

**MINISTRY**

**PUBLIC WORKS**

**REPUBLIC OF SOUTH AFRICA**

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**NATIONAL ASSEMBLY**

**WRITTEN REPLY**

**QUESTION NUMBER: 3255 [NW3856E]**

**INTERNAL QUESTION PAPER: No. 34 of 2015**

**DATE OF PUBLICATION: 28 AUGUST 2015**

**DATE OF REPLY: 22 SEPTEMBER 2015**

**The Leader of the Opposition (DA) asked the Minister of Public Works:**

(1) Following the recommendations of the reports of the (a) Public Protector (b) Special Investigating Unit and (c) Inter-Ministerial Committee on the irregular expenditure related to the private Nkandla residence of the President, Mr Jacob G Zuma, what (i) remedial, (ii) disciplinary and (iii) other actions have been taken against (aa) officials and (bb) staff in his department to date;

(2) (a) what action has his department taken to recover monies from (i) contractors, (ii) staff and (iii) suppliers who were identified and found to have contributed to the irregular expenditure related to the President’s specified residence;

(3) has his department recovered any monies from the specified persons or companies to date; if so, what amount has been recovered? **NW3856E**

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**REPLY:**

**The Minister of Public Works**

(1) (a), (b) and (c) (i) The Department of Public Works has taken the following remedial action:

* Improved systems and training of staff members
* Appropriate delegation of authority to Regional Offices was implemented to ensure operational effectiveness in service delivery. As a form of control to ensure that Supply Chain Management (SCM) processes are adhered to, all successful tenders awarded by Regional Offices are now reviewed at the Head Office by the Compliance Inspectorate to check for compliance with the SCM framework prior to being confirmed.
* A change management programme is being implemented in the Department that seeks to build on three fundamentals underlying infrastructure delivery. These include business process re-engineering through the implementation of the Infrastructure Delivery Management System (IDMS), human resource capacity development, as well as governance and accountability improvements.

The IDMS, which was developed in partnership between the Public Works sector (national and provincial), along with National Treasury, is a best practice methodology for the delivery of infrastructure. Its implementation will result in improved achievement of infrastructure delivery targets with respect to time, quality and budget.

* The Department of Public Works, with the assistance of the State Security Agency (SSA), has embarked on a vetting project of all its SCM officials. The vetting of SCM officials at the Head Office has been prioritized, as well as at the Regional Offices that have a significant portfolio of Prestige projects (Durban, Cape Town and Pretoria Regional Office).
* As part of the overall DPW Turnaround Strategy, the Department has concluded a detailed review of its business processes, which resulted in extensive business process re-engineering to vastly improve the SCM system. The 7-year reform path for SCM business processes began with a phase of the correction of inefficiencies to stabilisation (2014 – 2017) and will move ultimately to standardization, integration and optimization of the SCM business process (to take place during the period 2017 – 2020). This will ensure that DPW supply chain management is fully compliant with the regulatory framework and will also be able to meet its business requirements effectively. The SCM reform initiatives are pursued in collaboration with National Treasury’s Chief Procurement Office. The Department of Public Works was selected by the Minister of Finance as a pilot site for the implementation of general procurement reforms in the public sector.
* The DPW has reviewed its SCM Policy, which now promotes stricter governance and compliance. The SCM policy is to be reviewed annually. For every SCM activity that is performed, there is a mapped out process flow with activity checklists, templates and reports. Utilisation of the mentioned documentation now enhances compliance, thereby contributing to reducing irregular expenditure.
* The organizational structure of SCM has also been reviewed and a new structure was developed to meet business requirements. The structure is geared to focus on the support of the various functional streams of the Department through the correct mix of skills sets and competencies. The new structure provides for adequate segregation of duties and thus conflicts of interest will be avoided.
* The Department’s Inspectorate and Compliance Unit is now a key role player in SCM processes prior to the award of every bid or quotation. This unit verifies that every SCM activity leading up to the recommendation of the bid has been complied with. Only upon receipt of the approved compliance checklist, will the bid be forwarded to the relevant committee for approval.
* The Department is examining the guidelines, policies, norms and standards for the implementation of security measures at the private and official residences of the Executive and the Legislature in general, as well as certain administrative buildings, for consultation with the security cluster departments. It is envisaged that these consultations as well as those planned with the Department of Public Service and Administration will result in a refined procedural framework with respect to the implementation of physical security measures for tabling before Cabinet.

(ii) The following disciplinary action has been taken against the staff in DPW:

* The investigation by Special Investigating Unit (SIU) indicated that 12 employees or former employees of the Department were probably guilty of misconduct due to acts and omissions in 30 separate matters related to the appointment of contractors for the security upgrades at President’s residence in Nkandla.
* The Department has initiated disciplinary proceedings against the 12 officials. One official has since pleaded guilty with a sanction of two months suspension without pay and a final written warning and barred from participating in procurement processes for three years until he has undergone training. Disciplinary cases with respect to the remaining 11 employees are still on hold pending the high court application for media access to the disciplinary hearings by various media houses.

(iii)(aa) and (bb)No other action has been taken against officials or staff of the Department of Public Works.

(2) (a) (i), (ii) and (iii) The SIU investigation into the conduct of contractors/service providers has provided a basis for civil action against the architect, Mr M Makhanya for the recovery of R155 million. As the Principal Agent, Mr Makhanya bore the overall responsibility for the project.

The civil claim against the Principal Agent was instituted by the SIU on 11 August 2014 for the recovery of R155 324 516.49, being the amount of losses suffered by the Department for over-billing. The matter is before court and the hearing is pending.

(3) See the paragraph (2) (a) (i), (ii) and (iii) above. There is currently no basis in terms of a finding to warrant recovery of money from any staff member of DPW.

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