

SIU Investigation Reports

Presentation to SCOPA
February 2024

The Presidency, Republic of South Africa



REPUBLIC OF SOUTH AFRICA

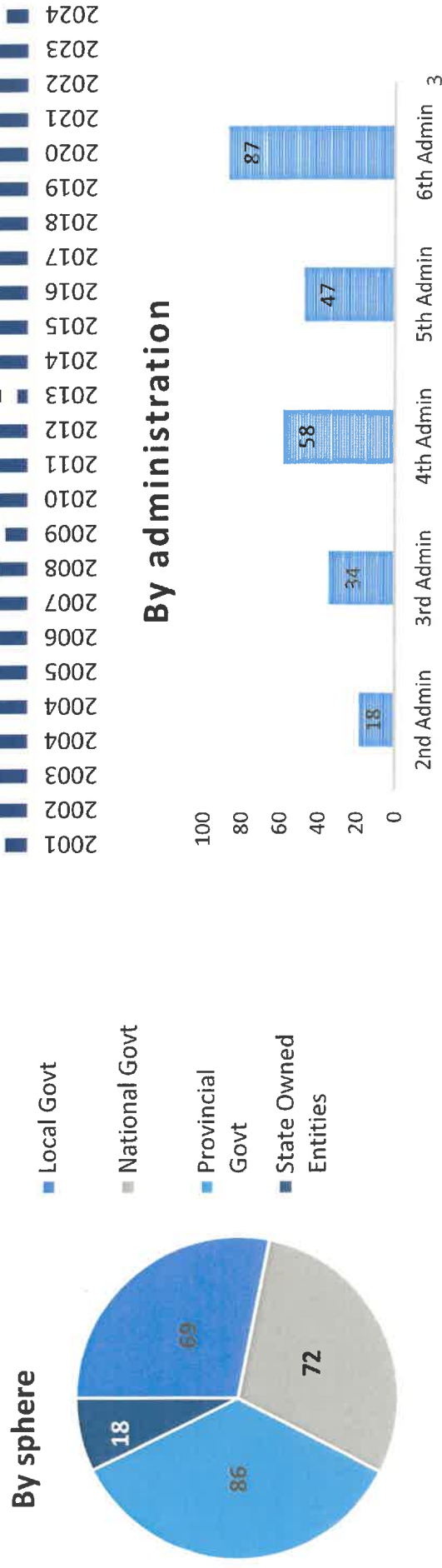


Purpose

This report provides an update on the processing of investigation reports submitted to the Presidency by the Special Investigating Unit.

