

**MINISTRY OF DEFENCE & MILITARY VETERANS**

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**3688. Mr S Esau (DA) to ask the Minister of Defence and Military Veterans:**

According to the findings of the Auditor-General of South Africa for the 2015-16 financial year which were reported during the 2016-17 financial year, (a) why were certain contracts extended or modified without the approval of a properly delegated official as stipulated by National Treasury Instruction Note 32 and (b) what consequence management was applied in this instance? NW4119E

Question 1a.

***Why were certain contracts extended or modified without the approval of a properly delegated official as stipulated by National treasury Instruction Note 32***

Response

In terms of Paragraph 3.3 of the National Treasury Practice Note 5 of 2009/2010 for SITA procurements of goods and services the procurement officer obtained a letter from SITA giving the DOD permission to continue to procure on its own as one of the options. SITA response was deemed sufficient proof that SITA as an organ of the Minister of DPSA is officially delegated to approve such authority. Taking into account the aforementioned, an additional approval was not obtained from the Minister of DPSA nor any other official from DPSA.

Question 1b.

***What consequence management was applied in this instance?***

Based on the process that was followed and that SITA gave the DOD the option to procure using the DOD procurement process, no DOD member was held liable for the irregular expenditure.