

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1973 [N2235E]
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1973. Ms D van der Walt (DA) to ask the Minister of Finance:

- (1) With reference to the reply of the Minister of Cooperative Governance and Traditional Affairs to question 1298 on 12 May 2015 (a) what number of state employees received awards from municipalities in Limpopo in contravention of section 44 of the Municipal Supply Chain Management Regulations of 2005 in the (i) 2010-11, (ii) 2011-12, (iii) 2012-13 and (iv) 2013-14 financial years, (b) what is the name of each state employee to whom a contract was awarded and (c) at which state institutions were and/or are the specified employees employed;
- (2) what (a) was the total rand value of the contract awarded and (b) action was taken against each specified state employee in respect of each case;
- (3) whether he has taken any steps to put an end to the practice of municipalities awarding contracts to state employees; if not, why not; if so, what are the relevant details?

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REPLY:

- (1) The details requested are not kept by the National Treasury. These records should be requested directly from the specific municipality or possibly the Auditor-General. The information was also requested from the Limpopo Provincial Treasury but unfortunately they too do not keep these kinds of records.
- (2) The table below provides an indication of the number of contracts awarded to persons in the service of the state including the combined Rand value of the contracts for each municipality within the Limpopo province. This is based on the information available to the National Treasury and therefore may not be complete.

Municipality	Contracts awarded to state employees including Rand values
Waterberg district	
Modimolle municipality	0
Waterberg district municipality	0
Bela-bela municipality	13 awards R2 615 729
Thabazimbi municipality	14 awards R1 542 010
Mookgophong municipality	0
Mokgalakwena municipality	0
Lephalale municipality	10 awards R2 305 910.04
Capricorn district	
Molemole municipality	3 awards R8 344 431
Aganag municipality	0
Lepelle-nkumpi municipality	2 awards R26 734
Blouberg municipality	0
Capricorn district municipality	14 awards R4 967 491
Mopani district	
Mopani district municipality	0
Ba-phalaborwa municipality	0
Tzaneen municipality	0
Greater letaba municipality	0
Mauruleng municipality	0
Giyani municipality	0
Sekhukhune district	
Sekhukhune district municipality	0
Tubatse municipality	0
Ephraim mogale municipality	0
Elias motsaoledi municipality	0
Fetakgomo municipality	0
Makhuluthamaga municipality	0
Vhembe district	
Vhembe district municipality	0
Mutale municipality	0
Thulamela municipality	0
Makhado municipality	0
Musina municipality	0

No details were readily available to determine what action was taken by municipalities against those officials who benefited from the identified awards. It is advisable to approach the individual municipalities directly for information in this regard. However, the National Treasury has identified a gap in the reporting framework and therefore with the promulgation

of the financial misconduct regulations in July 2014, municipalities are now required to disclose such details in their Annual Reports.

- (3) The National Treasury has communicated with all municipalities and had discussions with the Office of the Auditor-General to address municipal practices that continue to make awards to persons in the service of the state. MFMA Circular 62 was issued to assist municipalities in this regard.

As indicated above, the compliance and reporting framework have been strengthened to ensure proper disclosure and timely actions taken by the municipality when such instances are detected.