

NATIONAL COUNCIL OF PROVINCES

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 558 [CW702E]

DATE OF PUBLICATION: 19 OCTOBER 2012

558. Mr D A Worth (DA-FS) to ask the Minister of Finance:

Whether, since the establishment of the Register for Tender Defaulters in 2004, (a) only two persons are currently listed and (b) a reported R600 billion has been lost to corruption since 1994; if not, what is the position in this regard; if so, (i) how will this matter be rectified, (ii) when and (iii) what are the further relevant details?

CW702E

REPLY:

a. Yes.

On the basis of a notification received from the Department of Justice and Constitutional Development, the National Treasury has determined that the particulars of Messrs Hishaam George and Isaac Petersen be endorsed on the Register for Tender Defaulters for a period of 5 years ending 14 December 2015.

Section 28 of the Prevention and Combating of Corrupt Activities Act, Act No 12 of 2004 prescribes that when a court convicts a person for offences relating to tenders or contracts, in addition to imposing any sentence, the court may also issue an order that the name of the convicted person be endorsed on the Register for Tender Defaulters.

In addition to the Register for Tender Defaulters, the National Treasury has established a central Database of Restricted Suppliers which contains details of all companies or persons that have been restricted by accounting officers or authorities of institutions from doing business with the public sector.

The Supply Chain Management Regulations issued in terms of the Public Finance Management Act (PFMA), require of all institutions to ensure that no contracts are awarded to any bidder or any of its directors that are listed as companies or persons prohibited from doing business with the public sector. Adherence to this prescript also forms part of the Auditor-General's annual audit scope.

Currently the particulars of 341 companies and their directors appear on the Database of Restricted Suppliers.

Both the Register for Tender Defaulters and the Database of Restricted Suppliers have been made public and are available on the National Treasury's website under www.treasury.gov.za.

b. The National Treasury is not in possession of any records of the reported R600 billion that has been lost to corruption since 1994. We are not in a position to confirm or dispute this amount.

(i) and (iii) We have repeatedly mentioned that it is a high priority of this government to continue its fight against fraud and corruption. On-going measures are therefore being 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.

In my Budget Speech in February this year, I have announced a number of further steps that will be taken to improve our procurement capacity. These steps included the following:

- 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 system 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.

(ii) On-going.

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COEN KRUGER
DEPUTY DIRECTOR-GENERAL: SPECIALIST FUNCTION
DATE: 30/10/2012.

Recommended/not recommended



LUNGISA FUZILE
DIRECTOR-GENERAL: NATIONAL TREASURY (Acting)
DATE: 1/11/12

Recommended/not recommended

NHLANHLA NENE, MP
DEPUTY MINISTER OF FINANCE
DATE:

Approved/Not approved

PRAVIN GORDHAN
MINISTER OF FINANCE
DATE: