



women, youth & persons with disabilities

Department:
Women, Youth and Persons with Disabilities
REPUBLIC OF SOUTH AFRICA

Directorate: Internal Audit

Internal Audit Report

Determination of Facts on Unauthorised Expenditure

Period: 2011/12 Financial Year

Ref no. 2021/22-01



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1. Purpose

The purpose of this report is to communicate progress made on the determination of facts on the unauthorised expenditure incurred by the Department of Women, Youth and Persons with Disabilities (Department).

2. Background

Unauthorised expenditure incurred by the Department during 2011/12 financial year can be illustrated as follows:

- 2.1 Unauthorised expenditure was incurred by the Department while still referred to as the Department of Women, Children and Persons with Disabilities.
- 2.2 The Department was allocated a budget of R 143. 1 million and spent R 165. 7 million which translated to an unauthorised expenditure of R 25.1 million.
- 2.3 The Department overspent R 11.4 million on compensation of employees, R 12.4 million on goods and services and R 99 000 on transfers and subsidies.
- 2.4 Overspending of the budget on the compensation of employees emanated from appointment of officials in the positions and appointment of officials at higher salary notches which had not been budgeted for as well undue compensation of overtime. The appointments of officials were within the approved staff establishment but outside the budget for compensation of employees.
- 2.5 The appointment of officials impacted on the budget for goods and services which resulted to an overspending. The overspending on goods and services emanated from, among others, employees' relocation costs, procurement of working tools, travel costs, etc.
- 2.6 Further to the overspending, allegations of nepotism and favouritism were reported to the Department on the recruitment of officials that happened in the 2011/12 financial year.

3. Objective

The review focused on:

- (a) The determination of facts and circumstances during the occurrence of unauthorised expenditure, and
- (b) Determination of action that was taken by the Department subsequent to the occurrence of unauthorised expenditure.



4. Scope

The review focused on unauthorised expenditure transactions incurred by the Department for 2011/12 financial year.

5. Observation

- 5.1 The Department appointed a service provider (Fluxmans Attorneys) to conduct an investigation on the allegations which are linked to overspending on the budget of the Department. See Annexure A
- 5.2 The investigation report concluded that eight officials were grossly negligent in the performance of their duties and recommended that the officials be disciplined.
- 5.3 Based on the recommendation of the investigation report produced by Fluxmans Attorneys the Department implemented a disciplinary process on eight officials who were grossly negligent in the performance of their duties. The disciplinary process produced outcomes and based on the outcomes of the disciplinary process some of the officials were dismissed.
- 5.4 In February 2013, the Department initiated a process through the National Treasury of requesting the condonement of unauthorised expenditure from SCOPA.
- 5.5 The review could not establish whether SCOPA initially made a decision on the Department's request for condonement of unauthorised expenditure that was incurred in 2011/12 financial year due to the lack of supporting evidence. However, a letter dated 13 February 2014 from the Department to the National Treasury requesting the National Treasury to consider the Department's appeal for the condonement of R 25 million unauthorised expenditure with funding gives an indication that a recommendation may have been made by the National Treasury to SCOPA on the condonation of the unauthorised expenditure incurred in the 2011/12 financial year. See Annexure B
- 5.6 On letter dated 04 February 2015 from the National Treasury to the Standing Committee on Public Accounts (SCOPA), the National Treasury recommends that the Department's unauthorised expenditure of R 22.7 million incurred in 2011/12 financial year be funded through three cuts of R 7.6 million, R7.5 million and R7.5 million. See Annexure C
- 5.7 On the 27 October 2021, the Department followed up with the National Treasury on the status of condonation of unauthorised expenditure incurred in 2011/12 financial year. The letter to National Treasury also refers to previous follow-ups made on 11 October 2017, 12 February 2019 and 05 February 2021. See Annexure D



5.8 Discussion with an official from the National Treasury who deals with unauthorised expenditure of the Department confirmed that SCOPA has not yet made a decision on the Department's request for condonation of unauthorised expenditure incurred in 2011/12 financial year.


6. Conclusion

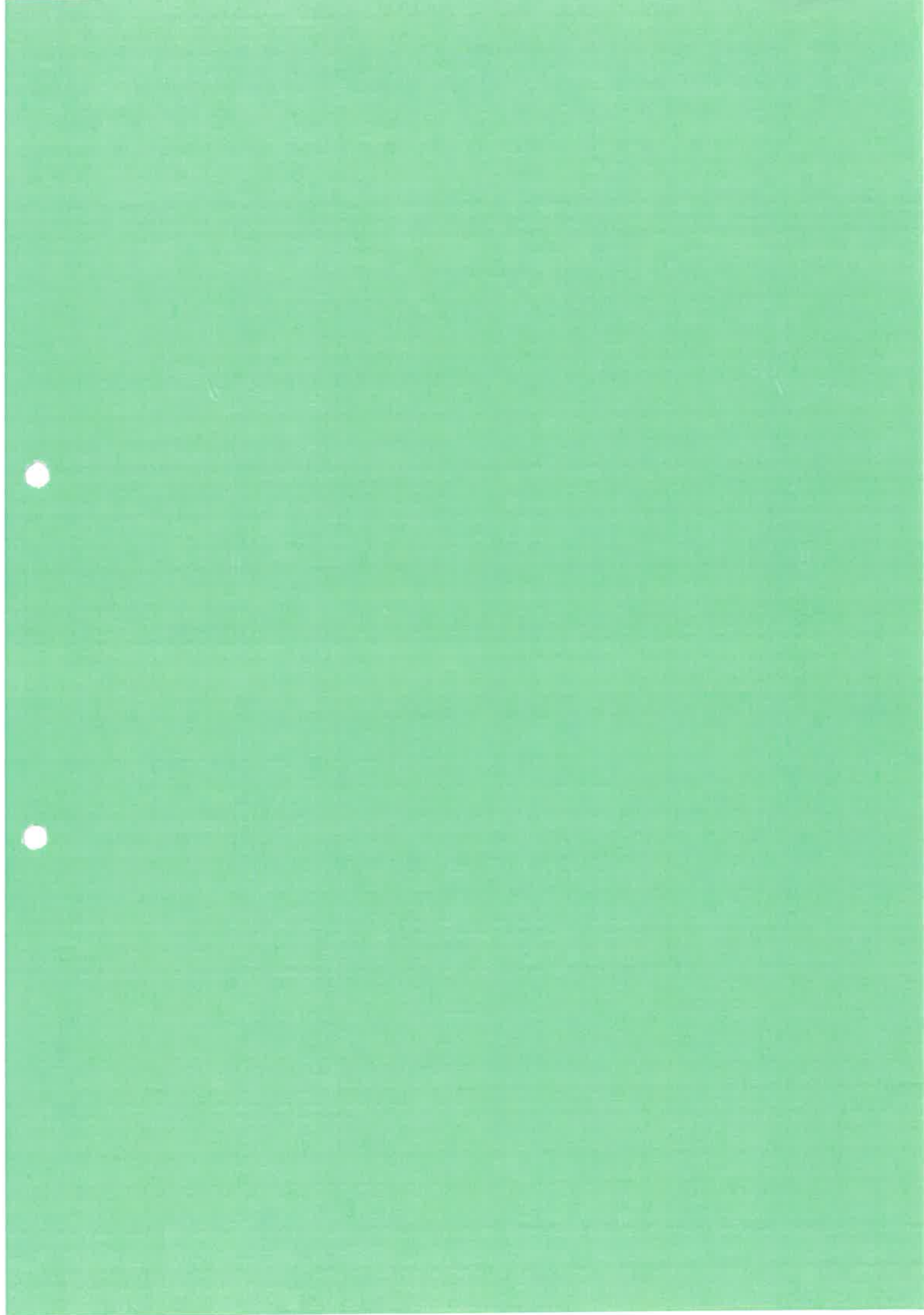
The Department implemented consequence management against some of the officials who were found to be grossly negligent in the performance of their work which contributed directly or indirectly to overspending that was incurred by the Department.

The Department made several efforts since February 2013, without any success, to ensure that unauthorised expenditure incurred by the Department is considered by SCOPA for condonation to enable the removal of the unauthorised expenditure amount from the financial statements of the Department. The condonation and the removal of the unauthorised expenditure from the financial statements of the Department is beyond the control of the Department.

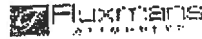
The conclusion is based on the information made available to Internal Audit during the review process, any other information that may be available after the finalisation of this report and has a potential to influence the conclusion will be considered and the conclusion will be amended accordingly if necessary.

For any enquiries about this report please do not hesitate to contact the undersigned at (012) 359 0244 or vusumuzi.shongwe@women.gov.za


.....
Mr. V Shongwe
Chief Audit Executive
Date: 28 March 2022



**INVESTIGATION REPORT FOR THE DEPARTMENT
OF WOMEN, CHILDREN AND PEOPLE WITH
DISABILITIES
JULY 2012**



REPORT ON INVESTIGATION CONDUCTED AT THE DEPARTMENT OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES

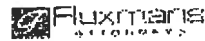
1. INTRODUCTION

This is the report compiled pursuant to an investigation which has been conducted and initiated after an anonymous letter ("the letter") was addressed to the Honourable Minister Lulu Xingwana and distributed within the offices of the Department of Women, Children and People with Disabilities ("the Department") on 11 April 2012.

The complaints listed in the letter related to allegations of nepotism and favouritism within the office of the Director-General of the Department, namely Dr Nonhlanhla Mkhize. The issues listed were, inter-alia, as follows:

1.1 CONCERN ONE

The appointment of Phillie Shange (as personal secretary at Deputy Director level) and the appointment of her alleged fiancé/boyfriend, Mbuso Hlela as the assistant to the personal secretary reporting directly to his alleged fiancé/girlfriend – Phillie Shange;



It was alleged that these individuals have children together and are staying together at Wonderboom. They both come from Kwa-Zulu Natal and were brought into the Department by the Director-General;

It was recorded in the letter, that such nepotism and favouritism is frustrating staff members. The qualifications of the abovementioned individuals and their experience were placed in question.

1.2 **CONCERN TWO**

The appointment of Simphiwe Mabasa and Nonhlanhla Bhengu at director level without suitable qualification and experience;

1.2.1 The investigation team considered, inter-alia the following:

1.2.1.1 The appointment of the aforementioned employees in terms of the Public Service Act 103 of 1994 ("Public Service Act");

1.2.1.2 The qualifications of the abovementioned employees;

1.2.1.3 Whether or not Nonhlanhla Bhengu was interviewed for the post: Director of HIV and AIDS or Intersectoral and International Co-Ordination whether the other candidates were shortlisted for this position.



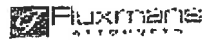
2. THE INVESTIGATION

The Public Service is required to appoint, promote and reward personnel who, irrespective of their political opinion or affiliation, family ties or position in the community have the ability to render a service. The following practices are unacceptable:

Favouritism – this means that certain singled out employees are appointed, promoted, transferred, or given generous treatment based on subjective considerations such as friendship, returning a favour, etc.

Nepotism – this implies that an employee is appointed, promoted, transferred, or given some other advantage purely based on the fact that he/she has family or other ties with the person in a position to authorise such actions or to manipulate or influence them.

Grievances related to maladministration and prejudicial actions by the State as an employer, may be referred to the Public Protector. However, the anonymous letter, by its very nature, in our submission cannot be construed as a formal grievance as no person is identified as the author thereof.



3. POLICIES CONSIDERED

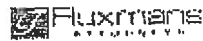
The policies briefly outlined below were considered during the course of the investigation:

3.1 THE CODE OF CONDUCT FOR PUBLIC SERVICE

The Code of Conduct for Public Service provides a guideline regulating the manner in which public servants are required to conduct themselves. It specifically deals with the manner in which public servants are to handle relationships among employees. Paragraph 4.3 specifically states the following:

"4.3.1 An employee must co-operate fully with other employees to advance public interest.

