

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 1652 [NW1869E]
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1652. Mr C D Matsepe (DA) to ask the Minister of Finance:

What is his position with reference to the Minister of Social Development's reply to question 112 on 28 February 2015 that the awarding of the contract to Nexia SAB&T was in line with procurement processes in light of the provisions of the Public Finance Management Act, Act 1 of 1999 and the National Treasury regulations?

NW1869E

REPLY:

The responsibility to approve deviation from competitive bidding resides with the Accounting officer / authority in terms of Treasury Regulations 16A6.4. Should it be impractical to invite competitive bids for specific procurement, e.g. in urgent or emergency cases or in case of a sole supplier, the accounting officer / authority may procure the required goods or services by other means, such as price quotations or negotiations in accordance with Treasury Regulation 16A6.4. The reasons for deviating from inviting competitive bids should be recorded and approved by the accounting officer / authority or his / her delegate. Accounting officers / authorities are required to report within ten (10) working days to the relevant treasury and the Auditor-General all cases where goods and services above the value of R1 million (VAT inclusive) were procured in terms of Treasury Regulation 16A6.4. The report must include the description of the goods or services, the name/s of the supplier/s, the amount/s involved and the reasons for dispensing with the prescribed competitive bidding process.

The deviation referred above was reported to the National Treasury. The auditing of such deviations is done by the Auditor-General. The outcome of such auditing is reflected in the management letter of the relevant institution and the annual financial statements if the expenditure is regarded as irregular or fruitless and wasteful.