**MEDIA STATEMENT**  
   
**ENVIRONMENT COMMITTEE URGES DEPARTMENT OF ENVIRONMENT, FORESTRY AND FISHERIES TO IMPROVE PERFORMANCE**  
   
**Parliament, Thursday, 13 September 2022 –** The Portfolio Committee on Environment, Forestry and Fisheries received a briefing from the Office of the Auditor-General of South Africa (AGSA) on the audit outcomes of the environmental portfolio for the 2021/2022 financial year.  
   
The committee was also briefed by the Department of Forestry, Fisheries and Environment and Marine Living Resources Fund on their annual reports and financial statements for the 2021/2022 financial year. The briefings form part of the Budgetary Review and Recommendations Report (BRRR) process for the 2021/22 year.  
   
The committee was concerned that the highest contributor to the department’s irregular expenditure is objectivity criteria not being applied as prescribed by the Preferential Procurement Policy Framework Act, largely in ongoing contracts. To this end, the committee noted that the procurement of services for Working on Fire were not in line with service level agreements.  
   
The committee further noted that the department and SANParks were the main contributors to problems with procurement by not following competitive bidding or quotation processes.  
   
The committee was shocked to hear that motor vehicles were purchased using the Department’s Expanded Public Works Programme project funds which were transferred to the employees of the Working-on-Fire Pty Ltd without the approval of the department at the end of the Working-on-Fire contract.  
   
 The committee heard that the management of the department has decided to seek legal opinion on how best to recoup the resources spent on the disposal of these assets. The committee condemns this act and urged the department and the Minister of Environment, Forestry and Fisheries to act without fear or favour to recoup these resources.  
   
The committee heard from AGSA that the, overall audit outcomes of the portfolio remained stagnant, with only the department receiving a qualified audit opinion. AGSA also told the committee that the action plan prepared by the department to address  prior year misstatements was effective in resolving some of the qualification matters relating to material limitations on the audit scope and non-disclosure of material items.  
   
The committee noted that the department was successful in collaborating with the assurance providers in using  limited resources available to address these matters. AGSA further reported that the work performed was, however, not sufficient to achieve an unqualified audit outcome. Material misstatements were noted on the capital work in progress, immoveable assets and irregular expenditure disclosure balances.  
   
 AGSA told the committee that it was unfortunate that the financial statements provided contained material misstatements, with the exception of the South African Weather Service (SAWS) and IsiMangaliso Wetland Park Authority (iSi).  
   
The committee also noted that some improvements were made in compliance with key legislation as SAWS, South African National Biodiversity Institute and iSi were able to  reduce the prior year matters to one material non-compliance finding in the current year.  
   
Unfortunately, SANParks experienced an increase in non-compliance findings in the current year while the department continued to struggle with numerous compliance matters.  
   
The Chairperson of the committee, Ms Faith Muthambi said that the BRRR process is necessary for government departments to assess, evaluate and monitor both financial and operation performance and that the audit opinion of AGSA must be taken seriously and that actionable audit plans must be reported regularly to the committee, and that must become standing items on the agenda until all the issues that are picked up are resolved.  
   
**ISSUED BY PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON ENVIRONMENT, FORESTRY AND FISHERIES, MS FAITH MUTHAMBI.**  
   
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