

NATIONAL ASSEMBLY

QUESTION FOR ORAL REPLY

QUESTION NUMBER: 307 [NO3504E]

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★307. Mr B M Bhanga (Cope) to ask the Minister of Finance:

Whether he has put effective monitoring measures in place to prevent a recurrence of the improper awarding of tenders as found by the Public Protector in the investigation into a certain company (name and details furnished) in violation of the Public Finance Management Act, Act 1 of 1999; if not, why not; if so, what are the relevant details?

NO3504E

REPLY:

Government constantly reiterates that it places high priority on continuing its fight against fraud and corruption. On-going measures have been taken to improve government's supply chain management (SCM) processes – not only to reduce fraud and corruption, but also, more generally, to improve service delivery and value for money.

During the 2012 Budget Speech, I announced that a number of additional steps will be taken to improve the procurement capacity, namely:

- Reducing fragmentation and strengthening the national procurement architecture;
- Appointing a Chief Procurement Officer who will have overall responsibility for monitoring procurement across government;

- Reviewing the competencies and capabilities required to perform the procurement function, which includes the vetting of procurement officers to be appointed;
- Developing a national price reference systems to detect deviations from acceptable prices;
- Strengthening the tax clearance system to ensure that those who have defrauded the state cannot do business with the state; and
- Introducing measures to improve the ability of departments to set the specifications for tenders

We are making steady progress in implementing the announced measures.

Ultimately each accounting officer has to ensure that transparent and competitive tender processes are in place. Furthermore, more must be done among the business community to stop collusion in over-pricing; under-delivering and bribing; and collaborating with certain officials to improperly obtain business from the state.

Several departments, for example, the Department of Health are also leading by example and working towards introducing transversal contracting and other measures in order to ensure integrity and cost-effectiveness in procurement of certain health requirements.