



**POISED TO STRIKE**  
*against corruption*

**2017**

INTERIM REPORT



**POISED TO STRIKE**  
*against corruption*

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## OUR VISION

WORKING TOGETHER  
TOWARDS RIDDING  
SOCIETY OF CORRUPTION,  
MALPRACTICE AND  
MALADMINISTRATION.



## OUR MISSION

CO-OPERATING WITH OTHER STATE ENTITIES  
TO FIGHT CORRUPTION, MALPRACTICE  
AND MALADMINISTRATION EFFECTIVELY  
THROUGH FORENSIC INVESTIGATIONS, CIVIL  
PROCEEDINGS, REFERRALS FOR CRIMINAL  
PROSECUTION AND REFERRALS FOR  
DISCIPLINARY ACTION.



## OUR VALUES

- INTEGRITY
- CO-OPERATION
- PROFESSIONALISM
- DRIVE AND PASSION
- EFFECTIVENESS
- INDEPENDENCE

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# INTEGRITY

MAINTAINING AND ENSURING PROPER  
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# PART A GENERAL INFORMATION

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# FOREWORD BY THE HEAD OF THE SPECIAL INVESTIGATING UNIT

The Special Investigating Unit is proud to present our Interim Report for 2017, in accordance with the Special Investigating Units and Special Tribunal Act, No 74 of 1996 (SIU Act) section (4)(1)(h) which requires that at least twice a year we submit a report to Parliament on investigations, activities, composition and expenditure of the Unit.

This Interim Report therefore follows on from our Annual Report which we presented to Parliament in October 2017 for our 2016/2017 Financial Year.

Our Interim results indicate that the Unit continues to be a catalyst for fighting corruption in South Africa. This is evidenced by some of our key highlights, for example, we were able to recover on behalf of the state R 20,5 million and further identify R63 million which is the value of money and/or assets potentially recoverable by the state. We were also able to refer 168 matters for disciplinary, executive and/or administrative action and we submitted six reports to the Presidency. We delve further into our performance achievements under Part B of our report where we list our Performance measures against our three strategic objectives, as well as our targets.

<b>Strategic Objective 1:</b>	Conduct Effective and Efficient Forensic Investigations
<b>Strategic Objective 2:</b>	Facilitate or Initiate Appropriate Remedial Action
<b>Strategic Objective 3:</b>	Collaborate Effectively with Other Role Players

During the period under review we received nine new Proclamations allowing us to investigate matters in relation to:

- Eastern Cape Department of Social Development (EC DSD) Proc. R.17 of 2017;
- Thabazimbi Local Municipality – Proc. R.18 of 2017;
- Alfred Nzo District Municipality – Proc. R.19 of 2017;
- Gauteng Provincial Department of Health (Life Esidimeni) – Proc. R.23 of 2017;
- Department of Rural Development and Land Reform – Proc. R.24 of 2017;
- Lesedi Municipality (Gauteng Province) – Proc. R.25 of 2017;
- Department of Correctional Services & The Independent Development Trust – Proc. R.28 of 2017;
- South African Broadcasting Corporation (SABC) – Proc. R.29 of 2017; and
- Kwazulu-Natal Provincial Treasury – Proc. R.30 of 2017

Under Part C of our Interim Report, we report briefly on the scope of work of these investigations as contained in the published Government Gazette and in Part D we provide an overview on all our Ongoing Investigations and the status thereof.



Advocate Andy Mothibi  
Head of the Special  
Investigating Unit

The above signed proclamations indicate governments' commitment to root out corruption in the country and shows confidence in the work of the Unit. As such, various project teams have been constituted and investigations have duly commenced. Together with our operations team, we have been working determinedly on identifying strategies and methodologies to ensure that the turnaround times of our investigations are shortened, while still ensuring quality control of the Presidential reports submitted.

In September this year, the Unit also welcomed Ms Caroline Mampuru as the Deputy Head of the Unit. Ms Mampuru joins us from the Auditor General South Africa and will play an integral role in ensuring that the Unit delivers on its mandate of being at the forefront of fighting corruption, malpractice and maladministration.

The Unit is also about to conclude on the Organisational Review Project embarked on earlier this year. Key to this process has been mapping out the organisational goals and objectives and drafting the new organisational strategy and structure, aligned to the required resources which will enable the Unit to achieve on its the mandate. We look forward to concluding this process and work towards rebuilding the SIU into a better performing organisation, geared towards ridding South Africa of corruption, maladministration and malpractice.

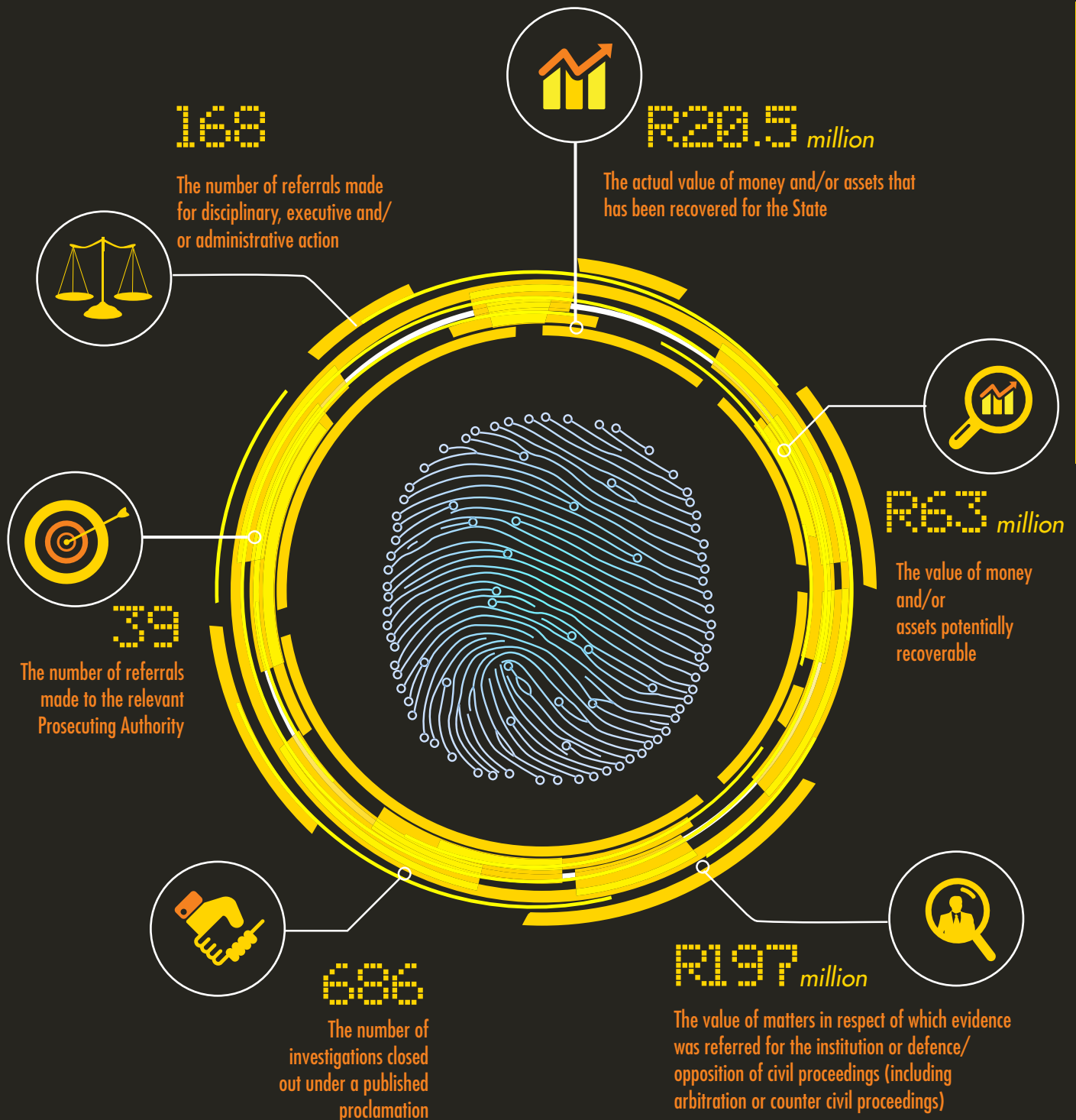
Once again, I would like to thank all our key stakeholders including Presidency, Department of Justice and Constitutional Development, Management and Members of the Unit for their continued support in ensuring that the Unit remains steadfast in its mission.



Advocate Andy Mothibi  
Head of the Special Investigating Unit



# SIU'S PERFORMANCE HIGHLIGHTS





# BACKGROUND OF THE SPECIAL INVESTIGATING UNIT

As an independent statutory body established by the President to investigate and report on government corruption, malpractice and maladministration, the SIU reports directly to the President and Parliament in terms of its activities.

It was set up by the President in terms of the SIU Act, with the primary mandate to recover and prevent financial losses to the State due to activities of corruption, malpractice, fraud and maladministration. The SIU also supports state institutions to implement systemic improvements that will advance service delivery.

The SIU is a public entity with powers of investigation and litigation. In accordance with a Presidential Proclamation, it has the authority to subpoena, search, seize and interrogate witnesses under oath. Civil action can be taken to correct any wrongdoing uncovered during investigations, for example, the SIU can recover money for the State by obtaining a court order which compels a person to reimburse any wrongful benefit received. The SIU also oversees the cancellation of a contract when proper procedures were not honoured within state institutions. It also has the power following due process to discontinue transactions or other actions that were not properly authorised.

Where the SIU does not have the power to arrest or prosecute offenders for criminal conduct, it will report matters to the attention of the Directorate for Priority Crime Investigation (DPCI; the Hawks), the South African Police Service (SAPS), as well as the National Prosecuting Authority (NPA). It has a close working relationship with these entities, helping to ensure effective investigation and prosecution. The SIU also works closely with the Asset Forfeiture Unit (AFU) in the NPA, where its powers are more appropriate or effective in recovering the proceeds of crime.

Any matter as set out in section 2 of the SIU Act may be investigated by the SIU. It includes the following:

- Serious maladministration in connection with the affairs of any State institution.
- Improper or unlawful conduct by employees of any State institution.
- Unlawful appropriation or expenditure of public money or property.
- Any unlawful, irregular or unapproved acquisitive act, transaction, measure or practice that has a bearing on State property.
- Intentional or negligent loss of public money or damage to public property.
- Corruption in connection with the affairs of any State institution.
- Unlawful or improper conduct by any person who has caused or may cause serious harm to the interest of the public.

The SIU offers a unique and integrated service through the application of a project-based approach. It also concentrates on processes, people and financial losses in departments, including the following:

- Conducting forensic audits and investigations.
- Instituting legal action, such as civil, criminal and disciplinary or other remedial action.
- Recommending and facilitating the implementation of improved systems.

## The Executive Committee (EXCO)

The SIU Executive Committee is a top management committee responsible for making decisions on strategic operational matters in terms of the SIU and the Special Tribunal Act No. 74 of 1996. The committee consists of all the executive managers and the Head of the Unit as chairperson of the committee.

