**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION 824**

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**824. Mr G R Davis (DA) to ask the Minister of Basic Education:**

(1) With regard to the presentation by her department to the Portfolio Committee on Basic Education on 14 March 2017, entitled Kha Ri Gude Mass Literacy Campaign from 2008 to 2016/17, why was an independent service provider appointed to investigate the exact amount of irregular and fruitless and wasteful expenditure related to the campaign;

(2) was a tender issued to appoint the service provider; if not, (a) why not, (b) on what basis was the selected service provider chosen, (c) what were the terms of reference for the investigation and (d) what were the findings and recommendations? NW887E

**Response:**

1. The independent was appointed to investigate the alleged fraud and corruption in the Kha Ri Gude programme for the 2014/15 and 2015/16 financial years.
2. (a) There was no tender issued to appoint the service provider because the threshold allowed the Department to source the service through the quotation process. Quotations were sourced from the audit companies registered on Central Supplier Database;

(b) The selection process was based on the 80/20 point system whereby 80 points were for price and 20 points for B-BBEE because quotations were only sourced from the audit firms.

(c) The **Terms of Reference** required:

* The appointed service provider to investigate the alleged fraud and corruption in the Kha Ri Gude programme for 2014/15 and 2015/16 financial years;
* During the 2015\16 financial year audit, the auditors found that there was registration of deceased learners before the start of the campaign resulting in the overpayment of stipends to educators, supervisors, coordinators and the project management company on account of fraudulent claims and the educators having less than 18 learners. This resulted in alleged fictitious payments made to educators.

(d) The findings and recommendations were as follows:

**Findings**

* Payment made to individuals with invalid, non-existent ID numbers
* Overpayment of stipend
* Anomalous data

**Recommendations**

* The Department must recover the money lost with immediate effect and a clear recovery plan must be formulated and implemented. (Recovery has already started. At 31 March 2017 an amount of R474 737 had already been recovered and the recovery continues).