- *It is a common goal to serve the government of the day and community/public as efficiently and as faithfully as possible.*
- *Public servants must co-operate with one another by sharing knowledge, ideas and resources.*



4.3.2 *An employee executes all reasonable instructions by persons officially assigned to give them, provided these are not contrary to the provisions of the constitution and/or any other law.*

4.3.3 *An employer must refrain from favouring relatives and friends in work related activities and must never abuse his/her authority.*

4.3.6 *An employee must deal fairly, professionally and equitably with other employees, irrespective of race, gender, ethnic or social origin, colour, sexual orientation, age, disability, religion, political persuasion, conscience, belief, culture or language.*

If an employee's right is affected in any way, employees may utilize the dispute resolutions mechanisms provided for in the Public Service Act, Public Service Regulations and the Labour Relations Act 66 of 1995 ("LRA") or may approach the Constitutional Court, Supreme Court or the Public Protector for relief sought, depending on the circumstances.

4.4.6 *An employee is required to recuse him/herself from any official action or decision making processes which may result in improper personal gain, and this should be properly declared by the employee.*

The Code of Conduct Manual gives the following example:

If an employer serves in a selection panel responsible for the filling of a vacant post and discovers that one of his/her family members has applied for the post and has been short listed, such employee should excuse him/herself from the proceedings since he/she will not be able to remain objective. This should be declared in writing.



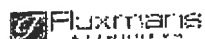
4.4.10 An employee in the course of his/her official duties, shall report to the appropriate authorities; fraud, corruption, nepotism, maladministration and any other act which constitutes an offence, or which is prejudicial to the public interest.

It is the duty of all employees to report any illegal actions, dishonest behaviour or corrupt practices to their supervisors or a relevant authority as soon as they become aware of them. Corrupt practices are often fed by lack of work ethic, absence of public accountability and responsibility as well as nepotism."

We were provided with a copy of the grievance procedure in the form of the Government Notice No. R1012 25 July 2003. Due to the fact that the anonymous letter was distributed within the offices of the Department and it is unclear as to the identity of the complainant; it is not practicable for this letter to be dealt with as a grievance in accordance with the grievance procedures. It is for this reason that the investigation has been embarked upon to determine whether there is in fact any merit in any of the complaints. ✓

3.2 OVERTIME POLICY

The overtime policy was signed and implemented on 28 September 2011 by Dr DG Nonhlanhla Mkhize. It is read in line with the Public Service Co-ordinating Bargaining Council Resolution (PSCBS).



Overtime is defined in the policy as work performed in excess of the ordinary working hours (08h00-16h30).

Scope of the Application of the overtime policy (Section 4 of Policy)

All employees (excluding senior management service employees) from salary levels 1 – 12 qualify for overtime remuneration provided they comply with the requirements set out in this policy to justify payment of overtime.

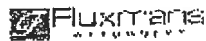
Compensation of overtime

Monthly compensation for overtime should constitute less than 30% of the employee's monthly salary. This percentage can only be exceeded if there is reasonable justification therefor.

No more than 3 hours a day and 10 hours per week of overtime can be claimed under this policy.

Non-remunerated overtime

With regard to non-remunerated overtime, in the event that there are budgetary constraints, managers are required to negotiate and agree,

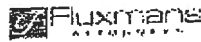


in writing, on time off with their employees within one month in lieu of payment, unless otherwise agreed.

- It is important to note that approval for overtime is given by the Director-General or the delegated authorities through the Chief Financial Officer ("CFO") before the employees perform the overtime work.
- The approval documents must be submitted to Human Resources for the allocation of authorisation numbers.
- Further, overtime must be supervised by a senior official other than those working.
- The policy records that an attendance register is to be kept and signed by the employee working the overtime and certified by a supervisor and thereafter submitted to Human Resources for payment.
- Overtime that is not approved will not be paid.

3.3

RECRUITMENT AND SELECTION POLICY



The Recruitment and Selection Policy is dated April 2012. It seems to have been recently developed and is unsigned by the Director-General. We were also furnished with the Recruitment and Selection Policy dated and implemented on 17 December 2010 from the office of the Presidency, which policy, we were informed, has been utilised while the Department develops its own Recruitment and Selection Policy. Due to the fact that the appointment of the majority of the staff, within the office of the Director-General, took place during 2011, the Recruitment and Selection Policy from the office of the Presidency ("the Presidency Recruitment and Selection Policy") shall be referred to herein.

The Presidency Recruitment and Selection Policy is premised on various principles which underline the policy and offers guidance in terms of its application. These principles include, inter-alia:

Using the best human resources practices to maximise flexibility and minimise administrative burdens on both the employer and employee and generally prevent waste and inefficiency; and

Prevention of nepotism, favouritism and unfair discrimination

The Presidency Recruitment and Selection Policy provides that the filling of a vacant post may be done in one of the following manners:

- **Advertising:**



An advertisement should run for a period of not less than ten days and not more than four weeks. A funded vacant post shall be advertised within six months of it becoming vacant and must be filled within 12 months after becoming vacant;

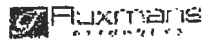
- **Head Hunting / Networking:**

In the case where internal and external adverts could not attract a suitable pool of candidates as well as when no suitable candidate is found following the shortlisting or interview process;

- **Recruitment agencies**

- The Recruitment of persons with disabilities and women shall be done in terms of the Employment Equity Plan;
- Internship and Leadership programmes; and
- Filling of a vacant post without advertising: for example the absorption of an employee or lateral transfer or rotation etc.

Once application forms are received and the closing date of the advertisement has passed, the Directorate: Human Resource Operations shall receive all the applications for vacant posts and ensure that all applicants who qualify for the post by virtue of their knowledge, training, skills and competence, based on the requirements of the post, are duly considered by the selection committee.

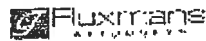


The relevant manager where the vacancy exists shall be responsible for the appointment of the selection panel and that shall ensure that, amongst others, principles of transparency are adhered to and that a selection on merit is adhered to in order to ensure the appointment of the highest calibre of candidates, thus ensuring that the person selected among the other candidates is best suited on the basis of skills, knowledge, experience, abilities, personal attributes and the need to achieve a representative and diverse workforce. The relevant manager is also tasked with ensuring that consideration is taken of the requirements of the post, including the relevant experience, academic qualifications, knowledge, skills and the ability to acquire experience in a short space of time.

The selection panel and other members must each sign a declaration before each short-listing and interview process, stating that they have no vested interests in any of the short-listed candidates and that they will treat all discussions and decisions as highly confidential.

During the interview process, the panel must evaluate each candidate by using a scoring grid. Once this has been completed, the panel is then required to recommend the suitability of each candidate.

Unsuccessful applicants have the right to enquire why they had not been short-listed or appointed and may take the Office on administrative review. In such instances, the documented and



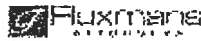
transparent facts should suffice in a court of law. It is for this reason that it is of utmost importance that accurate records that clearly record the process be kept and made available.

3.4 **RESETTLEMENT POLICY: PSCBC RESOLUTION NO. 3 OF 1999: REMUNERATIVE ALLOWANCES AND BENEFITS**

We were provided with the section of this policy relating to Remunerative Allowances and Benefits: Resettlement of the PSCBC Resolution No.3 of 1999.

This Resolution states that where an employer requires an employee to transfer to a new place of work, the employer may assist the employee with the associated costs, including:

- Actual travel and subsistence costs;
- Actual transportation and storage of household and personal effects, including insurance cover therefor;
- Reasonable costs of interim accommodation;
- Tax on motor vehicles that cross international borders;
- New school books, uniform and related costs;

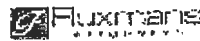


- Travel expenses of dependant school children;
- Transfer fees on accommodation; and
- Sundry costs.

Clause 4.2 of the Resolution provides that the employee shall agree in writing that should he/she leave the public service within one year or less after appointment, he/she shall repay the employer's expenditure for relocation.

This Resolution, (clause 2 thereof), provides that an executive authority must establish and, where appropriate, negotiate written policies on resettlement, including:

- Limits on expenditure;
- Maximum periods of compensation;
- Restrictions on the quantity and kind of personal effects covered;
and
- Costs of property transfer.



4. PERSONNEL FILES

As part of the investigation, the investigation team studied the following personnel files:

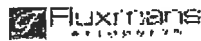
4.1 BHENGU NONHLANHLA

In terms of the letter, Ms Bhengu was appointed without suitable qualifications and experience at Director Level. The letter required us to investigate:

- Her appointment in terms of the score sheets;
- Her qualifications;
- The post that she was interviewed for;

Contents of file:

In Ms Bhengu's personnel file, we discovered the following:

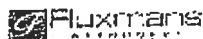


- An Assessment Report by Resolve Group (Dr Liezel Korf) dated 10 and 11 May 2011. The crux of the report was that Ms Bhengu is generally not suitable for the role required for this position.

Ms Bhengu's qualifications on file are as follows:

- a diploma in nursing and midwifery with four years experience obtained in 1991 at Chris Hani Baragwanth Nursing College);
- an as yet incomplete, BA Public Service and Social Sciences degree for which, we understand, she is registered at the University of South Africa;
- A letter from Ms Bhengu to Ms Nchedi Maphokga Moripe (Chief Director: Intersectoral co-ordination) dated 10 January 2012, requesting an internal lateral transfer from Intersectoral and International Co-ordination to Employee Wellness Programme in HR Management.

Ms Bhengu applied for the position on 4 January 2011. At the date of her application for the position of Director: Intersectoral and International Co-Ordination, she was employed by the Ministry for Women, Children and Person with Disabilities as a Senior Manager: Content Support, Flagship and Special Programmes.

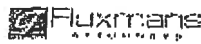


Ms Bhengu was successful in her application for the position of Director: Intersectoral and International Relations. This is confirmed by the written contract of employment for her appointment to Director Intersectoral and International Co-ordination signed and dated 1 June 2011 (signed by Advocate N. Mabena – Deputy Director-General), as well as the letter of appointment to the position of Director: Intersectoral and International Co-ordination dated 26 May 2011 with the effective date being 1 June 2011.

A memorandum of recommendation for her appointment was sent to the Director-General, Nonhlanhla Mkhize dated 28 April 2011.

According to the content of the memorandum, seven candidates were short listed and invited for interviews on 15 and 26 April 2011, the candidates comprised of:

- Ms N. Tyolwana
- Mr F. Sesedinyane
- Ms N.E. Bhengu
- Mr E. Leeuw
- Mr P. Maharaj



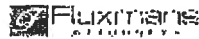
It is noted that whilst the abovementioned memorandum refers to seven candidates who were shortlisted, only five names are reflected in the memorandum. The memorandum for the approval of the appointments of Ms N. Tyolwana, Mr F. Sesedinyane and Ms N.E. Bhengu to the three vacant advertised posts of Director: Intersectoral and International Co-ordination was sent two days after the interviews and prior to the assessment report by the Resolve Group.

The panel for the interviews comprised of:

- Dr N.O. Mkhize: Director-General: DWCPD – Chairperson
- Mr T. Moloí: Director: Organisational Development – Panel member
- Ms R. Reddy: Director: Policy and Planning – Panel member

The competencies to identify a suitable candidate for appointment were listed as follows:

- Strategic Management and leadership capabilities.
- Knowledge of the intersectoral and international co-ordination.



- Understanding of the Department mandate and the 5 priorities of the current administration.
- Financial and Human Resources Management.

The panel recommended the following candidates for the appointment to the post of Director: Intersectoral and International Co-Ordination:

- ***MS N. TYOLWANA***

Qualifications:

Matric certificate;

Masters of Arts (2003);

Bachelor of Education (1996);

Current studies: D Lit. Et Phil (PhD)

Current position: Senior Manager – COGTA
Equity and developments.

- ***MR F. SESEDINYANĒ***

Qualifications:

Matric 1985;

BA politics / international politics.

Current position: Acting director – Department of Arts and Culture



- ***MS N. BHENGU***

Qualifications:

Matric 1984;

National Diploma – Nursing

Current position: Senior Manager – DWCPD

The candidates who were on the short list and interviewed but not recommended by the panel were:

- ***MS ELIZABETH LEEUW***

Qualifications:

Matric 1985;

BA Administration 1992;

Post graduate in Diploma Marketing 2000;

International Relations – 2004.

Current position: Deputy Director – Department of Minerals and Energy

- ***MR PRADEEP MAHARAJ***

Qualifications:

Bachelors of Arts in political science (1990);

Masters of Science in project management (2004);

LLB (2009)

Current position: Department of international relations and co-operation – Desk officer.



