GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

Member of the Executive Council (MEC)
FINANCE AND ECONOMIC DEVELOPMENT

Our Ref: 058
Enquiries: Sipho Cetshwayo
Sipho.cetshwayo@gauteng.gov.za
011-355-8560

MS AWMK MOSUPYOE
Speaker of the Gauteng Provincial Legislature
Private Bag X52
Johannesburg
2000

QUESTION FOR WRITTEN REPLY TO BE TABLED BY MEMBER S MSIMANGA OF THE DEMOCRATIC ALLIANCE (DA).

5. ECD 058 With regard to forensic investigations conducted by the following Entities:

- **Cradle of Humankind World Heritage Site (COHWHS)**
- **Dinokeng**
- **Gauteng Enterprise Propeller (GEP)**
- **Gauteng Gambling Board**
- **Gauteng Growth and Development Agency (GGDA)**
- **Gauteng Liquor Board**
- **Gauteng Tourism Authority**
- **Tshwane Automotive Special Economic Zone (TASEZ))**

Could the MEC please indicate:

Madam Speaker

I refer to the above and enclose hereunder my response(s) thereto:

QUESTION 1: Provide a list of all forensic investigations from 2017 to date detailing their scope, current status, and outcomes;

ANSWER: Please see below response.

Department	Case	Description	Date commissioned	Dated finalised
GGB	300000000336	Procurement Irregularities - appointment of service provider at GGB (Various allegations)	19/03/2020	30/11/2020
	300000000342	Procurement Irregularities - appointment of service provider at GGB	17/02/2020	30/11/2020
GGDA	400000000141	Procurement irregularities-dispute vs GGDA/GIDA appointment of service provider	07/09/2018	02/03/2021
GLB	300000000341	Forensic investigation into allegations of appointment irregularities at GLB	27/02/2020	31/03/2021
GTA	300000000263	Forensic investigation into an unethical behaviour	05/03/2019	13/11/2020
GEP	300000000113	Forensic investigation into alleged fraud and corruption	27/11/2017	30/05/2019
		Price Standardization Tender	2021	2022
		TEA Awards Tender	2018	SIU report
		Project Vuthela	2021	2023

		Pitching Booster	2021	2023
		Sponsorship of R7.4 million	2019	2021
		ICT Transactions	2018/19	2022
		Alleged misuse, overcharging (taxing of invoices), poor allocation of instructions to the panel of attorneys	2019	2022
		Alleged Qualification integrity	2019/20	2022
		Irregular expenditure	2024	2024
TASEZ	No forensic investigation	No forensic investigation	No forensic investigation	No forensic investigation

In regard to the Cradle of Humankind World Heritage Site (COHWHS) and Dinokeng, the Department of Environment is better placed to responds to the request.

QUESTION 2: Please provide dates when each investigation was commissioned;

ANSWER: Please refer to response 1 above.

QUESTION 3: Please provide the conclusion dates for each investigation.

ANSWER: Please refer to response 1 above.

QUESTION 4: Please provide the findings and recommendations of each report;

ANSWER: Please see respond below.

	GGB			
Case no	**Investigation/allegations**	**Findings**	**Summary of recommendations**	**Department comments**
300000000342	Procurement Irregularities - appointment of service provider at GGB	- The board had the potential to prejudice other service providers by failing to follow the correct stipulated SCM prescripts and PPPFA processes	- In an event whereby the board undertakes any SCM related matter, they must make sure that there is an SCM practitioner involved in the process to ensure that the undertaken process is 100% compliant with the prescripts of GGB's SCM Policy, PPPFA and other relevant regulations. - In an event whereby the board undertakes a similar SCM process, the board should ensure that they seek and obtain an external opinion which clearly state in full the correct process to follow.	The board has concluded that SCM process and relevant compliance must be always applied and improvement of internal controls.
			- The board must go through an SCM training which will assist them in understanding the correct processes to follow which are in line with the SCM Policy and other regulations when dealing with a procurement of this nature.	This matter will be tabled before the new Board for consideration and decision.