Analysis of proclamations issued since 2001

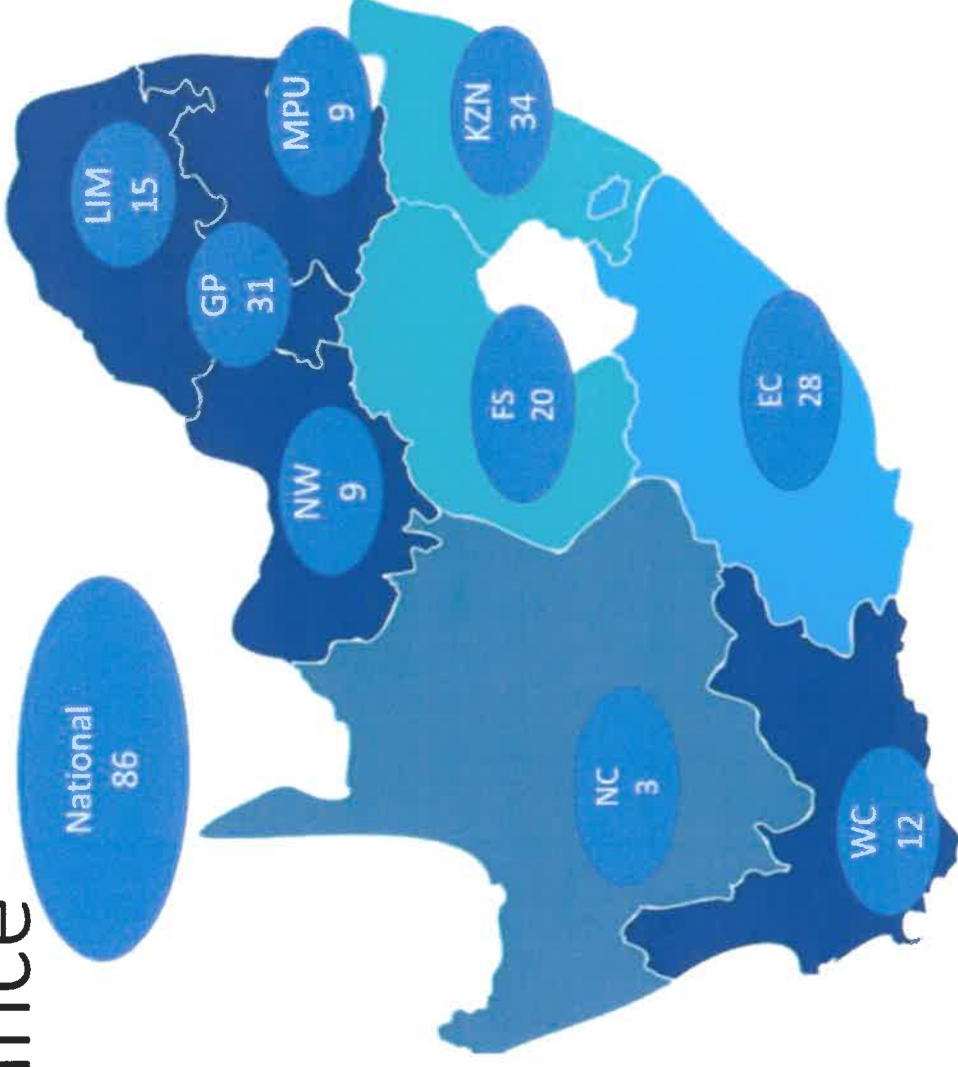
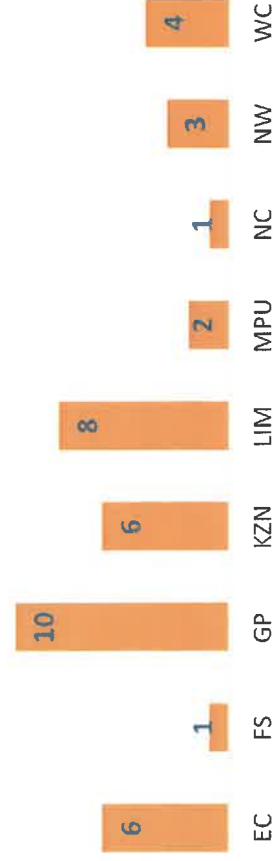
- 245 Presidential Proclamations authorizing SIU investigations have been issued since 2001.
- President Ramaphosa has issued 104 proclamations since taking office in February 2018. This translates to **42%** of all SIU proclamations issued since the establishment of the SIU in 2001.



Proclamations by province

- National departments and public entities account for 86 of the 245 proclamations issued to the SIU.
- KwaZulu-Natal and its municipalities have been the focus of the greatest number of SIU investigations since 2001 (34).
- Gauteng is currently the site of 10 active investigations, and there are 8 in Kwazulu-Natal.

Active investigations by province



Monitoring implementation of recommendations

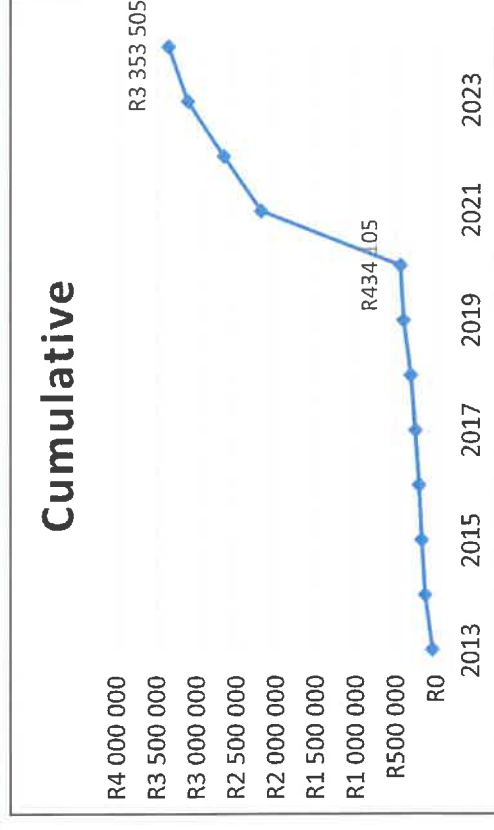
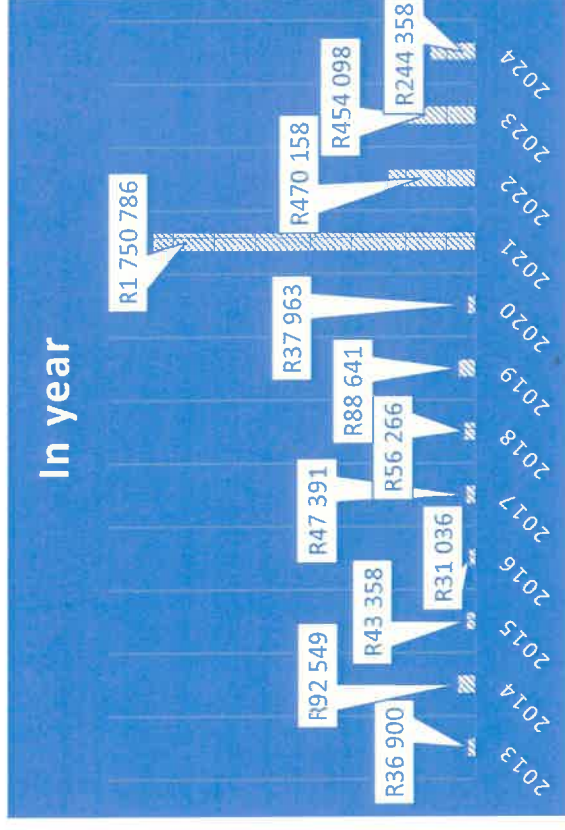
- The Presidency receives reports when the Special Investigating Unit (SIU) concludes an investigation.
- The Presidency issues these reports to the affected organs of state, communicating the recommendations made by the SIU.
- A tracking system has been implemented in the Presidency to strengthen oversight and accountability for the implementation of these recommendations.