With a mere senior certificate and a nursing diploma, it is our submission that it is clear that Ms Bhengu was not the most suitable candidate and should not have been appointed to the position.

4.2 **SIMPHIWE M. MABASA**

In terms of the letter, Mr Mabasa was appointed at Director Level without suitable qualification and experience. He currently occupies the position: Director: Facilities Management.

Contents of file:

On 19 September 2011, Mr Mabasa was notified in writing that approval had been granted in terms of Section 13 and 14 of the Public Service Act to permanently absorb him into the position of Director: Facilities with effect from 1 October 2011. He was advised that his appointment would not be subject to probation. The aforementioned letter was signed by the Deputy Director-General: Corporate Management.

The "routing form" for the absorption of Mr MS Mabasa on the fixed establishment of the Department was signed off by the following employees:

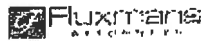
- Director: Human Resources – Mr S. Mashiloane



- Chief Director: Resource Management – Mr Shiviti
- Deputy Director-General: Corporate Management – Adv NM Mabena
- Director-General: Dr N. Mkhize

In a letter addressed to the Director-General regarding the absorption of Mr M.S Mabasa in the "fixed establishment" of the Department, the following is stated:

1. Mr Mabasa was appointed on 8 June 2009 as Chief of Staff: Ministerial Services on a contract linked to the term of office of the former Minister of Women, Children and People with disabilities.
2. Due to a cabinet re-shuffle in 2010 the contract was extended to 31 March 2011 and he was deployed to the Corporate Management Branch where his skills were required whilst the Department was finalizing its organisational structure.
3. Mr Mabasa was appointed on a contract basis for a period of 6 months from 1 April 2011 to 30 September 2011 in the post of Director: Facilities Management and paid remuneration commensurate with directorship status. This had the effect that his salary was reduced, from salary level 14 (Chief of Staff: Ministerial Services) to level 13 (Director: Facilities Management). His main

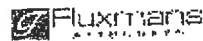


task was to assist the Department to move to the new building and to ensure that other facility related duties were performed.

4. Due to the fact that the Department had been relocated into a new building and the fact that there were a number of outstanding issues relating to facilities management which needed to be addressed, a submission was made that the post of Director: Facilities Management should be filled by not advertising the post but instead, by permanently absorbing Mr. Mabasa into the position.
5. Furthermore, a submission was made that approval be granted that Mr. Mabasa should not serve a probationary period since he has been in the employ of the Department since June 2009.
6. As stated above, Mr. Mabasa's salary was reduced. It was motivated that, in recognition for his extraordinary performance, the Director-General consider awarding Mr. Mabasa a higher salary notch (notch three: R705 912 per annum) within the scale of a Director.

This post was not advertised and Mr Mabasa was absorbed into the post effective 1 October 2011 and he was not subject to probation. Mr Mabasa was also awarded a third salary notch (R705 912 per annum) of a director.

Mr. Mabasa's qualifications on file are:



Grade 12 (1975);

Certificate program in Industrial Relations – Wits business School
(1989-1990)

Mr. Mabasa's experience:

Previous employment – FAWU Gauteng Province;

Provincial Organiser (1 May 2007 to current);

National Adult Education Co-ordinator (1999 -2004);

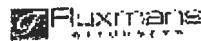
Nestle South Africa – shop steward (1983 – 1999).

There appears to be no basis for the appointment of Mr. MS Mabasa on a six month contract period to the vacant post of Director: Facilities Management after his contract expired on 31 March 2011 or otherwise. He has no qualifications/experience for the position of Director: Facilities Management.

The position of Director: Facilities Management reports to the Chief Director: Resource Management.

In terms of the organogram dated 26 November 2010, the function of the Directorate Facilities Management is to render facilities management service functions, which include:

1. The development of a system for cleaning, repairs and maintenance facilities.



2. Ensuring the safety of the building or establishment from fire, flood and other hazards by compliance by complying with the Occupational Health and Safety Act 85 of 1993.
3. Ensuring that the building is conducive for persons with disabilities.
4. Maintaining accurate records of the condition of the equipment and other systems in the building.
5. Managing space planning in the Department.
6. Creating monitoring systems and programs in the Department to detect problems as soon as possible.

During the investigation it became clear that Mr Mabasa has no experience to fill this position and as such should not have been permanently appointed.

4.3 MBUSO HLELA

Mr Hlela was recommended for this position in terms of a memorandum sent to the Director-General, Dr N. Mkhize, from Human Resources Operations Ms K. Futhorie dated 9 May 2011.

In terms of the letter, Mr Hlela was appointed as an assistant to the personal secretary in the office of the Director-General, reporting



directly to Philile Shange, with whom he allegedly has a personal relationship. There are allegations are that they have children together and live together in Wonderboom.

The anonymous letter questioned Mr. Hlela's qualifications, experience for the position; and his relationship with Ms Shange vis-a-vis the fact that he reports directly to Ms Shange, with whom he allegedly has a personal relationship.

Contents of file:

Mr. Mbuso Hlela accepted the position as Assistant to the Personal Secretary on 3 June 2011 and assumed duty on 6 June 2011 on a salary level 9 – R206 982.00 per annum.

The post was advertised in the PSVC reference number: 14/37 – closing dates for the applications was 15 April 2011.

The panellists for the short-listing and interviews for this position comprised of:

- Mr. S. Mabasa – Director: Facilities Management.

[NOTE: We are concerned that he was a panellist as at 9 May 2011 when he was not permanently employed and was merely rendering his services on a fixed term contract]



- Ms Philile Shange– Private Secretary: Office of the Director-General
- Mr P. Mabunda – Assistant Director: Performance Management
- Mr M. Nsibanyani – Union Representative: NEHAWU observer
- Ms F. Futhone – Senior Personnel Officer: HR Representative

The requirements for the position:

A three (3) year relevant tertiary qualification or equivalent or senior certificate and 4 years relevant experience in office administration.

[NOTE: There does not appear to be a justifiable comparison for the requirement of a three (3) year relevant tertiary qualification or senior certificate]

The Short listed candidates were interviewed on 6 May 2011. These candidates were as follows:

- Ms IS. Matshedisho (Matric 1998)
- Ms NM Nkgabutle (Matric 1997)



- Mr MTA Hlela (Matric 1997)

The competencies to identify a suitable candidate for appointment were listed as follows:

Understanding of the Department and Government processes;
Diary and information management;
Communication skills;
Interpersonal skills.

All panellists signed a declaration of impartiality, confidentiality and interest, including N.P. Shange.

Deliberations and considerations with regards to the filling of this position are recorded below:

- **MR MTA HLELA**

Grade 12 / Matric Certificate – 1998

- Confident
- Good knowledge of Government processes as he was able to share with the panel that the core business of the Department is to promote the rights of people with disabilities and close the gaps for disadvantaged people.



[NOTE: This is not a high level of knowledge as this is determined from the title of the Department]

Job Specification

The Job specification for this position requires a three year degree/diploma (or equivalent qualification) and/or four to six years proven relevant experience

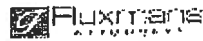
None of the candidates interviewed had degrees/diploma's or relevant experience. As such, this position should have been re-advertised as there were no suitable candidates.

Concerns with appointment

None of the shortlisted candidates met the requirements of the advertised position.

The candidates were shortlisted on 03 May 2011 and approval was signed off on 4 May 2011 by G.K. Beckers.

On the confirmation of short listed candidate's documentation, there is different handwriting which has inserted "Snr certificate" as a selection criteria. This seems to have been added after the advertisement was published.



The interviews were conducted on 06 May 2011. On 05 May 2011 an internal memorandum was sent from the Presidency (Mr Isaac Photo-internal security) to the Human Resource Management Department regarding security screening results. The memorandum confirms that security screening was conducted on Mr Hlela while there was no security screening on the other 2 shortlisted candidates. The request for screening and the results were obtained prior to the interview process and the recommendation by the panel on 06 May 2011.

We have been informed that a security screening of the shortlisted candidates would be done on the recommended candidates after the interviews have been conducted. In the event of an appointment required to be undertaken as a matter of urgency the security screening on all the short-listed candidates would be done prior to the interviews in order to expedite the recruitment process. What seems strange is the fact that Mr. Hlela is the only candidate whose security screening was done and this was done before the interview process began. This suggests that the other two candidates were not legitimately considered as candidates for this position, or certainly were not subjected to the same process as that to which Mr Hlela was.

We only had sight of Mr Hlela's curriculum vitae not those of the other two applicants and as such we were unable to draw the necessary comparisons in relation to work experience.

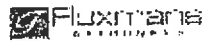


Mr. Hlela's overtime was signed by Ms NP. Shange on 19 December 2011 for overtime of 41 hours worked for the period 1 – 15 December 2011. The majority of the overtime worked was worked between 16h30 to 18h00/19h30/20h30. On 10 December 2011 alleged overtime was worked from 07h00 to 18h00 (11 hours).

No supervisor has signed in the column provided next to each line for the item of overtime, thus there is nothing to substantiate the fact that overtime was actually performed on the date alleged and signed off by the relevant supervisor. The only signature on the document is that of the employee and his supervisor/manager Ms NP. Shange at the bottom – this, as well as the number of hours allegedly worked, is not in compliance with the overtime policy.

The overtime policy provides that hours of overtime shall not exceed three hours per day and shall not be in excess of ten hours per week.

It also provides that managers should ensure that the approval for overtime is obtained from the Director-General or the delegated authority through the Chief Financial Officer before the employees perform the overtime work. Further, the approved documents are to be submitted to Human Resources Management for the allocation of an authorisation number.



There are overtime claims for this employee for August 2011, November 2011. The overtime registers are not signed on the relevant dates by the supervisor. These forms are only signed at the end of the month by the employee and MS Shange.

On 28 July 2011 an internal memo was sent to the Manager: Human Resources Management to request payment of overtime on the grounds that Mr. Hlela is sometimes requested to perform official duties outside of normal working hours, on weekends and public holidays.

R180 000.00 was proposed to be approved for the 2011/2012 financial year. This was recommended by Ms V. Mathobela, and approved by Ms Bahumi Matebesi, the CFO.

The overtime register gives no indication of the reason why the overtime was worked, while in the office of the premier in KZN, where Mr. Hlela was previously employed, his overtime register sets out details and reasons why overtime was worked. There does not appear to be sufficient reason why he should not have motivated the working of overtime. We have been unable to establish the factual basis upon which the overtime of R180 000.00 was approved as a blanket amount, in the first instance or secondly the reasons for such overtime having being worked.



Bursary

There seems to be a bursary agreement for Mr. Hlela's studies towards a national diploma for Public Management which was approved by the office of the Premier of Kwa-Zulu Natal on 21 January 2010. The Bursary was transferred to the Department when Mr. Hlela was appointed to his current position at the Department.

Whilst the personnel file contains a copy of a precedent of a bursary agreement, there is no signed copy of the bursary agreement in the file. This places the Department at risk as the "work-back" / "pay-back" period of the bursary has not been agreed in writing and, as such, the Department would have little success in recovering amounts paid in respect of the bursary should the employee leave without complying with the provisions of the bursary agreement.

The computer form says that the official was on leave during the overtime period. We have not been able to obtain clarity on this.



Mr Hlongwa accepted the offer of employment / transfer as Director: Research and Policy Development on 13 May 2011 at salary level 13 and assumed duty in this position on 1 June 2011.

Contents of file:

Security screening results were sent to the Department from the Presidency (Mr Isaac Photo – Director: Internal Security) on 10 May 2011. These results are not signed by Mr Photo but are signed per procurationem (“pp’d”).

Qualifications:

Matric with university exemption (1997);

Bachelor of social science (University of Natal – 2000);

Bachelor of social science (honours) university of Natal (2001)

The requirements for the position in terms of advertisement were:

Relevant degree / national diploma, three to five years’ experience (three years supervisory capacity);

Knowledge and understanding of government prescripts, hands-on research knowledge, excellent statistical analytical, innovative thinking qualities and skills. Knowledge of protocol, interpersonal relations,



expert communication skills, outstanding computer literacy and attention to detail.

