###### National Assembly

###### Question Number: 3536

**3536. Mr M S F de Freitas (DA) to ask the Minister of Transport:**

(1) (a) On what date will his department and the entities that report to him review their work and relationship with a certain company (KPMG), (b) how will the specified reviews take place, (c) who will be responsible for the reviews in each case, (d) what time lines, time frames and milestones have been set in this regard, (e) how far back will the reviews go and (f) what are the terms of reference and scope in each case;

(2) what steps will his department and the entities reporting to him take in each case where the reviews uncover any irregular activity or action? NW3964E

**Reply:**

**Department**

(1)(a)The Department has not used the KPMG services in the recent part.

 (b) Not applicable

 (c)(d)(e)(f) Not applicable

(2) Not applicable

**Airports Company South Africa SOC Limited (ACSA)**

(1)(a) ACSA confirms that it has conducted and completed a review of its relationship with KPMG in light of market developments

(b) Contracts awarded and scope of work for each were identified and reviewed.

(c) Business unit management (users) and Finance were responsible for the reviews.

(d) The reviews have been completed.

(f) Review focused on determining the nature of work contracted for - ACSA confirms that KPMG are on a non-statutory panel and that KPMG are not used to undertake assurance work.

1. No irregular activity or action identified.

**Air Traffic and Navigation Services SOC Limited (ATNS)**

(1)(a) KPMG is currently managing ATNS’s fraud hotline. Their role is limited to logging of calls only. The responsibility to investigate calls as logged is mandated to the ATNS Internal Audit department. ATNS reviews the relationship with its service providers annually or as and when contracts are due for renewal.

(b) N/A

(c) N/A

(d) N/A

(e) N/A

(2) N/A

**Cross-Border Road Transport Agency**

The Cross-Border Road Transport does not have any work relationship with KPMG. Therefore, (1) Not applicable;

(2) not applicable.

**Road Accident Fund**

(1) (a) The Road Accident Fund (RAF) finalised an internal review into the work of KPMG and did not identify any quality concerns, but the Board intends to meet with KPMG on 23 November 2017 to discuss the parties’ continued relationship in light of the reputational risk that exists for the RAF, questions (b), (c), (d), (e) and (f) are not applicable since no further reviews are planned, at this time;

(2) the internal review and standard supply chain management contract review processes performed by the RAF did not uncover any irregular activity or action on the part of KPMG, but should any such irregular activity or action come to light in future the RAF’s actions will be informed by the nature of the particular irregular activity or action; the specific contractual agreements in place; and, the law as it pertains to the particular irregular activity or action.

**Road Traffic Infringement Agency**

(1) (a) The review is scheduled for 22 December 2017

(b) The review will be in the form of an assessment of the deliverables, validity and quality thereof, in relation to the specifications for managing the anti-Fraud and Corruption Hotline.

(c) Legal and Risk Management units in the Agency

(d) 3 months from start to completion

(e) With effect from December 2015 when they were appointed.

(f) Review the terms of the contract for manning the anti-Fraud and Corruption Hotline.

(2) Termination of the contract

**Road Traffic Management Corporation**

The RTMC has no continuous relationship with KPMG

**South African National Roads Agency Limited**

(1)&(2) SANRAL’s contractual relationship with KPMG ended on 31 October 2017. KPMG provided tax advisory services to SANRAL from 1 May 2015. The assignments were mostly driven by SARS queries on compliance issues for VAT purposes. The submissions were reviewed by SANRAL and SARS. No further reviews will be conducted.

**South African Civil Aviation Authority (SACAA)**

The South African Civil Aviation Authority does not do any work with KPMG.

**Passenger Rail Agency of South Africa (PRASA)**

1. (a) Prasa has no contract with KMPG

(b) Not applicable

(c) Not applicable

(d) Not applicable

(e) Not applicable

(f) Not applicable

**Railway Safety Regulator (RSR)**

1. (a) The RSR does not have any current contract or work performed for the past three years by KPMG

(b) Not applicable

(c) Not applicable

(d) Not applicable

(e) Not applicable

(f) Not applicable

1. Not applicable

**Ports Regulator of South Africa (PRSA)**

1. (a) The Ports Regulator currently does not have a business/contractual relationship with KPMG and has not transacted with KPMG in the past, therefore there’s no need to review any working relationship. (b) N/A, (c) N/A, (d) N/A, (e) N/A and (f) N/A.
2. N/A

**South Africa Maritime Safety Authority (SAMSA)**

(1) The South African Maritime Authority (SAMSA) does not have (nor has it had in the last five years) any business relationship with KPMG.

(2) Given the recent negative publicity around KMPG, it is highly unlikely that SAMSA will be engaging the services of KPMG, not unless all matters pertaining to the negative publicity have been clarified by National Treasury.