

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1389 [NW1602E]
DATE OF PUBLICATION: 17 APRIL 2015**

1389. Ms Z Jongbloed (DA) to ask the Minister of Finance:

(a) What number of (i) financial, (ii) forensic and/or (iii) other investigations that were commissioned by the National Treasury have been completed since 1 April 2013 and (b) in each case, what are the relevant details on the (i) investigation including a synopsis of the facts and findings of each case, (ii) persons or third parties responsible for each investigation, (iii) total cost to date of each investigation and (iv) appropriate steps taken against officials and third parties implicated of wrongdoing in the findings of the investigations?

NW1602E

REPLY

- (a) Refer to attached **Annexure A** (i); (ii) & (iii)
- (b) (i) All the cases were conducted on behalf of client departments. National Treasury is an agent and not the owner of the reports. Therefore, the respective departments, as reflected on **Annexure A**, should be responsible for responding to the question posed.
- (ii) National Treasury co-sourced forensic investigation firms through a public tender to build its investigative capacity. The parties that conducted the investigations are reflected in **Annexure A**, for each case.
- (iii) Refer to **Annexure A** for fees paid to co-sourced forensic investigation firms.
- (iv) The question should be referred to the relevant client departments, municipalities or entities, as they are responsible for implementing the corrective actions based on the reports, applicable in each case per **Annexure A**.

ANNEXURE “A”

National Treasury

OAG: Specialised Audit Services’ Forensic Investigations & Special Performance audits

No.	Nature of Assignment	Department/ Municipality/Entities	Investigation Subject and Phases	Investigation Team (OAG & Co-sourced firm)	Investigation Fees
Investigation Period: 1 April 2014 until 31 March 2015					
1.	Performance Audit	KZN Department of Health	Purchase of medical equipment from Independent Development Trust (IDT)- Phase 1	OAG Team- KPMG	704,208.64
		Independent Development Trust (IDT)- KZN Health	Existence of medical equipment purchased from Independent Development Trust (IDT): Phase 2	OAG Team- KPMG	310,458.02
2.	Forensic Investigation	Nelson Mandela Bay Metropolitan Municipality	Payments for Intergrated Public Transport System R2.2 Billion: Phase 1	OAG Team- Deloitte	1,302,195.96
3.	Forensic Investigation	Nelson Mandela Bay Metropolitan Municipality	Procurement for Intergrated Public Transport System: Laphumilanga start-up costs	OAG Team	N/A
4.		EC -Department of Health	Procurement of Various maintenance contracts (Fastmove) Phase 1	OAG Team & PWC	558,364.13
		EC -Department of Health	Various maintenance contracts sub contractors of Fastmove Phase 2	OAG Team & PWC	3,824,479.98
5.	Performance Audit/ Controls reviews	EC -Department of Roads & Public Works	Internal Control Reviews of contract management on Various maintenance contracts : Phase 3	OAG Team & PWC	127,342.63
6.	Performance Audit/ Controls reviews	KZN Department of Health	National Health Laboratory Services: Phase 2	OAG Team- KPMG	311,379.46

No.	Nature of Assignment	Department/ Municipality/Entities	Investigation Subject and Phases	Investigation Team (OAG & Co-sourced firm)	Investigation Fees
7.	Performance Audit/ Controls reviews	Gauteng Department of Health	Oncology Medical Equipment Procurement Tecmed : Phase 1	OAG Team- Fundudzi	641,952.00
8.	Performance Audit/ Controls reviews	Gauteng Department of Health (Tecmed)	All Medical Equipment Procurement: Phase 2	OAG Team- Fundudzi	1,038,406.50
9.	Forensic Investigation	KZN- Department of Health	All Medical Equipment Procurement: Phase 2	OAG Team- KPMG	480,057.27
10.	Forensic Investigation	KZN- Department of Health	Support of criminal investigation: Phase 3	OAG Team- KPMG	1,087,622.63
11.	Performance Audit/ Controls reviews	Gauteng Department of Health	National Health Laboratory Services: Phase 1	OAG Team- Gobodo	1,190,450.70
12.	Performance Audit/ Controls reviews	Gauteng Department of Health	National Health Laboratory Services: Phase 2	OAG Team- Gobodo	186,771.17
13.	Forensic Investigation	KZN Provincial department of Human Settlements	SHRA Provincial Special Projects: Phase 2	OAG Team- Bowman & Gilfillan	129,659.26
14.		EC- Provincial department of Human Settlements/SHRA	SHRA Provincial Special Projects : Phase 2	OAG Team- Bowman & Gilfillan	
15.		NW- Provincial Department of Human Settlements/SHRA	Ph SHRA Provincial Special Projects: Phase 2	OAG Team- Bowman & Gilfillan	
16.	Performance Audit/ Controls reviews	South African Social Security Agency (SASSA)	Reconciliation of Standard Bank Dormant Bank Account of beneficiares (R49 million indemnity)	OAG Team- Nkonki	351,740.16
17.	Forensic Investigation	South African Social Security Agency (SASSA)	Irregular Procurement of Forensic Auditors: Phase 1	OAG Team	N/A
18.	Forensic Investigation	National Treasury Transversal Contract RT3-2012	Collusive Bidding: Phase 1	OAG Team	N/A

