

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: 1478**

**DATE OF PUBLICATION:**

 **Mr D C Ross (DA) to ask the Minister of Public Enterprises:**

(1) Whether, with reference to the reply of the President, Mr C M Ramaphosa, to the debate on the State of the Nation Address on 22 February 2018 to implement lifestyle audits, (a) he, (b) senior management service members in his department and/or (c) any of the heads of entities reporting to him have undergone a lifestyle audit in the past three financial years; if not, have any plans been put in place to perform such audits; if so, in each case, what are the details of the (i) date of the lifestyle audit, (ii) name of the person undergoing the audit, (iii) name of the auditing firm conducting the audit and (iv) outcome of the audit;

(2) whether he will furnish Mr D C Ross with copies of the lifestyle audit reports?

**REPLY:**

 **The following is the input in response to question no: 1478**

1 (a) Cabinet members declare their financial interests with the Presidency and the Parliamentary Ethics Committee. Therefore, the aforementioned structures should be competent to respond to questions regarding the lifestyle audit of the Minister of Public Enterprises and other members of the Cabinet.

(b) Members of the Senior Management Service (SMS) in the department declare their financial interest with the Public Service Commission annually (PSC). Therefore, notwithstanding the Ministry and the Department’s Plan to conduct lifestyle audits of key SMS and SOC officials in the current financial year, the PSC should be best placed to respond to the questions concerning lifestyle audits of SMS members in the last three years.

 (c) On 06 April 2018, Proclamation no 11 of 2018 was published in order to authorize the Special Investigating Unit (SIU) to conduct investigations into allegations of malfeasance, fraud and corruption in Eskom and Transnet. In executing the proclamation, among others, the SIU will conduct lifestyle audits of key SOC officials implicated in allegations malfeasance, fraud and corruption. Among others, the declaration of financial interest made by SOCs’ officials between 2009 and to date will form the basis of the assessments to be conducted into the affordability of their lifestyle; how they may have unduly benefited themselves and members of their families.

1. Lifestyle audits will focus on the period commencing 01 April 2009 to date and are planned for completion by 31 March 2019. Eskom has already commenced work on lifestyle audits.
2. The first phase of the audits will cover Board members, Executives in SOCs, company secretaries and prescribed officers that have served in the SOCs since 2009 to date.
3. The SIU’s mandate will be extended to commence lifestyle audits that will cover all six SOCs under the Ministry of Public Enterprises. This second phase of the lifestyle audits will focus on officials in supply chain management, auditors as well past and present officials in the Department of Public Enterprises (political and administrative offices). Among others, the work would reflect how SMS members within the Department and SOC officials may have abused their positions of authority to unduly benefit themselves and their family members through state procurement opportunities.
4. Among others, the outcome of the lifestyle audits will be used to:
* hold accountable those who unduly benefitted from the state’s resources and procurement opportunities;
* enhance procurement governance practices within the Department and the SOCs; and
* recover monies the state lost as a result of the abuse of resources by those entrusted with positions authority.

2. Disclosure of the results of the lifestyle audits will be dealt in line with the law of the country. Furthermore, relevant findings that would not undermine efforts such pursuit of criminal proceedings will be made public as that can only assist in fostering an accountable state as envisioned in the Constitution of the Republic of South Africa and the National Development Plan.

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