The memorandum for the appointment of Mr. Hlongwa was sent to the Director-General, Dr. Nonhlanhla Mkhize, by Ms N.Liwane (Human Resources Management) for the filling of a vacant advertised post of Director: Research and Policy Development. Two positions were available.

The memorandum was signed by Mr. KJ Nkingwane and Mr TG Mukwevho.

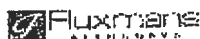
Six candidates were shortlisted and invited for interviews and one declined, leaving five candidates to be interviewed.

The panellists for the interviews for this position comprised of:

Dr N. Mkhize – Director-General and chairperson

Ms F Nxumalo – Director: Department of correctional services

Mr J. Rathebe – Deputy Director-General: Department of Performance and Monitoring Evaluation



The panel recommended Mr. Hlongwa as being the most suitable candidate for the post.

The assessment report on Mr. Hlongwa was seemingly completed by one, Thandi Mvakali, apparently a psychologist on 21 April 2011, however, this report is not signed

4.5

MS S. PILLAY

Ms S Pillay was appointed to the position of Director: Monitoring and Evaluation Disabilities

Contents of file:

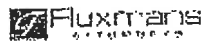
Ms Pillay accepted an offer of employment / transfer as Director: Research and Policy Development on 13 May 2011

Ms Pillay assumed duty in this position on 1 June 2011 at a salary level 13

Qualifications:

Matric 1991;

Bachelor of Arts (BA) (1994) university of Durban – Westville;



Bachelor of Arts (BA) honours (1995) – major-drama – university of Durban;

Masters of Arts (1998) – University of Durban – Westville – Centre for SA languages and literature

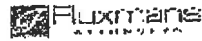
Previous experience:

Department of Arts and Culture (South African Human Rights Commission) – Co-Ordination (Research and Development)

The security screening report is dated 10 May 2011 from Mr Isaac Photo (Director: internal security), of the Presidency but is not signed by Isaac personally. However, the report is pp'd. The memorandum for the approval of the appointment to the vacant post – Director: Monitoring and Evaluation (level 13) was addressed to the Director-General – Dr. Nonhlanhla Mkhize from Ms N Liwane (Human Resources Operations).

Ms Pillay was originally interviewed for the post of Director: Inter-Sectorial and International Co-ordination on 15 and 26 April 2011. However, she was found more suitable for the post of Director: Monitoring and Evaluation (PWD) in the branch of children's rights and people with disabilities. She was thus, recommended by the panel for that post and she accepted.

The panellists for the short-listing and interviews for this position comprised of:

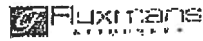


- Dr N Mkhize – Director - General
- Mr T Moloi – Chief Director
- Ms R Reddy – Director

[NOTE: It is unclear from the personnel file whether any other candidates were interviewed for the position of Director: Monitoring and Evaluation and whether this position was advertised. If not, it may be in contravention of the Public Service Act and the recruitment policy].

Ms EN Bhengu was appointed to the position of Intersectoral and International Co-Ordination effective 1 June 2011. In the memorandum for the motivation for the appointment of Ms Pillay to Director: Monitoring and Evaluating, it is stated that Ms Pillay was interviewed on 15 and 26 April for position of Director Intersectoral and International Co-Ordination. However on perusal of the memorandum in support of the appointment of Ms Bhengu to that position dated 28 April 2011, Ms Pillay's name is not listed on the shortlist and is not itemised as one of the candidates interviewed for the position of Director: Intersectoral and International Co-Ordination. This in itself is irregular.

The motivation and recommendation signed on 26 May 2011 by:



Director: Ms C Maubane

CFO: Ms B Malebesi

DG: Dr N Mkhize

4.6

MR BRIAN THOMPSON

Mr Thompson was appointed in the position of Assistant Director:
Administration: Planning and Cluster Co-Ordination

Contents of file:

Qualifications:

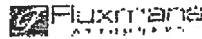
Matric Haythorne High school 1994;

Certificate in business management (University of Natal – 2002).

Previous Experience:

1 December 2001 to 31 January 2005: Kwa-Zulu Natal Health
Department: auxiliary services officer;

1 February 2005 to 31 May 2011: Kwa-Zulu Natal Agriculture
Environment and Rural Development: Research Technician



The requirements for the position:

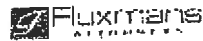
3 year degree/diploma (or equivalent qualification at NQF level) and 3 years' experience or senior certificate and 5 years proven relevant experience in communication. We have not had sight of the actual advertisement placed.

Duties and functions of the position include:

Assume responsibilities for providing administrative support to the unit, set up and maintain effective and efficient systems to co-ordinate the work flow, document management of the unit, assist with the compilation of reports and documents for the unit, assist with sectorial research as required.

The shortlist of the candidates was done on 3 May 2011.

An additional selection criterion appears to be added to the shortlist document (in a different handwriting) incorporating a senior certificate and 5 years' experience.



Based on his CV, Mr. Thompson does not appear to even have the relevant experience for this position.

The security screening report dated 24 May 2011 from Mr Isaac Photo (Director: internal security) to Ms N. Liwane is unsigned.

Mr. Thompson and Ms N.S. Moloi were motivated to be appointed to the position of Assistant Director of Administration.

The panellists for the short-listing and interviews for this position comprised of:

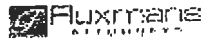
Ms S. Mabasa – Director: Facilities Management

Ms P. Shange – Private Secretary: Office of the Director-General

Mr P. Mabunda – Assistant director: Performance Management

Out of the six candidates short listed and interviewed on 13 May 2011, Mr. Thompson was the least qualified in terms of the job specifications and his qualifications.

The other candidates possessed a B.Com Financial Accounting / National Diploma / Legal Assistance: National Diploma;



Management, B Tech Management;

National Diploma: Public Management, B administration qualifications.

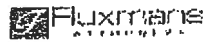
Despite their qualifications all the remaining shortlisted candidates were determined not suitable for the position.

We are of the view that Mr Thompson should not have been appointed as he was the least suitable candidate.

There is a motivation on file to the Director-General for the request for the approval for the payment of the resettlement costs and daily allowance to Mr. Thompson.

The validity of the rationale behind the motivation in terms of the relocation and resettlement policy is in question. Mr Thompson was employed as a new appointee to the public service with effect from 1 June 2011. He resided with his sister in Midrand from 1 June 2011. He requested payment of relocation costs and a daily allowance.

No supporting documents are on file as proof of the costs incurred to justify the request for the subsistence and travel allowance.



The cost of the subsistence and travel allowance was R8580. The motivation in relation to the payment thereof was signed by the following employees:

Mr Sydney Mashiloane (Director: Human Resource Management);

Mr Mbhazima Shiviti – Chief Director: Resource;

Ms Bahumi Matebesi – Chief Financial Officer.

The motivation was signed and approved by the Director-General, Dr. N Mkhize on 27 January 2012.

4.7

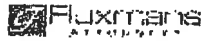
NKOSINATHI NXELE

Mr Nxele was appointed as a driver and messenger.

Contents of file:

Nxele was previously employed on a contractual basis by the previous Minister and his contract expired with the term of the former Minister. He applied for this position on a permanent basis.

Nxele assumed duty in this position on 01 June 2011 at a salary level 5



Qualifications:

Grade 11;

Code 11 driver's licence;

The second candidate for this position, Mr. Poopedi, had the following qualifications:

Grade 12;

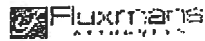
Code 10 driver's licence and a PDP.

The requirements for the position in terms of advertisement were:

A post-matric qualification and three years' experience;

Good office management skills; make travel, accommodation and logistical arrangements for meetings; deal with document management of the Unit;

Assist with budgetary, procuring and planning actions of the Unit.

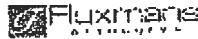


In terms of the memorandum for the filling of this position, the job requirements include good driving skills and the ability to obtain a confidential security clearance within one year of appointment. It seems that this job specification was changed to suit this particular candidate.

On the one hand, Nxele's highest grade passed is grade 11 and his reference check shows that his responsibilities at his previous job were to provide elementary nursing care. On the other hand, Mr. Poopedi was responsible for transportation, logistical and administration of departmental services, collection of postal services and computer skills.

Based on the qualifications and experience of Mr. Nxele, he was not a suitable candidate for this position especially in comparison with his counter-part, Mr. Poopedi. Thus, the correct appointment was not made.

Nxele was appointed with a criminal record while Mr. Poopedi had no criminal record. Nxele was then requested to write an affidavit explaining why he did not disclose the fact that he has a criminal record in his application for the position. This affidavit is dated 21 July 2011 and his explanation was that he was appointed on a contract basis by the Presidency before applying for this position and he was under the impression that his criminal record was already in his personnel file because it was common knowledge at the Presidency that he had a criminal record;



The Director-General was informed by Ms Karien Becker before the appointment of Nxele that he had a criminal record. Notwithstanding this, Mr. Nxele was appointed with the knowledge that he had a criminal record;

The Department is currently assisting Nxele to get his criminal record expunged;

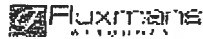
It was discovered in Nxele's personnel file that two of his children have the same surname as the Director-General, however upon questioning Mr. Nxele on whether he or his children have any relationship with the Director-General, he answered in the negative.

There seems to be inflated hours of over-time claimed each month (especially on weekends) for example Mr. Nxele claims that he worked 82hrs30mins overtime in April 2011. Nxele also received a standby allowance for the months of April; May; June; August; September and November 2011. No reasons for the overtime worked are provided and the overtime time sheet was not approved and signed off by his manager on each day that the over time is worked.

4.8

PHILILE NHLAZEKO SHANGE

Contents of file:



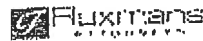
Ms Shange was appointed to the position of Private Secretary in the Office of the Director-General at salary Level 11 and assumed duty on 01 June 2011.

Qualifications:

BA 2001 from the University of Zululand;
Management Information Systems Modules;
Department of Accounting (Auditing);
Attended the "Effective Business Management for the Executive Secretaries; Pa's and office managers workshop" at the Parktownian Hotel, Braamfontein in March 2006;
Effective PA and Secretarial Workshop Certificate at Insight Education and Training;
Pass in Computer Applications: University of Zululand;
VIP Personnel and Payroll Systems: GT payroll course: Phase one;
Security Awareness Training Programme: KwaZulu-Natal Province Office of the Premier.

Ms Shange was seconded to this position and there is therefore no advertisement of this position in the personnel file.

Ms Shange denied being in a romantic relationship with Mr. Mbuso Hlela and stated that she does not have any children with him. She also



stated that she does not live with Mr. Hlela. Ms Shange confirmed that she had known Mr. Hlela from the office of the Premier in Kwa-Zulu Natal however, she wished to record that they are not in a relationship as alleged in the letter.

Ms Shange was a panellist in the interview of Mr Hlela. It is concerning that, given the fact that Ms Shange had been acquainted with Mr. Hlela at the office of the Premier in Kwa-Zulu Natal, she did not recuse herself as a panellist in his interview.

4.9

LIZIWE KHESWA

Contents of file:

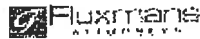
Ms Kheswa was appointed to the position of Administrative Officer at a salary Level 07 and assumed duty on 01 August 2011

Qualifications:

Bachelor Degree in social sciences from the University of Kwazulu-Natal;

Certificate in Project Management from Project Pro Consulted;

The requirements for the position in terms of advertisement were:



Post-matric qualifications with a minimum of three years' experience;

Outstanding writing skills, good office management skills, computer literacy;

The shortlisting of the candidates was done on 20 June 2011, six months after the position was advertised.

4.10

CLEO MAUBANE

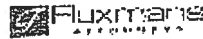
Mr Maubane was appointed to the position of Deputy-Director Monitoring and Evaluation within the office of the Director-General at salary level: 12 and assumed duty on 01 March 2011.

Contents of file:

On 09 December 2009 Maubane requested a unilateral transfer to this position from the position of Human Resources Specialist: Talent Acquisition at Chief Directorate: Corporate Services, Strategy and operations Branch

Qualifications:

Bachelor of Arts in Social Sciences (2004);



Post-Graduate diploma in marketing (2006);

Bachelor of Arts in Industrial Psychology (Honours-2009).