The committee consists of the following members:

**Adv. J.L. Mothibi** Head of Unit

**C Mampuru** Deputy Head of Unit

**Adv. G Visagie** Head: Civil Litigation

**M Nyathi** Head: Business Support

**L Lekgetho** Projects Director

**Dr J Wells** Corporate lawyer

**A Gernandt** Chief Finance Officer

**N Pandor**  
Head: Communications and Stakeholder Management

**T Mkhungo** Head: Internal Audit, Risk and Governance

**M Lecheko** Head: Internal Integrity Unit







## VALUES

## DESCRIPTION

### Integrity

Maintaining and ensuring proper conduct among members of the SIU

### Co-operation

Nurturing excellent co-operation and co-ordination with other Corruption-Busting and Law-Enforcement Agencies

### Professionalism

Conducting forensic investigation and/or facilitating civil proceedings in a professional manner

### Drive and passion

Ensuring that all our tasks are performed with the requisite drive and passion

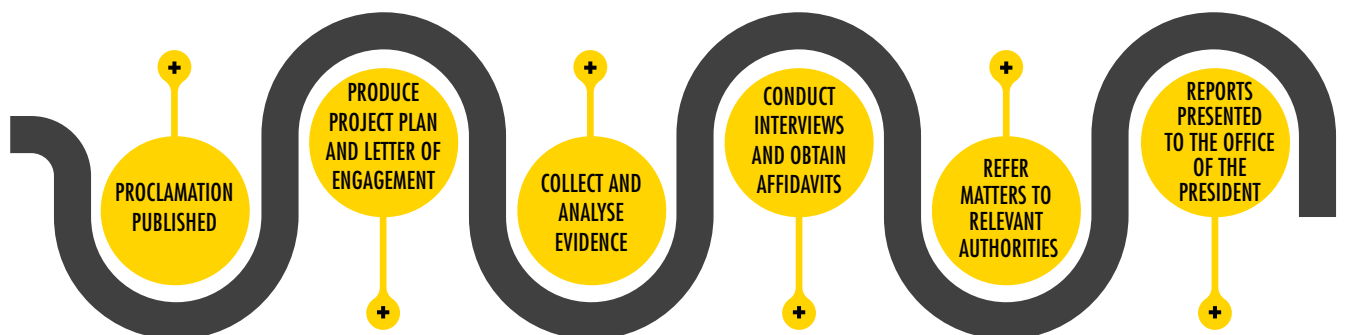
### Effectiveness

Aligning and improving systems and processes to convert minimum resources into maximum results within the shortest possible time

### Independence

Acting without fear, favour or prejudice

## SIU Delivery Model





# CO-OPERATION

NURTURING EXCELLENT CO-OPERATION AND  
CO-ORDINATION WITH OTHER CORRUPTION-  
BUSTING AND LAW-ENFORCEMENT AGENCIES



# PART B PERFORMANCE INFORMATION

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# OVERVIEW OF THE SIU'S PERFORMANCE

Overview of the SIU's Performance To Date

## SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure	2017	Narrative																																																									
<b>Strategic Objective 1: Conduct Effective and Efficient Forensic Investigations</b>																																																											
The number of investigations closed out under a published proclamation	Target	1,000																																																									
	Actual	686																																																									
This indicator measures the ability to conduct and close out forensic investigations and reflects the amount of work being done under a published proclamation, instead of waiting for the final presidential report to be submitted. The total number of investigations closed out per proclamation and which is shown below is <b>686</b> :																																																											
<table> <thead> <tr> <th>No</th><th>Proc No</th><th>Proc Name</th></tr> </thead> <tbody> <tr> <td>25</td><td>R5 of 2005</td><td>National DOT</td></tr> <tr> <td>2</td><td>R8 of 2011</td><td>DRDLR</td></tr> <tr> <td>11</td><td>R53 of 2012</td><td>DRDLR: Land Restitution</td></tr> <tr> <td>15</td><td>R7 of 2014</td><td>DRDLR and the SITA</td></tr> <tr> <td></td><td>R599 of 2015</td><td></td></tr> <tr> <td>1</td><td>R49 of 2014</td><td>KZN Treasury</td></tr> <tr> <td></td><td>R16 of 2015</td><td></td></tr> <tr> <td>4</td><td>R54 of 2014</td><td>DPW: Prestige Directorate, Western Cape</td></tr> <tr> <td></td><td>R44 of 2015</td><td></td></tr> <tr> <td>54</td><td>R59 of 2014</td><td>National DPW: Leases</td></tr> <tr> <td>447</td><td>R27 of 2015</td><td>National DPW</td></tr> <tr> <td>2</td><td>R40 of 2014</td><td>Buffalo City Metro Metropolitan Municipality (BCMM)</td></tr> <tr> <td>41</td><td>R598 of 2015</td><td>Eastern Cape Department of Education (EC DOE)</td></tr> <tr> <td></td><td>R17 of 2016</td><td></td></tr> <tr> <td>36</td><td>R19 of 2016</td><td>Construction Industry Development Board (CIDB)</td></tr> <tr> <td>1</td><td>R22 of 2016</td><td>Department of Human Settlements Gauteng Province (NDOHS) and Lepelle Northern Water (LNW)</td></tr> <tr> <td>44</td><td>R23 of 2016</td><td>KwaZulu-Natal Department of Transport (KZN DOT)</td></tr> <tr> <td>3</td><td>R31 of 2016</td><td>Amahlathi Local Municipality</td></tr> </tbody> </table>			No	Proc No	Proc Name	25	R5 of 2005	National DOT	2	R8 of 2011	DRDLR	11	R53 of 2012	DRDLR: Land Restitution	15	R7 of 2014	DRDLR and the SITA		R599 of 2015		1	R49 of 2014	KZN Treasury		R16 of 2015		4	R54 of 2014	DPW: Prestige Directorate, Western Cape		R44 of 2015		54	R59 of 2014	National DPW: Leases	447	R27 of 2015	National DPW	2	R40 of 2014	Buffalo City Metro Metropolitan Municipality (BCMM)	41	R598 of 2015	Eastern Cape Department of Education (EC DOE)		R17 of 2016		36	R19 of 2016	Construction Industry Development Board (CIDB)	1	R22 of 2016	Department of Human Settlements Gauteng Province (NDOHS) and Lepelle Northern Water (LNW)	44	R23 of 2016	KwaZulu-Natal Department of Transport (KZN DOT)	3	R31 of 2016	Amahlathi Local Municipality
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# SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure		2017	Narrative
The number of reports submitted to the Presidency	Target	8	<p>This is the number of interim or final investigation reports that are submitted to the Presidency. Reports were submitted in respect of the following proclamations:</p> <ul style="list-style-type: none"> <li>• R49 of 2014; R16 of 2015: KZN Provincial Treasury</li> <li>• R2 of 2012: Eskom</li> <li>• R31 of 2016: Amahlathi Local Municipality</li> <li>• R59 of 2014: National DPW: Leases</li> <li>• R6 of 2014: COGTA</li> <li>• R23 of 2016: KZN DOT</li> </ul> <p>The total number of interim or final investigation reports that were submitted to the Presidency between 1 April 2017 and 30 September 2017 is <b>six</b>.</p>
	Actual	6	

## Strategic Objective 2: Facilitate or Initiate Appropriate Remedial Action

The value of money and/or assets potentially recoverable	Target	R200 million	<p>This indicator measures the value of money and/or assets that may potentially be recovered for the State and/or relevant third parties (e.g. as envisaged in section 2(2)(g) of the SIU Act.</p> <p>A total of five Acknowledgement of Debt (AOD) documents were signed between 1 April 2017 and 30 September 2017 to the value of R662 888.</p> <p>In KZN the investigation team signed 89 Acknowledgement of Liability (AOL) documents to the value of R850 969. An AOL is a document where the debtor acknowledges that he/she is liable for the debt, however no repayment terms are agreed upon. The rationale behind adopting an approach such as this was a direct consequence of the peculiarities of the investigation into the evasion of motor vehicle license fees. The eNaTIS system which is an electronic database that records inter alia all licencing information surrounding a vehicle, does not allow for outstanding licence fees to be paid in instalments. Payments could only be effected at DOT approved centres. Once a debtor acknowledges liability for the debt, the debt is then registered onto the debtors name on the Electronic National Traffic Information System (eNaTIS) allowing the debtor to then effect payment.</p> <p>In the DPW Leases investigation the teams identified that the Department had paid for parking bays and/or storage space and/or additional lettable space but these were never allocated by the landlord. The value of these potential recoveries is R61 554 476.</p> <p>The value of money and/or assets potentially recoverable by the SIU amounted to R63 068 333 for the period under review.</p>
	Actual	R63 million	

# OVERVIEW OF THE SIU'S PERFORMANCE

Overview of the SIU's Performance To Date:

## SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure		2017	Narrative
The actual value of money and/or assets recovered	Target	R120 million	This indicator measures the actual value of money and/or assets that has been recovered for the State and/or relevant third parties.
	Actual	R20.5 million	<p>The AOD Enforcement Department at the SIU collected payments from debtors to the value of R4 727 582 between 1 April 2017 and 30 September 2017.</p> <p>Proof of payment was submitted to the SIU for overpayments identified in the DPW Leases investigations. The amount repaid during the period under review was R15 539 971.</p> <p>Proof of payment was submitted to the SIU to the value of R299 010 in respect of the KZN DOT investigation that relates to a liability of outstanding licence fees that was paid upon identification by the liable owner.</p> <p>The total value of the actual cash and/or assets recovered was R20 566 562 for the period under review.</p>
The value of potential loss prevented	Target	R21 million	This indicator measures the prevention of potential loss generated as a result of SIU action or through the use of SIU evidence.
	Actual	R0	This target is being monitored closely and realistic opportunities aimed at achieving this target have been identified and are being pursued.
The value of contract(s) and/or administrative decision(s)/action(s) set aside or deemed invalid	Target	R660 million	This indicator measures the value of contract(s) and/or administrative decision(s)/action(s) (e.g. tender awards or appointments etc.) set aside, deemed invalid, terminated or prevented, as a result of SIU action or through the use of SIU evidence. It gives an indication of the work done by the SIU in instituting, conducting and/or facilitating the appropriate remedial action.
	Actual	R0	This target is being monitored closely and realistic opportunities aimed at achieving this target have been identified and are being pursued.
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)	Target	R1.3 billion	This indicator measures the value of matters in respect of which the SIU instituted or facilitated civil proceedings or where civil proceedings (including Arbitration or counter civil proceedings) were instituted or opposed/defended by means of SIU evidence. It gives an indication of the work done by the SIU in its core business of collecting evidence and recovering or safeguarding State money or assets through the institution, facilitation, opposition or defence of civil proceedings (including Arbitration proceedings).
	Actual	R197 million	

Note 1 – These are annual targets

Note 2 – These are verified outcomes from 1 April 2017 to 30 September 2017. They are not audited





# SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure		2017	Narrative
	Actual	R197 million	<p><b>R8 of 2011: DR DLR</b></p> <p>The SIU's investigation has revealed that the grant applicants represented to the Department that 49 individuals were to benefit from the grant concerned and/or be intimately involved in the farming project and/or obtain meaningful rights in the land concerned (and hence effect land reform), the only real intended applicant/beneficiary was and always were to be the initiator of the grant application and his family. Almost all the other applicants/beneficiaries constituted a "rent-a-crowd". The abovementioned misrepresentation impacted materially on (inter alia) the value-for-money and feasibility of the project criteria concerned, which resulted in the Department, having been fraudulently induced to approve and pay the grant. The value of the litigation is R11 053 940.</p> <p>The SIU's investigation has revealed that the grant applicants represented to the Department that the purchase price of the farm (including the bakkie and 155 sheep) amounted to R1.4 million, it in truth and in fact amounted to R2.4 million. The grant applicants represented to the Department that the balance of grant funds would be utilised as working capital and/or fund the R1 million difference between the purchase price of R2.4 million and the misrepresented price of R1.4 million. The abovementioned misrepresentation, having implicated materially on (inter alia) the value-for-money and feasibility of the project concerned, resulted in the Department having been fraudulently induced to approve and pay the grant amount. The value of the litigation is R5 800 578.</p> <p><b>R59 of 2014: National DPW: Leases</b></p> <p>The SIU is accordingly authorized to institute an action for the recovery of damages and/or losses suffered by the Department as a result of irregular, unlawful and/or negligent actions and/or omissions by representatives of Henque 2042 CC and or the Department in the conclusion of the lease agreements and any addendums thereto. The SIU is seeking:</p> <ul style="list-style-type: none"> <li>• a declaratory order declaring the lease agreement, and the addendum to be <i>void ab initio</i> and cancelled;</li> <li>• An order directing Henque 2042 CC to pay to the SIU the sum of R88 135 609, alternatively the sum of R29 453 032.</li> </ul> <p><b>R31 of 2016: Amahlathi Local Municipality (ALM)</b></p> <p>Summons was issued against three defendants in relation to the lease of vehicles and equipment. A hire purchase agreement was entered into and an amount of R92 487 183 was paid. However there was no authority to hire or sell or pass transfer of ownership of such vehicles or equipment without the consent of the true owner or owners.</p> <p>The value of the matters referred for the institution or defence/opposition of civil proceedings for the period under review is R197 477 310.</p>



# OVERVIEW OF THE SIU'S PERFORMANCE

Overview of the SIU's Performance To Date

## SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure	2017		Narrative
Strategic Objective 3: Collaborate Effectively with Other Role Players			
The number of referrals made to the relevant Prosecuting Authority	Target	75	<p>This indicator measures the number of referrals pointing to or regarding the commission of a criminal offence.</p> <p>The nature of the offences include:</p> <ul style="list-style-type: none"><li>• Fraud</li><li>• Contravention of section 28(b) of the Financial Intelligence Centre Act (FIC Act) of 2001 read with regulation 22(b) of the Money Laundering and Terrorist Financing Control Regulations</li><li>• Contravention of CIDB regulation 30(1)(a)</li><li>• Contravention of section 10 of the Prevention and Combating of Corrupt Activities Act (PRECCA) of 2004</li><li>• Contravention of the Prevention of Organised Crime Act (POCA) of 2004;</li><li>• Forgery and Uttering</li><li>• Contravention of section 62(1)(a) and (d) of the Municipal Finance Management Act (MFMA) of 2003</li></ul> <p>The number of matters referred to the NPA and/or AFU between 1 April 2017 and 30 September 2017 is <b>39</b>.</p>
	Actual	39	