Breakdown of proclamations as per status in Presidency tracking system

Category	Description	No of proclamations
Active investigation	The investigation has not reached the stage where the President has issued recommendations	74
Closed	The investigation has been completed and there are no recommendations outstanding	22
Implementation Oversight	Active monitoring of recommendation implementation post-investigation	26
Oversight Pending	Inadequate response to oversight, awaiting further action	25
Completed prior to 6 th administration	Investigations completed prior to 2019. The Presidency is investigating the status of the implementation of the recommendations	98

Civil recoveries

- The Special Investigating Unit has recovered R3,35 billion in the past decade. This is cash in hand and excludes the value of contracts set aside.
- President Ramaphosa established the Special Tribunal in November 2019 to fast track recoveries of public funds by SIU. The SIU had previously relied on applications in the High Court.
- The data suggests that this intervention has significantly increased the ability of the state to recover misappropriated public funds.



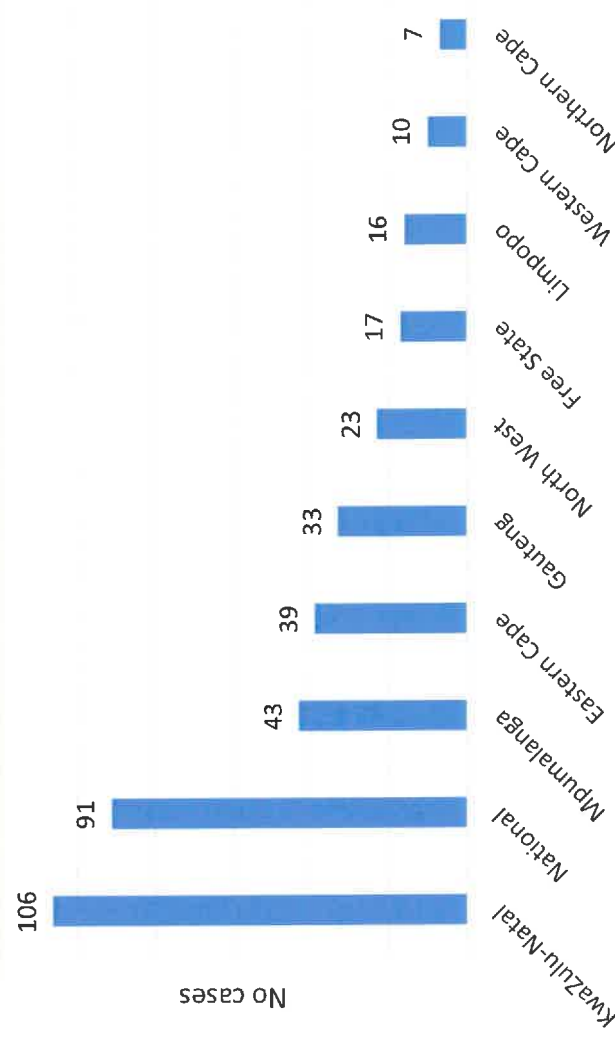
Proclamations contributing civil recoveries

