**MEDIA STATEMENT**

**SCOPA WANTS REASSESSMENT OF NATIONAL TREASURY NOTE 3**

The Standing Committee on Public Accounts (SCOPA) received a briefing recently from National Treasury on the provisions of the National Treasury Supply Chain Management Instruction No. 3 of 2021/22.

The Chief Procurement Officer, Ms Mendoe Ntswahlana, told the committee that some of the contributing reasons for replacing instruction note 3 of 2016/17 with the new provision of 2021/22 was to enhance transparency and to accommodate the recommendations of the Zondo Commission of enquiry into state capture.

“The commission recommends that set standards of transparency consistent with the OECD Principles for integrity in public procurement be formulated by National Treasury for compulsory inclusion in every procurement system adopted by a public procurement entity,” she said.

The new instruction also deals with the introduction of procurement plans, advertising on the e-tender portal, developing an instruction to provide further elaboration on Treasury Regulation 16A6.6, which deals, amongst other things, with the participation on contracts arranged by other organs of state and publishing of all deviations and contract modifications (variations and expansions) submitted to National Treasury.

The Minister of Finance, Mr Enoch Gondongwana informed SCOPA that four things impact on how National Treasury deals with this matter. “The first one is the Constitution. The Constitution refers to organs of state having their own procurement services and we develop a framework within which that will happen. Basically, the responsibility to procure goods and services is that of the organ of the state. The Preferential Procurement Policy Framework Act says the same thing. The Constitutional Court has also reminded us in February that we are probably encroaching on that capacity via regulations. The fourth element is the Zondo Commission of Inquiry,” he said.

On the issue of accountability agreements, SCOPA member Mr Sakhumzi Somyo wanted to know how accountable National Treasury and all public sector departments and entities are in terms of the new instruction note. “I accept the scrutiny of plans, because if you have the plans there is no way of going out of those plans. The matters of wanting to deviate and expand would be accounted for in terms of the plans you would have at hand,” he said.

Minister Godongwana said to enhance transparency, since 2 November 2022 he now tables in Cabinet all the Public Finance Management Act Section 32 reports from the various departments; this has been effective. “This is another strategy we might have to follow that shows trends of deviations,” he said.

SCOPA requested mandatory monthly publications noting all those who have made expansions and deviations. The reasons for the change and the value of the transaction must also be included. The Chairperson of SCOPA, Mr Mkhuleko Hlengwa, noted that expansions and deviations have been a headache for the committee. “It is one action step in a broader supply chain management reality, but its consequences and ripple effects are far-reaching,” he said.

“We are calling for a re-assessment of this Treasury Instruction No. 3 and to build into it strengthened mechanisms for its effectiveness and efficiency,” he said.

Faith Ndenze

24 November 2022