**National Assembly**

**Question No 952**

1. **DETAIL OF THE QUESTION**

**Mr K P Sithole (IFP) to ask the Minister of Transport:**

(1) In view of the Auditor-General having raised concerns regarding instances of noncompliance with the Public Finance Management Act, Act 1 of 1999, at the Passenger Rail Agency of South Africa (Prasa), including those that were identified in the procurement process for locomotives in July 2012, what steps does her department and Prasa intend to take against persons who are found to be in violation of the specified Act;

(2) whether any more instances of violations have been found in the past year; if not, what is the position in this regard; if so, what are the relevant details?

NW1059E

**REPLY**

(1) Disciplinary action has been taken against the employees involved in the awarding of the Tender:

* 3 Executives are currently undergoing disciplinary action.
* At least 14 employees were suspended.
* 19 cases have been concluded:
	+ 2 Senior Managers resigned;
	+ 1 Senior Manager and 1 Junior Official have been dismissed;
	+ 6 written warnings have been issued;
	+ 15 found not guilty, 1 with no disciplinary action recommended;
	+ 6 cases in progress of which 2 have been concluded and awaiting Chairpersons’ rulings;
	+ 3 dismissed employees referred PRASA to the CCMA, 1 case has been resolved with settlement and the other 2 cases are still in progress at the CCMA.

(2) The Auditor General of South Africa (AGSA) in the report for the period ended 31 March 2022, identified that the award to Premifield for the leasing of diesel locomotives was irregular. The auditors recommended an immediate forensic investigation in this regard. The auditors also cautioned PRASA leadership to ensure that there is sufficient and continuous monitoring of supply chain activities, not only on large contracts but also on day-to-day awards, given the significant inherent risk of fraud in this area.

To address the irregularities identified by the audit and put control measures in place, a new tender process is being put in place for the procurement of locomotives in line with the Supply Chain Management prescripts and policies for the current financial year.