**NATIONAL ASSEMBLY:**

**QUESTION FOR ORAL REPLY:**

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**Mr A Matumba (EFF) to ask the Minister of Tourism:**

Whether she has taken any steps to ensure that the (a) Director-General and (b) Deputy Director-General of Destination Development face consequence management regarding what happened to Manyane Lodge and many other similar projects where no consequences management took place; if not, why not; if so, what are the relevant details in this regard? NO2425E

**REPLY:**

1. I have been informed that the audit outcome for the 2018/2019 financial year identified fruitless and wasteful expenditure in relation to the implementation of the infrastructure projects, included was the NW – Manyane Lodge Project. The AGSA recommended that management should investigate the circumstances related to the reported expenditure.
2. The Accounting Officer, in consultation with the then Executive Authority, Minister Kubayi, commissioned a forensic investigation in line with **Section 38(1) of the PFMA** which defines the following responsibilities in relation to the fruitless and wasteful expenditure:
3. **Section 38 (1) (c) (ii)** The accounting officer must take effective and appropriate steps to prevent fruitless and wasteful expenditure;
4. **Section 38 (1) (g)** The accounting officer must on discovery of fruitless and wasteful expenditure, immediately report, in writing, particulars of the expenditure to the relevant treasury; and
5. **Section 38 (1) (h):** The accounting officer must take effective and appropriate disciplinary steps against any official in the service of the department or constitutional institution who makes or permits fruitless and wasteful expenditure.
6. The forensic investigation yielded that certain officials did not comply with the requirements of **Section 45(a) to (c) of the PFMA** which obligate the following in relation to the responsibilities of other officials:
7. **Section 45 (a)** An official in a department must ensure that the system of financial management and internal control established for that department is carried out within the area of responsibility of that official;
8. **Section 45 (b)** An official in a department is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official’s area of responsibility; and
9. **Section 45 (c)** An official in a department must take effective and appropriate steps to prevent, within that official’s area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure.
10. The reported findings also went into each official’s own alleged transgressions per project.
11. The Deputy Director-General who was responsible for the programme, at that time, has since retired from the public service effective July 2020. Similarly, the responsible Accounting Officer at the time of the projects, also left the public service in 2015. All other implicated officials are undergoing disciplinary processes, which are at various stages.
12. The current Accounting Officer reported this matter to the South African Police Services (SAPS) in September 2020 and it is currently under further investigation processes by the Directorate for Priority Crime Investigations, also known as The Hawks. Furthermore, the Accounting Officer has initiated the process of civil claims against the implementing agents through the State Attorney in July 2020 and July 2021.
13. It is important to note that both the current Accounting Officer and Deputy Director-General: Destination Development were not implicated in the outcome of the investigation, because they were not involved in the project.