

**NATIONAL COUNCIL OF PROVINCES  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 162 [CW256E]  
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**162. Mr M I Rayi (Eastern Cape: ANC) to ask the Minister of Finance:**

Whether the Government is making any progress in dealing with irregular and unauthorised expenditure in the public sector; if not, why not; if so, (a) what progress has been made in reducing the irregular and unauthorised expenditure in the past five years and (b) how many public servants have faced the consequences regarding their financial ineptitude?

CO256E

**REPLY:**

- (a) Section 38(1)(c)(ii) and section 51(1)(b) of the Public Finance Management Act (PFMA), Act No. 1 of 1999, require accounting officers for departments, trading entities, constitutional institutions and accounting authorities of public entities to take effective and appropriate steps to prevent unauthorised expenditure (in a case of departments), irregular expenditure and fruitless and wasteful expenditure.

It is therefore the responsibility of accounting officers and accounting authorities to reduce unauthorised, irregular and fruitless and wasteful expenditure in their respective institutions as required by section 38(1)(c)(ii) and 51(1)(b)(ii) of the PFMA.

In May 2014 and 2015, National Treasury issued the first guidelines on irregular, fruitless and wasteful and unauthorised expenditure which were aimed at providing accounting officers and accounting authorities with clarity on the treatment of those expenditures.

The National Treasury also saw it prudent to further develop Frameworks in 2018/2019 financial year related to unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure as Treasury Instructions to give legal effect and systematic approach in addressing these unwanted expenditures. These frameworks support accounting officers and accounting authorities in dealing with these expenditures. The frameworks are aimed at enhancing the understanding, interpretation and application of legislative provisions dealing with these expenditures. PFMA compliant institutions have been trained on these frameworks.

- (b) Section 38(h)(iii) and section 51(e)(iii) of the PFMA require accounting officers and accounting authorities to take effective and appropriate disciplinary steps against any employee who makes or permits unauthorised, irregular or fruitless and wasteful expenditure.

This information can be obtained from accounting officers and accounting authorities of institutions.