

POLITICAL OVERVIEW BY THE MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM, Ms. NE HLOPHE, MPL, DURING AN ENGAGEMENT WITH THE SELECT COMMITTEE ON PUBLIC ACCOUNTS OF THE MPUMALANGA PROVINCIAL LEGISLATURE, TO DELIBERATE ON THE 2022-2023 FINANCIAL YEAR AUDIT OUTCOMES OF THE DEPARTMENT AND ITS PUBLIC ENTITIES, HELD VIRTUALLY VIA MICROSOFT TEAM.

Thursday, 15 February 2024

Honourable Chairperson of the Select Committee on Public Accounts;
Honourable Members of the Committee;
Acting Head of Economic Development and Tourism;
Chairpersons of the Boards and CEOs of our Public Entities;
Ladies and Gentlemen;

Lotjhani!

1. Chairperson, thank you very much for affording us this opportunity, to engage the Committee, on the **2022-2023 Financial Year Audit Outcomes** of the Department and its three (3) Public Entities.
2. We continue to **appreciate the work of the Committee**, in making sure that public funds are utilised prudently and fruitfully, and for the purpose intended.
3. As a norm, I am accompanied by the captain of *the dedt* family, Mr. Cain Chunda, in his capacity as the acting Head of the Department, supported by the Chairpersons and CEOs of our Public Entities, and their respective senior management teams.

4. Chairperson, as the Executive Authority of the Department and the three (3) Entities; namely, MEGA, MER and MTPA, I am enjoined by chapter 7, section 63 of the Public Finance Management Act (PFMA) to **ensure that the Department and the Entities comply with the directives**, as indicated in the PFMA and financial policies.
5. This relates to **ensuring that there is full accountability for public funds** allocated under the management of our Accounting Officers. I must ensure that all monies, up to a cent, must be fully accounted for and utilised solely for the purpose they were allocated.
6. As the Executive Authority of the Department and the three (3) Entities, I am delighted that our Entity, the MTPA, has now, for the second consecutive year, **received a clean audit outcome** during the financial year under review.
7. It has now joined on the footsteps our forever shining star, **MER, which continues to receive clean audit outcomes** year after year, unabated.
8. We congratulate both Entities, and urge them, especially MTPA, to **maintain the clean audit outcome**; it must not regress from this sterling achievement. I specifically mentioned MTPA because for MER, a clean audit is always guaranteed.
9. As for the mother Department, as well as MEGA, they have both **attained unqualified audit outcomes albeit with some matters of emphasis**.

10. We acknowledge that these audit outcomes are not good enough, as they too, must attain clean audit outcomes. To this end, I have **instructed the acting HOD, to ensure that the Department attains this elusive clean audit**, at the end of the current financial year. This unambiguous instruction was also given by the Executive Council, which emphasised that the **clean audit outcome is now non-negotiable** at the end of this financial year.
11. We have, thus, **directed the Audit Committee to come closer to the space**, and assist the Department to attain the clean audit outcome.
12. **MEGA must also follow suit**, but for now, our main focus is on the mother Department of these Entities; it needs to lead by example. **The mother must lead; be exemplary**, and the children will follow!
13. Chairperson; **Irregular, Unauthorised and Wasteful expenditure remain our main concern**; they are always on our radar screen. As such, we continue to follow guidelines on dealing with Irregular, Unauthorised and Wasteful expenditure issued by the National Treasury.
14. And where such practices have occurred, we have taken appropriate steps to correct them. In this regard, the **acting HOD has taken disciplinary measures against officials** who were found to have not followed proper procurement procedures.

15. This included warning letters, suspensions where necessary, disciplinary hearings, and some officials were ultimately issued with recovery letters to pay back the money, after being found to have been negligent.
16. I must, however, clarify that for the irregular expenditure committed, the **Department has received value for money**, as the goods and services procured were rendered fully. There was **no loss** suffered by the Department.
17. Just to give examples, as to why I say the Department did not suffer any loss, the **irregular expenditure relating to the procurement of office buildings and photocopy machines was fully rendered**.
18. As I conclude, *the dedt* family management team led by the acting HOD and I, remain committed to ensure full accountability and financial prudence for the public funds allocated to us. Where unintended and regrettable mistakes, in terms of Irregular, Unauthorised and Wasteful expenditure, were committed, **we sincerely apologise and further commit to do much better in future**.
19. Chairperson; having laid the ground, I now retreat to allow you to initiate the engagement.
20. ***Leave No One Behind, as We Grow Mpumalanga!***

Ngiyathokoza!