**MEDIA STATEMENT**

**APPROPRIATIONS COMMITTEE CONCERNED BY LEVELS OF FRUITLESS AND WASTEFUL EXPENDITURE IN GOVERNMENT DEPARTMENTS**

**Parliament, Friday, 26 August 2022 –** The Office of the Auditor-General briefed the Standing Committee on Appropriations on the national departments that have consistently incurred fruitless and wasteful expenditure over the past five years. Out of 41 national departments, 21 of them incurred R1.52 billion in fruitless and wasteful expenditure during this time.

The Auditor-General also highlighted that the biggest contributors to this large sum are the departments of Defence at R460.09 million, National Treasury at R339.47 million, Basic Education at R106.85 million and Tourism at R92.59 million. Most of the wasteful expenditure occurred in procurement, payment and resource management. The Auditor-General said that 29 per cent of national departments are in good financial health, 62 per cent are cause for concern and nine per cent require urgent intervention.

The committee was concerned that National Treasury is among the worst offenders. Mr Sfiso Buthelezi, the Chairperson of the Standing Committee on Appropriations, said underspending denies people much-needed services and the worst affected of these are women and children. The committee was also concerned that the Auditor-General identified the late payment of service providers as a main contributor to fruitless and wasteful expenditure.

The committee was also concerned about lack of consequence management at some departments, saying there is no deterrent, as people are suspended with full pay. The committee also said departments should equip their staff with project and contract management skills, as they are critical for implementing service delivery.

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

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
Name: Jabulani Majozi (Mr)
Parliamentary Communication Services