

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER 2626 [NW3042E]

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Dr D T George (DA) to ask the Minister of Finance:

- (1) Whether, with reference to investigations by the Financial Services Board (FSB) into abuse of surplus amounts by pension funds, any internal investigation unit exists to perform this function; if not, why not;
- (2) Whether this function was outsourced to external service providers; if so, (a) what are the names of the service providers and (b) what total amount was paid to each service provider?

NW3042E

REPLY:

- (1) Yes, the FSB has an Inspectorate Department which investigates various issues including any abuse of surplus funds. Inspectors from the Inspectorate Department, comprising of both permanent employees and contracted specialists, form part of the various inspections and investigations directed by the Registrar of Pension Funds, including investigations into the abuse of surplus amounts by pension funds.
- (2) No, investigations into the abuse of surplus amounts have never been contracted out to external service providers. Instead, when the Inspectorate Department requires specialist skills for any particular investigation, they may contract specialists to assist the Inspectorate Department. These contracted specialists are accountable and report to the Registrar or the Registrar's staff,

and are subject to the prescripts of the Inspections Act. They are remunerated as per an agreed contract.

(a) and (b) are not applicable, as the FSB's investigative function into the abuse of surplus amounts has not been contracted out to external service providers.