



the dtic

Department:
Trade, Industry and Competition
REPUBLIC OF SOUTH AFRICA

THE NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NO. 4756

Mr S M Gana (Rise Mzansi) to ask the Minister of Trade, Industry and Competition:

- (1) (a) What is the position of his department on lifestyle audits and investigations into tender and/or procurement irregularities and (b) which entity and/or division is responsible for such audits and investigations;
- (2) from 1 April 2022 up to the latest specified date for which information is available, what is the breakdown of the lifestyle audits conducted on officials in his department in respect of (a) the divisions of his department within which they work, (b) their involvement in tender and/or procurement processes and (c) the job level that they hold;
- (3) for each specified financial year and/or period, what (a) is the breakdown of all officials who are and/or have been under investigation and suspended and/or dismissed for allegations of involvement in tender and/or procurement irregularities and (b) are the relevant details of (i) the divisions where the officials are and/or were employed and (ii) their job level in each case;
- (4) what are the relevant details of the contracts that have been cancelled on suspicion that they were irregularly awarded in each specified financial year and/or period? NW5305E

REPLY:

(1) (a) & (b)

The Department has a zero-tolerance stance to any form of fraud and corruption.

The Ethics office of **the dtic**, within the Office of the Chief Risk Officer (OCRO), manages ethics and consequently the lifestyle audits, whilst the Forensics Investigations office, within the Internal Audit Unit, investigates all forms of fraud and corruption.

Lifestyle audits are conducted on:

- aa) all (100%) categories of officials who have submitted financial disclosures, as listed below;
- bb) all employees whose names appear on the Central Supplier Database; and
- cc) from the whistleblowing hotline.

There was one (1) investigation by the department regarding Procurement irregularities (see response to no. 4).

(2) For the 2022/23 financial year, 100% of officials who submitted financial disclosures were subjected to lifestyle audits. The following levels/categories of designated employees were included:

- aa) 218 Senior Management Service (SMS) level 13/14/15
- bb) 5 Occupation Specific Dispensation (OSD) level 12
- cc) 222 Middle Management Services (MMS) level 12
- dd) 43 Middle Management Service (MMS) level 11
- ee) 45 Supply Chain Management (SCM)
- ff) 4 Ethics Officers

For the 2023/24 financial year, 100% of officials who submitted financial disclosures were subjected to lifestyle audits. The following levels/categories of designated employees were included (per the DPSA directive):

aa) 212 Senior Management Service (SMS) level 13/14/15

bb) 212 Assistant Director (ASD) levels 9 and 10

(a), (b) and (c) are set-out below.

(a) Branch/Division Names	(b) Involvement in tender and/or procurement processes	(c) Job Level
SENIOR MANAGEMENT SERVICES (SMS)		
Corporate Management Services	1 not involved	Senior Management Services (SMS)
	12 involved as Panel Member for BSC and BEC/ involved in the RFQ Process	
	3 involved as Panel Member for BSC and BEC/approves per delegations	
Exports	10 sign off per delegations for all procurement processes	Senior Management Services (SMS)
Incentives	17 not involved	Senior Management Services (SMS)
	5 involved as Panel Member for BSC and BEC/ involved in the RFQ process	
	2 Sign off per delegations for all procurement processes	
Investment and Spatial Industrial Development	4 not involved	Senior Management Services (SMS)
	6 involved in the RFQ process	
	2 involved as panel member for BSC and BEC	
	2 involved as panel member for BSC and BEC/ involved in the RFQ process	
	1 signs off per delegations for all procurement processes	
	1 signs off on limitation of budget per delegation	
	1 involved in single source project - annual conference	
	20 not involved	

Office of the Director General	25 involved as panel member for BSC and BEC/ involved in the RFQ process	Senior Management Services (SMS)
	1 signs off on availability of budget	
	1 signs off per delegations	
Regulations	11 Not involved	Senior Management Services (SMS)
	1 as panel member for BSC and BEC	
	6 involved as panel member for BSC and BEC/ involved in the RFQ Process	
	1 panel member for BSC and BEC/approves per delegations	
	1 panel member for BSC,BEC and BAC/ involved in the RFQ Process	
Research	2 Panel Member for BSC and BEC, involved in the RFQ Process/Signs off per delegations	Senior Management Services (SMS)
	11 sign off per delegations	
Sectors	20 not involved	Senior Management Services (SMS)
	7 from the Sectors Branch- Panel Member for BSC and BEC-involved in the RFQ Process	
	1 overseeing SABS project to provide guidance	
	1 not involved in the dtic process(Board member for Intsimbi program)	
	4 Not involved in the dtic process (CSIR Project)	
Trade	18 not involved	Senior Management Services (SMS)
	3 panel member for BSC and BEC/ involved in the RFQ Process	
	2 sign off per delegations for all procurement processes/RFQ Process	
Transformation & Competition	2 are not involved	Senior Management Services (SMS)
	5 involved as panel members for BSC and BEC/ involved in the RFQ Process	
	1 Panel Member for BSC and BEC/approves per delegations	
	4 sign off per delegations for all procurement processes	
OCCUPATION SPECIFIC DESIGNATION (OSD) MIDDLE MANAGEMENT SERVICES (MMS)		