# SIU ANNUAL PERFORMANCE

for the period 1 April 2017 to 30 September 2017

Performance measure		2017	Narrative
The number of referrals made for disciplinary, executive and/or administrative action	Target	75	<p>This indicator measures the referral of SIU evidence pointing to misconduct or irregular conduct to State institutions, authorities, entities or persons for purposes of the institution of disciplinary, executive, administrative or other forms of civil sanctions.</p> <p>The nature of the offences include:</p> <ul style="list-style-type: none"> <li>• Fraud alternatively theft</li> <li>• Fraud</li> <li>• Administrative action in terms of the Promotion of Administrative Justice Act (PAJA) of 2000</li> <li>• Gross negligence alternatively failure to ensure compliance with specific prescripts</li> <li>• Contravention of Annexure A of the Disciplinary Code and Procedures for the Public Service</li> <li>• Gross dishonesty</li> <li>• Contraventions of sections 46(2)(a), 46(3), 62(1)(a), 62(1)(d), 69(1)(a) and 78(1)(a) and (b) of the MFMA</li> <li>• Clause 2(a), (b) and (d) of Schedule 2 of the Code of Good Conduct for Municipal Staff Members</li> <li>• Possible misconduct</li> <li>• Contravention of CIDB regulation 30(1)(a)</li> <li>• Contravention of regulation 14(c) of the Public Service Code of Conduct</li> <li>• Contravention of sections 45(a), (b), (c) and/or (e) 57(c) and 80 of the Public Finance Management Act (PFMA) of 1999</li> <li>• Contravention of regulation C4.4 and C4.9 of the Public Service Code of Conduct</li> <li>• Contravention of section 22(1)(d) of the Attorneys Act</li> <li>• Contravention of regulation 28(1)(a)(i) of the Municipal Supply Chain Management policy</li> <li>• Contravention of section 30(1) of the Public Service Act</li> <li>• Contravention of National Treasury Practice Note 8 of 2007/2008</li> </ul> <p>The number of referrals made for the purposes of the institution of disciplinary, executive, administrative or other forms of civil sanctions between 1 April 2017 and 30 September 2017 is <b>168</b>.</p>
	Actual	168	



# PROFESSIONALISM

CONDUCTING FORENSIC INVESTIGATIONS  
AND/OR FACILITATING CIVIL PROCEEDINGS  
IN A PROFESSIONAL MANNER



# PART C PROCLAMATIONS

18

PROCLAMATIONS ISSUED DURING THE PERIOD UNDER REVIEW

22

COMPLETED PROCLAMATIONS

Presidential Reports Submitted during April – September 2017

# PROCLAMATIONS

Proclamations issued during the period under review

## PROCLAMATION R17 OF 2017

DATED 25 APRIL 2017



GOVERNMENT GAZETTE NO. 40810

### EASTERN CAPE DEPARTMENT OF SOCIAL DEVELOPMENT (EC DSD)

It includes the procurement of, and contracting for goods, works or services by or behalf of the Department and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department or the State in relation to the awarding of contracts, the renewal of contracts or the extension of contracts for the provision or management of residential care facilities in the Nelson Mandela Metro for 240 frail, aged or mentally or physically disabled persons and the provision of internal audit services and maladministration in the affairs of the Department and any losses or prejudice suffered. It also includes any unlawful or improper conduct by officials or employees of the Department or the applicable contractors, suppliers or service providers or any other person or entity.

## PROCLAMATION R18 OF 2017

DATED 25 APRIL 2017



GOVERNMENT GAZETTE NO. 40810

### THABAZIMBI LOCAL MUNICIPALITY (TLM)

It includes the procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to:

- (a) fleet related goods or services;
- (b) auctioneering or asset disposal related services;
- (c) the drafting or implementation of an asset disposal policy;
- (d) waste management services for the Northam landfill site;
- (e) the provision of office equipment;
- (f) the conversion of conventional prepaid meters to smart meters;
- (g) human resources related goods or services;
- (h) the provision of meter reading related services;
- (i) the provision of debt collection related services;
- (j) the provision of credit control related services; and
- (k) the drafting or implementation of a credit control management policy and the management of such a policy.

It also includes maladministration in the affairs of the Municipality in respect of employees' tax deductions and the payment of such deductions to SARS and any losses, prejudice or fruitless and wasteful expenditure incurred by the Municipality as a result of the non-payment or late payment of such deductions to SARS, including the causes of such maladministration. The SIU will also investigate the failure or refusal by the Municipality to (a) timeously act upon conclusions or findings which were made or (b) implement recommendations contained in a final report entitled "Possible Abuse of Office: Forensic Investigation" dated 29/10/2014 and any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations.





## PROCLAMATION R19 OF 2017

DATED 25 APRIL 2017



GOVERNMENT GAZETTE NO. 40810

### ALFRED NZO DISTRICT MUNICIPALITY (ANDM)

It includes the procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in respect of:

(a) the supply, delivery, installation or commissioning of water storage facilities or tanks or contract number ANDM/IDMS-WSP/05/20/03;

(b) the Matatiele Ward 7 Water Supply Project or Tender Number ANDM/IDMS-PMU/300/25/03/14; and

(c) a revenue and billing management solution or Tender Number ANDM/IDMS-WSP/165/19/11/14.

It also includes maladministration in the affairs of the Municipality in any losses or prejudice suffered by the Municipality as a result of such maladministration in relation to (a) to (c) and payments made in respect thereof, including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred and any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations.

## PROCLAMATION R23 OF 2017

DATED 24 JULY 2017



GOVERNMENT GAZETTE NO. 41000

### GAUTENG PROVINCIAL DEPARTMENT OF HEALTH (GDOH)

It includes the procurement of or contracting by or on behalf of the Department of the services from 28 entities in whose care mental health care users were entrusted and payments made in respect thereof and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department of the State. It also includes any unlawful or improper act or omission by officials of the Department or the owner of, a person in control of, or the staff of, an entity referred to above which caused or may have caused serious harm to mental health care users who were entrusted into the care of an entity.

## PROCLAMATION R24 OF 2017

DATED 24 JULY 2017



GOVERNMENT GAZETTE NO. 41000

### DEPARTMENT OF RURAL DEVELOPMENT AND LAND REFORM (DRDLR)

It includes the acquisition by the Department of the Bekendvlei, Nirwanda, Wonderhoek, Mont Piquet and Appelkloof farms, Mikes Chicken (Pty) Ltd, immovable assets and animals for Project Harmonie, Project Uitkyk and Project Dipalemo in terms of the Department's Proactive Land Acquisition Strategy, and the identification, selection and appointment of strategic partners and beneficiaries for such farms and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. It also includes the misappropriation of recapitalisation of funds in terms of the Recapitalisation and Development Programme of the Department relating to the allegations and any corruption, irregularities, malpractices or maladministration in the affairs of the Department relating to the allegations including the causes of such corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice which the Department may have suffered.



## PROCLAMATION R25 OF 2017

DATED 24 JULY 2017



GOVERNMENT GAZETTE NO. 41000

### LESEDI LOCAL MUNICIPALITY (LLM)

It includes the procurement of, or contracting by or on behalf of the Municipality and payments made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by, or losses suffered by the Municipality or the State in respect of:

- (a) an automated time and attendance system;
- (b) organisational re-engineering related services;
- (c) the supply and delivery of fuel;
- (d) refuse removal services; and
- (e) accounting related services.

It also includes the failure by the Municipality to pay or to pay timeously the debts of the Municipality or government debtor accounts and related fruitless and wasteful expenditure incurred by, or losses suffered by the Municipality or the State and the failure or refusal by the Performance Audit Committee of the Municipality to submit prescribed audit reports to the Municipal Council. The SIU will also investigate any unlawful or improper conduct by councillors, officials or employees of the Municipality; contractors, suppliers or service providers of the Municipality; or any other person or entity, relating to the allegations.

## PROCLAMATION R28 OF 2017

DATED 18 AUGUST 2017



**correctional services**  
Department:  
Correctional Services  
REPUBLIC OF SOUTH AFRICA



GOVERNMENT GAZETTE NO. 10750

### DEPARTMENT OF CORRECTIONAL SERVICES (DCS) AND THE INDEPENDENT DEVELOPMENT TRUST (IDT)

It includes the procurement of, or contracting for goods, works or services by or on behalf of the State Institutions in terms of Bid Number DCSSF02 and payments made in respect thereof and related unauthorised, irregular or fruitless and wasteful expenditure incurred by State Institutions and malperformance or no performance by service providers and professional consultants appointed by the State Institutions in terms of this Bid. It also includes any improper or unlawful conduct by officials or employees of the State Institutions, service providers or professional consultants or any other person or entity, in relation to the allegations. The SIU will also investigate the appointment of the Trust, by the Department, as agent for the implementation of the Bid and payments made in respect thereof and the appointment of professional consultants by the Trust for the Bid and payments made in respect of these appointments and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by State Institutions.



## PROCLAMATION R29 OF 2017

DATED 1 SEPTEMBER 2017



GOVERNMENT GAZETTE NO. 41086

### SOUTH AFRICAN BROADCASTING CORPORATION (SABC)

It includes the procurement of, or contracting for goods, works or services by or on behalf of the SABC from Lornavision (Pty) Ltd, Vision View Productions CC, Sekela Xabiso CA Incorporated, Lezaf Consulting CC, Gekkonomix (Pty) Ltd (trading as Infonomix), Asante Sana (Pty) Ltd, Foxton Communicating (Pty) Ltd and Mott Macdonald (Pty) Ltd and payments made in respect thereof. It also include maladministration in the affairs of the SABC and any losses or prejudice suffered by the SABC or the State as a result of such maladministration in relation to:

- (a) the mismanagement of the finances, rights, assets or liabilities of the SABC;
- (b) the selling of assets or rights which were owned by the SABC which was not to the advantage of the SABC;
- (c) business transactions that were concluded by or on behalf of the SABC and which were not viable or to the advantage of the SABC; (d) the irregular appointment and promotion of staff; or
- (e) the payment of salaries, increases, bonuses and other forms of remuneration that were not due, owing or payable, including the causes of such maladministration and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SABC or the State.

It also includes any undisclosed or unauthorised interest that certain members of the personnel of the SABC may have had with regard to contractors, suppliers or service providers who bid for work or did business with the SABC; or contracts awarded by or on behalf of the SABC.

## PROCLAMATION R30 OF 2017

DATED 1 SEPTEMBER 2017



treasury

Department:  
Treasury  
PROVINCE OF KWAZULU-NATAL

GOVERNMENT GAZETTE NO. 41086

### KWAZULU-NATAL PROVINCIAL TREASURY (KZN TREASURY)

It includes the appointment by the Treasury of service providers to render consultancy services to the Internal Audit Unit (IAU) and Infrastructure and Economic Development Unit (IEDU) of the Treasury and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Treasury or the State in respect of the appointment of the service providers to render consultancy services to these units of the Treasury. It also includes fraud, corruption, irregularities, malpractices or maladministration regarding the affairs of the Treasury in relation to the:

- (a) appointment of the service providers;
- (b) selective investigation of matters reported to the IAU of the Treasury;
- (c) administration of the Municipal Finance Support Programme, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damage or actual or potential prejudice suffered by the Treasury or the State. The SIU will also investigate any improper or unlawful conduct by the employees or officials of the Treasury, the service providers or any other person or entity, in relation to the allegations.



