

Honourable Deputy Chair Mme Sylvia Lucas

Minister of Cogta: Honourable Dr Zuma

Deputy Minister of Finance: Honour Dr Masondo

All MEC's of Finance and Cogta present

All Honourable members and

All Officials on the platform

Our issues pertaining to fiscal leakages have already been covered extensively by the Colleagues, however I would like to emphasise on the following:

PFMA

1) Medico legal claims in the Province is close to R2 billion ;

As a Province we are applying various measures such as:

- Document management
- File management, etc
- As a Province we agree that the Amendment Bill will assist in reducing leakages under the medico legal claims. This matter was ventilated by the recent Budget Council

2) Provincial irregular expenditure and fruitless & wasteful expenditure: top 4 contributors; where were doing investigations on this cumulative balance

- Our approach as the Province is to focus on the top 4 contributors where we have commenced with the process of performing investigations on the cumulative irregular expenditure balance
- Stemming from this process consequence management may follow and
- Necessary condonement processes will also follow.

3) Health Support initiatives

- Provincial Treasury and Health have agreed on setting specific focus areas for the department of Health which includes amongst other things data cleansing on the financial systems, eg Logis
- For instance, the preliminary work on these projects have resulted in the identification of R12 Billion Logis orders in the system as far back as 2017.
- We are trying to clean-up transactions that are reflecting as commitments which in actual fact are orders that should have been cancelled.
- Provincial Accruals is a topical issue that we are looking into as we are sensitive to its impact on future budgets.
- The Province is busy with the Department of Public Works remodelling and the establishment of the NC construction company.

MFMA

1) Municipalities; working with COGSTA & AG

- Capacitating officials on asset management; SCM; contract management; budget management; to mitigate leakages, eg we had meetings with the Vice Chancellor on some of these interventions
- Between ourselves and Coghsta, we are supporting reduction strategies on the unwanted expenditures on the top 10 contributors;

- We are also working towards limiting the use of consultants on the compilation of annual financial statements etc.