300000000336	Procurement Irregularities - appointment of service provider at GGB - emanates from 300000000336 (Allegation one (1)	The official instructed a service provider to pay its fine to a charitable organization of their choice. The official violated Section 61 of the Gauteng Gambling Act and Section 38 of the PFMA by not ensuring that revenue or levy due to the entity was collected into the coffers of the organization. A charitable organisation improperly utilized funds meant for a purpose as set out in its proposal without any authorization which amounts to misappropriation of funds. Charitable organisation unlawfully misappropriated funds meant for sport development for their own use and/or failed to account for the usage of such funds properly. controls regarding grant funding are extremely weak.	- The Accounting Authority (GGB Board), must, in terms of Section 51(1)(e)(ii) -(iii) and Section 51(1)(h) of the PFMA, institute a disciplinary action against the official for contravening of Section 38 (1)(c) of the PFMA and Section 61(2)(b)(i) of the Gauteng Gambling Act. - gross misrepresentation, corruption and money laundering as contemplated in Section 4 and 5 of the Prevention of Organized Crime Act 121 of 1998, relating to the repayment of the loan he took from the OFFICIAL which was paid on his behalf by a beneficiary utilizing GGB funds; - gross misrepresentation and misleading of the Audit Committee on the matter of a service provider and the R100 000.00 loan repayment;	An administrator was appointed in 2021 to implement the recommendations. The official is no longer an employee of GGB. An administrator was appointed in 2021 to implement the recommendations. The administrator concluded that the offence of money laundering and racketeering which fall under sections 4 and 5 of the Prevention of Organised Criminal Activities Act No. 121 of 1998 ("POCA") can only be committed by a person who knows or ought reasonably to have known that the property concerned constituted the proceeds of unlawful activities. It follows that the GGB would be required to prove that the funds in question were the

			- GGB pursues civil action to recover the full grant amounting to R450 000.00 from the beneficiary as it clearly was fraudulently used for other purposes other than for the grant proposal and no indication that it was in fact utilized for even a local tournament they claimed. - The GGB registers a criminal case against the beneficiary Directors for fraud and misappropriation of funds of the GGB as well as aiding and abetting a money laundering scheme in terms of Section 4 and 5 of the Prevention of Organized Crime Act 121 of 1998. - A further detailed investigation of grant funding going back 5 years be undertaken to determine if there are no further irregular, improper, unlawful and/or corrupt payments made.	proceeds of unlawful activities; In terms of POCA unlawful is defined as "any conduct which constitutes a crime, or which contravenes any law whether such conduct occurred before or after the commencement of the Act and whether such conduct occurred in the Republic or elsewhere" To this end it cannot be said that the funds diverted to a service provider constitute the proceeds of unlawful activities The reports were handed over in July 2025 to the new Chairperson to implement the outstanding recommendations.

	GGB Allegation Two (2):Forensic investigation into fruitless and wasteful expenditure claims relating to the Chairperson trip to London: January/February 2020	The Board of the GGB did not approve the trip to be undertaken by the Chairperson as contemplated in Section 1(a) of the GGB Travel and Subsistence Allowance Policy and Framework. The official permitted fruitless and wasteful expenditure and sanction in violation of section 38(1)(c)(ii) of the PFMA.	- The Accounting Authority must, in terms of section 51(1)(e)(iii) of the PFMA, take appropriate disciplinary action against the official for permitting fruitless and wasteful expenditure to be incurred with his knowledge and sanction in violation of section 38(1)(c)(ii) of the PFMA.	An administrator was appointed to implement the recommendations. The official is no longer an employee of the GGB.
			In future, no travel bookings or payments ought to be made without receiving an official written approval from the relevant authorities.	Implemented
			A further investigation into the 2019 London Trip which seems to have aborted but with documents that appear to be forged, be authorized as an additional scope.	The reports were handed over in July 2025 to the new Chairperson to implement the outstanding recommendations.

	Allegation (3Conclusion regarding RFQ 06/017/2016 Request for Quotation ("the RFQ")	Appointments were irregular due to: - the RFQ period was less than the seven (7) days. There were no prior approval in accordance with the Accounting Authority's delegated powers and the reasons for the deviation were not documented and fully motivated. - This appointment was irregular because the number of suppliers that were evaluated were less than the minimum of three as per the SCM policy. There were no reasons provided for the evaluation of only one/two firm of attorneys. - The appointment of Attorneys was irregular and not in line with the GGB Delegation of Authority.	- Further investigation should be conducted, termed "Phase 2", due to the scope limitations that we have reported in section 7 above.	The reports were handed over in July 2025 to the new Chairperson to implement the outstanding recommendations.
	Allegation Four (4):Forensic investigation into the alleged Sports Development Funds ("SDF") and Corporate Social Investment ("CSI") pertaining to disbursements by the Gauteng Gambling Board	Based on the information provided and the interviews conducted, we conclude that the disbursement of SDF and CSI for financial years 2018/19 and 2019/20 (reference to Schedule 1 and 2) were processed in line with the provisions of the GGB Act, GGB Socio Economic Development policy, and Delegation of Authority, except for irregular disbursements relating to two charitable organisations.	- The Accounting Authority, must, in terms of Section 51(1)(e)(ii)(iii) of the PFMA, institute disciplinary action against the official for approving disbursement of R4 300 000.00 made to a Community Development contrary to the Board resolution in the financial year 2018/19 as well as an additional R7million made during the 2019/20 financial year.	An administrator was appointed to implement the recommendations. The official is no longer an employee of the GGB.
			- The Accounting Officer must, in terms of Section 38(1)(h)(ii)(iii) of the PFMA, take disciplinary action against the official for making payments amounting to R14 million contrary to the Board resolution for R7million in relation to the 2019/20 financial year	The official left the entity in 2019/20 financial year.