# COMPLETED PROCLAMATIONS

Presidential Reports submitted 1 April 2017 to 30 September 2017

COMPLETED PROCLAMATIONS					
No	Proclamation Number	Department/ State Institution	Scope	Type of Report	Date Report Submitted
1	R49 of 2014 amended by R16 of 2015	KZN Provincial Treasury	<p>The appointment, by the Treasury, of a service provider to the "Municipal Infrastructure Crack Team" of the Treasury to provide services for the Municipal Infrastructure Intervention Programme of the Treasury and payments made to the service provider and related irregular or fruitless and wasteful expenditure incurred by the Treasury.</p> <p>Unauthorised, irregular or fruitless and wasteful expenditure incurred by the Treasury in respect of the funding of the –</p> <p>(a) "Commemorating Prisoners of War – St Helena" event;</p> <p>(b) Durban International North Sea Jazz Festival; and</p> <p>(c) KwaZulu-Natal Sharks Board.</p>	<b>Final</b>	11 May 2017
2	R2 of 2012	Eskom Holdings Ltd	<p>Procurement of coal supplies and coal transport by or on behalf of Eskom and related irregular or fruitless and wasteful expenditure incurred.</p> <p>Procurement of helicopter services for Eastern Cape region by or on behalf of Eskom and related irregular or fruitless and wasteful expenditure incurred.</p> <p>Any undisclosed or unauthorised interests which by board members, officials or employees of Eskom may have had in contractors, suppliers or service providers of Eskom and the extent of benefits so derived by such persons.</p> <p>Maladministration in the affairs of Eskom in relation to the incorrect blending of different grades of coal to fuel its coal burning power stations.</p> <p>The payment for or acceptance by Eskom of coal of inferior quality to that contracted for.</p> <p>The procurement and contracting for work, goods or services for fencing in excess of the need therefore.</p> <p>The failure to safeguard fencing materials belonging to Eskom or in respect of which Eskom carried the risk for loss or damage.</p> <p>Payments made for the blending of coal, for coal or for fencing that were not due or payable, and any related losses that Eskom suffered.</p>	<b>Final</b>	12 July 2017
3	R31 of 2016	Amahlathi Local Municipality (ALM)	<p>The procurement of goods, works or services by or on behalf of the Municipality from or with the intervention of Laman Financial Services (Pty) Ltd and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality.</p> <p>Any unlawful or irregular conduct by</p> <p>a) the Municipality, councillors, officials or employees of the Municipality; or</p> <p>b) Laman Financial Services (Pty) Ltd, its directors, employees or agents relating to any of the allegations.</p>	<b>Final</b>	18 August 2017







## COMPLETED PROCLAMATIONS

No	Proclamation Number	Department/ State Institution	Scope	Type of Report	Date Report Submitted
4	R59 of 2014	National Department of Public Works (DPW): Leases	<p>The procurement and administration of leases by the Department for the Department or other National Departments and organs of state for whose accommodation needs the Department is responsible, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.</p> <p>Theft, fraud, corruption, irregularities, malpractices or maladministration in the affairs of the Department in relation to the procurement and administration of leases by the Department for the Department or other National Departments and organs of state for whose accommodation needs the Department is responsible, including the causes of any such theft, fraud, corruption, irregularities, malpractices or maladministration and any loss, damage or prejudice actually or potentially suffered by the Department or the State.</p>	<b>Interim</b>	21 August 2017
5	R6 of 2014	National Department of Co-operative Governance and Traditional Affairs (COGTA)	The appointment of the South African National Apex Tertiary Co-operative Limited by the Department to manage and to provide technical support and administration services in respect of the Ward Based Co-operative Programme of the Department. Payments which were made by the Department in respect of the Ward Based Co-operatives Programme of the Department and related unauthorised, irregular, fruitless and wasteful expenditure or loss of the Department's funds.	<b>Final</b>	12 September 2017
6	R23 of 2016	KZN Department of Transport (DOT)	Any conduct by officials or agents of the Department or any other person which relates to the (a) registration or motor vehicle ownership and/or licensing details; or (b) entering of, or changes made to, or tampering with, or manipulation of data and/or information, on the eNatis system of the Department which resulted or could potentially result in the circumvention of the payment of licensing fees, any penalties or any other outstanding monies to the Department; or was otherwise irregular or unlawful.	<b>Interim</b>	12 September 2017





# DRIVE AND PASSION

ENSURING THAT ALL OUR TASKS ARE PERFORMED  
WITH THE REQUISITE DRIVE AND PASSION



# PART D ONGOING INVESTIGATIONS AND CIVIL MATTERS

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## ONGOING INVESTIGATIONS

National  
Provincial  
Local  
State-owned Entities

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## CIVIL MATTERS

Summary of Civil Litigation Matters

# ONGOING INVESTIGATIONS

## NATIONAL

### Department of Correctional Services (DCS) and the Independent Development Trust (IDT)

Proclamation R28 of 2017 published on 18 August 2017

#### Scope of the investigation

The SIU is required to investigate, for the period 1 November 2011 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the State Institutions, in relation to the said matters in the Schedule.

The procurement of, or contracting for goods, works or services by or on behalf of the State Institutions in terms of Bid Number DCSSF02 and payments made in respect thereof and related unauthorised, irregular or fruitless and wasteful expenditure incurred by State Institutions

Malperformance or no performance by service providers and professional consultants appointed by the State Institutions in terms of this Bid.

Any improper or unlawful conduct by officials or employees of the State Institutions, service providers or professional consultants or any other person or entity, in relation to the allegations.

The appointment of the Trust, by the Department, as agent for the implementation of the Bid and payments made in respect thereof.

The appointment of professional consultants by the Trust for the Bid and payments made in respect of these appointments and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by State Institutions.

#### Proclamation status

Ongoing.

### Department of Rural Development and Land Reform (DRDLR)

Proclamation R24 of 2017 published on 24 July 2017

#### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2009 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the SIU by the Act, including recovery of any losses suffered by the Department in relation to the matters in the Schedule.

The acquisition by the Department of the Bekendvlei, Nirwanda, Wonderhoek, Mont Piquet and Appelkloof farms, Mikes Chicken (Pty) Ltd, immovable assets and animals for Project Harmonie, Project Uitkyk and Project Dipalemo in terms of the Department's Proactive Land Acquisition Strategy, and the identification, selection and appointment of strategic partners and beneficiaries for such farms and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.

Misappropriation of recapitalisation of funds in terms of the Recapitalisation and Development Programme of the Department relating to the allegations.

Corruption, irregularities, malpractices or maladministration in the affairs of the Department relating to the allegations including the causes of such corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice which the Department may have suffered.

#### Proclamation status

Ongoing.





## Department of Correctional Services (DCS)

Proclamation R20 of 2016 published on 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 10 May 2013 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The appointment of a service provider by the Department to render project management services relating to the renovations to the Zeerust, Brandvlei, Durban Westville, Johannesburg and St Albans correctional facilities; and conduct condition assessments in terms of the Government Immovable Asset Management Act, 2007 (Act No. 19 of 2007), in respect of 221 correctional facilities, and payments made in respect thereof;

Any unlawful, improper or unlawful conduct by officials or employees of the Department or the applicable service provider or any other person or entity;

Any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in relation to the allegations.

Investigation outcomes: Indicator	R Value/Number
The number of referrals made for disciplinary, executive and/or administrative action	3
<b>Proclamation status</b>	Ongoing.



## Construction Industry Development Board (CIDB)

Proclamation R19 of 2016 published on 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 June 2006 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

Maladministration in the affairs of the Board in respect of the receipt of, or the processing of, or granting of applications by contractors to the Board for registration as a contractor in the register of contractors contemplated in section 16 of the CIDB Act, 2000 (Act No. 38 of 2000); or contractor grading designations awarded by the Board to contractors, conducted by or facilitated through the improper conduct of officials or employees of the Board with undeclared or unauthorised conflict of interests; or contractors or any other third party, to corruptly or unduly benefit themselves or others; or which was fraudulent;

Any failure to implement appropriate measures to safeguard confidential or privileged information or records submitted to the Board; or irregular dissemination of confidential or privileged information or records by officials or employees of the Board to persons or entities who are not lawfully entitled to such information or records;

The appointment of a service provider by the Board, in terms of bid number RFB30026, to a panel of service providers to conduct investigations for the Board over a period of three years and any subsequent work awarded by the Board to the service provider;

The validity of construction work contracts awarded by the State Institutions to contractors where the State Institutions relied on the unlawful or invalid (a) registration as contractors in the register of contractors; or (b) contractor grading designations awarded by the Board to those contractors;

Any improper or unlawful conduct by officials or employees of the Board, contractors or any other person, in relation to the allegations.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	36
The number of referrals made to the Relevant Prosecuting Authority	23
The number of referrals made for disciplinary, executive and/or administrative action	28

**Proclamation status** Ongoing.

## Department of Correctional Services (DCS)

Proclamation R18 of 2016 published on 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 June 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

Irregularities in the procurement of an electronic monitoring system by the Department in terms of bids HK 07/2011, HO 06/2013 and HO 01/2014 and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department;

The extension of the contract awarded in terms of bid HK 07/2011 and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department;

Any non-performance or defective performance by the service provider appointed by the Department for the electronic monitoring system.

Any improper or unlawful conduct, by the employees or officials of the Department, the applicable service provider or any other person or entity.

Investigation outcomes: Indicator	R Value/Number
The number of referrals made for disciplinary, executive and/or administrative action	3

**Proclamation status** Ongoing.



## Department of Rural Development and Land Reform (DRDLR) and the SITA

Proclamation R599 of 2015 published on 10 July 2015 amends Proclamation R7 of 2014, published on 14 February 2014

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2008 to 14 February 2014, any: Theft, fraud, corruption or maladministration in the affairs of the DRDLR in relation to the lodging and processing of deeds on the Deeds Registration System of the Pretoria, Cape Town and Bloemfontein Deeds Registries, or in the processes of requesting for or the giving-out of deeds information, in a manner that was contrary to applicable legislation; or manuals, guidelines, policies, procedures, practice notes, instructions, prescripts or practices of or applicable to the DRDLR, including the causes of such fraud, corruption or maladministration, and any loss, damage or prejudice actually or potentially suffered by the DRDLR or the State.

The procurement of and contracting for the Information and Communications Technology (ICT) systems/projects or any goods, works or services in respect of the ICT systems/projects by or on behalf of the institutions, and irregular payments.

The incurrence of unauthorised expenditure, irregular expenditure, fruitless and wasteful expenditure or expenditure not due, owing and payable, as a result of payments which were made by the institutions to the agents of the institutions, the institutions' suppliers and service providers or third parties for or in respect of the ICT systems/projects.

Fraud, corruption or maladministration regarding the affairs of the institutions in respect of the ICT systems/projects.

Theft, fraud, corruption or maladministration in the affairs of the DRDLR in relation to the lodging and processing of deeds on the Deeds Registration System of the Pretoria, Johannesburg, Cape Town and Bloemfontein Deeds Registries, or in the processes of requesting for or the giving-out of deeds information, including the causes of such fraud, corruption or maladministration and any loss, damage or prejudice actually or potentially suffered by the DRDLR or the State.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	15
The number of referrals made for disciplinary, executive and/or administrative action	2
<b>Proclamation status</b>	Ongoing.

## National Department of Public Works (DPW)

Proclamation R27 of 2015, published on 20 July 2015 extends Proclamation R38 of 2010, published on 30 July 2010

### Scope of the investigation

The SIU was required to investigate the incurrence of irregular expenditure and/or fruitless and wasteful expenditure and payment of expenditure not due, owing or payable to the Department for the period 1 October 2003 to 30 July 2010, focusing on specific contracts/tenders, leasing of buildings for client departments and Prestige accommodation. The new proclamation extends the period of investigation to 20 July 2015.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	447
The number of referrals made for disciplinary, executive and/or administrative action	9
<b>Proclamation status</b>	Two final reports in respect of Proclamation R38 of 2010 are being prepared and will be submitted in the current financial year. Proclamation R27 of 2015 is ongoing.

## National Department of Public Works (DPW)

Proclamation R59 of 2014, published on 27 August 2014

### Scope of the investigation

The SIU is required to investigate the procurement and administration of leases by the Department for the Department or other National Departments and organs of State for whose accommodation needs the Department is responsible; any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. Theft, fraud, corruption, irregularities, malpractices or maladministration in the affairs of the Department in respect of these leases, including the causes of such and any loss, damage or prejudice actually or potentially suffered by the Department or the State for the period 1 June 2003 to 27 August 2014. These are leases concluded with private landlords for and on behalf of the Departments concerned.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	54
The number of reports submitted to the Presidency	1
The value of money and/or assets potentially recoverable	R61 558 202
The actual value of money and/or assets recovered	R15 539 971
The value of matters in respect of which evidence was referred for the institution or defence/ opposition of civil proceedings (including arbitration or counter civil proceedings)	R88 135 609
The number of referrals made to the Relevant Prosecuting Authority	5
The number of referrals made for disciplinary, executive and/or administrative action	2
<b>Proclamation status</b>	An interim report was submitted to the Presidency on 21 August 2017. Ongoing.

## Department of Transport

Proclamation R57 of 2014, published on 01 August 2014

### Scope of the investigation

The SIU was required to investigate allegations between 10 October 2005 and 1 August 2014 with regard to the extensions by the Department of the Driving License Card Contract RT (G) 6969 SA and the eNaTIS Contract RT1194KA, as well as any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in respect of payments which were made in terms of Change Note 47, dated 11 October 2010.