One of the requirements for the position of Human Resources Specialist: Talent Acquisition at Chief Directorate: Corporate Services, Strategy and operations Branch was a degree or diploma in Human Resources management, however, Maubane only has a Diploma in marketing management, which is of no relevance to this position.

In light of the above, it seems that certain employees are being transferred from other departments without the requisite skills to perform the functions of the position they are transferred to. This in itself is irregular and is, no doubt, resulting in inefficiencies in performance within the Department.

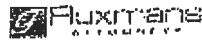
4.11

NONDUMISO MAOME

Ms Maome was appointed to the position Director of Legal Services at salary level: 13

The competencies to identify a suitable candidate for appointment were listed as follows:

Practical experience in the area of legal services;



Knowledge of the 5 priorities for the government's term of office;

Candidate's view on the law of prostitution;

Knowledge of the Batho Pele principles; and

Financial management experience.

Qualifications:

Matric 1996;

LLB 2001 (University of Durban-Westville);

Certificate in Legislative Drafting 2006 (University of Pretoria);

LLM 2011 (Unisa);

Experience:

In 2004, she was a paralegal at the University of Zululand: Legal Clinic;

In April 2005 to April 2008 she worked at the Film & Publications Board as a Classification Officer;

In May 2008 to December 2010 she worked at the Film & Publications Board as a Compliance and Monitoring Officer;



Qualifications of the second preferred candidate, Ms Danaline

Franzman:

Matric 1988;

Bachelor of Arts and LLB

LLM in Women's Rights: 2008;

International Diploma in Equal Status and Human Rights of Women
2004;

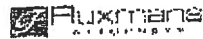
Certificate in Commercial law 2007;

Admitted attorney;

Experience of Ms Danaline Franzman:

Ms Franzman is currently engaged at the South African Human Rights
Commission in the position of Head of Legal Service Programme;

Ms Pienaar's score and comments on the scorecards of Maome and
Franzman reflect a poor result for Maome and an excellent result for
Franzman and her comments are motivated while the scores and
comments on the scorecards of the other panellists (Shiviti and
Maubane) are inconsistent with the qualifications and experience of the
candidates. Under these circumstances Maome received excellent
scores and comments from Shiviti and Maubane, which scores are not



adequately motivated in their comments while Franzman received moderate scores from these panellists.

After interviewing Ms Pienaar she informed us that whilst she had her reservations in the appointment of Ms Maome, Ms Maome has proved herself to be very good in the position and accordingly she is satisfied with her appointment and her performance.

4.12

VUSIMUZI TREATWEL MAGI

Mr Magi was appointed to the position of Facilities Manager/Coordinator at a salary level 09 and assumed duty on 01 June 2011.

Contents of file:

The position was advertised in the Sunday Times and the closing date was 20 August 2010;

Shortlisting was done on 12 April 2011 and interviews were held on 15 April 2011;



The requirements for the position in terms of advertisement were:

Appropriate Bachelor's degree (or equivalent);

Relevant experience;

Driver's licence;

Qualifications:

National Diploma Accounting from the Technikon Witwatersrand;

Financial Accounting 2

Qualifications of second preferred candidate (Mzou Tsundu Moyake):

Bachelor of Arts (1997);

Post-graduate diploma in management (1998);

Honours in public administration (2010)

Mr Magi does not have a Bachelor of Arts degree or equivalent and at the time of his interview, he did not have the relevant experience;

Ms Lucia Ramshu who, at the time, was the acting Deputy Director: Recruitment and Selection, pointed out that Mr Moyake (the second preferred candidate) was the only person who met the requirements of the job in terms of the advertisement. Ms Ramshu recommended that the panel revisit the pool of applications and revisit the shortlisting



process. This advice was not taken heed of. Regrettably, we were unable to interview Ms Ramshu in this regard as she is currently employed at the Presidency.

The confirmation of appointment was signed by Chairperson, Mr Simphiwe Mabasa, P Shange, P Mabunda and W Mshengu;

Further, this position was filled after six months of the advertisement being published.

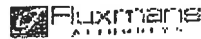
4.13

LWAZIKAZI DIMBAZA

Ms Dimbaza was appointed to the position of Administration Officer: Chief Directorate: Intersectoral Co-ordination and International Relations at a salary level 07 and assumed duty on 01 June 2011.

Contents of file:

Dimbaza was transferred from the Department of Water Affairs to Department of Women, Children and People with Disabilities;

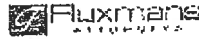


Dimbaza was paid resettlement costs from King Williams Town to Pretoria. She stayed at the Premier Hotel in August 2011 and her stay was extended for an additional month.

She was paid R85 100.65 for resettlement costs which included furniture removal, kilometres travelled when she drove her motorvehicle from King Williams Town to Pretoria, accommodation for two months at the abovementioned hotel, shuttle from the airport to the hotel, flight to Johannesburg and sundry costs. The hotel stay includes breakfast and dinner as well as laundry services.

Although Ms Dimbaza confirmed that she provided the Human Resources Department with all her slips reflecting all her expenditure as a result of her relocation, the only proof of her expenditure on file is the quotation accepted and approved from Stuttafords in respect of furniture removal in the amount of R2 280.00 as well as an accommodation voucher to stay at Premier Hotel in Pretoria for 31 nights at R999 p/night, the total of which amounted to R30 969.00 (07 August 2011 – 07 September 2011);

Dimbaza earns a salary at level 07. The resettlement costs paid to Ms Dimbaza amount to close to two thirds of her annual cost to the Department.



Mr Tukashe was appointed as a Registry Clerk and assumed her duties on 1 November 2011.

An appointment letter dated 24 October 2011 signed by the late Advocate Mabena provides for resettlement which includes travel expenses, transportation, insurance of personal and household goods and three star hotel accommodation for a month. It was a condition that she does not resign from her employ with the Department for a period of one year or less failing which she would have to repay the resettlement disbursements incurred.

She stayed at the Premier Hotel from 31 October 2011 to 30 November 2011 and between 1 December 2011 to 31 December 2011 at a cost of approximately R34, 000.00 for each period. This was signed off by Sydney Mashiloane.

There was a request for approval of an extension of accommodation. This was signed off by Sydney Mashiloane, Mbazima Shiviti and Advocate C Pienaar.

5. FINDINGS



It must be noted that the investigation resulted in the interview of a number of employees of the Department after perusal of policies and procedures as well as the perusal of personnel files in respect of the employees whose names emerged from the letter and during the investigation. The investigation did not lead us to peruse each and every personnel file of employees employed within the Department and accordingly there may be further irregularities in other appointments which we had not investigated as this did not fall within the ambit of our instruction.

The following individuals were interviewed on 24, 25 May 2012, 04 June 2012 and 02 July 2012.

- Ms R. Reddy;

- Ms C. Maubane;

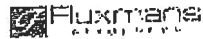
- Ms. P. Shange;

- Ms V. Mathobela;

- Mr M. Hlela;

- Mr S. Mabasa;

- Ms M. Makgoe;



- Adv. C. Pienaar;

- Mr Mashiloane;

- Liziwe Kheswa;
- Ms L. Dimbaza;

- Mr Bhengu;

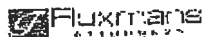
- Mr Nxele;

- Mr M. Shiviti;

- Dr Nonhlanhla Mkhize

Given the fact that the employees were advised that specific reference would not be made to them directly in relation to any information which they provided us with during the course of the aforesaid interviews we do not intend disclosing the identities of those individuals. Accordingly we will merely provide our findings and recommendations as a result of the information which we acquired.

At this juncture, we wish to record that due to the unavailability of the Chief Financial Officer of the Department on the dates upon which we conducted the



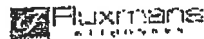
interviews, we were unable to interview her during the course of this investigation. However, a degree of negligence can be attributed to her on the basis that she is the responsible person in respect of the finances of the Department.

Emanating from the investigation, the findings we have made are as follows:

5.1 **ALLEGATIONS CONTAINED IN THE LETTER**

5.1.1 With regard to the allegations regarding the relationship between Ms NP Shange and Mr. M Hlela, we have not been able to establish whether there is merit in the allegation that they are romantically involved in a relationship and whether they have children together. What did transpire through the investigation is that Ms NP Shange and Mr. Hlela did have a friendship and working relationship at the office of the Premier in Kwa-Zulu Natal and continue to have such a relationship in the office of the Director-General. Further, Mr Hlela was not the most suitable candidate for his position to which he was appointed.

5.1.2 In relation to Ms N Bhengu and the position of Director: HIV and AIDS, it was discovered after interviewing Ms Bhengu that there is no such position within the structure of the Department. Ms



Bhengu is one of three directors in Intersectoral and International Co-Ordination, with her primary focus being disability, HIV and AIDS.

5.1.3

It was noted, however, that in terms of the internal organogram of the Department, only two posts in the position of Director: Intersectoral International Co-Ordination are provided for and it seems as though a third position, namely the Director: Intersectoral and International Co-Ordination: HIV and AIDS was created for purposes of accommodating or shifting Mr. Frans Sesedinyane into one of the two already existing and recently filled posts of Director: Intersectoral and International Co-Ordination.

5.1.4

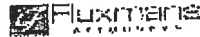
As reflected earlier in this report, Ms Bhengu was not the most suitable candidate for appointment to the position of Director: Intersectoral and International Co-Ordination.

5.2

RECRUITMENT PROCEDURES AND HUMAN RESOURCES POLICIES

5.2.1

With reference to the current organogram it would appear as if a legitimate number of vacancies exist within the core units of the Department (Children, Disability and Women) and that most of



the positions in respect of the support functions (Human Resources, Finance, Strategic Management, Policy in Resource, Intersectoral) appear to be filled.

5.2.2

Given the budget constraints, it would appear that given the vacancies within the core units, the units lack skills in competencies and accordingly it is affecting the Department in the delivery of its mandates. We have been advised that there are insufficient funds to fill those vacant positions which are central and integral to the effective functioning of the Department.

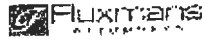
5.2.3

It would appear as if there has been negligence in filling the positions in respect of the support functions and not the core functions. It is suggested that the support functions be restructured to streamline and maximise skills and save costs.

5.2.4

The recruitment processes are of significant concern in respect of, inter-alia, the following:

- Positions advertised with specific criteria not being met;
- Employees have been found by the panel to meet the criteria as advertised despite the fact that in a number of



instances the candidates are short listed and/or appointed but do not have the requisite skill, knowledge, qualifications and experience. In this regard we list the following employees and their positions who, following our investigation, do not meet the requirements in accordance with the advertised position and/or the requirements in terms of the approved organogram of the office of the Director-General and/or not the most suitable candidate following the interview process:

- Nkosinathi Nxele: Driver and Messenger;
- Nondumiso Maome: Director: Legal Services;
- Vusimuzi Treatwel Magi: Facilities Manager/Co-ordinator;
- Brian Thompson: Assistant Director: Administration: Planning and Cluster Co-Ordination;
- Nonhlanhla Bhengu: Director: Intersectoral and International Co-Ordination;
- Simphiwe Mabasa: Director: Facilities Management;



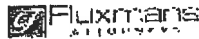
- Mbuso Hlela: Assistant to the Private Secretary: Office of the Director-General;

5.2.5

We are informed that after the reshuffling of the Ministers in all of the government departments, it was agreed between the Honourable Minister Xingwana and the Director-General, Dr. Nonhlanhla Mkhize, that the employees whose contracts were linked to the term of office of the former Minister would, in the spirit of Ubuntu, be extended with the intention of retaining those employees who showed an interest in remaining in the employ of the Department. A number of employees were duly absorbed or given preference and/or transferred into the Department in accordance with the aforementioned agreement. These appointments include:

- Nonhlanhla Bhengu; and
- Simphiwe Mabasa.

We have been informed that it was in fact a requirement for such employees to formally apply for positions through the ordinary recruitment process and that they had to meet the job requirements in order to be appointed. As stated above, these two (2) employees were not the most suitable candidates for the positions to which they were appointed.



