

# Presentation: Portfolio Committee Meeting

Briefing on use of Law Enforcement Agencies  
to Conduct Lifestyle Audits

Presenter	Date	Time
Justice Bekebeke	31 May 2023	9h00 -13h00



**premier**

Department:  
Office of the Premier  
NORTHERN CAPE PROVINCE



# OUTLINE

1. Purpose
2. Background
3. What is in place?
4. Methodology
5. Progress to date



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## ***Purpose***

- Requested by the Portfolio Committee for a briefing on the use of law enforcement agencies to conduct lifestyle audits in the Northern Cape Province
- This is pursuant to the Portfolio committee session held in the Northern Cape in March 2023
- At that stage the Office of the Premier was in consultations with the SIU and the SSA in respect of its intentions to have them assist in the conducting of the lifestyle audits
- The purpose hereof is to report on progress since the last Portfolio Committee session



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# Background

- The requirement for reporting on lifestyle audits to DPSA started in January 2022
- This is to be part of the department's risk and ethics management strategy
- During this time the department did not have a Chief Risk Officer and was busy with the recruitment process.
- The Chief Risk Officer was appointed in March 2022
- Requirement from DPSA was that Offices of the Premier must consolidate the reports of all departments and government components in the Province
- An assessment was made of the capacity of risk officers in the provincial administration to conduct the lifestyle audits and report to DPSA – found lacking



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## ***What is in place?***

- Currently there is fragmented reporting on the following:
  - ✓ Financial disclosures to the Public Service Commission
  - ✓ Z204 security vetting to the State Security Agency
  - ✓ Vetting of qualifications
- Some of the processes have backlogs, mainly as a result of capacity constraints in the institutions



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# Methodology

- The process of lifestyle audits should go beyond the processes already in place such as the financial disclosures (eDisclosure), etc
- Need relevant capacity to verify the lifestyle of an employee and make an assessment of that corresponds with the salary the employee receives
- Risk officers in departments currently do not have this capacity and part of our methodology is for them to be trained to conduct these lifestyle audits in future
- Law Enforcement Agencies such as SIU and SSA are already in the space of investigations and have legislated powers to seize required documents for the assessments
- Intention is not to have a desktop exercise that entails only verification of that which is provided by the employee, but going beyond, to search and seize, if necessary



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# Methodology (cont.)

- To have a qualitative rather than current quantitative approach; and
- Investigations will be done on, amongst others, the following:

- ✓ Identification documents (ID, Passport, drivers licence, etc) of employee, spouse and children
- ✓ Divorce Decree, if applicable
- ✓ All educational / academic certificates and membership of professional bodies
- ✓ Statements of all accounts (bank, clothing, loans, etc)
- ✓ Deeds of Trust, if applicable
- ✓ Administration Orders, if applicable

- ✓ Latest Salary Advice / Pay Slip;
- ✓ Completed and signed consent form for criminal record check;
- ✓ Completed and signed consent form for academic record and membership check;
- ✓ Fingerprints (electronic or manually taken).
- ✓ Proof of address current dwelling for the past three months



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## ***Progress to Date***

- A service level agreement was signed with SIU
  - To conduct lifestyle audits of 235 Senior Managers and 213 Supply Chain Management officials
  - Also includes the building of capacity of all risk officials and anti-corruption/ ethics officials
  - Agreement is for a period of 12 months
  - Agreement is between SIU and the Office of the Premier on behalf of the Northern Cape Provincial Administration (consented by all HODs in HOD Forum)
  - This is in line with section 7(3)(c) of the Public Service Act and to streamline the reporting through OTP to DPSA
- The Terms of Reference under the SLA sets out how the collation of documents will happen, the reporting structures and frequency of reporting to HODs and the Director-General



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## ***Progress to Date (cont.)***

- SIU has requested that the risk officers and all persons who will be involved in sourcing documents/ information be vetted.
- The Director-General appointed a Liaison Officer (Senior Manager) to liaise with the SIU for any specific requests of information
- We are also in consultation with the State Security Agency, who indicated that they will be phasing out their assistance to departments of vetting or verifying the qualifications of employees



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# Monitoring

- A Steering Committee was established under the leadership of the Director-General.
- The Steering Committee will use the TOR to track progress on the implementation.



