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KZN TREASURY STATEMENT ON THE AG'S FINANCIAL YEAR ASSESSMENT FOR THE PROVINCE

KwaZulu-Natal MEC for Finance, Mr. Francois Rodgers, welcomes the Auditor-General's (AG's) 2024/25 Financial Year Review of Provincial Government Departments.

The AG's report has affirmed sustained clean audit outcomes by KZN Treasury, the Office of the Premier, as well other provincial government departments.

Unfortunately, however, the AG has also reported unfavourable audit outcomes against some provincial government institutions and Provincial Entities including the frontline departments of Education, Health, Transport as well as Cooperative Governance and Traditional Affairs. MEC Rodgers has been flagging financial management challenges in these departments. He has instructed Provincial Treasury officials to intensify support services to departments experiencing consistent negative audit outcomes.

MEC Rodgers said:

"The Government of Provincial Unity has prioritised the development of a capable and ethical state. Unfortunately, several challenges including inherited poor financial management still persists. We have committed to an approach of zero tolerance towards continued fiscal delinquency."

"I have instructed the KZN Treasury team to monitor performance and report continued non-compliance. To shift towards fiscal compliance, consequence management must be instituted where necessary".

MEC Rodgers, supported by the provincial cabinet, will continue to use legislation entrusted to his office to improve financial management in KZN. This includes the implementation of the Public Finance Management Act Section 18 intervention where necessary.

"Our newly appointed Provincial Audit and Risk Committee will report directly to Cabinet on a quarterly basis. Their findings and recommendations will be implemented in line with legislative prescripts," MEC Rodgers said.

Further to a cabinet resolution, the financial performance of government institutions will be linked to the performance assessments of accounting officers to improve accountability. Action will accordingly be taken in line with the performance of each accounting officer by the respective executive authority

KZN Treasury will continue to make targeted support interventions in provincial government departments in critical areas such as supply chain management as this is the heartbeat of the operations and has a direct bearing on service delivery.

MEC Rodgers has reiterated the call for all government officials to ensure compliance with financial management prescripts.

Issued by KZN Treasury. For clarity, contact Spokesperson and Media Liaison Officer, Nkosikhona Duma on 071 383 0388.