5.2.6

Although it is understood that the Department is a new one and that the Human Resources Management had been placed under pressure to fill vacant posts, after careful consideration of the interview process applied, it would appear that there has been a significant amount of negligence (at best) by certain employees within the Department in the appointment of the aforementioned employees. The "pressure" referred to herein does not, in our view, justify the measures taken in the recruitment of these employees. We base our finding in respect of this negligence on the following:

- Advertised positions setting out certain criteria which do not correspond to the appointment of the successful candidates;
- despite the criteria being changed during the short-listing and/or interview process in respect of the advertisement, the positions were not re-advertised in accordance with a reasonable and transparent process;
- We were advised that at the end of the interview process panellists are required to complete the Certificate of Confirmation of Nomination for Appointment / Promotion / Transfer to the Advertised Post in support of the recommended candidates and whilst we were provided with a



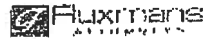
precedent of this document we were only able to locate this document in some of the files in respect of those employees listed hereinabove.

- In the absence of this signed declaration, memoranda in motivation of the recommended candidates were drafted and despatched by Human Resources. We have been advised in a number of instances that the recommendation made by the panel was not correctly reflected in the memorandum sent to the Director-General in motivation for the appointment of the alleged recommended candidate;
- The memoranda to the Director-General are signed by employees who have not been party to the panel and the recommendation. Accordingly those signatures are, in our view, of little value;
- It would appear as if the Department created a precedent of employing individuals on a contractual basis (as we are advised that the Department is not required to comply with the recruitment policies and Public Service Act when appointing contract staff). In doing so, and when the positions are advertised, the individual who has been performing the position on contract is often motivated for the position on the



basis that he/she has the necessary skills. We believe this process is fraught with irregularities as there are candidates who, merely on their qualifications and experience, produce better skills than that of the individual who has been performing in the position for a few months on a "contractual basis". In fact, we note that in certain instances positions have not even been advertised when submissions have been made in terms of the Public Service Act that the individual is capable of being employed directly from "contract" into a permanent position. This is despite the fact that the individual has absolutely no experience or qualifications for the position that he/she occupies, and the short period in which he/she was contracted for the position acts as the prime (or, rather sole) motivating factor for the appointment. A specific example of this is the case Mr S. Mabasa.

- The recruitment process has not been followed in accordance with the best interests of the Department to the extent that appointments were made with little cognisance of the repercussions that may follow. This has placed the Department in a vulnerable and potentially litigious position in that it currently employs a number of employees who do not possess the relevant skills, experience and qualifications required to ensure that the mandate of the Department is properly executed. Such appointments have effectively



opened up the flood gates for possible review applications being brought against the Department by affected candidates and/or applicants who were not appointed as a result of the appointment of the abovementioned individuals.

- The fact that certain individuals are employed in positions for which they are not suitably skilled or qualified and are being remunerated at salary levels not commensurate with their skills, qualification and experience is an unnecessary drain on the resources of the Department in instances where the individuals are unable and incapable of delivering. This is also a significant breach of the Public Finance Management Act ("the PFMA").

- Panellists who have been involved in the recruitment process appear to have entered the process with little or no understanding of the criteria and the position which is under consideration during the interview process.

- A number of the positions advertised, have been vacant in excess of six months prior to the commencement of the interview process. The Presidency Recruitment and Selection Policy requires an advertised position to be filled within twelve months of it becoming vacant, however we believe that twelve months to fill a vacant position is excessive and



accordingly a moderate three months would suffice as required in terms of clause 8.3.5 of the draft Recruitment and Selection Policy dated April 2012.

5.3 RELOCATION COSTS

5.3.1

We have determined that a number of positions that were filled by candidates outside of the province (with no justification) have resulted in extraordinary resettlement expenses having been incurred in respect of those employees. In this regard there is no reason why the positions could not have been filled by the individuals in the Province where relocation costs would not have been incurred by the Department and avoiding this fruitless and wasteful expenditure. Specifically, we note the following employees:

- Liziwe Kheswa: Administrative Officer;
- Lwazikazi Dimbaza: Administration Officer: Chief Directorate: Intersectoral and International Co-Ordination;
- Nomalanga Tukurhe: Registry Clerk.



5.3.2 The above positions are not particularly specialised or exceptional to justify the appointment of people outside of the Province. Candidates with these skills could have easily been sourced within the Province. Such expenditure on relocation costs for lower level positions cannot be justified.

5.3.3 We were informed that relocation fees are paid to government employees who are transferred between provinces and that the relocation fees are paid in accordance with a set formula which is calculated mechanically. These relocation fees are then paid to the relevant employee irrespective of the actual amount spent on relocation. In certain instances set out above, relocation costs are similar to the cost annualised package paid to the employees which, in our view, cannot be justified or justifiable. During the interview process, attempts were made to justify the appointment of individuals outside of the province which resulted in the high relocation costs, on the grounds that Government cannot be seen to discriminate against individuals who reside outside of the particular province.

5.4 OVERTIME

5.4.1 There appears to have been a clear abuse of overtime, once again draining the budget of the Department. This is as result of

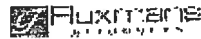


the lack of strict controls within the Department. In this regard it would appear as if motivations made by the Human Resources Department were inexplicably supported by the Finance Department and ultimately approved by the Director-General for "overtime payments in respect of specific employees".

5.4.2 In a number of instances, the lack of control regarding the time sheets for the recording of overtime appeared to be signed by the managers/supervisors at the end of the month in which it was seemingly worked, however, no reasons are reflected for the overtime on the schedules. Overtime is not signed off on the dates and times at which it is worked. Accordingly, there has been a complete lack of control in the aforementioned instances and the accuracy of these time sheets is questionable, to put it politely. In fact, the Finance Department appeared to adopt an approach which was apathetic at best.

5.5 **LACK OF PROGRESSIVE DISCIPLINE, POLICIES AND PROCEDURES WITHIN THE HUMAN RESOURCE STRUCTURE**

5.5.1 There is a clear acknowledgement amongst employees that certain individuals are not delivering in accordance with the performance standards required of them and in certain instances are not conducting themselves in a manner which would be

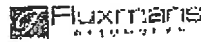


reasonably expected of them. There appears to be very little, if any, implementation of progressive discipline and performance management to ensure fair and reasonable compliance with labour legislation. The Human Resources Department appears not to be providing the necessary support to the various core units and does not take accountability for its lack of involvement which perpetuates the lack of control. There is a lack of control specifically in relation to the monitoring of sick leave, study leave, family responsibility leave and annual leave. In this regard it became clear during the period of our investigation that the Human Resources Department did not have any idea as to when employees were expected back from sick leave, family responsibility leave, annual leave and study leave;

5.5.2 The inherent risks to the Department in consequence of this are glaring.

5.6 ALLOCATION AND USE OF DEPARTMENT FUNDS

5.6.1 It is clear that the use of the funds allocated to the Department have been depleted as unnecessary and reckless expenditure has been incurred with regards to the payment of extraordinary overtime claims, relocation costs, salary increases and the appointment and remuneration of unqualified personnel.



5.6.2

The approval and release of funds for the abovementioned purposes has not been subjected to careful scrutiny and consideration to justify such expenditure. There is also a lack of accountability and active involvement in the consideration and ultimately the approval of the allocation of the funds by the Finance Department. The Finance Department should not have approved the exorbitant and unjustified expenditure referred to in 5.6.1 above. We refer specifically to the expenditure incurred with regards to the following individuals:

- Nomalanga Tukushe: the payment of relocation costs;
- Lwazikazi Dimbaza: the payment of relocation costs;
- Simphiwe Mabasa: the payment of an unjustified third salary notch;
- Nkosinathi Nxēle: the payment of extraordinary and unjustified overtime;
- Mbuso Hlela: the payment of extraordinary and unjustified overtime as well as the acceptance of the transfer of Mr. Hlela's bursary from the Office of the Premier to the Department without the protection of a written bursary



agreement containing a "work-back" and/or "pay-back" clause therein.

5.6.3 Ultimate responsibility of the budget and finances of the department lie with the Finance Department which is guided by the Public Finance Management Act 1 of 1999 ("Public Finance Management Act"). It is our view that there has been a gross neglect of these duties and non-compliance with the Public Finance Management Act.

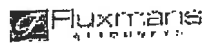
6. **RECOMMENDATIONS**

In light of the aforementioned we recommend the following:

6.1 **Structure**

The entire structure of the Department and all positions currently filled, should be carefully scrutinized and analysed to ensure the maximising of skills and minimising of costs which may result in a restructure of the Department;

6.2 **Overtime**



6.2.1 Proper controls be put in place to ensure accurate recording of the time and attendance of all employees employed within the Department and the system has to be carefully monitored by the Human Resources Department as well as the Finance Department and progressive discipline will need to be followed insofar as there is a lack of compliance.

6.2.2 Overtime policies and documents need to be revisited and significantly improved in order to ensure that the appropriate control mechanisms are put in place to avoid abuse of overtime. In this regard, over time claimed should be with prior written approval in respect of each instance of overtime and a full motivation of the reasons for the overtime and a signed off schedule of the specific hours worked by both the employee, the employee's direct superior as well as the director/chief director of the Department in which the employee renders his/her services.

6.2.3 An electronic clock in system, together with diligent monitoring thereof, should be introduced into the Department. This system would require all employees to clock in each time they enter and leave the premises of the Department. The benefit of this system is that any overtime claimed by an employee may be verified by the recorded physical attendance at the workplace by the employee, save in the event that overtime is worked outside of the premises of the Department. The clock in system will also



serve to alert the Human Resources Department of any employees who have not attended the workplace and have not applied for annual leave, sick leave, study leave and/or family responsibility leave. This will serve to curb any abuse of overtime and leave procedures provided it is properly monitored.

6.3 **Salary Levels**

It is evident that a number of employees have been employed at salary levels which may be commensurate with the position that they occupy, however, is not commensurate with their qualifications and experience as a result of their irregular appointment into that position. As such, a freeze should be placed on annual increments and bonuses in respect of those positions.

6.4 **Recruitment**

The recruitment policies need to be complied with in accordance with the provisions of the Public Service Act. Any deviations should result in disciplinary action taken against those employees involved in the recruitment process. Employees involved in the interview process need to be properly informed as to the requirements of the position (as per the advertisements) and have a proper understanding of what the position encompasses.



6.5 Relocation / Resettlement

6.5.1 A resettlement policy should be drafted and implemented in accordance with clause 2 of the Resolution, setting out the circumstances in which resettlement costs shall be paid to an employee and the extent of such resettlement costs. The payment of resettlement cost should be carefully considered so that the Department avoids unnecessary and exorbitant expenditure in that regard. We suggest that resettlement costs only be provided to those employees who are filling an essential position and whose expertise is vital to the Department. In essence, employees who fill generic positions such as administrative positions that can be filled by candidates who reside within the province should not be subject to relocation fees or alternatively, relocation fees for such employees should be capped at a certain amount. A further suggestion is that employees required to relocate should be given a rental allowance instead of a hotel accommodation voucher as has been the case. This will reduce the unnecessary expenditure and depletion of the budget of the Department.

6.5.2 We take cognisance of the fact that relocation costs are incurred by the Department for people at lower level positions in an effort to provide equal opportunities to people living outside of the

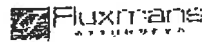


province to obtain employment in the public service as most of the governmental departments are situated in Pretoria. Given the above motivation for incurring relocations costs for lower level employees, we do not believe that this motivation suffices to justify the payment of relocation costs amounting close to two thirds of an employee's annual salary (which includes meals and laundry expenses). In the event that the relocation of a particular employee is essential, the relocation costs should be minimised as far as possible. The Department cannot be expected to fund the entire relocation costs of the employee as has been the case in this Department. Relocating employees should also bear some of the costs of relocation.

6.6 **HR Support Policies and Procedures**

6.6.1 The Human Resources Department needs to have a firm control of the Human Resources within the Department and must provide the necessary support to the various units ensuring that progressive discipline is adhered to and that there is due compliance with all policies and procedures.

6.6.2 There is a glaring gap in the filing of proper records within the Department. To this end, the Department should implement an active and diligent system of filing records for proper audit purposes in order to assist the Department with regards to any

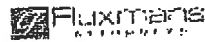


improvements or policy reviews that may be necessary in future and also for accountability and transparency purposes.

