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## How Limpopo went bankrupt

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The auditor-general's report into the state of Limpopo's affairs reads like a manual on how not to run a government.

It contains a damning indictment of the province's political leadership, which is blamed for the mess.

The auditor-general's general report on the outcome of the Limpopo government audit for the 2010/11 financial year provides more detail on the apocalyptic picture painted by Finance Minister Pravin Gordhan this week as he described a province nearly R3 billion in the red and with civil servants fomenting rebellion.

The scale of the administration rescue that confronts the national government in Premier Cassel Mathale's province is spelled out in the audit's overview, in which the Limpopo education, health and public works departments feature as the key transgressors.

State procurement in Limpopo – which has been in the spotlight over the rise and influence of ANC Youth League-connected "tenderpreneurs" here – was riddled with corruption and irregularities, and contracts to state officials.

» In the education department, supporting documents could not be provided to auditors for more than 600 contracts worth more than R150 million that had been awarded to state officials. Auditors couldn't determine if 27 public works contracts had been awarded legally – or what their value was.

» In the health department, 11 contracts worth more than R25 million were awarded to state officials. One state official scored an education department contract worth nearly R4.5 million.

» The reports show that contracts were awarded to bidders "who are known to have committed a corrupt or fraudulent act in competing for the contract". It did not say who these bidders were.

» Business was also given to bidders who did not provide tax clearance certificates and to bidders who had not completed "conflict of interest" declarations about their ties to state officials.

» The province's information technology systems were a mess, with gaping security holes and little to prevent access to and tampering with financial information.

» Political oversight of official spending had utterly collapsed. Limpopo's Standing Committee on Public Accounts was a year behind reviewing yearly reports and two years behind "tabling corrective action".

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The report observed: "During the discussion of the prior years' outcomes, the Premier (Mathale) undertook to ensure that Scopa decisions were implemented without intimidation. This commitment, however, becomes meaningless if no decisions are taken."

Meanwhile, the Limpopo education department revealed for the first time why no books were ordered: it was out of cash. Although a new curriculum requiring new textbooks was being introduced countrywide for Grades 1 to 3 and Grade 10, several publishers confirmed that the province had yet to order textbooks.

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