

MEDIA RELEASE **R135 billion squandering by national government departments and state-owned entities: PSA calls for consequence management**

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EMBARGO None

ENQUIRIES communication@psa.co.za

The Public Servants Association (PSA) is disturbed by recent revelation by the Auditor-General at a briefing for Parliament’s Standing Committee on Appropriations highlighting a shocking wastage of R135 billion by national government departments and state-owned entities.

This intolerable level of wastage and requires urgent intervention to arrest this dire situation. The PSA believes that poor oversight has allowed criminals to abuse the public purse unchecked and plunging the country into a deeper financial crisis and economic stagnation. It is unthinkable that an exorbitant R135 billion was spent on irregular, fruitless and wasteful expenditure (IFWE) over five years. This contrasts sharply against government’s failure to provide tools of trade for its employees, maintain its buildings, and constantly pleading poverty when it comes to salaries and benefits for its employees.

This vast amount of wastage points at inefficiency, negligence, and incompetence as those entrusted with public finances are continuously squandering money without considering the impact of their reckless decisions. It cannot be business as usual when the public purse is constantly drained to the detriment of taxpayers, citizens, and particularly employees who bear the brunt of corruption and maladministration.

The *Public Finance Management Act* clearly provides that Accounting Officers (AOs) must implement effective, efficient, and transparent financial and risk management processes to prevent irregular, fruitless, and wasteful expenditure. AOs have an obligation to report IFWE to the relevant treasury, take appropriate steps to correct and recover funds from the responsible persons. Many persons, formerly employed by South African Post Office, are jobless whilst the entity is leading with wastage of nearly R651 million.

The PSA is currently involved with wage negotiations where government is again pleading poverty and being unable to provide an increase above CPI for its employees whilst tolerating vast fraud and corruption that are draining its coffers. On this basis, the PSA calls on President Cyril Ramaphosa to act decisively by immediately holding accountable those who failed to perform their duties. The PSA will explore all available options to ensure that those responsible for this wastage are brought to book. The country cannot afford further rampant corruption and misuse of public funds as previously experienced.

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