**MEDIA STATEMENT**

**INTERNATIONAL RELATIONS COMMITTEE CALLS FOR CONSEQUENCES FOR ALL IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

**Parliament, Thursday, 25 November 2021** – The Portfolio Committee on International Relations and Cooperation considered and adopted it's Budget Review and Recommendations Report.

The committee was also briefed on 10 November 2021 by the department and the African Renaissance Fund (ARF) on their annual reports for the 2020/21 financial year. The committee engaged with the department on its performance on five key programmes and on its set targets for the financial year. The five programmes are: administration, international relations, international cooperation, public diplomacy and protocol services, as well as international transfers.

The committee noted that the department's annual report reflected a number of diplomatic activities carried out by the department, including its missions abroad. The committee noted that South Africa's representation footprint abroad has grown from 34 in 1994 to 125 diplomatic missions in 2020/21 in 108 countries. This has created unbearable budgetary implications for the department.

The committee heard that the department again received a qualified audit opinion. An audit action plan has been put in place to address all matters contributing to the qualified audit opinion.

The department achieved 85% of its targets, which is a significant improvement compared to the 68% it achieved in the previous financial year. The committee also heard that the impact of the Covid-19 pandemic shifted the department's focus to immediate priorities. The department told the committee that it continued to operate in an uncertain international environment that is volatile and uncertain, with a very limited budget.

The department incurred unauthorised expenditure of more than R150 million due to overspending to compensate employees. The National Treasury has implemented a ceiling on employee compensation outside the filled positions. The weakness of the South African rand against major currencies also impacted on expenditure.

The committee also heard that the irregular expenditure of R187 million in the current year is as a result of noncompliance in the previous financial years, as tender processes were not adhered to. The department incurred fruitless and wasteful expenditure amounting to R14.5 million as a result of cancellation fees for hotel accommodation.

The committee is also concerned that the Auditor-General (AG) was unable to obtain sufficient evidence that disciplinary steps have been taken against officials who incurred fruitless and wasteful expenditure, as required by section 38(1)(h)(iii) of the Public Finance Management Act. The committee heard that the Minister has begun consequence management at senior management level in the department.

The committee urged the Minister to apply consequences across the department. This must include all those implicated in investigations into irregular, fruitless and wasteful expenditure. The AG has also reported that irregular expenditure arising from 2017/18, 2018/19 and 2019/20 has not been investigated by the department and no consequences have been applied as a result.

The committee recommended that the department must investigate all the reported irregular, fruitless and wasteful expenditures for the 2017/18, 2018/19 and 2019/20 financial years and report on progress quarterly. Also, based on the AGs report, the department must consider investigating former ministers and directors-general for irregular expenditure in all the previous years based on the AG's reports.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON INTERNATIONAL RELATIONS AND COOPERATION, MR SUPRA MAHUMAPELO.**

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