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# THE END



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**SERVICE LEVEL AGREEMENT (SLA)**  
**(Lifestyle Audit Agreement)**

between:

**OFFICE OF THE PREMIER**

And

**THE SPECIAL INVESTIGATING UNIT**

**Effective Date: 1 April 2023 (notwithstanding date of signature)**


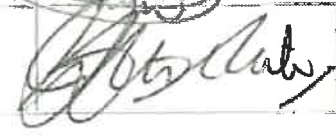
<b>Document Owner:</b>	<i>Director-General</i>
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**Version**

Version	Date	Description	Author	Inputs/ Amendments
2.0	03 April 2023	First Draft Service Level Agreement	G Botha, OTP	T Mkhungo, SIU

**Approval**

*(By signing below, all Approvers agree to all terms and conditions outlined in this Agreement)*

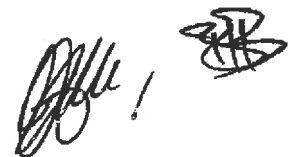
Approvers	Designation	Signed	Signature Date
Office of the Premier: Mr J Bekebeke	Director General		06/04/2023
The SIU: Adv JL Mothibi	Head of the SIU		11/04/2023

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**Annexure A – Cost Estimate**

**Annexure B – Auditees**

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## **1. Agreement Overview**

This Agreement represents a Service Level Agreement ("SLA" or "Agreement") and/or Support Agreement between *Office of the Premier* ("OTP") and *the Special Investigating Unit* ("SIU") for the provisioning of Support services required by the Office of the Premier in respect of the conducting of lifestyle audits in the Northern Cape Provincial Administration ("NCPA").

The parties are cognizant that the OTP is required to conduct lifestyle audits of its executive authorities and all employees falling under sections 8, 12 and 12A of the Public Service Act, 1994, as well as any other official who may have been seconded under any other law, to the Northern Cape Provincial Administration (hereinafter referred to as the "auditees").

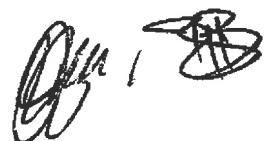
The parties are further cognizant that the OTP does not have the necessary capacity and skills to conduct the lifestyle audits and that the SIU, being legislatively mandated to conduct investigations in respect of any conduct involving serious malpractices or maladministration in connection with state institutions, state assets and public money as well as any conduct which may seriously harm the interest of the public, has the capacity and skills to provide the service to the OTP on behalf of the NCPA.

This Agreement outlines the parameters of all the support services covered as they are mutually understood by the parties. This Agreement does not supersede current processes and procedures that the parties may have under any law, unless explicitly stated herein.

This Agreement remains valid for the period set out in this agreement, unless superseded by a revised agreement or addendum, mutually endorsed by the parties.

## **2. Goals & Objectives**

The purpose of this Agreement is to ensure that the proper elements and commitments are in place to provide ensure the parties are of the same mind and that an efficient service is delivered by and between the parties for the duration of the agreement.





The goal of this Agreement is to contribute towards the fight against corruption in the following respects:

- Ensuring that the auditees maintain a lifestyle in keeping with the salaries and or declared interests; and
- Ensuring accountability by auditees for any wrongful actions or omissions.

The objectives of this Agreement are to:

- Provide clear reference to service ownership, accountability, roles and/or responsibilities.
- Present a clear, concise and measurable description of service provision to the OTP, in the form of a Standard Operating Procedure.
- Match perceptions of expected service provision with actual service support & delivery. and
- Set parameters for relationship management and reporting mechanisms between the parties.

### 3. Parties

The following Service Provider and Customer will be used as the basis of the Agreement and represent the **primary parties** associated with this SLA:

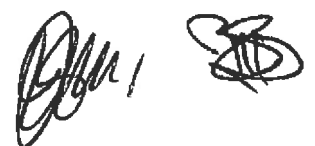
**Service Provider:** *Special Investigating Unit*, duly represented by the Head of the SIU, Adv JL Mothibi, who warrants that he is duly authorized to enter into the agreement.

*And*

**Customer:** *Office of the Premier*, duly represented by the Director-General, Mr Justice Bekebeke, who warrants that he is duly authorized to enter into the agreement.

### 4. Periodic Review

This Agreement is valid from the **Effective Date** outlined herein and is valid for a period of **twelve (12) months** or until superseded by a revised agreement, as may be agreed between the parties. This Agreement may be reviewed on a quarterly basis by the parties and any amendments must be reduced to writing in order to take effect.



