work in. This brings comfort to the committee and shows that the interventions made by the committee and other responsible institutions have yielded results.

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