6.7 **Budget / Funding**

Given that the Department is a relatively newly established unit, it is of paramount importance that the budget / funds of such a newly formed Department be utilised in order to ensure that it is able to execute its mandate. Consequently, it is imperative to recruit key personnel within the relevant core units in order for it to be established as a fully functioning and delivering Department. In doing so, it is our recommendation that the Finance Department take an active role in the consideration and approval of the release of funds and it must be accountable for the expenditure of the Department, which appears to have not been the case in the instances referred to in 5.6 above. The Finance Department must thus manage available working capital efficiently and economically and must report any wasteful expenditure in accordance with the Public Finance Management Act.

6.8 **Discipline**



It is our recommendation that the following employees have been, at least, grossly negligent in respect of the execution of their duties and their involvement in the recruitment process as well as in respect of the approval of overtime and the apportionment of the funds and should be disciplined.

- Mr. M Shiviti;

- Ms C Maubane;

- Mrs P Shange;

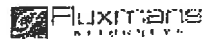
- Mr. S Mabasa;

- Mr. S Mashiloane;

- Ms V Mathobela (overtime);

- Ms Bahumi Matebesi (CFO);

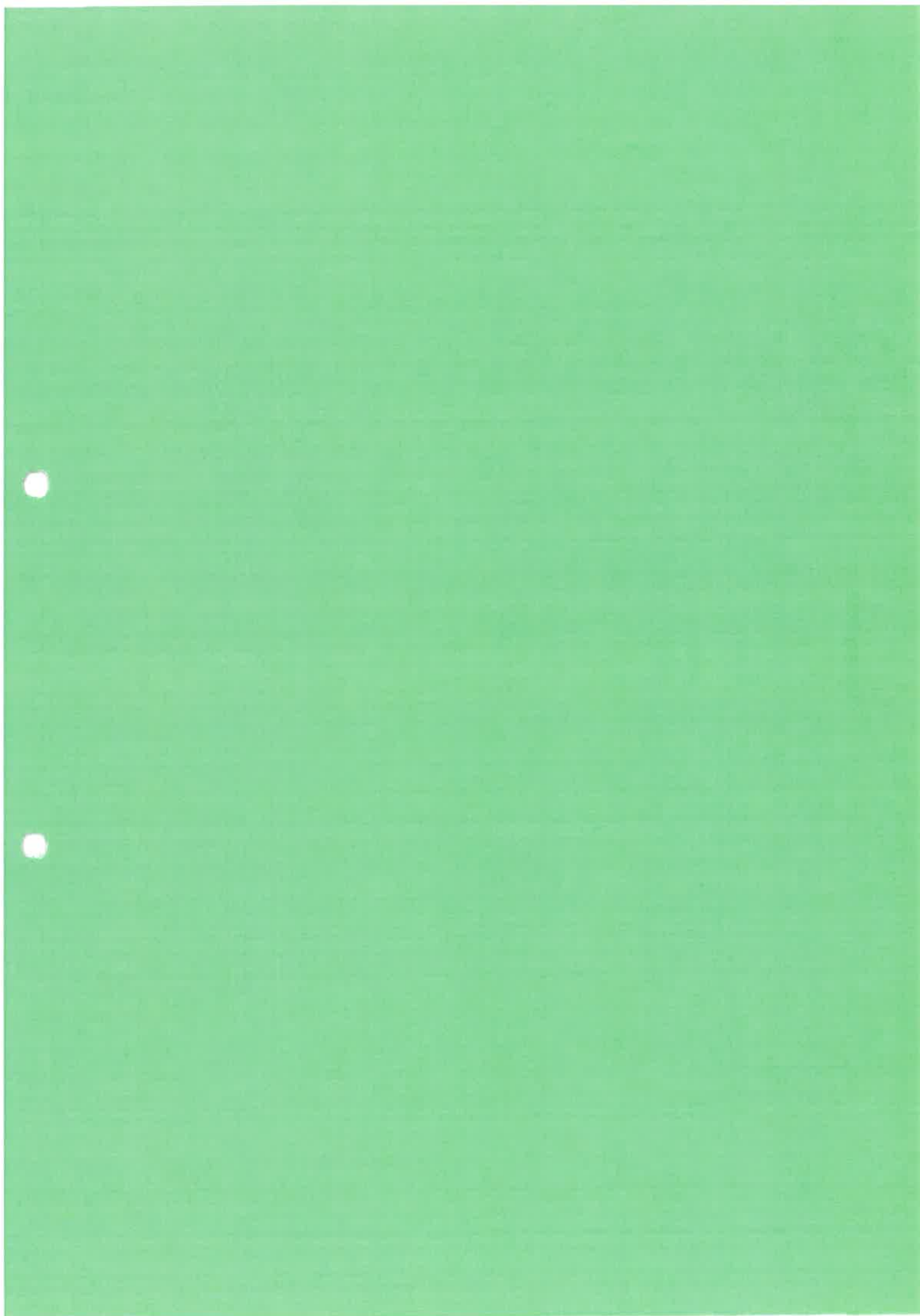
- Dr. N Mkhize (overall responsibility to oversee the functions of the Department).



In light of the contents of this report, we are of the view that there was merit in a number of the allegations contained in the anonymous letter, which is the premise upon which this investigation was based.

FLUXMANS INCORPORATED ATTORNEYS

JULY 2012





DIRECTOR-GENERAL National Treasury Pretoria
2014-02-13
Ref No:
Received by: H. Maphangwa

DEPARTMENT OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES
REPUBLIC OF SOUTH AFRICA
OFFICE OF THE DIRECTOR GENERAL

Private Bag X831, Pretoria, 0001, Tel: 012 359 0072 Fax: 086 683 5502

Mr. Lungisa Fuzile
Director-General: National Treasury
Private Bag X115
PRETORIA
0001

Attention: George Tembo

Dear Mr. Fuzile

REQUEST FOR THE CONDONEMENT OF UNAUTHORISED EXPENDITURE INCURRED IN 2011/12 FINANCIAL YEAR.

The Department of Women, Children and People with Disabilities incurred an unauthorized expenditure in 2011/12 amounting to R25 153 million. The department was appropriated a budget of R143 147 million, and its over-spending was on Compensation of Employees, Goods & Services and Transfers. Details of the overspending for each Economic Classification are detailed below.

- Compensation of Employees was over spent by **R11 381 million**

The over spending was as a result of new officials being appointed in positions that were not funded in Programme 1 and Programme 3.

- Goods & Services was over spent by **R 13 673 million**

The appointment of additional officials mentioned in Compensation of Employees above had an impact on the expenditure of goods and services as the final appropriation on Goods & Services did not include the additional budget needs.

In addition the over-spending on Goods & Services was due to the hosting of the Women's Day Celebration that was transferred from the Department of Arts and Culture in the 2011/12 financial year without funding.

- Transfer & Subsidies Payments was over spent by **R 99 000**

The over spending was in Programme 1 for payment of leave gratuity to officials who left the employ of the department. The budget in this economic classification was not sufficient and all other economic classifications were over spending and as a result no virement was possible.

The financial management of the department has since improved; at least there was no overspending in 2012/13. Stringent measures were put in place for the department to spend within its allocated appropriation.

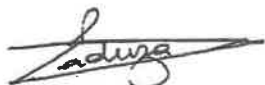
In the 2012/13 financial year a turn-around strategy was developed and implemented in collaboration with a team from the National Treasury to ensure improvement of financial management, compliance and governance in the department.

Thus the department is requesting the National Treasury to consider its appeal for condonement of the R 25 153 million unauthorised expenditure. Currently the department does not have an adequate budget allocation to carry out its mandate and cover its Annual Performance Plan as well as its Operational Plans. The inadequate budget allocation is historical and has partly contributed to the unauthorised expenditure.

Due to the budget challenges, the department is unable to fund the unauthorised expenditure from its current appropriation; consequently we are requesting the National Treasury to condone the unauthorized expenditure from the fiscus.

I trust that my request will receive your favourable consideration.

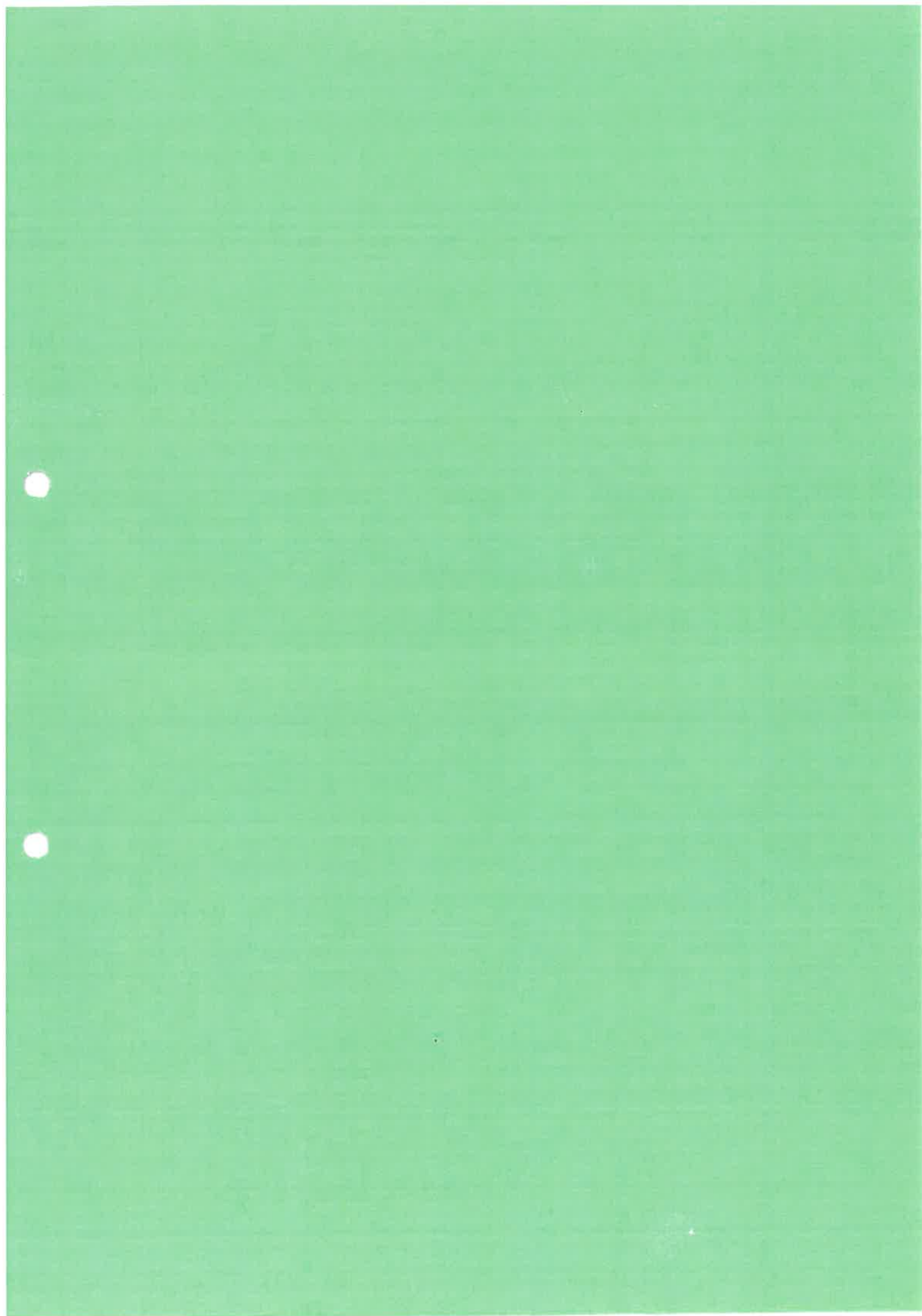
Sincerely



Vellswa Baduza

Director-General

Date: 13/02/2014



Annexure C



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Enquiries: Mokgatla Tema

Tel: 012- 315 5948

Fax: 012- 315 5522

E-mail:mokgatla.tema@treasury .gov.za

TO: STANDING COMMITTEE ON PUBLIC ACCOUNTS

VOTE 8: DEPARTMENT OF WOMEN, CHILDREN AND PEOPLE WITH DISABILITIES (DWCPD) - REPORT ON THE UNAUTHORISED EXPENDITURE INCURRED BY THE DWCPD FOR THE 2011/12

PURPOSE

1. To brief the Standing Committee on Public Accounts (SCOPA) on the unauthorised expenditure incurred by the Department of Women, Children and People with Disabilities (DWCPD) for the 2011/12.
2. To provide the SCOPA with the National Treasury's recommendation on the matter.