<b>Proclamation status</b>	The final report is being prepared and will be submitted in the current financial year.
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## Department of Labour and the Compensation Fund

Proclamation R55 of 2014, published on 01 August 2014

### Scope of the investigation

The SIU was mandated to investigate the following for the period 1 November 2002 to 1 August 2014: Compensation claim payments which were made by the Fund and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department and/or the Fund.

The conclusion by the Department and/or the Fund of a Public Private Partnership Agreement concluded with Siemens Business Services (Pty) Ltd and the validity of the agreement; a Termination Support Agreement concluded with EOH Managed Services Public Sector (Pty) Ltd; and an agreement with the Medical Services Organisation South Africa for claims adjudication and medical service provider processing services.

The procurement of goods, works or services by the Department and/or the Fund and payments made in respect thereof, in relation to the RFP for a Turnaround Strategy; and the RFPs for a Forensic Audit.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## Universal Service and Access Agency of South Africa (USAASA)

Proclamation R20 of 2014, published on 28 March 2014

### Scope of the investigation

The SIU is required to investigate the maladministration of the affairs of the Agency in relation to: the recruitment process which resulted in the appointment of the Chief Executive Officer (CEO) of the Agency in 2013; the Agency's funding, by way of a subsidy in the amount of R500 million to a service provider for the construction and expansion of an electronic communication network for Emalahleni Local Municipality (Eastern Cape); and (c) the procurement by the Agency of services in relation to the Rapid Development of Public Access Facilities Programme and payments made in relation thereto.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## Department of Communications

Proclamation R10 of 2014, published on 24 February 2014

### Scope of the investigation

The SIU is investigating the validity of the award by the Department of a tender to render services in respect of a public awareness campaign relating to the Broadcasting Digital Migration Process Project (DOC/21/2011/12/C) to Media Corner (Pty) Ltd and the validity of the Memorandum of Agreement (MoA) concluded between the Department and Media Corner on 29 October 2012. The validity of: (a) the implementation of the MoA referred to above; and (b) any payments made in terms of the MoA. The period to be investigated is from 1 February 2012 to 24 February 2014.

### Investigation outcomes: Indicator

R Value/Number

The number of referrals made to the Relevant Prosecuting Authority

6

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.





## Department of Co-operative Governance and Traditional Affairs (COGTA)

Proclamation R6 of 2014, published on 06 February 2014

### Scope of the investigation

The SIU is required to investigate the appointment of the South African National Apex Tertiary Co-operative Ltd (SANACO) by the Department to manage and to provide technical support and administration services in respect of the Ward-Based Co-operative Programme of the Department, and payments which were made by the Department in respect of the Ward-Based Co-operatives Programme of the Department. The period to be investigated is from 26 November 2010 to 6 February 2014.

Investigation outcomes: Indicator	R Value/Number
The number of reports submitted to the Presidency	1
The number of referrals made for disciplinary, executive and/or administrative action	9

**Proclamation status** The final report was submitted to the Presidency on 12 September 2017.

## Department of Water Affairs (DWA)

Proclamation R54 of 2012, published on 21 September 2012

### Scope of the investigation

The SIU is required to investigate allegations falling within the period 1 January 2004 to 21 September 2012 with regard to the procurement of, and contracting for, goods, works or services by the Department of Water Affairs (DWA), and payments made in relation hereto and any undisclosed or unauthorised interest the DWA's personnel may have had with regard to contractors, suppliers or service providers who bid for work or conducted business with the DWA.

**Proclamation status** Ongoing.

## National Department of Rural Development and Land Reform and its agents (DRDLR)

Proclamation R53 of 2012, published on 21 September 2012

### Scope of the investigation

The proclamation mandated the SIU to investigate allegations of irregularities in the application, awarding and administration of land restitution claims of funds under the Land Restitution Programme of the DRDLR. The above allegations include possible fraud and corruption levelled against employees of the DRDLR, as well as irregular, unauthorised and fruitless and wasteful expenditure. The period of investigation was from 1 April 2003 to 21 September 2012.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	11
The number of referrals made for disciplinary, executive and/or administrative action	7

**Proclamation status** The final report is being prepared and will be submitted in the current financial year.





## South African Police Service (SAPS)

Proclamation R42 of 2010, published on 10 August 2010; extended by Proclamation R73 of 2011, published on 22 December 2011

### Scope of the investigation

The investigation focused on the Expert and Facility Management Services, specifically 33 SAPS building and/or renovation projects, National Police Day 2009/10 and 2010/11 and other SCM irregularities identified, which occurred in the period January 2005 and August 2010. The period covered by the investigation was extended up to 22 December 2011 by Proclamation R7 of 22 December 2011.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## National Department of Rural Development and Land Reform

Proclamation R8 of 2011, published on 18 February 2011

### Scope of the investigation

The proclamation mandated the SIU to investigate allegations of irregularities in the application, awarding and administration of grants and funds under the Land Reform Programme of the DRDLR. Allegations include possible fraud and corruption levelled against employees of the DRDLR, as well as irregular, unauthorised and fruitless and wasteful expenditure. The period of investigation is from 1 January 2006 to 18 February 2011.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	2
The value of matters in respect of which evidence was referred for the institution or defence/opposition of civil proceedings (including arbitration or counter civil proceedings)	R16 854 518
The number of referrals made for disciplinary, executive and/or administrative action	1

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.



## South African Social Security Agency (SASSA ICT)

Proclamation R27 of 2010, published on 08 June 2010

### Scope of the investigation

The proclamation mandated the SIU to investigate: The unlawful payment and receipt of social grants in respect of deceased or fictitious persons or by persons who do not qualify for any or all such social grants. Allegations that staff of SASSA have undisclosed or unauthorised conflicts of interest with service providers of SASSA. Failure by staff of SASSA to disclose that they have engaged in business activities for reward outside their employment with SASSA.

The period of investigation is from 15 November 2004 to 08 June 2010.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## National and all Provincial Department(s) of Social Development (DSD)

Proclamation R5 of 2007, published on 30 March 2007 extends Proclamation R18 of 2005, published on 06 April 2005

### Scope of the investigation

The proclamation mandated the SIU to investigate the administration of the social grants benefits as a result of concerns of fraud, corruption and maladministration by government officials and/or agents responsible. The period of investigation is from 1 January 2006 to 30 March 2007.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.





# PROVINCIAL

## KwaZulu-Natal Provincial Treasury (KZN Treasury)

Proclamation R30 of 2017 published on 1 September 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2008 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the State or the Treasury, in relation to the said matters in the Schedule.

The appointment by the Treasury of service providers to render consultancy services to the Internal Audit Unit (IAU) and Infrastructure and Economic Development Unit (IEDU) of the Treasury.

Any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Treasury or the State in respect of the appointment of the service providers to render consultancy services to these units of the Treasury.

Fraud, corruption, irregularities, malpractices or maladministration regarding the affairs of the Treasury in relation to the (a) appointment of the service providers; (b) selective investigation of matters reported to the IAU of the Treasury; (c) administration of the Municipal Finance Support Programme, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damage or actual or potential prejudice suffered by the Treasury or the State.

Any improper or unlawful conduct by the employees or officials of the Treasury, the service providers or any other person or entity, in relation to the allegations.

### Proclamation status

Ongoing.

## Gauteng Provincial Department of Health (GDOH)

Proclamation R23 of 2017 published on 24 July 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2016 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the State or the Department in relation to the said matters in the Schedule.

The procurement of or contracting by or on behalf of the Department of the services from 28 entities in whose care mental health care users were entrusted and payments made in respect thereof and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department of the State.

Any unlawful or improper act or omission by officials of the Department or the owner of, a person in control of, or the staff of, an entity referred to above which caused or may have caused serious harm to mental health care users who were entrusted into the care of an entity.

### Proclamation status

Ongoing.



# ONGOING INVESTIGATIONS

## Eastern Cape Department of Social Development (EC DSD)

Proclamation R17 of 2017 published 25 April 2017

### Scope of the investigation

The SIU is required to investigate, for the period 18 March 2013 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality in relation to the said matters in the Schedule.

The procurement of, and contracting for goods, works or services by or behalf of the Department and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department or the State in relation to the awarding of contracts, the renewal of contracts or the extension of contracts for the provision or management of residential care facilities in the Nelson Mandela Metro for 240 frail, aged or mentally or physically disabled persons and the provision of internal audit services and maladministration in the affairs of the Department and any losses or prejudice suffered.

Any unlawful or improper conduct by officials or employees of the Department or the applicable contractors, suppliers or service providers or any other person or entity.

### Proclamation status

Ongoing.

## KwaZulu-Natal (KZN) Provincial Department of Agriculture and Rural Development and Mjindi Farming – KZN DOA

Proclamation R9 of 2017 published 3 February 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 February 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of, and contracting for fertiliser, seeds or seed potatoes or goods, works or service relating to events or event management by or on behalf of the Department and payments made in respect thereof.

The procurement of and contracting for agricultural equipment by or on behalf of the institutions and payments made in respect thereof.

Any undisclosed or unauthorised interests the board members, directors, officials or employees of the Institutions or any of their family members that may have had with contractors, suppliers or service providers in contracts awarded by or on behalf of the institutions with regard to fertiliser, seeds, seed potatoes, agricultural equipment, agricultural input, food production packs, events or event management.

Fraud, corruption, irregularities, malpractices, maladministration in the affairs of the institutions relating to the matters in the schedule including the causes of such fraud, corruption, irregularities, malpractices, maladministration and any losses, damages or actual or potential prejudice which the institutions or the State may have suffered.

### Proclamation status

Ongoing.





## Independent Development Trust (IDT), the Dept of Basic Education (DBE) and the Dept of Education for the Free State (DEFS)

Proclamation R32 of 2016 published 20 May 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2013 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of, or, contracting for goods, works or services by or on behalf of the IDT, DBE or DEFS and payments which were made in respect thereof and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the IDT, DBE or DEFS in relation to 10 defined projects;

Maladministration and/or irregular, improper or unlawful conduct in respect of the affairs of the IDT, DBE or DEFS relating to a) the outsourcing of the bid evaluation functions performed in respect of the procurement or supply chain management processes; or b) contract and performance management, including any failure to act timeously against contractors, suppliers or service providers for any non-performance, poor performance, defective performance or late performance in respect of goods, works or services delivered, performed or rendered, in terms of the 10 defined projects, including the causes of such maladministration and/or irregular, improper or unlawful conduct;

Any non-performance, poor performance, defective performance or late performance by contractors, suppliers or service providers of goods, works or services delivered, performed or rendered in respect of the 10 defined projects and any losses or damages suffered by the IDT, DBE or DEFS as a result thereof;

Any unlawful, improper or irregular conduct on the part of a) the IDT, DBE or DEFS, their officials or employees; or b) the contractors, suppliers or service providers, their directors, employees, contractors, sub-contractors or agents, relating to any one of more of the allegations.

### Proclamation status

Ongoing.







## KwaZulu-Natal Provincial Department of Transport (KZN DOT)

Proclamation R23 of 2016 published on 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2008 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

Any conduct by officials or agents of the Department or any other person which relates to the registration or motor vehicle ownership and/or licensing details; or entering of, or changes made to, or tampering with, or manipulation of data and/or information, on the eNaTIS system of the Department which resulted or could potentially result in the circumvention of the payment of licensing fees, any penalties or any other outstanding monies to the Department; or which was otherwise irregular or unlawful.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	44
The number of reports submitted to the Presidency	1
The value of money and/or assets potentially recoverable	R1 510 131
The actual value of money and/or assets recovered	R299 010

**Proclamation status** An interim report was submitted to the Presidency on 12 September 2017.  
Ongoing.

## Department of Human Settlements Gauteng Province (NDoHS) and Lepelle Northern Water

Proclamation R22 of 2016 published 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 February 2014 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The appointment of LTE Consulting (Pty) Ltd (LTE) by the Department to render services to the Department in respect of Tender No: G05020078/1 (Tender for Sweetwaters (Kanana Park Ext 6) Reticulation Networks: The Construction of Sweetwaters Reticulation Network for Water and Sewer) and payments which were made by the Department to LTE and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department;

The appointment of LTE by the Lepelle Northern Water to render services to Lepelle in respect of the Mopani Water and Waste Water Emergency Intervention which includes Giyani Water and Waste Water Schemes on a turnkey basis and payments which were made by Lepelle to LTE and any unauthorised, irregular or fruitless and wasteful expenditure incurred by Lepelle.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	1

**Proclamation status** Ongoing.



## Eastern Cape Department of Education (EC Education)

Proclamation R17 of 2016 published on 15 April 2016 extends R598 of 2015, published on 10 July 2015

### Scope of the investigation

The SIU is required to investigate the procurement of goods and services from Siegesmund Trust by or on behalf of the Department and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department. The extension includes the procurement of goods and services in respect of 35 Suppliers by or on behalf of the Department and payments made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	41
The number of referrals made to the Relevant Prosecuting Authority	1
<b>Proclamation status</b>	A final report is being prepared and will be submitted in the current financial year.

