**Memorandum from the Parliamentary Office**

**NATIONAL ASSEMBLY**

**FOR WRITTEN REPLY**

**QUESTION 3221**

**DATE OF PUBLICATION OF INTERNAL QUESTION PAPER: 20/10/2017**

**(INTERNAL QUESTION PAPER 37 OF 2017)**

**Mr A P van der Westhuizen (DA) to ask the Minister of Higher Education and Training:**

(1) What are the full details of the event or events that were managed by the events management company that was appointed in the 2016-17 financial year and for which the expenditure of R3.37 million was deemed irregular by the Auditor-General?

(2) What are the names of the (a) owners and (b) directors of the specified company?

(3) (a) What was the total cost of the event or events managed by the company and (b) what number of persons attended the event?

(4) On what date (a) was the need for the tender identified, (b) was the tender advertised, (c) did the bids close, (d) did the bid evaluation and bid adjudication committees meet and (e) was the contract entered into?

(5) What was the initial budget, contract amount and final amount paid to the company for its work?

 **NW3553E**

**REPLY:**

1. The expenditure that was deemed irregular was not in respect of a single event. The Auditor-General of South Africa (AGSA) deemed the appointment of an events management service provider as irregular. The Department advertised the bid for the events management service provider for a shortened period of 14 days instead of the normal 21 days in terms of Treasury Regulation 16 A 6.3 that states, *“the accounting officer or accounting authority must ensure that bids are advertised in at least the Government Tender Bulletin for a minimum period of 21 days before closure, except in urgent cases when bids may be advertised for such shorter period as the accounting officer/authority may determine.”* According to the AGSA, the reasons provided for the shortened advertising period was not justified. Batsumi Travel (Pty) Ltd was appointed in June 2016 and was thereafter responsible for arranging events for the Department. The expenditure since their appointment amounted to R3.37 million. The irregular expenditure is under review and will be considered for condonement.
2. (a) Lisa Malebo Sebogodi

 (b) Lisa Malebo Sebogodi

1. (a)The deemed irregular expenditure for events of the Department amounted to R3 369 841.94 from the appointment of Batsumi Travel (Pty) Ltd on 27 June 2016 until 31 March 2017.

 (b) The events organised were attended by 4 487 persons.

1. (a) The need for the tender was identified on 18 November 2015.

 (b) The tender was advertised on 20 May 2016.

 (c) The tender closed on 3 June 2016.

 (d) The Bid Evaluation Committee met on 7 June 2016 and Bid Adjudication Committee on 14 June 2016.

 (e) The contract was signed on 27 June 2016.

1. The budget for the contract was estimated at R24 million for the 3-year period of the contract. The contract amount is R24 million, which includes a management fee of 8%. The final amount paid to the service provider can only be determined at the end of the contract.

**COMPILER DETAILS**

NAME AND SURNAME:

CONTACT:

**RECOMMENDATION**

It is recommended that the Minister signs Parliamentary Question 3221.

MR GF QONDE

DIRECTOR–GENERAL: HIGHER EDUCATION AND TRAINING

DATE:

PARLIAMENTARY QUESTION 3221 IS APPROVED / NOT APPROVED / AMENDED.

COMMENTS

PROF HB MKHIZE, MP

MINISTER OF HIGHER EDUCATION AND TRAINING

DATE: