

**NATIONAL COUNCIL OF PROVINCES**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER 599[CW746E]**

**DATE OF PUBLICATION: 18 NOVEMBER 2011**

**Mr M W Makhubela (COPE-Limpopo) to ask the Minister of Finance:**

- (1) Whether the National Treasury has (a) investigated any cases of irregular expenditure from 1 January 2009 up to the latest specified date for which information is available and (b) taken any disciplinary action against those who flouted the requirements of the Public Finance Management Act, Act 1 of 1999; if not, why not; if so, what are the relevant details in each case;
- (2) whether the National Treasury will take any action against those who have been involved in 'tenderpreneurship' and tender manipulation; if not, why not; if so, what are the relevant details?

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**REPLY:**

- 1)
  - a) In terms of section 38(1)(b) of the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999), the accounting officer of a department is responsible for the effective, efficient, economical and transparent use of the department's resources. Section 38(1)(c)(ii) of Act requires the accounting of the department to take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure. From the aforementioned, it is clear that the responsibility to investigate the incurrence of irregular expenditure resides with the accounting officer of the relevant department. The National Treasury therefore does not investigate cases of irregular expenditure at departmental level.
  - b) As indicated in 1(a) above, the accounting officer of a department must take effective and appropriate steps to prevent unauthorised, irregular and fruitless and wasteful expenditure in his or her department. Section 38(1)(h)(iii) of the Act also provides that the accounting officer must take effective and appropriate disciplinary steps against any official in the department who makes or permits unauthorised, irregular and fruitless and wasteful expenditure. Due to the manner in which employer and employee relationships are structured, it is only the

employer that can impose sanctions on an employee who commits any misdemeanour. The responsibility to impose sanctions on officials who transgress the PFMA thereof rests with the accounting officer of the relevant department.

- 2) The National Treasury has assisted several institutions in all spheres of government with investigations on various matters, including misdemeanours related to tender fraud and corruption, 'tenderpreneurship' and tender manipulation. Where investigations have been concluded, perpetrators have been criminally charged but most of these cases still being heard in our courts of law, hence details of such cannot be provided due to the matters being *subjudice*.