



water affairs

Department:
Water Affairs
REPUBLIC OF SOUTH AFRICA

MINISTRY OF WATER AND
ENVIRONMENTAL AFFAIRS

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MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

NATIONAL ASSEMBLY: QUESTION 2035 FOR WRITTEN REPLY

A draft reply to the above-mentioned question asked by Mrs H N Ndude (Cope); is attached for your consideration.


DIRECTOR-GENERAL (Acting)

DATE: 25/8/10


DRAFT REPLY APPROVED/AMENDED


MS B P SONJICA, MP
MINISTER OF WATER AND ENVIRONMENTAL AFFAIRS

DATE: 27/08/2010

NATIONAL ASSEMBLY

FOR WRITTEN REPLY

QUESTION NO 2035

DATE OF PUBLICATION IN INTERNAL QUESTION PAPER: 06 AUGUST 2010
(INTERNAL QUESTION PAPER NO. 19)

2035. Mrs H N Ndude (Cope) to ask the Minister of Water and Environmental Affairs:

Whether the Department did monthly PFMA checks to ascertain that all departmental expenditures were in strict conformity with its provisions, if not why not, if so, (a) Why were the irregular acts of a certain person (name furnished) undetected over a long period of time, (b) what reasons were given by the internal auditors for not detecting this transgression of the Public Finance Management Act, Act 1 of 1999, and (c) what steps have been taken to (i) solve this situation and (ii) bring all transgressors to book?

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REPLY:

Yes, my Department has been submitting monthly expenditure information as required. The Information submitted is, however, on an overall level. Compliance with the provisions of the PFMA on a transactional level is embedded in the supply chain management processes. The procurement system is designed in a manner that enables the different role players in the procurement and payment process to check conformity with the relevant provisions of the PFMA subject to certain exemptions that call for deviation from the laid down supply chain processes.

- (a) Treasury Regulation paragraph 16A6.4 permits that if in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

Practice note no 6 of 2007/2008 indicates that accounting officers and accounting authorities are required to report within ten (10) working days to the relevant treasury and the Auditor-General, all cases where goods and services above the value of R 1 million (VAT included) were procured in terms of Treasury Regulation 16A6.4.

The report that gave rise to the question refers to about 5 contracts on which procurement was made in terms of Treasury Regulation paragraph 16A6.4 and therefore these were not irregular expenditure and the necessary reporting was done to the National Treasury as per requirement of Supply Chain Management (SCM) practice note (Practice note no 6 of 2007/2008).

- (b) The incidents referred to occurred between June 2008 and February 2009. During this period there was an audit plan, however it did not cover this set of transactions. Internal Audit's function was enhanced with the appointment of a Chief Director, three (3) directors and twenty five (25) officials during 2009/10 financial year and can on regular basis carryout regular reviews of selected service providers.
- (c)(i) In accordance with the Treasury Regulation: 4.1.3, if an accounting officer is alleged to have committed financial misconduct, the relevant treasury, as soon as it becomes aware of the alleged misconduct, must ensure that the relevant executive authority initiates an investigation into the matter and if the allegations are confirmed, holds a disciplinary hearing in accordance with the prescripts applicable and agreements applicable in the public service.
- (c)(ii) In this case the investigation has been concluded and the disciplinary processes are in progress.

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