**NATIONAL ASSEMBLY**

**WITTEN REPLY**

**QUESTION 794**

**INTERNAL QUESTION PAPER [No 11-2017 FIFTH PARLIAMENT]
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**794. Mr T C R Walters (DA) to ask the Minister of Rural Development and Land Reform:**

1. With reference to the forensic investigation into tender number 5/2/2/1 RDLR-0052(2015/2016) relating to the acquisition and further procedures on the Nirwanda farm in De Doorns, (a) what were the terms of reference for the specified investigation, (b) who oversaw the investigation from his department, (c) who coordinated with the service provider, (d) to whom was the service provider supposed to report and (e) who, from his department, decided that the specified investigation should be conducted;

(2) Were the terms of reference of the investigation ever changed; if so, what are the relevant details? **NW856E**

**THE MINISTER OF RURAL DEVELOPMENT AND LAND REFORM:**

1. (a) The Terms of Reference of the investigation were as follows :

* Establish whether the acquisition processes, various agreements and spending were done in accordance with the applicable legislative and policy requirements;
* Determine the nature of the agreements entered into between the DRDLR and the Nirwanda PLAS Project and determine whether the DRDLR officials performed their duties in accordance with the agreements and prevailing legislative and policy requirements;
* Establish whether the spending on the Nirwanda PLAS Project was in line with the DRDLR’s objectives and mandate, prevailing policy and legislative frameworks, as well as the concluded agreements, if any;
* Establish whether the DRDLR spending was in line with industry standards and determine whether the DRDLR received value for money;
* Determine the legal relationship the DRDLR has with the Nirwanda PLAS Project;
* Determine whether the Nirwanda PLAS Project’s business practices, from the date of DRDLR’s acquisition were in line with industry standards, prevailing legislation pertaining to the relevant legal entities and the DRDLR, including, but not limited to, the Companies Act, and in the best interests of the DRDLR and the beneficiaries;
* Verify and establish the current status of the Nirwanda PLAS Project, as well as the interests of the DRDLR and/or beneficiaries in the existing entities, if any;
* Determine whether the appointment of the Strategic Partner(s)/Mentor(s) and management were done in accordance with the applicable legislative and policy requirements, and determine whether the Strategic Partner(s)/ Mentor(s) performed according to their agreement;
* Determine whether the Strategic Partner(s)/Mentor(s), beneficiaries and/or Nirwanda PLAS Project received any other benefits, payments and/or grants from the DRDLR;
* Establish whether the acquisition, agreements and spending of those benefits, payments and/or grants were in accordance with the applicable legislative and policy requirements;
* Establish whether the Strategic Partner(s)/Mentor(s), beneficiaries and/or Nirwanda PLAS Project received any other benefits, payments and/or grants from other institutions, which impacted/influenced the beneficiaries and/or DRDLR and to establish whether the acquisition, agreements and spending of those benefits, payments and/or grants were in accordance with the applicable legislative requirements;
* Establish whether the officials involved, executed their duties in terms of the prevailing legislation and policy requirements and whether they were involved in any irregularities or received any undue rewards or benefits;
* Create the flow of money to determine for what, by/for whom, where, when and how it was disbursed/spent, from the point of transfer to the final payments;
* Create the flow of produce to determine for what, by/for whom, where, when and how it was disbursed, from the point of receipt to the final payments;
* Create a flow diagram of all the institutions/individuals involved, including shareholders and recipients;
* Identify suspicious or questionable transactions and accounts and perform further analysis as agreed with the DRDLR and the SAPS/Hawks;
* Perform a criminal forensic investigation for the SAPS/Hawks in terms of the SAPS/Hawks investigation Plan;
* The Service Provider(s) must also investigate any other related problems and irregularities identified during the course of investigation, including, but not limited to, theft, fraud and corruption;
	+ The investigation must cover the work performed at DRDLR, Government Institutions, Service Provider(s) and Sub-contractors involved, and relevant industry specialists must be consulted to provide value for money and cost estimation reports;
	+ The period to be covered by the investigation must be from **2009 to date;**
	+ If there are indications that the allegations identified may result in disciplinary, criminal or civil action, this must immediately be reported to the Project Manager during the course of the investigation, in order to consider the necessary action;
	+ The appointed Service Provider(s) must liaise with other Government Departments (including Provincial Government) and agencies (agencies involved in/with the combating, eradication and prevention of fraud and corruption) where necessary and with the DRDLR’s consent, institute the relevant and necessary actions; and
	+ NB: The Service Provider(s) must perform investigations for the DRDLR, which must be finalised within four (4) months from the date of the receipt of the order and for the SAPS/Hawks which must be finalised within two (2) months from the date of the receipt of the order, six (6) months in total.

1 (b) Ms Karen De La Rouviere, the Chief Audit Executive and Head of Internal Audit initially oversaw the investigation and later handed over to Mr Eugene Southgate the Deputy Director General: Corporate Support Services.

1 (c)The two Acting Directors: Forensic Investigations, Mr N Nondzube and Ms K Govender, were the internal project managers coordinating the work of the appointed service provider.

1 (d)The service provider reported to the Director Forensic Investigations and the Deputy-Director General Corporate Support Services, Mr Eugene Southgate.

1(e)The Minister instructed the Department to conduct an investigation into the project.

1. No changes were made to the terms of reference.