



**Special Inspector General for the monitoring of
expenditure relating to COVID-19 Pandemic Relief,
Recovery and Stimulus.**

Proposal by the Democratic Alliance

The DA proposes the creation of an Office of a Special Inspector-General within the National Treasury for the purposes of monitoring and intervening in all state expenditure related to pandemic recovery. The DA envisages this Office will have sweeping powers to prevent corruption at all levels of government for any taxpayer monies allocated to COVID relief and stimulus. This is necessitated by the fact that previous localised disasters have seen resources siphoned off for illicit purposes, though illegitimate procurement practices, undue cost escalation and direct theft. This Inspector-General would differ from the Auditor-General in that the AG only considers spending after it has happened at the end of a financial year, and cannot take any preemptive action to prevent corruption in the state. Legal provision for this Special Inspector General can be made in the Special Appropriations Bill to be tabled to parliament in June to give effect to the R500-billion stimulus package announced by the President and Finance Minister.

APPOINTMENT

The Head of the Office, referred to as the Special Inspector-General, should be appointed by the Auditor-General. Such appointment should be completed by July 2020.

The nomination of the Special Inspector General shall be made on the basis of integrity and must have experience in accounting, auditing, financial analysis, law, management analysis, or forensic investigations. Such an individual should not be an active member or office bearer of any political party.

REMOVAL

The Special Inspector General shall be removable from office with a simple majority of Members of Parliament.

DUTIES

The Special Inspector General will have powers to conduct, supervise, and coordinate direct oversight and investigations of the making, purchase, management, and dispersal of any taxpayer monies made available to and by any organ of state for the purposes of COVID relief, including all monies currently repurposed by various departments, as well as any monies allocated as part of the R500-billion stimulus package. This will include loans made available by the state to any natural or juristic person.

The Special Inspector General will further be able to assess the impact of any financial measures implemented for COVID relief on the financial well-being of the people of the South Africa and the South African economy, as well as the effectiveness of loans, loan guarantees, and investments made for the benefit of the people of South Africa and the South African economy.

POWERS

The DA envisions vast powers given to the Special Inspector General to investigate and take pre-emptive action to stop corruption through direct intervention in any organ of state, agency or state owned company dispersing COVID relief funding.

Upon request of the Special Inspector General for information or assistance from any department, agency, or other entity of the State at National, Provincial or Local government, or any government entity or state owned company, the head of that department, agency, or entity shall, to furnish that information or assistance to the Special Inspector General within seven working days. Failure to disclose information will be regarded as a criminal offense.

1. Direct departments to take immediate action to address deficiencies identified by a report or investigation of the Special Inspector General;
2. Prevent the payment of any monies to, or recall moneys from any individual or entity where the Special Inspector-General finds deficiencies, non-adherence to processes, or potential abuse of power or corruption;
3. Nullify the awarding of tenders and contracts where the Special Inspector-General finds deficiencies, non-adherence to processes, or potential abuse of power or corruption.
4. Have powers to investigate the legitimacy of any eligible businesses receiving any state-backed COVID funding.
5. Require an explanation of the reasons the State determined it to be appropriate to procure any goods or services for COVID relief, including a justification of the price paid for, and other financial terms associated with, the applicable transaction, as well as stop procurement where exorbitant pricing is detected.

EMPLOYEES IN THE OFFICE OF THE INSPECTOR GENERAL

The Special Inspector General may select, appoint, and employ such officers and employees as may be necessary for carrying out the duties of the Special Inspector General, 75% of which must be seconded from existing staff within the national treasury or any provincial treasuries, and 25% of which may be hired for the purpose of external expertise, provided they are qualified and have long standing

experience in anti-fraud practices, anti-corruption practices and forensic investigations.

REPORTING

Not later than 60 days after the date on which the Special Inspector General is confirmed, and once every calendar quarter thereafter, the Special Inspector General must submit to Parliament a report detailing the activities of the Special Inspector General during the 3-month period ending on the date on which the Special Inspector General submits the reports.

Each report submitted under shall include, for the period covered by the report, a detailed statement of transactions, contracts, expenditures, and revenues investigated, as well as the information collected. All reports will be a matter of public record and must be made available online.

TERMINATION

The Office of the Special Inspector General shall terminate upon conclusion of the 2021/22 Financial Year of the State.