

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**3689. Mr S Esau (DA) to ask the Minister of Defence and Military Veterans:**

According to the findings of the Auditor-General of South Africa for the 2015-16 financial year which were reported during the 2016-17 financial year, (a) why were goods and services with a transaction value of more than R500 000 procured through an unfair competitive bidding process in contravention of the National Treasury Regulation 16A.3.2(a) and (b) what consequence management was applied in this instance? NW4120E

Question 1a.

***What were goods and services with a transaction value of more than R500 000 procured through an unfair competitive bidding process in contravention of the National Treasury Regulations 16A3.2 (a) and (b):***

 *Response*

The goods and services related to this audit finding is the Through Life Capability Management (TLCM) Implementation Project.

*Question 1(b)*

***What consequence management was applied in this instance?***

Although the decisions were taken by a project team and bidding committee level, the process advisors should have underscored the ambiguity of section 5 of the SCM Practice Note No 3 of 2003, to inform consultation with National Treasury prior to award. In this regard Director Matériel Governance, Risk and Compliance was held responsible for this irregular expenditure and was given a letter of admonishment because there was no display of malicious intent or intentional deviation from the process.