**MEDIA STATEMENT**

**SCOPA NOTES SITA’S PROGRESS ON ADDRESSING AUDIT OUTCOMES**

**Parliament, Thursday, 27 May 2021 –**The Standing Committee on Public Accounts (Scopa) yesterday held a hearing with the State Information Technology Agency (Sita) on its annual report and financial statements for the 2019/20 financial year.

Scopa has noted the change of leadership in the entity that is currently seized with the turn around strategy and ensuring that the Sita addresses the audit findings that led to its qualified audit opinion. The entity’s audit outcomes show a regression from unqualified with findings in 2017/18 and 2018/19, to a qualified audit opinion in 2019/20.

The Auditor-General (AG) flagged, among other things, irregular expenditure, consequence management, procurement and contract management and material misstatements in annual financial statements as the cause of the regression.

Scopa is satisfied with the manner in which the new leadership has responded to the committee’s questions. However, Scopa will only derive maximum satisfaction once it has received the forthcoming audit outcomes because the current interim board would have been in office for the duration of a year. The ramifications of the non-performance of Sita have an impact on other state-owned institutions as it plays a strategic role.

Scopa has also requested Sita to send monthly progress reports on how the entity is dealing with the areas of qualification that resulted in the regression. These include property, plant and equipment, intangible assets, irregular expenditure, predetermined objectives, expenditure management, consequence management, procurement and contract management and material misstatements in annual financial statements.

Scopa has observed that there seems to be a delay and some challenges when it comes to the vetting of executives and supply chain management employees by the State Security Agency (SSA). This challenge seems to cut across the various departments and state-owned entities. Scopa has resolved to schedule time to meet with SSA as soon as possible to understand what the challenges are. This is because the delays on vetting by SSA have ramifications as non-submission of these vetting documents poses a threat to the governance of the state.

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