## Department of Public Works (DPW): Prestige Directorate, Western Cape

Proclamation R44 of 2015, published on 10 December 2015, amends Proclamation R54 of 2014, published on 1 August 2014

### Scope of the investigation

The procurement of goods and services on behalf of the Department by the Department's Prestige Directorate and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Department in relation to 17 Prestige Projects in the Western Cape. It includes the procurement of goods and services in relation to 13 additional Prestige projects in the Western Cape.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	4
The number of referrals made for disciplinary, executive and/or administrative action	3
<b>Proclamation status</b>	Final report is being prepared.





## KwaZulu-Natal Provincial Treasury (KZN Provincial Treasury)

Proclamation R49 of 2014, published on 24 July 2014, amended by Proclamation R16 of 2015, published on 17 March 2015

### Scope of the investigation

The SIU is authorised to investigate the appointment by the KZN Provincial Treasury, the Departments and the KZN Sharks Board of a service provider to the "Municipal Infrastructure Crack Team" of the Treasury, the Departments and the KZN Sharks Board to provide services for the Municipal Infrastructure Intervention Programme of the Treasury, and payments made to the service provider. The validity of funding provided by the Treasury in respect of the: "Commemorating Prisoners of War – St Helena" event; Durban International North Sea Jazz Festival; and KZN Sharks Board and any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Treasury in respect of the provision of such funding; any unauthorised, irregular or fruitless and wasteful expenditure incurred by the Departments and the KZN Sharks Board in respect of the funding received from the Treasury. The period of investigation is from 24 May 2012 to 24 July 2014.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	1
The number of reports submitted to the Presidency	1
<b>Proclamation status</b>	The final report was submitted on 11 May 2017.

## Department of Public Works, KwaZulu-Natal Province (KZN DPW)

Proclamation R43 of 2010, published on 27 August 2010  
Proclamation R49 of 2012 extension, published on 7 September 2012

### Scope of the investigation

The SIU was mandated to investigate allegations of fraud, corruption, financial mismanagement and other irregularities in the awarding of contracts to consultants and contractors of the KZN DPW during the period 1 January 2005 to 7 September 2012. The investigation focused on the procurement process and alleged manipulation thereof by contractors and KZN DPW officials in order to secure tenders as well as the delivery of services.

Investigation outcomes: Indicator	R Value/Number
The number of referrals made for disciplinary, executive and/or administrative action	65
<b>Proclamation status</b>	The final report is being prepared and will be submitted in the current financial year.

## Limpopo Province Intervention

Proclamation R21 of 2012, published on 23 March 2012

### Scope of the investigation

Maladministration of the affairs of the Department(s) of Provincial Treasury; Health and Social Development; Roads and Transport; Education and Public Works in relation to their Cash Management; Supply Chain Management; Contract Management; and Budget preparation and implementation, including the causes of such maladministration.

<b>Proclamation status</b>	The final report is being prepared and will be submitted in the current financial year.
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# LOCAL

## Lesedi Local Municipality (LLM)

Proclamation R25 of 2017 published on 24 July 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2014 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality or the State in relation to the said matters in the Schedule.

The procurement of, or contracting by or on behalf of the Municipality and payments made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by, or losses suffered by the Municipality or the State in respect of an automated time and attendance system; organisational re-engineering related services; the supply and delivery of fuel; refuse removal services; and accounting related services.

The failure by the Municipality to pay or to pay timeously the debts of the Municipality or government debtor accounts and related fruitless and wasteful expenditure incurred by, or losses suffered by the Municipality or the State.

The failure or refusal by the Performance Audit Committee of the Municipality to submit prescribed audit reports to the Municipal Council.

Any unlawful or improper conduct by councillors, officials or employees of the Municipality; contractors, suppliers or service providers of the Municipality; or any other person or entity, relating to the allegations.

### Proclamation status

Ongoing.

## Alfred Nzo District Municipality (ANDM)

Proclamation R19 of 2017 published on 25 April 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2014 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality in relation to the said matters in the Schedule.

The procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in respect of the supply, delivery, installation or commissioning of water storage facilities or tanks or contract number ANDM/IDMS-WSP/05/20/03; the Matatiele Ward 7 Water Supply Project or Tender Number ANDM/IDMS-PMU/300/25/03/14; and a revenue and billing management solution or Tender Number ANDM/IDMS-WSP/165/19/11/14.

Maladministration in the affairs of the Municipality in any losses or prejudice suffered by the Municipality as a result of such maladministration in relation to (a) to (c) and payments made in respect thereof, including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred.

Any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations.

### Proclamation status

Ongoing.



# ONGOING INVESTIGATIONS

## Thabazimbi Local Municipality (TLM)

Proclamation R18 of 2017 published on 25 April 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 September 2012 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality in relation to the said matters in the Schedule.

The procurement of, and contracting for goods, works or services by or behalf of the Municipality and payments made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to fleet related goods or services; auctioneering or asset disposal related services; the drafting or implementation of an asset disposal policy; waste management services for the Northam landfill site; the provision of office equipment; the conversion of conventional prepaid meters to smart meters; human resources related goods or services; the provision of meter reading related services the provision of debt collection related services; the provision of credit control related services; and the drafting or implementation of a credit control management policy and the management of such a policy.

Maladministration in the affairs of the Municipality in respect of employees' tax deductions and the payment of such deductions to SARS and any losses, prejudice or fruitless and wasteful expenditure incurred by the Municipality as a result of the non-payment or late payment of such deductions to SARS, including the causes of such maladministration.

The failure or refusal by the Municipality to (a) timeously act upon conclusions or findings which were made or (b) implement recommendations contained in a final report entitled "Possible Abuse of Office: Forensic Investigation" dated 29/10/2014.

Any unlawful or irregular conduct by councillors, officials or employees of the Municipality or the applicable contractors, suppliers or service providers or any other person or entity in relation to any allegations.

**Proclamation status**

Ongoing.

## Harry Gwala District Municipality (HGDM)

Proclamation R10 of 2017 published on 3 February 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2010 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Municipality in relation to the said matters in the Schedule.

The procurement of, and contracting for goods, works or services by or behalf of the Municipality from various contractors and payments which were made in respect thereof and any unrelated unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality.

Irregularities, malpractices or maladministration in the affairs of the Municipality in relation to an advance payments made by the Municipality to Cyclone Construction.

Any unlawful or irregular conduct by the Municipality, councillors, officials or employees of the Municipality relating to these allegations.

**Proclamation status**

Ongoing.







## Mopani District Municipality (MDM)

Proclamation R8 of 2017 published on 3 February 2017

### Scope of the investigation

The SIU is required to investigate, for the period 1 January 2010 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of, or, contracting for goods, works or services by or on behalf of the MDM and payments which were made in respect thereof, and any related irregular or fruitless and wasteful expenditure incurred by the DM, the relevant local municipalities that fall within the area of the DM or the State, in relation to the supply, construction or commissioning of Ventilated Improved Pit toilets (VIP toilets), which goods, works or services were procured in terms of the Greater Giyani Municipality and the Greater Tzaneen Municipality or the greater area of the Tzaneen Municipality.

Maladministration in the affairs of the MDM and any losses or prejudice suffered by the MDM, the relevant local municipalities that fall within the area of the MDM or the State, as a result of such maladministration including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred.

Any undisclosed or unauthorised interests which the personnel or their family members may have had in contractors, suppliers or service providers bidding for work or doing business with the MDM or to whom contracts were awarded and the extent of any actual or potential benefits derived directly or indirectly by the personnel or their family members from such undisclosed or unauthorised interests.

Losses or prejudice actually or potentially suffered by the MDM as a result of payments made to the applicable contractors, suppliers or service providers.

Any improper or unlawful conduct by the personnel or the applicable contractors, suppliers or service providers or any other person or entity in relation to the allegations.

### Proclamation status

Ongoing.

## Greater Sekhukhune District Municipality and the Elias Motsoaledi Local Municipality (GSDM)

Proclamation R59 of 2016 published on 14 October 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 July 2011 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of, or, contracting for goods, works or services by or on behalf of the GSDM and payments which were made in respect thereof and any related irregular or fruitless and wasteful expenditure incurred by the GSDM or the State in respect of the supply or delivery of water or water tanking services by or on behalf of the GSDM; the rendering of professional services in respect of a VAT review, compliance audit or debt collection services; the construction of the Jane Furse Command 25ML Reservoir (PH1C); the appointment of Engineering Consultants or the rendering of professional advice or services in respect of technical reports for a specific project; or the rendering of banking services for the GSDM in respect of a Municipal Investment Account.

Fraud, corruption, irregularities, malpractices or maladministration in the affairs of the GSDM and EMLM, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damages or actual or potential prejudice suffered by the Municipalities or the State.

### Proclamation status

Ongoing.





## Amahlathi Local Municipality (ALM)

Proclamation R31 of 2016 published on 20 May 2016

### Scope of the investigation

The SIU is required to investigate, for the period 1 March 2014 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of goods, works or services by or on behalf of the Municipality from or with the intervention of Laman Financial Services (Pty) Ltd and payments which were made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality;

Any unlawful or irregular conduct by a) the Municipality, councillors, officials or employees of the Municipality; or b) Laman Financial Services (Pty) Ltd, its directors, employees or agents relating to any of the allegations.

Investigation outcomes: Indicator	R Value/Number
The number of investigations closed out	3
The number of reports submitted to the Presidency	1
The value of matters in respect of which evidence was referred for the institution or defence /opposition of civil proceedings (including arbitration or counter civil proceedings)	R92 487 183
The number of referrals made to the Relevant Prosecuting Authority	1
The number of referrals made for disciplinary, executive and/or administrative action	3

### Proclamation status

The final report was submitted to the Presidency on 18 August 2017.

## Msunduzi Local Municipality (MLM)

Proclamation R21 of 2016 published on 15 April 2016

### Scope of the investigation

The SIU is required to investigate, for the period 7 December 2008 to the date of the proclamations or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the Department, in relation to the said matters in the Schedule.

The procurement of, and contracting for security equipment and security services, as envisaged in the Private Security Industry Regulation Act, 2001 (Act No.56 of 2001), by or on behalf of the Municipality in terms of contract number 23 of 2009 and contract number 23 of 2013, from a service provider and payments made in respect thereof, which are fraudulent; or conducted or facilitated by the manipulation of the SCM or procurement processes of the Municipality (i) by the service provider; or (ii) in collusion with or through the intervention of councillors, officials or employees of the Municipality in order to unduly benefit themselves or others, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality;

Any non-compliance by the service provider with its obligations in terms of contract number 23 of 2009 and contract number 23 of 2013;

Any unlawful or irregular conduct by the (a) Municipality, the councillors, officials or employees of the Municipality; or (b) service providers, its directors, employees or agents, relating to any of the allegations.

### Proclamation status

Ongoing.



## Buffalo City Metropolitan Municipality (BCMM)

Proclamation R40 of 2015, published on 12 October 2015

### Scope of the investigation

For the period 1 February 2008 to 12 October 2015, the SIU is required to investigate the procurement of goods, works or services by or on behalf of the Municipality and payments which were made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality in relation to the contracts awarded to Masiqhame Trading 520 CC, for the supply and delivery of black refuse bags to the Municipality and Imvusa Trading 337 CC for the construction of 150 top structures in respect of the Potsdam Unit P Stage 2 Housing Project.

The procurement of goods, works or services by or on behalf of the Municipality from or with the intervention of Laman Financial Services (Pty) Ltd and payments which were made in respect thereof, and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the Municipality;

Any unlawful or irregular conduct by a) the Municipality, councillors, officials or employees of the Municipality; or b) Laman Financial Services (Pty) Ltd, its directors, employees or agents relating to any of the allegations.

