



**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1150 [NW1290E]
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1150. Mr A M Figlan (DA) to ask the Minister of Finance:

Whether, in view of the fact that public entities are governed by the Public Finance Management Act, Act 1 of 1999, Treasury Regulations, the Companies Act, Act 71 of 2008, Codes of Good Governance and their own set of founding acts, there are adequate monitoring mechanisms to establish if (a) transfer payments are properly spent and (b) the Government is getting value for its money; if not, what is the position in each case; if so, what are the relevant details of such mechanisms?

NW1290E

REPLY:

Departmental transfers to public entities is governed by section 38(1)(j) of the Public Finance Management Act. Treasury regulation 8.4 sets out the framework for transfers and subsidies. In terms of Treasury Regulation 8.4.1, the accounting officer of a department must maintain appropriate measures to ensure that transfers to public entities are applied for intended purposes. This includes, but is not limited to, regular reporting procedures, internal and external audit requirements, regular monitoring procedures and scheduled and unscheduled inspection visits or reviews of performance.

Public entities strategic plans and annual performance plans are approved by the relevant Executive Authority and tabled in Parliament. These plans set out performance targets for public entities and in terms of Treasury Regulation 8.4.2, the accounting officer of a department may withhold transfers and subsidies to a public entity if, amongst others, the agreed objectives have not been attained and the transfer does not provide the value for money in relation to its purpose or objectives.

Treasury regulation 5.3.1 requires accounting officers of departments to establish procedures for quarterly reporting for effective performance monitoring, evaluation and corrective action.