**MEDIA STATEMENT**

**COMMITTEE ON COGTA CALLS ON DEPARTMENT TO DEVELOP PLANS TOWARDS CLEAN AUDIT ACROSS THE BOARD**

**Parliament, Monday, 10 October 202 –** The Portfolio Committee on Cooperative Governance and Traditional Affairs (COGTA) today received a briefing from the Office of the Auditor-General (AG) on the Budgetary Review and Recommendations process relating to the Department of Cooperative Governance and Traditional Affairs (COGTA) and its entities for the 2021/22 financial year.

The committee also received a briefing from the Minister of COGTA on the annual reports and audited financial statements of the department, the Municipal Infrastructure Support Agent and the National Disaster Management Centre (NDMC) in respect of the 2021/22 financial year.

The audited financial performance information for the 2021/22 financial year remains largely unchanged from the previous financial year, with the Department of Cooperative Governance (DCoG) still the only auditee with qualified auditing findings. However, the qualification areas that were five in the previous financial year have been reduced to three and all of them relate to the Community Work Programme (CWP).

The committee has informed the department that a qualified audit outcome is unacceptable. Furthermore, the committee has told the department to set targets for itself and it wants to see plans that lead to those targets being met. It added that the existence of those plans will indicate the commitment of the leadership of the department to obtaining a clean audit outcome.

The committee has noted that on service delivery performance against the 2021/22 annual performance plan (APP) targets, the DCoG has achieved 73 percent of its 2021/22 APP targets. While this is an improvement from the 68 percent achieved in 2020/21, however, the committee said this is still the lowest achievement rate in the entire COGTA portfolio of auditees.

The committee is also not pleased with the DCoG for being the highest contributor to the irregular expenditure identified during the year under review, after having incurred R500 million to this end. This also relates mostly to the CWP, in particular, the contracts that did not follow proper Supply Chain Management processes. The AG also found that the NDMC incurred R7.3 million in irregular expenditure as a result of making payment on expired contracts for NDMC’s offices. The DCoG Annual Report indicates that no disciplinary process has been undertaken.

The committee told the department that it wants to see consequence management for wrongdoing whether the wrongdoing is historical or not. According to the committee, the leadership of the department does not seem to be keen to ensure that there are consequences for wrongdoing. The committee has emphasised that even those people who are no longer the employees of the department should face consequences for any wrongdoing they committed.

The committee has also expressed its disappointment with the lack of adequate responses from the department on CWP. There is also an unresolved R3.3 billion remaining in irregular expenditure emanating from previous years. The CWP was further predominantly responsible for the R4.4 million incurred in fruitless and wasteful expenditure due to payments made to deceased CWP participants and those in the employ of the state.

Although the department incurred no authorised expenditure during the period under review, there is still an unresolved balance of R1.1 million emanating from previous years. As a way forward, the committee has requested a workshop from the department on the CWP so that it can understand where the issues are.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MR FIKILE XASA.**

For media enquiries, please contact the committee’s Media Officer:
**Name: Ms Faith Ndenze**
Parliamentary Communication Services
**Tel: 021 403 8062**