## **5. Relationship Management**

- 5.1 The OTP shall appoint someone as Liaison to facilitate regular reviews of this agreement as well as regular reports to the Accounting Officers of the parties.
- 5.2 The SIU shall appoint someone as Project Manager to manage the services, ensure regular reports and accountability for the service.
- 5.3 The Project Manager of the SIU and Liaison of the OTP shall endeavor to meet on at least a monthly basis to review progress in respect of the service as well as to review the terms and conditions of this agreement.
- 5.4 The Project Manager shall, with the approval of the Accounting Officers of the parties, report progress on the services to the Heads of Departments Forum on a quarterly basis.

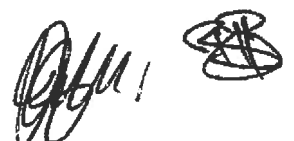
## **6. Services**

The following detailed service parameters are the responsibility of the SIU in the ongoing support of this Agreement.

### **6.1. Service Scope**

The following Services are covered by this Agreement;

- Conducting Lifestyle audits in respect of 448 officials as set out in clause 1 above, and more fully set out in Annexure B, which audits include but are not limited to:
  - Vetting of qualifications
  - Monitoring and assessing banking activities
  - Investigating registrations and/or activities in respect of movable and immovable property
  - Compile lifestyle audit report per official
  - Make recommendations or referrals where applicable
  - Compile and issue final overall report on the Northern Cape Lifestyle audit on the batch of 448 officials
- Capacity Building/ skills transfer to identified officials in OTP or the NCPA, for conducting lifestyle audits to the NC Ethics Officers

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- Report any actions that directly or indirectly relate to the lifestyle of the relevant officials/ auditees in NCPA.

## **6.2. OTP Responsibilities**

**OTP responsibilities and/or requirements in support of this Agreement include:**

- Provision of a designated official(s) for liaison with Departments where auditees are located (preferably in the Office of the Director-General, Security Management, Human Resource Management or Ethics Officers).
- Reasonable availability of OTP representative(s)/ liaison person(s) for purposes of arranging consultations for follow-ups and interviews, inputs, sourcing of information or feedback.
- Holding departmental heads or their delegated representatives accountable for failure to provide information or attend formal governance structures, where necessary.
- Availing of financial resources to obtain specialized or professional services not catered for in this agreement, if necessary.
- Ensuring payment of the SIU for the services rendered, in line with Annexure A.

## **6.3. SIU Responsibilities**

**SIU responsibilities and/or requirements in support of this Agreement include:**

- Meeting response times associated with service specifications.
- Appropriate notification to OTP for all consultations.
- Availability of SIU to present the findings and progress to OTP Governance Structures.
- Development of Terms of Reference for reporting mechanisms
- Provision of competent personnel (three (3) chief forensic investigators and one (1) Project Manager) for the performance of the services and SIU may replace or increase capacity with no extra cost from the agreed amount, unless approved by the OTP DG.

## **6.4. Service Assumptions**

**Assumptions related to in-scope services include:**

- The OTP shall provide the SIU team with all relevant information of the auditees in order to provide it with the best possible support.

- The efficiency of the service is dependent on the details and background provided to the SIU.
- Changes to services will be agreed, documented and communicated to all stakeholders.

## **7. Remuneration**

7.1 The OTP agrees to pay SIU all costs incidental to this agreement, at the rates set out in Annexure A, of which the services will be claimed through invoices method for the four hundred and forty-eight (448) employees appointed in terms of section 8, 12, 12A of the Public Service Act, 1994 or such other relevant laws, which include the executive authorities, respectively

7.2 Notwithstanding anything to the contrary contained in this Agreement:

7.2.1 The cost estimate, as referred to in this clause, and set out in Annexure A, does not include:

(a) any provision for potential legal costs relating to the institution and conducting of civil proceedings in terms of the SIU Act, which may arise from the investigation authorised by the this agreement; and

(b) any provision for fees, costs and/or expenses relating to the potential sourcing-in of professionals, subject matter experts, consultants or staff.

7.2.2 All such fees, costs and/or expenses, as envisaged in this paragraph, will be on-billed by the SIU to the OTP and the OTP will be obligated to reimburse the SIU fully in this regard; and

7.2.3 the SIU's hourly charge-out rate(s) that were used to calculate the cost estimate are subject to annual inflationary increase(s) and/or performance-related increase(s). The SIU undertakes to advise the OTP on any rate adjustment(s), as and when they occur.