			- The process of inviting submission of proposals from the NPOs should be made more transparent with clear and objective assessment and evaluation criteria.	Implemented
	GGB Allegation Five (5): Forensic Investigation into the Appointment of a service provider without following the SCM process	Investigation closed	- Investigation closed based	Investigation was closed with no findings/ recommendations.
	Allegation Six (6) Forensic investigation into the payment of protection services for an employee without following due SCM process	Based on the above, we conclude that GGB had never appointed a security company to provide protection to an official as alleged and therefore, the allegation is unfounded, and no evidence could be found to support it.	- The allegation made with regard to the appointment of a security company by GGB to provide protection to the official should be considered as closed as no evidence could be provided to substantiate the allegation	Closed, the allegation was unfounded

GGDA				
Case no	**Investigation/allegations**	**Findings**	**Summary of recommendations**	**Department comments**
40000000 0141	Procurement irregularities-dispute vs GGDA/GIDA appointment of service provider	GGDA To ensure appropriate authorisation prior to advertisement of the tender and prior to awarding of the contract - Improvement to payments processes	- We do not recommend any disciplinary action as the non-compliance with the GGDA SCM policy were of a minor nature and did not have a material impact on the outcome of the tender. - Furthermore, there were also no indications of any intentional manipulations of the tender process. - GGDA to obtain adequate supporting documents from GDED to ensure that all budgetary provisions are submitted to Provincial Treasury prior to going out tender - The BEC and BAC members to be trained	internal controls were improved.

GLB				
Case no	**Investigation/allegations**	**Findings**	**Summary of recommendations**	**Department comments**
300000000341	Forensic investigation into allegations of appointment irregularities at GLB	- No irregularities identified however internal controls must be improved regarding employee files.	- We recommend that both departments find the recruitment file for future audit purpose.	Allegations were unfounded. However, the internal controls were improved
			- We further recommend that in a similar event where an employee is being transferred, the HR must ensure that, before transferring that employee's file to his/her current employer, the HR official responsible must make a copy of that employee file before transferring the original file for future audit purpose	The internal controls were improved

GTA				
Case no	**Investigation/allegations**	**Findings**	**Summary of recommendations**	**Department comments**
300000000263	Forensic investigation into an unethical behaviour at Gauteng Tourism Authority	- The Board quoted clause section 8 of the Gauteng Tourism Act, Act no.10 of 2001, Act no.10 of 2001 could not be found. - The signed minutes that the topic acting allowance of the Acting Chief executive officer was not discussed nor mentioned under matters for approval, therefore this suggests that the board did not further discuss nor approve the acting allowance of the Acting CEO. - The acting period was 13 and a half months (from 14 March 2019 to 30 April 2019) the acting period therefore exceeded the legal 12 months acting period according to the GTA Acting Allowance Policy. - The official was supposed to get a total acting allowance salary of R458 079.5 and not R1 048 043, 61 throughout her acting period	- We recommend that the Gauteng Department of Economic Development takes appropriate action against the Gauteng Tourism Authority board for wrongfully and intentionally citing non-existing acts and policies i.e: Paragraph 4.4 of the GDED Policy in which the Board cited a clause - We recommend disciplinary action against the board for false misrepresentation of facts by applying unapproved board meeting minutes and ignoring the signed minutes. In addition, for allowing the official to act for a period exceeding the 12 months maximum acting period - Gauteng Tourism Authority, with the assistance and advice of its Legal Services, consider appropriate action to recover the R589 964.11 against the board who took the wrong decision on the official' acting allowance salary. - The GDED-GTA must ensure that they maintain their records for audit purposes, as lack of maintenance of records could lead to non-accountability of funds by the GTA	The current board has conducted a cost-benefit analysis, the amount that would be spent by the GTA in recovering the remuneration overpayments would be well in excess of approximately R4million. With the recent reductions in annual budget allocations, the GTA cannot afford this expense, as the value derived there from would be nominal in comparison. The appointed service provider is currently in the process of developing an internal audit plan, a portion of which shall also deal with GTA records management. .

