

R24.6bn spent on consultants

The Office of the Auditor General on Thursday called for stricter controls on the use of consultants by government after a performance report found that eight government departments had spent R24.6bn on consultants in a three-year period.

In a media briefing, Deputy Auditor General Kimi Makwetu said a performance audit had been conducted on eight national government departments. The other 34 national government departments had not been focused on in the audit.

A performance audit seeks to determine whether funds were well spent. It also focuses on whether goods and services were acquired economically, and whether they were applied for efficiently and effectively.

This kind of audit, said Makwetu, was done when problems were identified in regulatory audits which are conducted annually.

The Auditor General's report covers the financial years of 2008/09, 2009/2010, and 2010/11.

The departments that form part of the selected eight departments include Health, Correctional Services and Police. The departments were selected on the assessment of possible weaknesses in the use of consultants based on historical problems.

According to the report, which was tabled before Parliament on Thursday, the total expenditure on consultants by the eight departments amounted to R24.6bn - 74% of the national expenditure of R33.5bn on consultants over three years.

The report included 124 contracts with an estimated value of R5.5bn.

The report showed that the Department of Environmental Affairs, which also formed part of the selected departments, had spent R550.6 million on consultants, while the Department of Health had spent R416 million on consultants.

The areas that the report focused on, Makwetu said, included whether or not proper planning processes were followed and the level of training and transfer of skills - where skills shortage was found to be quite prevalent.

Makwetu said that if skills were not transferred to staff at departments, this would likely result in consultants being used extensively.

The report found that in some cases, it would have been most effective to use permanent staff of departments compared to using consultants.

Although the report had indicated inadequate planning as well as high turnover of staff in key positions, the picture could be turned around, provided departments had the right control systems in place.

Though some departments experienced challenges, this was not the case for all departments. The Health Department had done better, having spent the least on consultants.

Nationally and provincially, R102bn had been spent on consultants over a three-year period.

Provinces spent R68.5bn on consultants over the three-year period. A report on this, Makwetu said, would be available at a later stage.

He said ministers and chairpersons of portfolio committees of the audited departments had been engaged on the matter and that a positive response had been found - something the deputy Auditor General found very encouraging.

Among the report's recommendations are that all departments and entities should include extensive coverage of the use of consultants in their strategic and business plans, which must be intensively reviewed by portfolio committees.

"The relationship between the public and the private sector cannot be wished away," said Makwetu, adding that the relationship between the two was an important one.

Govt welcomes AG report on consultants

Subsequent to Makwetu's report, the government has welcomed it, saying the report provided useful and relevant information on the use of consultants by government.

While it noted the report, government also noted the recommendation of the report to improve control measures in order to get best value for services provided by external consultants.

Ministers and the heads of administration of affected government departments have already engaged extensively with the Auditor-General South Africa and have committed to take immediate action to remedy the current situation.

Acting Government Communication and Information System (GCIS) acting CEO Phumla Williams said the recommendations set out in the report will be appraised and implemented where needed.

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