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MEDIA STATEMENT

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R35 million in irregular payments recovered by SA Tourism

In the interest of transparency, I wish to update the public on a matter where I had recently been made aware of a number of irregular payments which were made through South African Tourism's United States of America and South Africa offices for services not rendered.

SA Tourism is the official tourism marketing agency of South Africa and an entity of the Department of Tourism. As part of its mandate, SA Tourism has a number of hub offices in key source market countries around the world to enable officials to interact with key partners in executing their duties of promoting and marketing South Africa as a top travel destination.

I was recently informed by SA Tourism that there had been a number of irregular payments and invoices noted which do not meet the definition of compliant and valid or internal control verification standards.

A number of irregular invoices were created about three days before the previous financial year end (31 March 2023) and processed piecemeal in order to override banking controls.

These payments were processed from the USA and the South Africa offices of SA Tourism at the end of March 2023 by executives who are no longer in the employment of SA Tourism.

This discovery was triggered by a review by SA Tourism which confirmed that a significant portion received by a media agency during March 2023 and signed off by the then-acting Chief Financial Officer, Chief Operations Officer and the then Acting CEO were for services not yet rendered at the time of disbursement.

These transactions are linked to a media agency and when these irregularities were discovered, the service provider was informed and conceded that a significant portion received by them and signed off by then Acting Chief Financial Officer, Acting Chief Executive Officer and the then COO of SA Tourism were for services not rendered.

"These irregular payments are completely shocking and it is unacceptable that officials entrusted with public funds continue to act with such contempt of public finance laws and regulations. We will not leave this matter unaccounted for. The internal audit report is being finalised and the matter has also been reported to the Auditor General of South Africa to investigate," Minister de Lille said.

Following months of communication with the respective media agency to pay back the money for services not rendered, SA Tourism has been able to recover all the funds linked to the irregular payments, for services not rendered. An amount of R35million has been returned to the SA Tourism account.

“We are relieved that all the money has been recovered from the irregular payments. I can also confirm that Auditor General of South Africa is in the process of finalising a delegation from the AG’s office to do an audit on the SA Tourism New York office,” Minister de Lille concluded.

ENDS

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