



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

SPEECH BY DIRECTOR-GENERAL DONDO MOGAJANE AT THE VIRTUAL LAUNCH OF THE AUDITOR-GENERAL SA's PREVENTATIVE CONTROL GUIDES

DATE: 09 SEPTEMBER 2020

Good morning. All protocol observed.

In this difficult time, it is a welcome respite to be gathered together at this auspicious occasion in recognition of this advancement in our public financial management accountability, transparency and compliance.

Good governance and sound public financial management are universal tenants, and yet despite this, corruption continues to be one of the greatest obstacles to development worldwide.

Both locally and internationally, the COVID-19 pandemic has brought with it twin afflictions of widespread illness and gross corruption. For both COVID-19 and corruption, prevention is the cure. This is particularly true of corruption where public trust, the effectiveness of public institutions, service delivery to all citizens and sustainable economic growth is at stake.

Even the most successful law enforcement instruments and agencies can only be effected after the crime has been committed and by then the damaging consequences of corruption have taken place. Prevention is dependent on a suite of measures being implemented in concert, including and for example regular, educational and appropriate public awareness to encourage public intolerance of corruption and developing public finance management primary tools to identify and address corruption risks to strengthen the integrity of public administration.

Today we have gathered not only to do both, but also to acknowledge that these measures are best done in partnerships across departments and institutions responsible for good public financial management and prevention of malfeasance.

These AGSA's preventative control guides being announced today, will add substantially to the instructions and reporting measures National Treasury has taken. Instructions on preventative measures including control systems, procurement procedures including prescribing maximum prices, and government-wide reporting including standardised report templates, can only improve the management of public finances.

Together, these instructions and the control guides are targeted, specific and action orientated – all found to be key components of an effective prevention culture, control environment and institutionalised compliance. The accountability of each management level in the procurement process of a public institution is enshrined in legislation.

These guides will support accounting officers and executive authorities to prevent the corrosion of corruption taking hold. They will assist them to exercise their obligation as defined by the PFMA and MFMA to implement and maintain effective, efficient and transparent systems of financial and risk management and internal controls.

We call on all sectors of our society to join in this battle. There is both a supply and demand side to corruption and unless efforts are made on both sides, we will not triumph. Corruption will continue to limit our development and prevent us from reaching our full potential. It will destroy the ethical and moral foundation of the state and place all of us at risk, specifically our most vulnerable citizens.

Today bears further testimony to National Treasury and the AGSA's joint commitment, standing shoulder to shoulder together in fighting corruption and push the good governance and sound public financial management agenda forward.

In conclusion we extend both congratulations and gratitude to the AGSA for this significant contribution to our public institutions good financial management prevention control environment.

Thank you.