

**NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 115 [NW127E]**

115. Mr A M Shaik Emam (NFP) to ask the Minister of Finance:

What measures does he intend to put in place regarding the mass looting that takes place in the Government's supply chain processes which results in billions that are lost annually?

NW127E

REPLY:

1. The review of the existing procurement regulatory framework through the Public Procurement Bill is a measure that will be put in place to prevent the mass looting that takes place in the Government's supply chain management processes. The Draft Public Procurement Bill makes the following provisions:
 - A directive to all Accounting Officers and Accounting Authorities on what measures to put in place within their respective institutions to prevent the abuse of the supply chain management system;
 - A chapter on procurement integrity which outlines code of conduct for officials, bidders and suppliers, including measures for handling any contravention of the code of conduct; and
 - That institutions must ensure that all planned procurement is aligned to the institution's budget and plan.

2. The National Treasury, furthermore, proposed to the DPSA, the following Key Government Focus Areas (KGFA) and Key Focus Area Activities (KFAA) to be included in the Performance Agreements of Head of Departments:

Key government focus areas: Supply Chain Management System

KGFA	KFAA ¹	Suggested Weight	Target Date	Indicator/Target	Baseline Data
Develop and implement effective and efficient supply chain management system	Elimination of wasteful and fruitless expenditure	20%	Annual	70% elimination of wasteful and fruitless expenditure from baseline 2019 ²	2018 Baseline
	Reduction of irregular expenditure	20%	Annual	65% reduction of irregular expenditure from baseline 2019 ³	2018 Baseline
	Reduction of qualified audits	20%	Annual	Unqualified audit opinion with 25% fewer findings than 2019/20 ⁴	2018 Baseline
	Ensure that procurement planning is managed	15%	Annual	The finalisation of tender awards within an average of 100 days	Average number of days to award tenders
	Ensure that SCM risk management is performed	5%	Annual	Risk response plans for the top 5 SCM risks developed	Risk response mitigation plans
	Ensure that the department pays all compliant supplier invoices within 30 days of receipt of invoice	20%	Annual	100% of compliant supplier invoices paid within 30 days of receipt of invoice	Average supplier payment days

¹ All KFAAs are compulsory

² This indicator should be incremental so that by 2024/2025 the target is 100% elimination

³ This indicator should be incremental so that by 2024/2025 the target is 75% elimination

⁴ This indicator should be incremental so that by 2024/2025 the target is Clean Audit