Corporate Management Services	2 are not involved	Middle Management Services (OSD 12 & Higher)
	1 panel member of BSC and BEC and involved in the RFQ process	
Trade	1 is not involved	Middle Management Services (OSD 12 & Higher)
Incentives	1 is not involved	Middle Management Services (OSD 12 & Higher)
MIDDLE MANAGEMENT SERVICES (MMS)		
Corporate Management Services	4 are panel members of BSC and BEC	Middle Management Services (MMS 12)
	2 are involved in the RFQ process	
	9 are panel members of BSC, BEC and are involved in the RFQ process	
	1 is providing advice and guidance on all procurement processes	
	8 are not involved	
Exports	1 is involved in Foreign Services Management procurement process	Middle Management Services (MMS 12)
	2 are involved in the EMIA procurement process	
	20 are involved in the RFQ process	
	1 is a panel member of BSC, BEC and involved in RFQ process	
	1 is providing advice and guidance on all procurement processes	
	12 are not involved	
Incentives	8 are involved in RFQ processes	Middle Management Services (MMS 12)
	1 is a panel member of BSC and BEC	
	3 are panel members of BSC, BEC and involved in the RFQ process	
	1 providing advice and guidance on all procurement processes	
	29 are not involved	
Investment and Spatial Industrial Development		Middle Management Services (MMS 12)
	2 are not involved	
Ministry	1 is not involved	Middle Management Services (MMS 12)
Office of the Director General	2 are members of BSC, BEC and involved in RFQ process	Middle Management Services (MMS 12)
	23 are not involved	
Regulation	5 are members of BSC and BEC	

	30 are not involved	Middle Management Services (MMS 12)
Research	3 are not involved	Middle Management Services (MMS 12)
Sectors	1 is an ERPC panel member	Middle Management Services (MMS 12)
	2 are panel members of BSC and BEC	
	4 are panel members of BSC, BEC and involved in the RFQ process	
	3 are panel members of ERPC	
	3 are panel members of IDC	
	1 is providing advice and guidance on all procurement processes	
	18 are not involved	
Transformation & Competition	1 is a panel member of BEE Commission	Middle Management Services (MMS 12)
	2 are panel members of BSC, BEC and involved in the RFQ process	
	4 are not involved	
Trade	1 is a panel member of BSC, BEC and involved in the RFQ process	Middle Management Services (MMS 12)
Corporate Management Services	5 are not involved	Middle Management Services (MMS 11)
	4 involved as Panel Members for BSC and BEC	
	1 involved as Panel Members for BSC and BEC/involved in the RFQ Process	
Exports	1 involved in the RFQ training process	Middle Management Services (MMS 11)
Incentives	1 is not involved	Middle Management Services (MMS 11)
Investment and Spatial Industrial Development	2 are not involved	Middle Management Services (MMS 11)
	2 involved in the RFQ training process	
Office of the Director General	12 are not involved	Middle Management Services (MMS 11)
	4 involved as panel members of BSC, BEC and involved in RFQ process	
Regulation	1 is not involved	Middle Management Services (MMS 11)
	1 involved as Panel Member for BSC and BEC	
Research	1 is not involved	

	2 involved as Panel Members for BSC and BEC/involved in the RFQ Process	Middle Management Services (MMS 11)
Sectors	1 is not involved	Middle Management Services (MMS 11)
	2 involved as Panel Members for BSC and BEC	
Transformation & Competition	1 involved as panel member of BSC, BEC and involved in RFQ process	Middle Management Services (MMS 11)
ASSISTANT DIRECTOR (ASD)		
Office of the Director General	33 are not involved	Assistant Director (ASD 9/10)
	5 involved as Panel Member for BSC and BEC/involved in the RFQ Process	
Incentives	40 are not involved	Assistant Director (ASD 9/10)
Research	2 are not involved	Assistant Director (ASD 9/10)
	1 involved as Panel Member for BSC and BEC/involved in the RFQ Process	
Corporate Management Services	22 are not involved	Assistant Director (ASD 9/10)
	11 involved as Panel Member for BSC and BEC/ involved in the RFQ Process	
Investment and Spatial Industrial Development	9 are not involved	Assistant Director (ASD 9/10)
	7 involved in the RFQ Process	
Regulation	8 are not involved	Assistant Director (ASD 9/10)
	6 involved in the RFQ Process	
	1 involved as Panel Member for BSC and BEC/involved in the RFQ Process	
Exports	22 are not involved	Assistant Director (ASD 9/10)
	8 involved in the RFQ Process	
Trade	15 are not involved	Assistant Director (ASD 9/10)
	1 involved as Panel Member for BSC and BEC/ involved in the RFQ Process	
	1 involved in the RFQ Process	
Transformation and Competition	1 involved as Panel Member for BSC and BEC/involved in the RFQ Process	Assistant Director (ASD 9/10)

	2 involved in the RFQ Process	
Sectors	11 are not involved	Assistant Director (ASD 9/10)
Ministry	2 are not involved	Assistant Director (ASD 9/10)
SCM/Finance	37 not involved	Level 5 - 8
	4 involved in the RFQs/review process	
Office of the Director General (Ethics Officers)	2 are panel members of BSC and BEC and involved in the RFQ process	Level 5 - 12
	2 are not involved	

ACRONYMS used in table above: *BSC-Bid Specification Committee; *BEC-Bid Evaluation Committee; *RFQ-Request for Quotation

(3) (a) & (b)

		1 April 2022 – 31 March 2023		1 April 2023 – 31 March 2024		1 April 2024 – 31 March 2025		1 April 2025 – 30 June 2025	
		(b)		(b)		(b)		(b)	
		(i) Division	(ii) Job level	(i) Division	(ii) Job level	(i) Division	(ii) Job level	(i) Division	(ii) Job level
(a)	(i) Investigation	N/a	N/a	N/a	N/a	N/a	N/a	Industrial Finance	12
	(ii) Suspension	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a
	(iii) Dismissed	N/a	N/a	N/a	N/a	N/a	N/a	N/a	N/a

(4) No contracts have been cancelled on the grounds of suspected irregular award. However, an investigation was conducted in relation to a potential service provider who submitted fraudulent documents. These documents were identified before any award was made, and appropriate processes were followed to initiate the inclusion of the service provider in the restricted supplier and tender defaulter reports.

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