



national treasury

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MEDIA STATEMENT

NATIONAL TREASURY INITIATES INVESTIGATION INTO THE AWARDING OF VARIOUS TRANSVERSAL CONTRACTS AND ALLEGATIONS OF IMPROPER CONDUCT INVOLVING A FORMER TREASURY EMPLOYEE

The National Treasury has launched an investigation following testimony heard at the Madlanga Commission that raised allegations of improper conduct involving a former National Treasury employee. The investigation will be conducted by external forensic investigators appointed by the department.

It has been alleged at the Madlanga Commission that a former employee improperly influenced the awarding of various transversal contracts during his time at the National Treasury. In light of the seriousness of the allegations presented, the National Treasury has initiated an investigation into the awarding of transversal contracts concluded during this period.

The investigation will test the veracity of the allegations made and, importantly, determine any measures needed to further strengthen the procurement and award processes within the transversal contracting system. Findings of this investigation will be made public in the interest of public trust and good governance.

In addition, the National Treasury has already started to process requests for documents from the Madlanga Commission and will continue to ensure that the Commission's work is fully supported by the department.

The National Treasury remains committed to transparency, accountability and integrity in public procurement and will take all necessary steps to ensure that any allegations of misconduct are thoroughly investigated and consequence management is applied.

MEDIA STATEMENT

About Transversal Contracts

Transversal contracts are governed by Treasury Regulation 16A6.5 and are procurement arrangements facilitated by a treasury for goods and services required by multiple public sector entities.

At the National Treasury, transversal contracts are centrally managed by the Office of the Chief Procurement Officer (OCPO). The OCPO is responsible for the sourcing strategy, bid process, and contract award. All transversal contracts managed by the National Treasury involve line departments who participate in the procurement process. For example, if a transversal contract is for the South African Police Service (SAPS), officials from SAPS would participate in the Bid Specification, Bid Evaluation and Bid Adjudication Committees, where they provide sector-specific expertise, confirm demand requirements, and contribute to evaluation and recommendation processes.

Participating public sector entities may choose to utilise a transversal contract. However, procurement transactions are conducted directly between the participating institution and the appointed suppliers. This model therefore combines centralised contracting with decentralised purchasing.

The National Treasury recognises public interest in this matter, however, to protect the integrity of the investigation the department will not provide media interviews while the process is underway.

Issued by: National Treasury

Date: 8 July 2026