**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER:** **3973 [NW4942E]**

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**3973. Mr R A Lees (DA) to ask the Minister of Finance:**

Whether, with regard to the Public Finance Management Act, Act 1 of 1999, that provides for the relevant treasury and/or executive authority to institute disciplinary action against an accounting officer charged with financial misconduct, the National Treasury has ever triggered the provisions against accounting officers in government departments in view of the perennial problem of fruitless, irregular and wasteful expenditure showing no signs of improvement; if not, why not; if so, what are the relevant details? NW4942E

**REPLY**

The disciplinary process is governed by the Public Service Act and not the Public Finance Management Act (PFMA). The PFMA in its current form does not provide the National Treasury with powers to institute disciplinary action against accounting officers. Information related to disciplinary action instituted in departments can be found in annual reports of those departments. The Frameworks issued by the National Treasury on unauthorised, irregular and fruitless and wasteful expenditure prescribes the process and requirements that should be followed by departments, constitutional institutions, trading entities and public entities when dealing with matters of financial misconduct linked to these expenditures.

Section 85(1)(a) of the PFMA provides that, the Minister must make regulations prescribing the manner, form and circumstances in which allegations and disciplinary and criminal charges of financial misconduct must be reported to the National Treasury, the relevant provincial treasury and the Auditor-General including (i) particulars of the alleged financial misconduct; and (ii) the steps taken in connection with such financial misconduct.

Treasury Regulation 4.1.3 states that, if an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates an investigation into the matter and if the allegations are confirmed, holds disciplinary hearing in accordance with the prescripts appliable and agreement applicable in the public service. The relevant treasury may also direct that (a) an official other than the employee of the department conducts the investigation or (b) issues reasonable requirement regarding the way in which the investigation should be performed as provided in Treasury Regulations 4.1.4.

Therefore, The Frameworks can be found on the National Treasury website at the following links:

[www.treasury.gov.za/legislation/pfma/TreasuryInstruction/Annexure A Irregular Expenditure Framework 20192020.pdf](http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/Annexure%20A%20Irregular%20Expenditure%20Framework%2020192020.pdf)

<http://www.treasury.gov.za/legislation/pfma/TreasuryInstruction/Annexure%20A%20Fruitless%20and%20Wasteful%20Framework.pdf>

<http://www.treasury.gov.za/legislation/pfma/guidelines/Guideline%20on%20Unathorised%20Expenditure%2027%20May%202014.pdf>