## **8. Reporting Mechanism**

The SIU shall report and be held accountable for its services and for the desired deliverables of this agreement, through the following structures and reporting mechanisms:

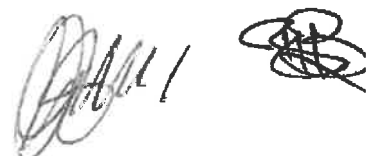
## **8.1 Accountability, Monitoring and Evaluation**

- 8.1.1 The SIU shall present a Standard Operating Procedure which is in line with the DPSA SOP for lifestyle audit, for the approval of the OTP, setting out how the service will be rendered as well as the line of communication and reporting. This must include the different levels of services as set out in clause 6, together with timelines against which the services are to be evaluated.
- 8.1.2 The SIU shall submit a monthly report on the implementation of the service to the OTP.
- 8.1.3 The OTP and SIU shall meet on a quarterly basis to discuss the progress registered in the monthly reports. The quarterly reporting meetings may include reporting to the Heads of Department Forum meetings.
- 8.1.4 The Standard Operating Procedure set out in clause 8.1.1 shall include a governance structure consisting of officials from both the OTP and the SIU, and officials from such other department as may be agreed between the parties, for the purpose of monitoring and evaluation of the services.

## **9. Dispute Resolution Mechanism**

Any dispute which arise out of the implementation of this Agreement, shall be resolved through the Dispute Resolution Mechanisms set out in Chapter 4 of the Intergovernmental Relations Framework Act as follows:

- Parties shall make every reasonable effort to avoid a dispute;
- Should a dispute arise, parties shall endeavor to settle the dispute without resorting to judicial proceedings;
- The disputing party shall first attempt to resolve the dispute with the other party through negotiations directly or through an intermediary
- If negotiations fail, the disputing party may formally declare its dispute in writing to the other party;
- The Premier shall appoint a facilitator to convene a meeting and assist the parties to resolve the dispute between them;
- The facilitator shall submit a report to the Premier, on the nature of the dispute, whether the parties ultimately came to a resolution and if not, make recommendations on how the dispute could be resolved.



- Any party who is not agreeable with the report and recommendations of the facilitator, shall provide reasons why the recommendations are not implementable, before taken any formal dispute to court.

## **10. Confidentiality**

- 10.1** The parties agree and undertake to keep secret and confidential and not directly or indirectly disclose or divulge to any person, save as required by law:
- 10.1.1** any of the business, financial affairs, dealings, secrets, inventions, formulae, methods, designs or other information whatsoever, having relation to or reference to the business, property or concern of the NCPA and the auditees;
- 10.1.2** any written instructions, drawings, notes, memoranda and records, whether tangible or electronically stored, relating to the business and affairs of the NCPA or which come into the SIU's possession during the period of this agreement; any such written instructions, drawings, notes, memoranda or records shall be deemed to be the property of the NCPA and shall be surrendered on demand, and in the event of the termination of the SIU's services such documents shall be returned to the OTP, without the retention by the SIU of any copies or extracts there from;
- 10.2** The SIU undertake that:
- 10.2.1** they will not without a written consent of the OTP and during the term of this agreement or at any time thereafter, disclose any record, as defined in section 1 of the Promotion of Access to Information Act, 2000 (Act No. 2 of 2000), that must or may be refused upon a request for access to a record of a public body in terms of that Act;
- 10.2.2** they will not during the term of this agreement or at any time thereafter, use any record so defined and obtained as a result of their contracted agreement, to the detriment of the State, except if it is used in the exercise or protection of any right or legal obligation.
- 10.3** The parties agree that work done and information obtained by virtue of this Agreement is confidential and may not be disclosed to any person not authorised to receive such

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information. This provision shall continue in force, notwithstanding the termination of expiry of this Agreement.

**11. Breach**

If any party breaches a term of this Agreement and fails to remedy such breach within seven days after receipt of a written notice from the other party, the aggrieved party may terminate this Agreement forthwith without prejudice of any rights that it may have. Parties shall endeavour to follow the dispute resolution mechanisms set out in clause 9 before taking the final step of termination.

**12. Waiver**

No waiver, indulgence or relaxation of whatever nature of any provision of this Agreement by a party thereto is valid or enforceable against the waiving party, unless such waiver, indulgence or relaxation is in writing and is signed by the parties.

**13. Variations**

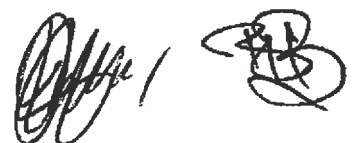
No variation, amendment or modification of any provision of this Agreement, or consent to any departure there from, shall be of any force or effect unless reduced to writing and signed by the Parties.

