

Department of agriculture under scrutiny for mismanaged funds

By Glenneis Kriel | 21 March 2024 | 7:00 am

Fruitless and wasteful expenditure has increased almost a thousand-fold, from R33 000 in 2021/22 to over R30 million during the 2022/23 fiscal year, according to the recently released budget review and recommendations report of the Portfolio Committee on Agriculture, Land Reform and Rural Development.



A new report reveals the department's wasteful expenditure.

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According to the report, the R33 000 from the prior year was for interest charged by a service provider on invoices that the department failed to pay within time, whereas the majority of the R30 million was due to the payment of invoices for services not rendered.

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Only R56,6 million of fruitless and wasteful expenditure that were due to non-compliance to policies could be recovered during the 2021/22 fiscal year, whereas

as a historical R41 million and R4,9 million could not be recovered and were written off.

For the period under review, only R6 000 worth of fruitless and wasteful expenditure was recovered, while R5,5 million could not be recovered and had been written off.

The department's irregular spending also increased significantly from R5,5 million in 2021/22 to R15,4 million in 2022/23.

Most of the irregular expenditure was incurred in 2021/22, but was only identified in 2022/23.

Spending of R15,03 million was due to the department failing to get approval from National Treasury for deviation, as required in terms of supply chain processes, R308 000 was because of the department advertising a bid for 19 days instead of the mandated 21 days, and R25 000 because of the department obtaining less than three quotations for services.

The report said that over and above the confirmed irregular expenditure for both 2021/22 and 2022/23, there was historical irregular expenditure amounting to R203,2 million that was previously incurred by former departments largely due to non-compliance with supply chain management procedures.

The historical expenditure combined with that of 2021/22 and 2022/23 totalled R224 million.

The report also noted that the department underspent R427,9 million of its total budget during the 2022/23 financial year, which was an improvement compared with the R1,1 billion that was underspent and had to be surrendered to the National Treasury Revenue Fund in 2021/22.

The under-expenditure largely comprised unspent funds in the department's administration, food security, land reform and restitution, and rural development programmes, due to delays in the recruitment process, in receiving quotations for the procurement of services, in receiving overseas orders, in the inspection report for the construction of the department's new head office, the non-payment of stipends for students, as well as outstanding invoices for subscription fees to international organisations.

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The report stated that the under-expenditure on smallholder farmers reflected a lack of urgency and poor response to the plight of destitute subsistence and distressed smallholder farmers.

Despite the great need for comprehensive farm support and access to markets for smallholder farmers in particular, the report also found that only 12 farmer production support units, out of a total of 43 planned units, were supported to be fully functional.

Erika Helm, chairperson of TLU SA's Local Government Committee, said that the main objectives of the Department of Agriculture, Land Reform and Rural Development were to create and support an environment where successful farmers could farm profitably, thereby ensuring food security for all South Africans.

"TLU SA is concerned that the department's [efforts at fulfilling these objectives] are not in the interest of all farmers and serve as a front for more theft and corruption."

She said that determining who was guilty should be a straightforward exercise, and criminal charges should be filed against the perpetrators.

However, the punishment for this type of behaviour was light, as there were no measures to deter offenders.

"The department is now facing an integrity test. The political head of the department should be responsible and accountable for her department's actions. The question of what happened to oversight will probably remain unanswered, as with many other corruption and self-enrichment cases."