**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**INTERNAL QUESTION PAPER No.11**

**QUESTION NO 1068**

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**Mr S J F Marais (DA) to ask the Minister of Defence and Military Veterans:**

(1) With reference to her reply to question 662 on 27 October 2022, what are the reasons that she stated that there were no losses incurred while both the Auditor General of South Africa and her department reported the amount paid for purchasing Heberon lnterferon-Alpha-28 is now irregular and will probably be a loss; (2) whether she will furnish Mr S J F Marais with the reasons for the apparent misrepresentation of the related facts; if not, why not; if so, what are the relevant details;(3) whether she will authorise that the outstanding R33,4 million be subtracted from the Project Thusano payments that the Government makes to the Cuban government; if not, why not; if so, (a) how, (b) on what date will the payment be recovered from the Cuban government and (c) what are the further, relevant details?

**REPLY:**

1) The arrangement to get the medication from Cuba came into being when the country was faced with a crisis of COVID 19 and the whole country was in a state of disaster. The AGSA's findings indicated that the Department of Defence (DOD) did not follow procurement processes. The DOD then recorded the Rm33.4 as irregular expenditure due to AGSA's findings. The return of the medication back to Cuba came out of a court order which the department had to comply with.  
  
2) There was no misrepresentation of facts, on the matter, the Department had always recorded the irregularity in the financial records as irregular expenditure.  
  
3) (a) The irregular expenditure will be treated as per the irregular expenditure framework prescribed by National Treasury.   
(b) The process indicated above will determine the outcome.

(c) There are no further relevant details surrounding the matter.