**MEDIA STATEMENT**

**INTERNATIONAL RELATIONS COMMITTEE COMMENDS DEPARTMENT OF INTERNATIONAL RELATIONS AND AFRICAN RENAISSANCE FUND ON THEIR AUDIT FINDINGS**

**Parliament, Wednesday, 12 October 2022** – The Portfolio Committee on International Relations and Cooperation yesterday received briefings from the Auditor-General (AG) on the audit outcomes of the Department of International Relations and Cooperation (DIRCO) and the African Renaissance Fund (ARF) for the 2021/22 financial year. Thereafter, the committee was briefed by the Audit and Risk Committees on DIRCO’S and the ARF’s implementation of the Audit Action Plan.

The Chairperson of the committee, Mr Supra Mahumapelo, opened the meeting by congratulating Lesotho for its peaceful and successful elections yesterday, saying that South Africa had participated in the monitoring of the elections, as part of the Southern African Development Community delegation deployed to Lesotho, and reports indicate that the elections were free and fair.

The committee also commended DIRCO for receiving an unqualified audit opinion with findings from the AG for the 2021/22 financial year after four years of successive qualifications. The AG reported that DIRCO had corrected some of the material misstatements during the year under review. However, due to the compensation-of-employee ceiling, some critical managerial posts, such as the Deputy Director-General (DDG): Global Governance and the Chief Financial Officer (CFO), could not be filled. The committee noted that although the former DDG and CFO were dismissed during the 2021/22 year, consequence management for transgressions did not filter down to other employment levels.

The department failed to recover funds from rental deposits after the transferred officials’ term expired and subsequently the department had to write off R26.9 million due to poor internal controls. The committee was concerned about the large write off, given the current tough economic climate.

The committee urged the department to fast track the appointment of the CFO and to ensure that the corporate services managers at missions abroad are adequately trained in financial management skills.

The ARF was also commended for maintaining a clean slate for five consecutive years. The committee heard from the AG that in terms of the African Renaissance Fund Act, the fund was established to enhance relations between South Africa and other African countries. However, Cuba is the only non-African country to receive funding, based on a contract signed in 2012 between South Africa and Cuba, which allows for economic assistance to Cuba.

The committee heard that the R50 million earmarked for Cuba is now the subject of a court interdict brought by Afriforum. DIRCO is currently awaiting a High Court date to be set for the case to be heard. The AG said that the audit process showed that the Department had followed the processes contained in the ARF Act and that both the Ministers of DIRCO and Treasury had approved the disbursement of the funds.

Mr Mahumapelo then suggested to the department that matters arising from the audit report become key performance targets for top management and that the department provide regular progress updates on the action plan.

Further, the committee mandated the Chairperson to engage the Programming Committee of Parliament to enable them to understand that most of its oversight work is in foreign missions and therefore the committee should be able to conduct oversight in all of the 116 missions of the Republic of South Africa abroad.

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

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
**Name: Sureshinee Govender**
Parliamentary Communication Services
Tel: 021 403 2239