### Investigation outcomes: Indicator

### R Value/Number

The number of investigations closed out

2

The number of referrals made for disciplinary, executive and/or administrative action

3

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## Greater Tubatse Local Municipality (GTM)

Proclamation R52 of 2014, published on 1 August 2014

### Scope of the investigation

For the period 11 March 2004 to 1 August 2014, the SIU was mandated to investigate the procurement of goods, works or services by or on behalf of the Municipality; fruitless and wasteful expenditure incurred by the Municipality through a settlement paid to Phambili; the award of contracts by the Municipality to suppliers in which individuals in the service of the State held interests; and the failure by the Municipality to collect money due and owing by its debtors in respect of a cost order made in favour of the Municipality by the North Gauteng High Court and municipal services rendered.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

## Vhembe District Municipality (VDM)

Proclamation R51 of 2014, published on 1 August 2014

### Scope of the investigation

The SIU was mandated to investigate for the period 1 May 2010 to 1 August 2014: (a) the procurement of goods, works or services by or on behalf of the Municipality; (b) the misappropriation of funds and the incurrence of wasteful expenditure or expenditure in relation to payments made to its contractors, suppliers or service providers; and (c) the award of contracts by the Municipality to suppliers in which individuals in the service of the State held interests.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.



## **Bushbuckridge Local Municipality: Mpumalanga Province (BBM)**

**Proclamation R8 of 2014, published on 14 February 2014**

### **Scope of the investigation**

The SIU was mandated to investigate the following for the period 1 May 2010 to 14 February 2014:

The procurement of goods, works or services by or on behalf of the Municipality in a manner that was not fair, equitable, transparent, competitive or cost-effective and contrary to applicable legislation, manuals, guidelines, practice notes, instructions, codes, policies, procedures, prescripts issued by National Treasury or the Provincial Treasury or the Municipality;

Any undisclosed or unauthorised interests the personnel of the Municipality may have had with regard to contractors, suppliers or service providers bidding for work or doing business with the Municipality or contracts awarded by or on behalf of the Municipality;

The misappropriation of funds and the incurrence of wasteful expenditure or expenditure not due, owing or payable by the Municipality in relation to payments made to its contractors, suppliers or service providers; and

The irregular issuing of motor vehicle licences and registration certificates by the personnel of the Municipality.

### **Proclamation status**

The final report is being prepared and will be submitted in the current financial year.

## **Tshwane Metropolitan Municipality: Gauteng Province (TMM)**

**Proclamation R62 of 2010, published on 8 November 2010**

### **Scope of the investigation**

The SIU was mandated to investigate allegations of irregularities at the TMM, which include: (a) The recruitment, selection and appointment of staff into positions that they are not qualified for or otherwise best suited for; (b) Mismanagement of funds and of the affairs of municipal entities of the Municipality; (c) Fruitless and wasteful expenditure incurred by the Municipality; (d) The irregular procurement of goods or services by or on behalf of the Municipality or its municipal entities; (e) The mismanagement of the finances, assets or other resources of the Municipality; and (f) Alleged interference by the City Manager in pending disciplinary proceedings against employees.

### **Proclamation status**

The final report is being prepared and will be submitted in the current financial year.





## North West Province Municipalities (NWM)

Proclamation R72 of 2009, published on 10 November 2009

### Scope of the investigation

The SIU was mandated to investigate allegations of irregularities in the NWM, which include:

- (a) The appointment, extension of appointment, and promotion of municipal staff contrary to the prescripts of applicable law and municipal policies and procedures;
- (b) The external manipulation of, and undue preference in the appointment and promotion of municipal staff;
- (c) The disproportionate appointment and excessive remuneration of municipal staff;
- (d) The appointment and disproportionate remuneration of under-qualified and unsuitable candidates in municipal staff establishments;
- (e) The remuneration of non-performing and underperforming municipal staff without taking appropriate disciplinary steps against such staff;
- (f) Losses of municipal funds due to theft, fraud and misallocation;
- (g) Disproportionate, wasteful and irregular expenditure of municipal funds;
- (h) Mismanagement of expenditure of municipal funds and resources, and the accumulation of municipal debt;
- (i) Losses to municipalities caused by inadequate management of and control over municipal contracts and resources;
- (j) The procurement and alienation of goods and services contrary to the provisions of the MFMA and other applicable laws, as well as municipal policy and procedures;
- (k) The alienation of municipal land contrary to the provisions of section 14 of the MFMA, and not by way of a fair, competitive, equitable, transparent and cost-effective process;
- (l) Interference by councillors in the administration of municipal affairs in contravention of the applicable provisions of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) (MSA) and the MFMA;
- (m) The misuse and misappropriation of funds deriving from the Municipal Infrastructure Grant (MIG); and
- (n) The misuse of municipal resources for private benefit.

### Proclamation status

The final report is being prepared and will be submitted in the current financial year.

# ONGOING INVESTIGATIONS

## STATE-OWNED ENTITIES

### South African Broadcasting Corporation (SABC)

Proclamation R29 of 2017 published on 1 September 2017

#### Scope of the investigation

The SIU was mandated to investigate for the period 1 November 2011 to the date of the proclamation, or after the date of the proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under the authority of this proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said SIU by the Act, including recovery of any losses suffered by the SABC or the State, in relation to the said matters in the Schedule.

The procurement of, or contracting for goods, works or services by or on behalf of the SABC from Lornavision (Pty) Ltd, Vision View Productions CC, Sekela Xabiso CA Incorporated, Lezaf Consulting CC, Gekkonomix (Pty) Ltd (trading as Infonomix), Asante Sana (Pty) Ltd, Foxton Communicating (Pty) Ltd and Mott Macdonald (Pty) Ltd and payments made in respect thereof.

Maladministration in the affairs of the SABC and any losses or prejudice suffered by the SABC or the State as a result of such maladministration in relation to the mismanagement of the finances, rights, assets or liabilities of the SABC; the selling of assets or rights which were owned by the SABC which was not to the advantage of the SABC; business transactions that were concluded by or on behalf of the SABC and which were not viable or to the advantage of the SABC; the irregular appointment and promotion of staff; or the payment of salaries, increases, bonuses and other forms of remuneration that were not due, owing or payable, including the causes of such maladministration and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the SABC or the State.

Any undisclosed or unauthorised interest that certain members of the personnel of the SABC may have had with regard to contractors, suppliers or service providers who bid for work or did business with the SABC; or contracts awarded by or on behalf of the SABC.

**Proclamation status**

Ongoing.



## The State Information Technology Agency (Pty) Ltd (SITA)

Proclamation R53 of 2014, published on 1 August 2014, amended by Proclamation R15 of 2015, published on 17 March 2015

### Scope of the investigation

The initial proclamation determined the period of investigation to commence on 8 September 2012 and end on 1 August 2014, and included payments which were made by the SITA to International Business Machines (IBM) in terms of an agreement dated 30 April 2013. The 2015 Proclamation amends the period of investigation to 3 August 2012 until 17 March 2015. The schedule was also amended to include any reference to:

A "contract", which means any (i) Integrated Supply Agreement, (ii) Strategic Relationship Document of Understanding, (iii) Enterprise Licence Agreement, (iv) Enterprise Software Solution Offering, (v) Enterprise Software and Services Option or (vi) Service Level Agreement;

"Contracting", which includes, but is not limited to, any negotiation processes involving a contract, the conclusion and signing of a contract and any novation, renewal, variation, extension, amendment, cancellation or termination of a contract;

"IBM", which refers to the International Business Machines Corporation and Subsidiary Companies, including IBM SA (Pty) Ltd (Registration No.: 1952/000308/07);

"iFirm", which refers to iFirm Consulting (Pty) Ltd (Registration No.: 2012/226990/07);

"iFirm contracts", which refers to the agreements between the SITA and iFirm dated 4 April 2014 and 21 May 2014;

"Personnel of a State institution", which includes any member of a board, director, official, officer, employee, member, agent, vendor, contractor or sub-contractor, supplier or service provider of a State institution;

"Personnel of IBM", which includes any member of the board, director, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of IBM;

"Personnel of iFirm", which includes any member of the board, director, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of iFirm;

"Personnel of the SITA", which includes any member of the board, director, official, officer, employee, member, agent, vendor, contractor, sub-contractor, supplier or service provider of the SITA;

"Solution", which refers to (i) the provision of any cloud infrastructure services solution, (ii) the provision of any goods, works or services, as envisaged in Tender RFB 989/2012, or (iii) any integrated procurement model for any government department or State institution;

"State institution", which means any (i) department for whose procurement the SITA is responsible, as envisaged in the SITA Act, Act No. 88 of 1998 or (ii) public body which requested the SITA to procure goods, works or services on behalf of the public body, as envisaged in the SITA Act.

Investigation outcomes: Indicator	R Value/Number
The number of referrals made to the Relevant Prosecuting Authority	3
The number of referrals made for disciplinary, executive and/or administrative action	3

**Proclamation status** The final report is being prepared and will be submitted in the current financial year.

## Eskom Holdings Ltd

Proclamation R2 of 2012, published on 7 February 2012

### Scope of the investigation

The SIU was required to investigate allegations falling within the period 1 January 2006 and 7 February 2012 with regards to:

- (a) Procurement of helicopter services in the Eastern Cape;
- (b) Any undisclosed or unauthorised interest which the board members, officials or employees of Eskom may have had in contractors, supplies or services providers of Eskom;
- (c) The procurement of coal supplies;
- (d) The procurement of coal transportation services; and
- (e) The procurement of fencing in excess of the need for such work, goods or services.

Investigation outcomes: Indicator	R Value/Number
The number of reports submitted to the Presidency	1

**Proclamation status** The final report was submitted to the Presidency on 12 July 2017.

# ONGOING INVESTIGATIONS AND CIVIL MATTERS

## Summary of Civil Litigation Matters

PROCLAMATION No.	PROVINCE	CASE DESCRIPTION	DATE INSTITUTED	VALUE	STATUS
R8 of 2011	Western Cape	Welbeloon Boerdery Trust	June 2017	R11 million	Application (for dissipation order) and summons issued
R31 of 2016	Eastern Cape	Amahlathi Municipality (Kwane)	14 June 2017	R92 million	Proceedings recently instituted. Defendants have brought an interdict against the SIU. The matter was set down for 12 September 2017, but was further postponed until 10 October 2017.
R8 of 2011	Western Cape	Burger Trust	May 2017	R5,8 million	Application (for dissipation order) and summons issued
R59 of 2014	KwaZulu-Natal	Henque matter	August 2017	R88 million	Summons issued to recover damages



# PART E STRATEGY

## 52 THE SIU REVIEW OF ITS ANNUAL PERFORMANCE PLAN



# STRATEGY



The SIU has reviewed its Annual Performance Plan (APP). The process entailed a series of consultations with all management forums including a strategic planning breakaway session had during 11-12 July 2017. During the review, of the APP, the SIU reviewed its Strategy that resulted in concomitant changes in the operating model and Unit's value chain.

The reason management embarked on the Organisational Review was to find appropriate strategies and models that will stabilise the operating environment, enhance governance and accountability, reach growth through operational excellence and to stay relevant within a changing environment. The Case for Change that preceded the revised strategy indicated that there are significant gaps in the operating environment that requires immediate management intervention.

REACH GROWTH THROUGH  
OPERATIONAL EXCELLENCE  
AND TO STAY RELEVANT  
WITHIN A CHANGING  
ENVIRONMENT.





# EFFECTIVENESS

ALIGNING AND IMPROVING SYSTEMS AND PROCESSES  
TO CONVERT MINIMUM RESOURCES INTO MAXIMUM  
RESULTS WITHIN THE SHORTEST POSSIBLE TIME

# GOVERNANCE

# PART F GOVERNANCE

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INTERNAL AUDIT  
INTERNAL INTEGRITY UNIT



# GOVERNANCE

## Internal Audit

During the review period, the internal auditors continued to provide the Audit Committee and management with independent information and assurances on the effectiveness of the internal controls, for those areas examined in terms of the Internal Audit Plan based on the risk assessment. The internal audit function is co-sourced during the year and led by the Internal Chief Audit Executive.

The three year Internal Audit Rolling plan was developed through the top 10 strategic risk register, of which the first year of the plan was executed and currently executing the second year of the plan three year rolling plan.

## Risk management

A Risk management committee is in place and is led by an independent chairperson. In addition, efforts are underway to ensure that risk management and related processes are embedded into the operations of the unit. Each unit also has a duly appointed Risk Champion to ensure effective management of operational risks.

The leadership and staff of the SIU have discussed the risks facing the organisation and also participated in a risk review workshop with the purpose of identifying and assessing the risks that are envisaged in future. These risks have been specifically highlighted as they could potentially affect the SIU's ability to achieve its strategic and business plan objectives.