Proclamation	Amount recovered
R11 of 2018 - Eskom Holdings SOC Ltd and Transnet SOC Ltd (Eskom and Transnet)	R2 060 606 751
R27 of 2018 - National Department of Water and Sanitation	R413 121 283
R88 of 2022 - National Student Financial Aid Scheme (NSFAS)	R312 234 761
R8 of 2011 - Department of Rural Development and Land Reform	R187 902 821
R59 of 2014 - National Department of Public Works	R124 936 218
R23 of 2020 - Covid-19 Procurement	R62 383 378
R37 of 2017 - Department and entities performing functions into National Road Traffic Act	R56 230 333
R7 of 2007 - Department and entities providing housing	R29 755 791
R29 of 2017 - South African Broadcasting Corporation (SABC)	R14 948 774
R2 of 2020 - South African Airways (SAA)	R14 483 114
R24 of 2017 - Department of Rural Development and Land Reform	R12 932 704
R44 of 2021 - Road Accident Fund	R11 313 244
R8 of 2021 - Unemployment Insurance Fund (TERS Funding)	R9 987 729
R54 of 2012 - Department of Water Affairs and Forestry	R6 204 800
R7 of 2014 - Department of Rural Development and Land Reform & State Information Technology Agency	R6 000 000
R36 of 2019 - National Department of Agriculture, Forestry and Fisheries	R5 440 770
R53 of 2012 - Department of Rural Development and Land Reform and its agents (Land Restitution)	R5 359 248
R4 of 2018 - Agriculture Sector Education and Training Authority (AGRISETA)	R1 900 000
R21 of 2018 - Department of Justice and Constitutional Development (Office of the State Attorney)	R732 528
R20 of 2018 - National Department of Public Works	R510 024
Grand Total	R3 351 505 035

Analysis of disciplinary recommendations

- There are 385 disciplinary recommendations currently being monitored by the Presidency.
- KZN accounts for the largest number at 106 cases, followed by national departments (91), Mpumalanga (43), Eastern Cape (39) and Gauteng (33).

Distribution of disciplinary recommendations by province and national



Status of outcomes of finalised cases

	Guilty	Not guilty	Resigned	Contract ended	Deceased	Decision not to charge	Grand Total
Head of Department	1	0	2	1	1	0	5
Municipal manager	3	0	3	2	1	0	9
CEO	0	1	0	0	0	1	2
Deputy DG	0	0	1	0	0	0	1
Senior Manager	15	7	9	0	1	7	39
Middle Manager	34	4	6	0	0	6	50
Clerical	10	3	2	0	0	5	20
Intern	0	0	0	1	0	0	1
No information	4	0	1	2	0	0	7
Grand Total	67	15	24	6	3	19	134

Sanctions for guilty finding	Total
Dismissal	13
Demotion	1
Suspension without pay	6
Final written warning	18
Written warning	14
Counselling	1
Awaiting info	14
Total	67

Criminal referrals

- The SIU referred 304 recommendations for criminal prosecution to the National Prosecuting Authority in relation to the Covid-19 investigation.
- These were investigated and prosecuted through the Fusion Centre.
- A total of **70 guilty** convictions have been handed down since June 2021 as a result of the investigations into the Covid-19-related matters, coordinated through the Fusion Centre.

Breakdown of sentences

17	Custodial sentence without the option of a fine <ul style="list-style-type: none">➤ Three sentences of 15 years➤ Average sentence = 8 years
22	Custodial sentence with option of fine
33*	Fines totaling R2,652,500 <ul style="list-style-type: none">➤ Highest fine = R1,000,000➤ Average fines = R80,000

*Certain sentences involved both a fine and custodial sentence.

Administrative Referrals

- The Covid-19 procurement investigation recommended that **91 Directors** and **297 companies** be restricted from doing business with government.
- As at January 2024 **none** of the referred companies or individuals appear on the National Treasury's Database of Restricted Suppliers.
- Eskom and Transnet have however reported that they have restricted suppliers implicated in SIU investigations on their own suppliers databases.

- ❖ The **Public Procurement Bill**, currently before the National Council of Provinces, shortens the process of disbarment by placing the responsibility with a procuring institution to debar delinquent suppliers (and notify National Treasury) rather than to recommend to National Treasury.
- ❖ This reform will simplify the current system for restricting suppliers and will allow for clear lines of accountability for taking action.

Conclusions

- The Presidency is committed to strengthen oversight and accountability for the implementation of the recommendations of the Special Investigating Unit.
- This effort has seen strengthened cooperation between the SIU, Presidency, DPSA, COGTA, National Treasury and affected departments on the management of disciplinary cases, and the sharing of information between different spheres of government. This has informed innovations such as the establishment of a single register for dismissals and resignations.
- The poor response to recommendations for restricting suppliers highlights the need for reforms in this area. The legislative changes regarding the debarment of implicated suppliers as part of the Public Procurement Bill are expected to provide the impetus for improvements.
- The operationalisation of the integrated cloud-based coordination and monitoring system is a now in its third phase. The process continues to provide critical learning towards unlocking the potential of information technology and data in the effort to build integrity in the State.