GEP				
Case no	**Investigation/allegations**	**Findings**	**Summary of recommendations**	**Department comments**
300000000341	Forensic investigation into alleged fraud and corruption regarding a service provider and officials from the Gauteng enterprise propeller (GEP)	- The investigation has found that a service provider received R7 million from GEP to build a butchery, however the butchery does not exist. The report recommends recovery of the R7 million from the service provider.	Recover the financial losses suffered by the entity.	Criminal case was opened
	Price Standardization Tender	- Tender was allegedly awarded to undeserving bidders. 22 of the 32 bidders should have not been qualified for the bid and should have not been awarded the bid. No financial losses incurred by the entity. - To assist GEP with condonation for the proven irregular expenditure which emanated from the transactions which form part of our instruction	We emphasize that GEP should review policies accordingly and in the process strengthen them where there are shortcomings identified	GEP has adequate policies and procedures in place, which are derived from legislation, and they heed the prescripts, National Treasury Practice Notes as well as Instruction Notes.
	TEA Awards Tender	Tender was fraudulently awarded without following procurement processes (tempering with the price schedule, bid specification committee was not established, Incorrect application of preference point system, incorrect price used in the evaluation, Incomplete submission of bidding documents	Implicated employees should undergo disciplinary measures	Investigation completed by the SIU and the disciplinary are in progress Two of the four employees are no longer in employment of GEP-The case against the two remaining implicated employees is currently in progress. One employee is on incapacity leave. The matter resides with the SIU.

		- There were irregularities in the MOA between GEP and Service provider. - The reduction of the 75,000 job opportunities to 5,000 in the Project was done irregularly. - The attempted extension of the MOA was done irregularly. - Project Vuthela amounted to fruitless and wasteful expenditure for the GEP	Recover the financial losses suffered by the entity.	Investigation was completed in 2023, and the entity is in a progress to recover funds. The matter resides with the High Court of South Africa.
	Pitching Booster	- Irregular budgetary and procurement deviations in the purchasing of goods and services including events, - A service provider was a constant beneficiary of GEP as they won tenders to hold the Pitching Booster programmer of the GEP without rotation, - Flouting of governance processes in respect of the Board approval of at least R2,500,000.00 (two million and five hundred thousand Rand) in relation to the Pitching Booster programmer, - Procurement irregularities on the - Sedibeng Pitching Booster event as per whistle-blower statement. - Not utilising the sponsorships for the Pitching Booster in accordance with the Sponsorships Policy of the GEP Pitching Booster, - Centralisation of processes	Disclosure of the transactions as irregular expenditure	The investigation was completed in 2023. The pitching booster transactions confirmed as irregular were disclosed in the schedule of irregular expenditure and the condonation application is in progress.

	Sponsorship of R7.4 million	Alleged sponsorship not in line with Sponsorship Framework -	GEP must remove all doubt that any official or practitioner in the SCM Unit may have in terms of all processes. This can, amongst others, be achieved through the introduction of Standard Operating Procedures (SOP), with flow charts, for various mechanism applicable to GEP. These SOPs should be utilised by all Procurement personnel, Bid Committee members as well as Contract management officials	
	ICT transactions	Miscellaneous ICT transactions were approved without	Develop SOPs that defines proper keeping and retention of records	The investigation was completed in 2022. A Record Keeping and Retention policy is in place and was approved by the Board in July 2022. The implicated employee, former ICT Manager was dismissed effectively February 2023.
	Alleged misuse, overcharging (taxing of invoices), poor allocation of instructions to the panel of attorneys	Alleged misuse, overcharging, poor allocation of instructions to the panel of attorneys for 2017/2018, 2018/2019 and 2019/2020 financial years	Obtaining of further relevant documentation i.e. Invoices that were paid to some of the panel of service providers on service rendered, perusal of instructions to lawyers etc.	Investigation was completed in 2022, and the Implicated employees were dismissed in April 2024

	Alleged Qualification integrity	Allegedly misrepresentation of qualifications.	Disciplinary measures should be taken against employees who misrepresented their personal information when they were employed. It is of paramount importance for GEP to show that the misrepresentation led to the employment of the employee in question and furthermore, the dishonesty would render the continuance of the employment relationship intolerable. Dishonesty weakens the element of trust in the employment relationship.	The investigation was completed in 2022. Two Employees in question dismissed post disciplinary measures, whilst the HR Manager who was responsible to conduct the background checks was also dismissed.
	Irregular Expenditure	Consumption of goods and services over expired contracts for office leases	Institute disciplinary processes against responsible officials. Training on contract management Condonation	Investigation was concluded in 2024, and the amount was successfully condoned.

<u>QUESTION 5</u>: In which cases from question (1) were recommendations not acted upon or not referred for further investigation by the police or appropriate authorities;

ANSWER: Please refer to response (4) above.

<u>QUESTION 6</u>: Are the concluded investigations accessible to the public;

ANSWER: No.

<u>QUESTION 7</u>: If yes to (6), where can these be accessed; and

ANSWER: Please refer to response 6 above.

<u>QUESTION 8</u>: If they are not accessible by when (date), will they be accessible?

ANSWER: Please refer to response 6 above.

Yours sincerely

MR LEBOGANG MAILE (MPL)
MEMBER OF THE EXECUTIVE COUNCIL (MEC)
FINANCE AND ECONOMIC DEVELOPMENT
DATE: 13|08|25

Our Ref: 058