**14. Limitation of Cession**

The rights and obligations of the Parties in terms of this Agreement are personal and are not capable of being ceded, assigned, delegated or transferred by any of them to any other person, except with the prior written consent of the other Party.

**15. Full and Complete Agreement**

This Agreement represents the full and complete agreement between the Parties and no amendment of whatever nature will have any legal force unless such amendment is in writing and signed by both parties.

Two handwritten signatures in black ink, one on the left and one on the right, representing the parties to the agreement.



**16. Laws and Jurisdiction**

This Agreement shall be governed by and interpreted in accordance with the laws of the Republic of South Africa.

16.1 The head notes to the clauses of this Agreement are included for reference purposes only and shall not affect the interpretation of any part thereof.

16.2 A reference to one gender includes the other gender.

16.3 The singular includes the plural and vice versa.

16.4 Words and phrases defined in any clause shall bear the meanings assigned thereto.

16.5 The Annexure to this Agreement as well as any documentation or addenda pertaining to the Agreement are deemed to be incorporated herein and form an integral part of this Agreement.

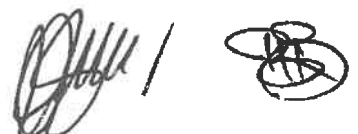
16.6 Words and expressions shall be given those defined meanings when used in this Agreement.

**17. DOMICILIUM CITANDI ET EXECUTANDI AND NOTICES**

17.1 The OTP chooses as its *domicilium citandi et executandi* for all purposes arising from this Agreement for the service of notices and legal process:

**STREET ADDRESS: JWSauer Building  
Corner Quinn and Roper Streets  
KIMBERLEY**

**POSTAL ADDRESS: Private Bag X 5016  
KIMBERLEY  
8300**



TELEPHONE NUMBER: 053 - 8382950  
FAX NUMBER:  
Email: cynthiajoseph@ncpg.gov.za

- 17.2 The SIU chooses as its *domicilium citandi et executandi* for all purposes arising from this Agreement for the service of notices and legal process:

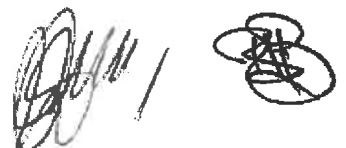
STREET ADDRESS: 74 Watermeyer Street,  
Rentmeester Building  
Meyerspark  
Pretoria

POSTAL ADDRESS: Postnet Suite 271  
Private Bag X 844  
Silverton  
0127

TELEPHONE NUMBER: (012) 843 0000

FAX NUMBER: (012) 843 0115

- 17.3 Each of the Parties shall be entitled at any time by way of written notice to the other Party, to change its *domicilium citandi et executandi* to another physical address.
- 17.4 Every notice to be given by one party to the other in terms of this Agreement shall be in writing.



18. Signatures

THUS DONE AND SIGNED BY THE DIRECTOR GENERAL AT Kimberley ON  
THIS 06 DAY OF April 2023.

AS WITNESSES:

1. \_\_\_\_\_
2. \_\_\_\_\_

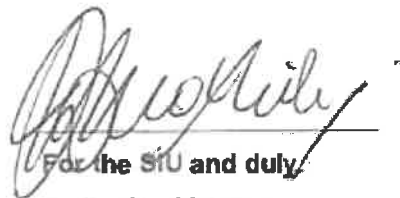


For NC OFFICE OF THE  
PREMIER and duly  
authorised hereto.

11th PRETORIA  
THUS DONE AND SIGNED BY THE HEAD OF THE SIU AT 11th ON THIS  
DAY OF APRIL 2023.

AS WITNESSES:

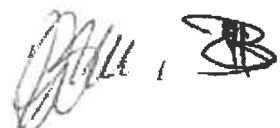
1. \_\_\_\_\_
2. \_\_\_\_\_



For the SIU and duly  
Authorised hereto.

**ANNEXURE A**

**Cost Estimate**

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## Annexure B

### AUDITEES

NAME OF DEPARTMENT	NUMBER OF SMS OFFICIALS	NUMBER OF SCM OFFICIALS
1. DPRW	18	15
2. DEDAT	22	9
3. DOE	29	32
4. DOH	26	54
5. AGRI/DENC	20	9
6. DTSL	8	10
7. OTP	31	11
8. COGHSTA	24	17
9. PT	20	16
10. DSAC	12	24
11. DSD	25	16
<b>TOTAL</b>	<b>235</b>	<b>213</b>

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✓