BACKGROUND / DISCUSSION

3. The department incurred unauthorised expenditure amounting to R25.1 million in 2011/12. The unauthorised expenditure is made up of R23.3 million and R1.8 million overspending in the Administration and Children's Rights and Responsibilities programmes, respectively. Overall, the DWCPD overspent its budget allocation for 2011/12 by R22.8 million or 15.9 per cent in 2011/12 (The overspending is broken down in the table below).

Department of Women, Children and People with Disabilities: 2011/12 Expenditure

Programmes	Final appropriation	Actual expenditure	Over/under spending
Administration	43 779	67 105	-23 326
Women Empowerment and Gender Equality	78 170	77 196	974
Children's Rights and Responsibilities	10 179	12 006	-1 827
Rights of People with Disabilities	11 019	9 554	1 465
Total	143 147	165 861	-22 714
Economic Classification			
Current Payments	80 870	104602	-23732
<i>Compensation of employees</i>	36 436	47 817	-11 381
<i>Goods and services</i>	44 434	56 785	-12 351
Transfers and subsidies	55 171	55270	-99
Payments of capital assets	7 106	5 989	1 117
Total	143 147	165 861	-22 714

4. The above table shows that the bulk of the unauthorised expenditure is mainly on compensation of employees (R11.4 million), and goods and services (R12.4 million). The department has indicated in its 2011/12 annual report that the unauthorised expenditure is mainly due to the appointment of officials in positions that had not been budgeted for. Ultimately, the unauthorised expenditure arises from staff appointments at higher notches than had been budgeted for, staff appointments within the approved establishment but outside what had been appropriated for compensation of employees, as well as the creation of posts over and above the approved establishment.
5. Naturally, the over spending on compensation of employees impacted on the department's spending on goods and services. The department indicated in its annual report for 2011/12

that the overspending in goods and services mainly relates to new employees' relocation costs, payments for new computer equipment, and travel costs. Furthermore, the spending on goods and services also includes communication costs, bills for computer services, payments for rental charges for the new building and the consumption of municipal services, and audit fees.

6. The department also incurred an over spending of R99 000 on transfers and subsidies as a result of leave gratuity payments made to officials leaving the department.
7. By the end of the third quarter of 2011/12, the department had spent 79.5 per cent of its adjusted appropriation. The National Treasury alerted the DWCPD, through e-mails and a letter addressed to the then Director-General, to the high probability of budget over-expenditure by the department, and urged the accounting officer to make sure that the department did not incur unauthorised expenditure. The likely incidence of budget over-expenditure was also communicated to the *Standing Committee on Appropriations* (SCOA) through the National Treasury's third quarter expenditure report to the committee. In spite of the requirements of Section 39 of the Public Finance Management Act (1999), and the understanding between the new department and the Minister's Committee on the Budget (and cabinet) that the DWCPD would fund its activities within the budget allocated to department, the DWCPD proceeded to incur unauthorised expenditure of R25.1 million in 2011/12.
8. Our investigation and analysis of the circumstances that led to the incidence of the unauthorised expenditure have established that, outside the budget process, the department decided to expand its activities and to fund them using funds that had not been appropriated for the department. Specifically, the department appointed some officials at notches that had not been budgeted for, made some appointments within the approved establishment but outside what had been appropriated for compensation of employees, and also created and filled posts over and above the approved establishment.
9. In part, because of the unauthorised expenditure, the Director-General, the Chief Financial Officer and some senior managers whose actions or lack of action led to the over-expenditure have either resigned or been relieved of their duties. To strengthen the financial management of the department, the DWCPD and the National Treasury, have developed a turnaround strategy for the department, a component of which has included the secondment of an official from the Office of the Accountant-General as Chief Financial Officer, to serve in that capacity until the appointment of a new Chief Financial Officer for a period of a year. In 2013/14, a new Director-General and a new Chief Financial Officer were appointed.
10. As part of the turnaround strategy for the department, measures have been taken to specify a clearer mandate for the department, develop establishment and expansion plans that are in line with the provisions of the budget or medium-term expenditure framework processes, ensure a commitment by the political and executive management of the DWCPD to spend only within the appropriated budget, and strengthen financial management policies and practices. With the implementation of the turnaround strategy, the department has not incurred unauthorised expenditure since 2012/13.
11. Contrary to the overspending trend in the preceding years the department underspent its allocated budgets by R12.8 million and R10.7 million in 2012/13 and 2013/14, respectively. Accordingly, the National Treasury believes that the department has the capacity to fund the unauthorised expenditure in the amounts of R7.5 million in 2015/16, R7.6 million in 2016/17 and R7.6 million in 2017/18.
12. As part of the national macro-organisation of the state (NMOS) which followed the 2014 May elections, the programmes for children and people with disabilities have been shifted from the DWCPD to the Department of Social Development, and the remainder of the programmes of the DWCPD have been reorganised to form new programmes for the new Department of Women. In line with the provisions of the Financial Accounting and Reporting Guide issued by the National Treasury for the NMOS project, the Department of Women assumes responsibility for the unauthorised expenditure incurred by the DWCPD. As such, amounts of R7.5 million in 2015/16, R7.6 million in 2016/17 and R7.6 million in

2017/18 should be cut from the budget for the Department of Women to finance the unauthorised expenditure incurred by the DWCPD in 2011/12. The Department of Women has a budget of R187.002 million in R2015/16, R196.259 million in 2016/17 and R211.904 million in 2017/18.

13. As at the end of September 2014, the new Department of Women reported actual expenditure of R77.2 million or 41.8 per cent, against the allocated budget of R184.8 million. The incipient pressure for the department to underspend its budget in 2014/15 suggested by the department's significant lag in spending by the end of the second quarters, suggests that the department may have the capacity to fund the unauthorised expenditure in the coming three financial years.

RECOMMENDATION

14. In terms of Section 34(2) of the PFMA, it is recommended that the DWCPD's unauthorised expenditure of R22.7 million be funded through three cuts of R7.5 million in 2015/16, R7.6 million in 2016/17 and R7.6 million in 2017/18.



George Tembo
DIRECTOR: GOVERNANCE AND ADMINISTRATION
Date: 22/01/2015

~~Recommended/Not recommended~~



Gillian Wilson
CHIEF DIRECTOR: ADMINISTRATIVE SERVICES
Date: 26/1/2015

~~Recommended/Not recommended~~

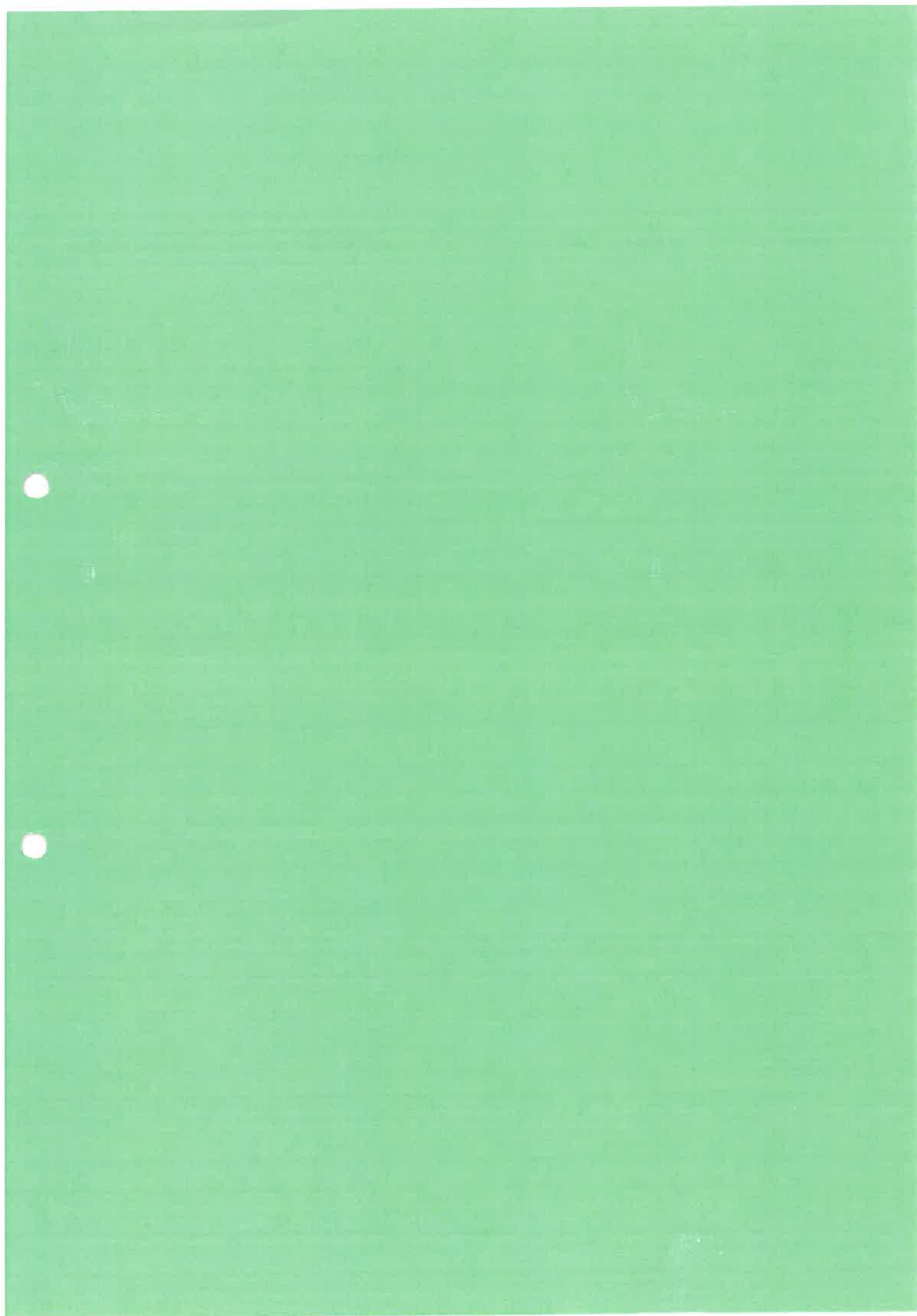


Michael Sachs
DEPUTY DIRECTOR-GENERAL: BUDGET OFFICE
Date: 02/02/2015

~~Approved/Not approved~~



Yelile Mbethe
ACTING DEPUTY DIRECTOR-GENERAL: PUBLIC FINANCE
Date: 4/2/2015





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National Treasury
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Attention: Pebetse Maleka

REQUESTING FEEDBACK ON THE CONDONATION STATUS OF THE UNAUTHORIZED EXPENDITURE INCURRED DURING THE 2011/12 FINANCIAL YEAR: DEPARTMENT OF WOMEN, YOUTH AND PERSONS WITH DISABILITIES

This is a follow-up letter to the previous requests (dated 11 Oct 2017, 12 Feb 2019, and 5 Feb 2021) regarding the matter above.

A request was made to National Treasury (NT) for the condonation of Unauthorized Expenditure incurred in the 2011/12 financial year on 13 February 2014.

National Treasury submitted a brief to the Standing Committee on Public Accounts (SCOPA) on the Unauthorized Expenditure incurred by Vote 8: Department of Women, Children and People with Disabilities (DWCPD) for the 2011/12 financial year on 04 February 2015.

The Audit and Risk Committee (ARC) and the Auditor-General of South Africa (AGSA) raised in the 3 previous audits the question as to how far the condonation process is for Unauthorized Expenditure, as this matter has been reflected as a long outstanding balance on the suspense accounts and is a material amount.

Based on this the department is requesting that National Treasury inquire on the status of the condonation of Unauthorized Expenditure incurred in the 2011/12 financial year.

Yours sincerely


Adv. MJ Maluleke
Director-General
Date: 27/10/2021

