

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 2307 [NW2639E]**

**INTERNAL QUESTION PAPER: No. 31 of 2016**

**DATE OF PUBLICATION: 21 OCTOBER 2016**

**DATE OF REPLY: 25 NOVEMBER 2016**

**Ms N W A Mazzone (DA) asked the Minister of Public Works:**

Whether any (a) internal and/or (b) external forensic reports pertaining to (i) his department and/or (ii) each entity reporting to him were completed from 1 January 2009 up to the latest specified date for which information is available; if not, in each case, why not; if so, what is the (aa) name, (bb) subject matter and (cc) date of conclusion of each of the specified forensic reports? **NW2639E**

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**REPLY:**

**The Minister of Public Works**

1. (i) The Department of Public Works (DPW) has a dedicated internal Unit to investigate reported allegations of fraud, corruption and serious maladministration within the Department. From the 2009/10 financial year to date the Unit has received 363 cases for investigation purposes. Of the total number of cases reported, 320 cases were finalised. 32 cases are currently at various stages of investigation.

(aa) (bb) (cc)

See attached Fraud Allegation Register from 2009/10-2016/17 Financial Years of the 320 completed cases.

(b) (i) **External Forensic Investigations**

The Special Investigating Unit (SIU) has conducted investigations in the DPW in terms of 5 Presidential proclamations – the oldest proclamation was published on 30 July 2010 and the most recent one was published on 20 July 2015. The SIU reports to the President, but they provide the DPW with findings from their investigation for the purpose of instituting corrective measures, including disciplinary action against any official where there is *prima facie* evidence of misconduct. Where SIU findings point to possible criminal activities, the SIU reports such evidence to the South Africa’s law enforcement agencies for further action. When the SIU finds that funds have been usurped they institute civil proceedings on behalf of the DPW to recover the lost funds. The DPW is notified of this action prior to it being taken. However, the SIU does not provide its full reports to the Department, as it reports to the State President.

**DPW ENTITIES**

For **Agrément South Africa (ASA)** No internal or external forensic reports have been completed since 01 January 2009 to date.

|  |  |
| --- | --- |
|  | **Council for Built Environment (CBE)** |
|  |
| **(a)(ii)** | **Internal Forensic Reports** |
|  | **(aa)** | **(bb)** | **(cc)** |
|  | 2 employees that were implicated.  | Case relates to misconduct on Supply Chain procedures, Corporate Governance issues, Recruitment procedures and HR investigations. | The dates are from July 2014 to May 2015. |
| 1. **(ii)**
 | No external forensic investigations were commissioned |
|  |
|  | ***Construction Industry Development Board (CIDB)*** |
|  | **Internal Forensic Reports** |
| **(a) (ii)** | **(aa)** | **(bb)** | **(cc)** |
|  | 15 employees that were implicated.  | Cases relate to non-compliance with procedures, bribery and theft. | The dates are from February 2009 to September 2015 |
|  |  |  |  |

**IDT**

**(a) (ii)**

There are two different types of forensic reports that the Independent Development Trust (IDT) has dealt with during the period 01 January 2009 to 28 September 2016. The first type is a forensic report, which results from an investigation commissioned internally by IDT, but facilitated by external forensic investigators. The second type is a forensic report which is an outcome of a forensic investigation externally commissioned and whose outcome has a bearing for the IDT in one way or the other. These two types of forensic reports are listed in the table below:

**LIST OF INTERNAL FORENSIC REPORTS**

**(a)(ii)**

**Internally commissioned, but externally facilitated forensic investigation reports**

|  |  |  |  |
| --- | --- | --- | --- |
| **(aa)**  | **(bb)**  | **(cc)**  | **Name of investigator/s** |
| Alleged fraudulent claims by service provider for IDT Limpopo: Social Programme | Fraudulent Time sheet and irregular claims  | 15 April 2015 | PricewaterhouseCoopers (PwC)  |
| Alleged irregular payment to a service provider at Mpumalanga (IDT) Regional Office (MPL)  | Irregular Payments at Rob-Ferreira Hospital | 27 Sept 2012 | PricewaterhouseCoopers (PwC) |
| Forensic Accounting investigation into Irregularities at IDT relating to wasteful expenditure | 1. Questions raised about the achievement of project deliverables and how much was paid for each of the following deliverables: * Progressive Woman Movement of South Africa (PWMAS) workshop;
* Re Tlisa Diphetoho (RTD) initiative;
* The business Case Review for the Transformation initiative;
* The Legacy project;
* The CEO awards; and
* The involvement of Fabulous Weddings
 | 15 September 2016 (At the time of finalising this reply the final report had not yet been considered by the IDT Board) |  |
| Procurement Irregularities at the KZN IDT relating to Mobile Classrooms | Review the tender process followed by IDT in appointing Tedsons and JT Cabins as a service provider | 15 Sept 2016 | National Treasury |
| Procurement irregularities at the IDT relating to Destiny Group, Nkwali and Bursary | Investigation into the procurement of services of the Destiny Group, Transfer of Mr Nkwali andAwarding of bursary to Ms Xhala | 15 Sept 2016 | National Treasury |
| Alleged Irregularities at the IDT relating to the KZN Department of Arts and Culture | Verification of the Bid process followed in the appointment of Masakhane (Contractor) for the construction of Vulamehlo Library | 15 Sept 2016 | National Treasury |
| Alleged Irregularities in respect of Projects undertaken for the KZN: DoH | Review procurement process for Addington Hospital maintenance and verification of the bid evaluation process followed and investigation of the circumstances that led to the clinics not being completed and determine how much was paid previously for the 3 projects | 15 Sept 2016 | National Treasury |

**LIST OF EXTERNAL FORENSIC REPORTS**

**IDT**

**(b) (ii)**

**Externally commissioned and facilitated investigation report/s with outcome affecting the IDT**

|  |  |  |  |
| --- | --- | --- | --- |
| **(aa) Name of the Report** | **(bb) Subject matter** | **(cc) Date of conclusion** | **Name of investigator** |
| Alleged irregularities in the procurement of service providers at Department of Correctional Services | Prisons Fencing Project | June 2016 | National Treasury |

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