KWAZULU-NATAL PROVINCE

TREASURY
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KZN FINANCE MEC PUTS ACCOUNTABILITY ON TOP OF HER PRIORITIES

MS. NOMUSA DUBE-NCUBE

MEC: FINANCE

KwaZulu-Natal MEC for Finance Nomusa Dube-Ncube has committed before the Standing Committee on Public Accounts (SCOPA) that her department will do all it could to ensure that accountability is prioritised as more government departments face irregular expenditure challenges.

Accompanied by the Acting Head of Department, Ms Neli Shezi, MEC Dube-Ncube addressed the protracted issue of the e-procurement tool which the department has been seized with for a number of years after it was halted - following a finding that its procurement and use breached National Treasury regulations.

Investigation was launched and its findings recommended that consequence management be applied via disciplinary action against those involved in its procurement.

"The e-procurement tool was developed and it exists but it is not being used because National Treasury did not grant approval. KZN Treasury, however, is consulting legally to establish the existence and extent of the fruitlessness and irregularity of the expenditure, after which proper and necessary processes will ensue," said MEC Dube-Ncube.

Provincial Treasury has raised the matter with National Treasury but at this point, there is no indication yet on whether a different response will be obtained from National Treasury.

KZN Treasury appeared before SCOPA as part of transparency and accountability in a bid to explain in detail the matter that involves the development of the e-procurement tool.

"KZN Treasury is serious about consequence management and it is hoped that, despite previous delays, this matter will be finalised by the end of the year and steps taken in respect of the KZN Treasury officials implicated will be reported," said Shezi before SCOPA.

The investigation on the matter was done in 2018 but the report on that investigation was taken on review by the previous head of department.

"That is part of what has caused the delay in finalising this matter," added Shezi.

In respect of the existence of the e-procurement, SCOPA mandated KZN Treasury to have discussions with National Treasury to find ways of ensuring that this tool is used because it was paid for and it exists.

The investigation on the matter was commissioned and paid for by KZN Treasury, the Office of the Premier oversaw the forensic investigation.

ON IRREGULAR EXPENDITURE

KZN Treasury also tabled a status report on irregular expenditure. The report highlights irregular expenditure by different provincial government departments.

Engagement processes with the affected departments are underway and KZN Treasury stands ready to assist the departments, public entities and municipalities to bring the situation to normalcy.

KZN Treasury said it was encouraging those departments, public entities and municipalities having challenges with irregular expenditure to ensure corrective measures are undertaken and that consequence management is applied against officials involved in the irregular expenditure.

KZN Treasury is concerned that there are such cases of irregular expenditure which show that certain prescribed supply chain processes were not followed - not necessarily that money was stolen.

The Department told SCOPA Chairperson, Hon. Maggie Govender, that a process is underway between KZN Treasury and some departments, public entities and municipalities to verify the extent of this matter and whether or not corrective measures are being taken.

"Upon finalisation of this exercise, a report can then be made public. This exercise takes the form of an enquiry with the purpose of assisting departments, public entities and municipalities to manage their finances in accordance with financial regulations that government public sector finances. We cannot report on it until it is completed," she said.

Issued by the Office of the KZN MEC for Finance

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