



AUDITOR-GENERAL
SOUTH AFRICA

MEDIA RELEASE

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AGSA confirms the review of Irregular Expenditure finding against KZN department of education

PRETORIA – The Auditor-General South Africa (AGSA) can confirm that during its regularity audit a finding of irregular expenditure on 2 contracts at the KwaZulu-Natal Department of Education was raised, based on non-compliance with principles of section 217 of the Constitution and PFMA section 38(1)(iii), during the 2022-23 financial year audit. The department disclosed the amount as irregular expenditure under assessment in the annual report, as provided for in National Treasury Instruction no. 4 of 2022/2023, to allow the department to assess and/or investigate accordingly.

As of 31 March 2025, the expenditure on these 2 contracts was at R2,62 billion. During 2024-25 financial year audit, the department disputed the finding and consulted with the provincial treasury. The audit team resolved to have the irregular expenditure finding assessed by its technical audit support unit in line with the AGSA's internal processes as further audit responses were received from the department. This is a normal audit process when matters are technical and/or the audit team has disagreements with the auditee on matters of interpretation, to subject them to a further assessment.

The audit report for the department was signed on 31 July 2025 with the amount disclosed as irregular expenditure under assessment in the annual report.

The technical assessment has subsequently found that the contracts are not irregular. The department's own assessment, in consultation with provincial treasury, has also concluded that the contracts are not irregular. The AGSA has communicated this outcome to the department accordingly. It is important to note that the department's audit report and opinion issued remain unchanged.

The AGSA is committed to executing its constitutional mandate in a fair and transparent manner without fear, favour or prejudice.

End.

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About the AGSA: The AGSA is the country's supreme audit institution. It is the only institution that, by law, has to audit and report on how government is spending taxpayers' money. This has been the focus of the AGSA since its inception in 1911 – the organisation celebrated its 100-year public sector auditing legacy in 2011.