

**THE PRESIDENCY: REPUBLIC OF SOUTH AFRICA**

Private Bag X1000, Pretoria, 0001

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NO : 3906**

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**MPG LEKOTA (COPE) to ask the President:**

(1) Whether he was regularly holding discussions with the Minister of Finance to ascertain whether the notice from National Treasury, dated 19 December 2013, which was signed by Schalk Human, Acting Accountant-General, prescribing cost containment measures and urging fully compliance with sections 38(1)(b), 38(1)(c)(iii) and 51(b)(iii) of the Public Finance Management Act of 1999 was being taken very seriously by all accounting officers across all government departments and also by all accounting authorities in public entities, if so, (a) which departments were complying 100% with the notice and which were not, and (b) what action has he or the Government in general taken against those departments and officials that were in contempt of the National Treasury prescription, if not, why not ?

**NW4761E**

**REPLY:**

1. (a) There is evidence that National Treasury Instruction 01 of 2013/2014

related to the cost containment measures is being taken seriously by accounting officers of departments. When comparing actual expenditure of departments for the financial periods 2013/2014 and 2014/2015, it is clear that a saving of R5 billion, which represents a saving of 20% was realised. Savings in respect of constitutional institutions and public entities are not available since these institutions use financial systems that are different to that of departments and which the National Treasury does not have direct access to.

1. Non-compliance with the Treasury Instruction on Cost Containment shall result in irregular expenditure. Section 38(1)(h)(iii) and section 51(1)(e)(iii) of the PFMA requires accounting officers of departments and constitutional institutions and accounting authorities of public entities to take effective and appropriate disciplinary steps against any official(s) in the service of the department, constitutional institution or public entity who makes or permits irregular expenditure. Transgressions of the Treasury Instruction shall only be known at institutional level and it is the responsibility of the respective accounting officer or accounting authority to take the necessary action for non-compliance with the Treasury Instruction.