**MEDIA STATEMENT**

**COMMITTEE ON AUDITOR GENERAL APPLAUDS THE AUDITOR GENERAL FOR RECOVERY OF PUBLIC RESOURCES**

**Parliament, Friday, 10 March 2023 –** The Standing Committee on Auditor General has applauded the Auditor-General (AG), Ms Tsakani Maluleke and her team, for the work it described as sterling in ensuring the reduction of the material irregularities which she reported in their annual report last year. The AG appeared before the committee today to brief the committee on the nature of the current 327 material irregularities she reported in the AG’s annual report.

The AG presented examples of actions taken by auditees to recover wasted or fraudulently used public resources. Among those examples she said the Department of Defence imported an unregistered drug at a cost of approximately R260 million without approval from the South African Health Products Regulatory Authority. She said the unused vials were repatriated to Cuba, preventing an estimated financial loss of R227 million.

The Property Management Trading Entity made payments to a landlord for leasing properties in excess of the amount payable as per the lease agreement, resulting in an estimated R11 million in overpayments. The committee heard that by 31 March 2022, R9,7 million had been recovered from the landlord and the remaining amount was in the process of being recovered.

The KwaZulu-Natal’s Department of Health procured sanitiser detergent at a significantly higher price than that mandated by the National Treasury, resulting in a R1,3 million financial loss. The committee heard that acknowledgement of debt was signed with the supplier, resulting in R0,5 million of the loss being recovered.

The Department of Cooperative Governance made payments to non-qualifying government employees as part of the community work programme. In response to the recommendations the AG made and an internal investigation into the matter, the accounting officer of the department referred the matter to the Directorate for Priority Crime Investigation (Hawks) for investigation. The accounting officer also took disciplinary steps against the responsible officials.

The Eastern Cape Department of Human Settlements awarded three contracts for housing units to bidders who did not score  highest points. Regarding an application by the accounting officer, the High Court set two of the contracts aside, declaring them invalid, and this prevented an estimated financial loss of R6,45 million.

In complementing the AG, the committee called for a greater collaboration between the AG and other bodies such as the Hawks and the committee also called for the culture of action and effective application of consequence management on fraudulent and illegal use of public resources.

The Chairperson of the committee, Mr Sakhumzi Somyo, applauded the AG for the work he said “pitched very high” and which he said is the outcome of the Public Audit Act. He said the outcomes of the intervention of the reduction of the material irregularities are the fruits of “our legislation” and save public resources for the benefit of the people.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE COMMITTEE ON AUDITOR GENERAL, MR SAKHUMZI SOMYO.**

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