**NATIONAL ASSEMBLY**

**QUESTION NO: 1519-2017**

**FOR WRITTEN REPLY**

**DATE OF PUBLICATION IN THE INTERNAL QUESTION PAPER: 02 JUNE 2017 (INTERNAL QUESTION PAPER NO. 20-2017)**

“Dr G A Grootboom (DA) to ask the Minister of Arts and Culture:

1. What (a) motivated his department to continue with the embattled Enyokeni Cultural Precinct project and (b) justified the further injection of R28,1 million into the specific project in the 2017-18 financial year;
2. What prompted the termination of projects in collaboration with the Independent Development Trust in the specified project;
3. With reference to the findings of the forensic investigation into the specified project, (a) which officials who were found to have been involved were charged with impropriety and (b) what progress has been made with the charges in each case?

**(NW1720E)**

**REPLY:**

1. (a). Following the forensic investigation into Enyokeni Cultural Precinct and in order to determine if the Department received value for money, the Department obtained the services of Rubiquant Quantity Surveyors firm. The completion of the multipurpose amphitheatre facility together with other structures that are incomplete motivated the continuation of the Enyokeni project, which if not finalised, could lead to further wasteful and fruitless expenditure and could become white elephants. Furthermore, the project is in line with the Department of Arts and Culture’s (DAC) mandate to develop, preserve, protect and promote arts, culture and heritage for a creative and inclusive nation. The project also has the potential of helping the DAC fulfil its strategic outcome-oriented goals based on the National Development Plan and Government’s Programme of Action which include the creation of a transformed and productive Arts, Culture and Heritage (ACH) sector that actively develops, preserves, protects and promotes diverse ACH, an effective and efficient ACH sector, an effective/impactful nation building and social cohesion programme and a professional and capacitated ACH Sector.

 The motivation to continue with the project is based on recognition of its cultural and heritage value that also has the potential for the creation of job opportunities, sustainable cultural tourism, rural infrastructure development and socio-economic development.

(b). The R28.1 million budgeted for the Enyokeni project in the 2017-18 financial year is the cost estimate for the completion of the multipurpose amphitheatre facility subject to confirmation by Bill of Quantities (BoQ).

2. The termination of projects in collaboration with the Independent Development Trust was prompted by the findings of the final report by Rubiquant Quantity Surveyors which indicated that the DAC did not receive value for money in the implementation of Enyokeni Cultural Precinct Project and other Departmental infrastructure projects. Among others, the report outlines the following findings:

 (a). The Department has been overcharged for a range of professional services as well as for the materials used on the Enyokeni Cultural Precinct. This is evident from the contracting that went beyond acceptable industry norms of 9% to 15% of the total project value to 30% that was charged on the Department.

 (b). The report further indicates that the quantity in the tender Bill of Quantities (BoQ) was changed after the tender was advertised and such rectification caused high upward movement of the unit rates. While this is attributable to human error the DAC should have been notified of the possible escalation so that provision is made for such in the allocated budget for the project.

 (c). The Department was overcharged on the materials used such as G7, 8, 9 gravel and C4 filling that was above the market related prices. Concrete, fencing and gates tariffs were also found to be higher than market tariffs.

 (d). The Department was further overcharged on contractors preliminaries. Contractors generally charge preliminaries between 7.5% and 12.5% in relation to the value of the works.

 (e). The assessment of the award of the contract at a price above what the actual cost of the project could have been.

 3. With reference to the findings of the forensic investigation into the specified project, the details of the officials who were found to have been involved and charged with impropriety; as well as the progress thereto is as follows:

 (a) Three (3) former officials of the Department who were involved in the project were found to have been implicated in and the following was preferred against each of the officials:

i. disciplinary action – against the senior official who was appointed to manage the ECP project from the Office of the former DG;

ii. Criminal charges – against the erstwhile Director General for violation of section 38 (1) of the PFMA; and the former Acting Director General of the DAC for the contravention of sections 86 (1) of the PFMA read with sections 38, 39, and 40 of the PFMA.

3 (b) The progress of the charges in each case is as follows:

1. Disciplinary charges against the senior manager were transferred to his current employer for the attention of the then Acting Head of Department, Gauteng Human Settlement. The current employer was requested to proceed with disciplinary processes in line with Section 16B (4)(b)(ii) of the Public Service Act, 1994, as amended.

 ii. Criminal charges against the erstwhile Director General and former Acting Director General were registered with the Directorate for Priority Crime Investigations (the HAWKS), under the Serious Economic Offences Unit in April 2016. The Department registered a number of criminal charges which include Enyokeni, and the investigations are in progress. The Department has been making follow-up on progress and continues to do so.