

NATIONAL ASSEMBLY

WRITTEN REPLY

QUESTION 4706.

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4706. Mr S L Ngcobo (IFP) to ask the Minister of Basic Education: to ask the Minister of Basic Education:

(1) With regard to her department's irregular expenditure amounting to R1 471 583 000 and the lack of proactive and effective consequence management relating to the investigations of this, what is her department doing to ensure that its (a) financial management improves and (b) irregular expenditure is decreased;

(2) whether her department will be making any changes to implementing agencies to ensure that their corrective measures are in accordance with her department's corrective steps; if not, what is the position in this regard; if so, what are the further, relevant details?

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WRITTEN REPLY

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Response

1(a) The Department ensures 100% compliance to Supply Chain Management (SCM) processes and all financial management policies and procedures as well as instructions from National Treasury are adhered to. This has led to a material decrease in irregular expenditure in 2021/22 compared to 2020/21.

1. DBE disclosed the irregular expenditure as part of a drive to clean up the accounting of infrastructure projects.
2. ASIDI started in 2012 and SAFE started in 2018.
3. DBE assessed all procurement processes on ASIDI and SAFE. This revealed the following deficiencies in the procurement documents:
 1. Tenders not advertised for 21 days;
 2. Local content – no SBD6.2 included;
 3. Non-compliance to Preferential Procurement Regulations;
 4. Non-compliance to CIDB regulations;
 5. Non-compliance to mandatory subcontracting; and
 6. Non-compliance to Implementing Agent own SCM policies.
4.
 5. The bulk of these projects have been completed and schools are already benefiting from the use of the facilities provided.
 6. Some implementing agents have applied for condonation from National Treasury. This process has not been concluded

Response to question 1.(b)

1. Allocation of projects to be implemented to Implementing Agents are done in Batches that can range from anything from 15 large schools to over 200 sanitation projects. A single process issue (such as not including a SBD6.2) in a bulk tender process, can thus have a large monetary impact as all the expenditure in a batch will have to be declared Irregular Expenditure.
2. Expenditure may be multi-year or across financial years and process issues in previous years influences the Irregular Expenditure declared in the current financial year.

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Response to question 2.

1. The DBE implemented a standard operating procedure to check all procurement processes to avoid a repeat of this historical default. A checklist has been introduced in the SCM directorate to ensure that all procurement complies to SCM processes