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Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 3079

Mr E K Madlala (MK) to ask the Minister of Trade, Industry and Competition:

On what date will his department initiate investigations into the National Lotteries Commission regarding the findings contained in the 2023/24 report of the Auditor-General related to financial mismanagement and irregular grant allocation, underspending on grants, failure to comply with procurement procedures and potential conflicts of interest in the awarding of lottery licences?
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REPLY:

The Department acknowledges the qualified audit outcome of the National Lotteries Commission (NLC). A qualified audit outcome is not something that myself and the Department take lightly but it is important that we not lose sight of the context within which the outcome occurred. As we are all aware due to numerous allegations of maladministration and corruption in the NLC, the President issued a Proclamation for an investigation by the Special Investigation Unit (SIU). Since the commencement of the investigation, and the consequence management measures taken, the entity was faced by a number of resignations at executive and senior management level.

The new leadership joined between February and April 2023 and following a review of the control environment and the identification of gaps, new policies and processes were developed and implemented. The leadership also focused on clearing the previous Financial Year's findings. From reports perused, a lot of effort has been put into identifying and addressing the internal control deficiencies and the progress is noted.

The department will therefore not be initiating an investigation into the NLC regarding the findings contained in the 2023/24 report of the Auditor-General South Africa (AGSA). We will work with the NLC leadership to ensure that the root causes behind the findings continue to be addressed to ensure an improved outcome. AGSA has also noted the progress made by management in addressing the root causes.

Lastly as far as I am aware, the report of the AGSA did not contain findings related to potential conflicts of interest in the awarding of lottery licences.

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