

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**(WRITTEN)**

**QUESTION NUMBER: 2330 [NW2575E]**

**INTERNAL QUESTION PAPER: NO. 26 of 2017**

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**DATE OF REPLY: AUGUST 2017**

**2330. Mr M J Figg (DA) asked the Minister of Public Works:**

Has there been any incidents of maladministration (a) identified and (b) reported in the (i) department and/or (ii) any of the entities reporting to him; if so, (aa) what action has been taken against the perpetrators and (bb) what measures have been taken to prevent the same from happening again?

**NW2575E**

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**Minister of Public Works:**

**REPLY**

1. **The Department of Public Works**
2. For the 2016/17 financial year the Department of Public Works Anti-Corruption Unit received Twenty-eight (28) validated reported allegations of maladministration. Of the twenty-eight (28), Seventeen (17) were finalised, one (1) is at a reporting stage and ten (10) are currently at fieldwork stage.

The finalised seventeen (17) investigations related to:-

* 3 incidents of overpayments to service providers;
* 1 incident of preferential treatment of a service provider;
* 1 incident of irregular lease tender contract;
* 3 incidents of Irregular appointments of officials
* 5 incidents of procurement irregularities
* 2 incidents of irregular submission of fraudulent invoices
* 2 incidents of corruption

1. Emanating from the finalised investigations Seventeen (17) disciplinary recommendations were made, of the disciplinary actions recommended, eleven (11) are finalised resulting in two (02) final written warnings, nine (09) written warnings while six (06) disciplinary cases are still pending.

The Branch Corporate Services has also instituted 91 disciplinary actions against officials of the Department for various misconducts, resulting in two (2) dismissals; one (1) demotion; one (1) suspension without pay; nine (9) final written warnings, one (1) resigned before sanction; fifteen (15) written warnings; four (4) verbal warnings; 0ne (1) referred to new employer to institute action; thirty-six (36) not found guilty / lack of evidence and twenty-one (21) matters are still pending.

1. The Department has developed and implements a fraud risk management program. Amongst the important aspects of the fraud risk management plan is the maintenance of a fraud risk register. All areas of internal control deficiencies which makes the Department vulnerable to fraud/corruption/maladministration are incorporated in the fraud risk register and relevant Branches are requested to develop mitigating plans to address the fraud risks identified. This implementation of the mitigating factors are monitored through the Department Governance Structures such as the Risk Management Committee and Accountability Management Committee.

**ii) Department of Public Works Entities**

**(a)** Agrement South Africa (ASA), Construction Industry Development Board

(CIDB) did not have any incidents of maladministration identified.

**(b)** Agrement South Africa (ASA), Construction Industry Development Board

(CIDB) did not have any incidents of maladministration reported.

**Council for Built Environment (CBE)**

**(a)** **(b)** Yes

**(ii) (aa) What action has been taken against the perpetrators**

Possible fraud pertaining to procurement was discovered during investigations in 2014/2015 financial year, and a disciplinary action was instituted against the relevant official who resigned before the commencement of a disciplinary hearing. In 2015 a criminal case was opened and the Police docket is currently with the Commercial Crimes Unit of the Prosecuting Authority for a decision. Further investigation and the collation of documentary is underway in preparation of a criminal hearing.

**(bb)** **What measures have been taken to prevent the same from happening again?**

Various key vacancies have also been filled and therefore duties are properly segregated which prohibits incidents like this happening again. The filled positions includes the Chief Financial Officer, Finance Manager, Accountant and Supply Chain Practitioner. An update of all finance policies have been undertaken to ensure that all policies align to the most updated National Treasury instruction Notes as well as Legislation. These measures have ensured that there are no new irregular expenditure transactions incurred in the current year.

**Independent Development Trust (IDT)**

**(a)(b)** Yes

**(ii) (aa)**

The staff alleged to have committed maladministration were taken through a formal disciplinary hearing process and appropriate action taken against them as per the recommendations of the disciplinary hearing process. This is a normal process through which all alleged cases misconduct (maladministration) were and are handled within the entity.

**(bb**)

Additional to the preventive action taken on the recommendation/s of the disciplinary hearing process, and depending on the nature of the act of maladministration, a number of preventive interventions are in place ranging from deepening performance management, fraud prevention and general information sharing through internal communication and targeted training.