No.	Nature of Assignment	Department/ Municipality/Entities	Investigation Subject and Phases	Investigation Team (OAG & Co-sourced firm)	Investigation Fees
19.	Performance Audit/ Controls reviews	CoGTA (Municipal Infrastructure Support Agent)	Audit of Governance processes: Phase 1	OAG Team	N/A
20.	Performance Audit/ Controls reviews	Road Traffic Infringement Agent (RTIA)	Reconciliation of funds between RTMC and RTIA: Phase 1	OAG Team- SekelaXabiso	853,930.00
21.		Road Traffic Management Corporation (RTMC)	Reconciliation of Transaction fees to National Department of Transport: Phase 1	OAG Team- SekelaXabiso	
22.	Forensic Investigation	National Treasury	Irregular procurement: - Ocean Echo Phase 1	OAG Team	N/A
23.	Forensic Investigation	NC -Department of Transport	Leasing Irregularities: Phase 1	OAG Team- Nkonki	1,088,747.77
24.	Performance Audit	NC- Department of Health	Value for money audit on technical structure-Kimberley Mental Hospital: Phase 1	OAG Team- Gobodo	1,945,670.70
25.	Performance Audit	NW -Department of Health	Moses Kotane Infrastructure Assessment: Phase 1	OAG Team- Nkonki	1,080,122.50
26.	Forensic Investigation	LP Polokwane Municipality	Fraudulent bank details changes Phase 1	OAG Team	N/A
27.	Performance Audit	Private Security Industry Regulatory Authority	Governance review :Phase 1	OAG Team	N/A
28.	Forensic Investigation	Ntabankulu Local Municipality	Technical verification of quality of roads and building constructed and existence :Phase 1	OAG Team- ENS	889,363.78
Investigation Period: 1 April 2013 until 31 March 2014					

No.	Nature of Assignment	Department/ Municipality/Entities	Investigation Subject and Phases	Investigation Team (OAG & Co-sourced firm)	Investigation Fees
29.	Forensic Investigation	Free State Department of Agriculture:	Irregular Procurement of Integrated Dairy Farm Project Phase 1	OAG Team- ENS	868,447.33
30.	Forensic Investigation	Independent Electoral Commission of SA	Irregular Leasing of Riverside Office Park	OAG Team- PWC	1,835,811.69
31.	Performance Audit	KZN Department of Health	Techmed Medical Equipment: Phase 1	OAG Team- KPMG	604,607.23
32.	Forensic Investigation	Department of Correctional Services	Irregularities & fraud on Fencing Project by IDT: Phase 1	OAG Team- Nexus Forensics	2,181,074.66
33.	Forensic Investigation	National Treasury: Municipal Finance Improvement Programme	Procurement Fraud & CV fraud By SiverSolution: Phase 1	OAG Team- KPMG	1,385,999.12
34.	Forensic Investigation	Department of Arts & Culture:	Procurement Irregularities at the National Library of South Africa: Phase 1	OAG Team	N/A
35.	Forensic Investigation	Victor Khanye Local Municipality:	Irregularities in the procurement process: Phase 1	OAG Team	N/A
36.	Forensic Investigation	National Treasury	Transversal Contract RT41-2011 ME on Health Fronting: Phase 1	OAG Team	N/A
37.	Forensic Investigation	Northern Cape Provincial Departments:	Trifecta lease contracts: Phase 2	OAG Team- PWC	66,428.35
38.	Forensic Investigation	Northern Cape Provincial Departments:	Trifecta lease contracts: Phase 6&7	OAG Team- PWC	1,150,212.35
39.	Forensic Investigation	KZN Department of Health: Oncology Investigation	All Medical Equipment Procurement: Phase 2	OAG Team- KPMG	3,010,431.38
40.	Forensic Investigation	Mbizana Local Municipality	Tender fraud: Phase 1	OAG Team	N/A
41.	Forensic Investigation	OR Tambo District Municipality	Misuse of Hired Vehicles and other financial misconducts by Mayoral Office:Phase 1	OAG Team	N/A
42.	Forensic Investigation	Ntabankulu Local Municipality	Irregularities procurement processes & substandard services /or/not	OAG Team	N/A

No.	Nature of Assignment	Department/ Municipality/Entities	Investigation Subject and Phases	Investigation Team (OAG & Co-sourced firm)	Investigation Fees
			delivered:Phase 1		
43.	Forensic Investigation	NC- Department of Transport, Safety & Liaison	Irregularities in the procurement processes:Phase 1	OAG Team	N/A
44.	Forensic Investigation	Limpopo Department of Public Works Section 100 intervention	Financial mismanagment Phase 4	OAG Team- Gobodo	427,321.91
45.	Forensic Investigation	Karoo Hoogland Local Municipality	Finanacial mismanagement Phase 1	OAG Team	N/A
46.	Forensic Investigation	Kouga Local Municipality	Tender Fraud on Low Housing Projects: Phase 1	OAG Team	N/A
47.	Forensic Investigation	Thembelihle Local Municipality	Irregularities in the procurement processes Phase 1	OAG Team	N/A
48.	Forensic Investigation	The Presidency	Financial Misconduct and procurement fraud : Phase 1	OAG Team	N/A