

**DEPARTMENT: PUBLIC ENTERPRISES**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO.: PQ 316**

**QUESTION:**

**316. Mr S Tambo (EFF) to ask the Minister of Public Enterprises:**

(1) Whether his department and/or entities reporting to him procured services from three certain companies (details furnished) since the 2018-19 financial year; if not, what is the position in this regard; if so, what (a) services were procured in each case and (b) total amount was paid in each case;

(2) whether the amounts paid to the three service providers were found to have resulted in irregular expenditure; if not, what is the position in this regard; if so, what total amount was declared and/or disclosed in each case;

(3) whether any investigations were conducted to identify employees responsible for irregular expenditure; if not, why not; if so, what total number of times were the investigations conducted;

(4) whether investigations were conducted in-house or outsourced; if outsourced, what total amount was paid in each case since the 2018-19 financial year;

(5) whether any members of the board and/or executive were held accountable for irregular expenditure; if not, what is the position in this regard; if so, (a) what are the names of such members and (b) will he furnish Mr S Tambo with the investigation report with its recommendations?  **NW331E**

**REPLY:**

**Department**

There were no services procured from Sihlesive Trading, Rally Business Consulting and Siyakhula Forestry Contractors JV Zumda Trading during the 2018/2019 to 2021/2022 financial year.

**According to the information received from Alexkor**

1. The service providers did not render any services to Alexkor SOC Limited
2. – (5) All subsequent questions are not applicable

**According to the information received from Denel**

1. Denel has not procured any services from the said companies since the 2018-19 financial year.
2. – (5) All subsequent questions are not applicable.

**According to the information received from Eskom**

1. Eskom has never done any business with the companies in question. Should there be a need for Eskom to do business with them, then a proper procurement process will be followed which will be aligned with the principles of section 217 of the Constitution of the Republic of South Africa.
2. – (5) All subsequent questions are not applicable.

**According to the information received from SAFCOL**

1. **Yes, SAFCOL procured services from the three companies:**

|  |  |
| --- | --- |
| **Service Provider** | 1. **Services Procured**
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| Sihlesive Trading | Provision of silviculture services |
| Rally Business Consulting | Provision of silviculture services |
| Siyakhula Forestry Contractors JV Zumda Trading | Provision of silviculture services |

1. **Total Amount Paid**

|  |  |
| --- | --- |
| **Service Provider** | **Amount inclusive of VAT** |
| Sihlesive Trading | R73 434 659 |
| Rally Business Consulting | R76 294 287 |
| Siyakhula Forestry Contractors JV Zumda Trading | R101 795 895 |

1. **Whether the amounts paid to the three service providers were found to have resulted in irregular expenditure; if not, what is the position in this regard; if so, what total amount was declared and/or disclosed in each case;**
2. **Yes**
3. **Disclosed Irregular Expenditure Amounts: 2018-2019 to December 2021:**

|  |  |
| --- | --- |
| **Service Provider** | **Amount inclusive of VAT** |
| Sihlesive Trading | R73 434 659 |
| Rally Business Consulting | R76 294 287 |
| Siyakhula Forestry Contractors JV Zumda Trading | R101 795 895 |

1. **Whether any investigations were conducted to identify employees responsible for irregular expenditure; if not, why not; if so, what total number of times were the investigations conducted;**

SAFCOL carried out and finalized an investigation in accordance with the prevailing irregular expenditure framework, in relation to the financial years 2015-16 up to and including 2021-22.

1. **Whether investigations were conducted in-house or outsourced; if outsourced, what total amount was paid in each case since the 2018-19 financial year;**

The investigation was outsourced to be carried out by an external service provider at a cost of R344, 850 inclusive of VAT.

1. **Whether any members of the board and/executive were held accountable for irregular expenditure; if not, what is the position in this regard; if so, (a) what are the names of such members and (b) will furnish Mr S Tambo with the investigation report with its recommendations?**

The company is currently in the process of implementing consequence management based on the external service provider’s report in preparation for submission for condonation where applicable. None of the members of the Board and/or Executive were implicated in the irregular expenditure report.

**According to the information received from SAA**

1. South African Airways (SAA) have no record that the airline had any business relations with the three service providers mention, namely, Sihlesive Trading, Rally Business Consulting and Siyakhula Forestry Contractors JV Zumda Trading.
2. – (5) All subsequent questions are not applicable.

**According to the information received from Transnet**

1. The identified business entities are not registered on Transnet’s database. Transnet cannot trace any procurement of services from the identified companies.
2. – (5) All subsequent questions are not applicable.

 **Remarks: Reply: Approved / Not Approved**

**Jacky Molisane PJ Gordhan, MP**

**Acting Director-General Minister**

**Date: Date:**