## Governance Committees

The SIU governance committees are functional and meeting as per their terms of reference

No.	Meeting Name	No of Meetings
1	Audit Committee	4
2	Risk Management Committee	2
3	Human Resource Management Committee is scheduled to meet this financial year.	0
4	IT Committee will be reconstructed, and will meet within this financial year.	0

## Internal Integrity Unit (IIU)

### Internal Investigations and Ethics

SIU has a strong stance in combating bribery or corruption and has elevated the role of ethics compliance.

The IIU provides independent ethics advice to the Unit and its staff, promotes ethical awareness through outreach and training, monitors and evaluates the programme by realising the value of risk and internal controls. We also conduct preliminary inquiries and investigations into allegations of unethical behavior and misconduct.

We gauge our ethical risks through an ethics survey to all employees to identify, prioritise and manage our ethics risk.

We provide constituents with avenues of raising concerns and reporting misconduct. From our speak out data, we received 96 complaints. Of these, 12 were referred internally for business development.

## Annual Declarations and Request for permission for Outside Remuneration

SIU members are expected to declare assets on an annual basis, and 493 members have submitted their annual declarations. It is imperative also that members must apply to Head of Unit for any outside remunerative work to avoid conflict of interest. We have received 12 applications of which 3 have been approved and certificates were issued and 8 applications are outstanding.

## Security

### • Vetting Project

We have received seven Top Secret clearances and 57 Confidential Clearances for the period under review.

### • Technical Surveillance Counter Measures – TSCM completed for three offices

### • Training, Awareness, Workshops for SIU employees: We distribute a monthly newsletter called Security Spotlight, posters, weekly email tips, videos, quizzing to engage and educate user population.

### • Security Managers Forum – Quarterly Meeting Provincial security representatives in the regions attend these meetings to keep abreast with the changes in the national security.

### • Draft Security Police – Security Policy drafted and circulated to relevant stakeholders.

### • Reported Security Breaches – one

### • Threat Risk Assessments – four offices and the new leases

### • Security Committee Meetings – Monthly

## Pre-employment screening

All applicants for vacancies at the SIU are screened by IIU to protect and secure information, personnel, assets and resources.

Total pre-employment screenings for the period under review were 11 including consultants, potential employees and committee members.



# INDEPENDENCE

ACTING WITHOUT FEAR, FAVOUR OR PREJUDICE





# PART G HUMAN RESOURCES

## 58 EMPLOYMENT EQUITY



# HUMAN RESOURCES

## Employment Equity

Employment Equity	Race				Total Gender	Percentage
Gender	African	Coloured	Indian	White		
Female	153	11	26	67	<b>257</b>	49%
Male	159	24	29	56	<b>268</b>	51%
<b>Total Race</b>	<b>312</b>	<b>35</b>	<b>55</b>	<b>123</b>	<b>525</b>	
Percentage	59%	7%	10%	24%		100%

Employment Equity	African		Coloured		Indian		White		Total	Percentage
Gender	Female	Male	Female	Male	Female	Male	Female	Male		
Senior Management	5	7	1	2	2	2	3	10	<b>32</b>	6%
Professionally Qualified	21	49	1	14	4	16	28	40	<b>173</b>	33%
Skilled Technical	37	75	5	8	13	11	27	3	<b>179</b>	34%
Semi-Skilled	78	28	4	0	7	0	9	3	<b>129</b>	25%
Unskilled	12	0	0	0	0	0	0	0	<b>12</b>	2%
<b>Total</b>	<b>153</b>	<b>159</b>	<b>11</b>	<b>24</b>	<b>26</b>	<b>29</b>	<b>67</b>	<b>56</b>	<b>525</b>	
Percentage	29%	30%	2%	5%	5%	6%	13%	11%		100%

The organisational review process, focusses on prioritising Human Resources Management. Amongst other SIU aims to improve on the following human resources (human capital) areas:

- Recruitment and resourcing
- Learning and development
- Talent Management and Retention
- Employee Relations
- Performance Management
- Reward System







# PART H COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

60 COMMUNICATIONS AND STAKEHOLDER MANAGEMENT

# COMMUNICATIONS AND STAKEHOLDER MANAGEMENT



The Special Investigating Unit (SIU) hosted its first consultative stakeholder engagement in East London, Eastern Cape and in Polokwane, in the Limpopo Province on 9 June 2017 and 13 September 2017 respectively. The theme of the forums was “Working together towards ridding society of corruption, malpractice and maladministration.” The forum was aimed at enhancing the SIU’s partnership with various stakeholders, improving communication through dialogue and providing feedback on various projects. Both events were well attended.

The Premiers of the provinces gave keynote addresses, followed by the Head of Special Investigating Unit, Advocate Mothibi, who addressed the forum on the legislative mandate of the SIU. The guest list comprised of representatives from the Provincial governments, members of the Provincial Legislatures, Executive Mayors, Representatives from various civil society organisations, the business community and Chapter 9 institutions.

On an international front, the SIU attended and presented at the 7th Commonwealth Review meeting of Heads of Anti-Corruption Agencies in Africa which was hosted in Malawi from 28 May to 3 June 2017. As well at the SADC Anti Corruption Committee meeting in Tanzania which was held from 12-13 June 2017.

## WORKING TOGETHER TOWARDS RIDDING SOCIETY OF CORRUPTION, MALPRACTICE AND MALADMINISTRATION.

Furthermore, the SIU made inputs into the BRICS paper on efforts that the country is making in relation to Anti-corruption projects. In relation to further strengthening our relations with stakeholders we concluded a Memorandum of Understanding (MOU) with Public Service Sector Education and Training Authority (PSETA) and the French Embassy to train investigators on cyber forensics.

The SIU also signed an MoU with the Office of the President and the Department of Justice and Constitutional Development, to ensure continued mutual co-operation and assistance. The MoU will ensure that the processing of motivations and publications are handled expeditiously.





# PART I

## INTERIM FINANCIAL STATEMENTS

FOR THE 6 MONTHS ENDED 30 SEPTEMBER 2017

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INTERIM FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

STATEMENT OF FINANCIAL PERFORMANCE

STATEMENT OF CHANGES IN NET ASSETS

CASH FLOW STATEMENT

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

# STATEMENT OF FINANCIAL POSITION

## AS AT 30 SEPTEMBER 2017

Figures in Rand	Note(s)	30 September 2017	31 March 2017
<b>Assets</b>			
Current Assets			
Cash and cash equivalents		302 100 110	293 021 334
Receivables from exchange transactions		191 352 303	131 068 992
Bank balance - Recoveries		27 820 165	25 059 827
		<b>521 272 578</b>	<b>449 150 153</b>
Non-Current Assets			
Property, plant and equipment		44 006 440	45 346 405
Intangible assets		2 823 665	2 913 843
		<b>46 830 105</b>	<b>48 260 248</b>
Total Assets		<b>568 102 683</b>	<b>497 410 401</b>
<b>Liabilities</b>			
Current Liabilities			
Payables - Recoveries		27 820 165	25 059 827
Payables from exchange transactions		27 944 894	24 709 443
Provisions		12 463 770	23 834 116
Other financial liabilities		1 002 438	398 538
Operating lease liability		726 640	726 640
		<b>69 957 907</b>	<b>74 728 564</b>
Total Liabilities		<b>69 957 907</b>	<b>74 728 564</b>
Net Assets		<b>498 144 776</b>	<b>422 681 837</b>
Accumulated surplus		498 144 776	422 681 837



# STATEMENT OF FINANCIAL PERFORMANCE

## AS AT 30 SEPTEMBER 2017

Figures in Rand	Note(s)	6 months ended 30 September 2017	31 March 2017
<b>Revenue</b>			
Revenue from exchange transactions			
Rendering of services		144 119 238	181 675 671
Interest received		8 422 227	15 051 512
Other income		6 064	27 605
<b>Total revenue from exchange transactions</b>		<b>152 547 529</b>	<b>196 754 788</b>
<b>Revenue from non-exchange transactions</b>			
<b>Transfer revenue</b>			
Government grants & subsidies		173 088 000	316 732 000
CARA funds		–	426 739
Rental of premises paid on behalf of the SIU		2 679 551	4 871 910
<b>Total revenue from non-exchange transactions</b>		<b>175 767 551</b>	<b>322 030 649</b>
<b>Total revenue</b>		<b>328 315 080</b>	<b>518 785 437</b>
<b>Expenditure</b>			
Employee related costs		(179 501 104)	(322 683 382)
General expenses		(35 149 427)	(56 140 322)
Lease rentals on operating lease		(17 179 151)	(38 116 495)
Debt impairment		(16 876 788)	(55 309 869)
Depreciation and amortisation		(3 491 902)	(5 929 160)
Professional services		(535 374)	(480 174)
Repairs and maintenance		(111 992)	(398 777)
Loss on disposal of assets		(6 402)	(74 900)
<b>Total expenditure</b>		<b>(252 852 140)</b>	<b>(479 133 079)</b>
<b>Surplus for the 6 months</b>		<b>75 462 940</b>	<b>39 652 358</b>



# STATEMENT OF CHANGES IN NET ASSETS

## AS AT 30 SEPTEMBER 2017

Figures in Rand	Note(s)	Accumulated surplus	Total net assets
<b>Balance at 01 April 2016</b>		<b>383 029 479</b>	<b>383 029 479</b>
Changes in net assets			
Surplus for the year		39 652 358	39 652 358
Total changes		39 652 358	39 652 358
<b>Balance at 01 April 2017</b>		<b>422 681 836</b>	<b>422 681 836</b>
Changes in net assets			
Surplus for the 6 months		75 462 940	75 462 940
Total changes		75 462 940	75 462 940
<b>Balance at 30 September 2017</b>		<b>498 144 776</b>	<b>498 144 776</b>



# CASH FLOW STATEMENT

## AS AT 30 SEPTEMBER 2017

Figures in Rand	Note(s)	6 months ended 30 September 2017	31 March 2017
<b>Cash flows from operating services</b>			
Receipts			
Sale of goods and services		63 645 623	143 650 682
Grants		173 088 000	316 732 000
Interest income		8 422 227	15 051 512
Other receipts		6 064	27 605
		<u>245 161 914</u>	<u>475 461 799</u>
<b>Payments</b>			
Employee costs		(179 501 104)	(322 683 382)
Suppliers		(54 501 787)	(87 787 533)
		<u>(234 002 891)</u>	<u>(410 470 915)</u>
<b>Net cash flows from operating activities</b>		<b>11 159 023</b>	<b>64 990 884</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(2 080 247)	(14 194 218)
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>9 078 776</b>	<b>50 796 666</b>
Cash and cash equivalents at the beginning of the year		293 021 334	242 224 668
<b>Cash and cash equivalents at the end of the year</b>		<b>302 100 110</b>	<b>293 021 334</b>



# STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

AS AT 30 SEPTEMBER 2017

Figures in Rand	Approved Budget	Adjustments	Final budget	Actual amounts on comparable basis	Difference between final and actual
<b>Statement of Financial Performance</b>					
Revenue					
Revenue from exchange transactions					
Rendering of services	100 453 998	–	100 453 998	144 119 238	43 665 240
Interest income	7 502 502	–	7 502 502	8 422 227	919 725
Other income	–	–	–	6 064	6 064
<b>Total revenue from exchange transactions</b>	<b>107 56 500</b>	<b>–</b>	<b>107 956 500</b>	<b>152 547 529</b>	<b>44 591 029</b>
<b>Revenue from non-exchange transactions</b>					
Transfer revenue					
Government grants & subsidies	173 088 000	–	173 088 000	173 088 000	–
Rental of premises paid on behalf of SIU	–	–	–	2 679 551	2 679 551
<b>Total revenue from non-exchange transactions</b>	<b>173 088 000</b>	<b>–</b>	<b>173 088 000</b>	<b>177 767 551</b>	<b>2 679 551</b>
<b>Total revenue</b>	<b>281 044 500</b>	<b>–</b>	<b>281 044 500</b>	<b>328 315 080</b>	<b>47 270 580</b>
Expenditure					
Employee related costs	(214 989 273)	–	(214 989 273)	(179 501 104)	35 488 169
Depreciation and amortisation	(3 188 090)	–	(3 188 090)	(3 491 902)	(303 812)
Lease rentals on operating lease	(17 336 508)	–	(17 336 508)	(17 179 151)	157 357
Debt Impairment	–	–	–	(16 876 788)	(16 876 788)
Loss on disposal of assets	–	–	–	(6 402)	(6 402)
Repairs and maintenance	(425 000)	–	(425 000)	(111 992)	313 008
Professional services	(481 750)	–	(481 750)	(535 374)	(53 624)
General expenses	(33 897 049)	–	(33 897 049)	(35 149 427)	(1 252 378)
<b>Total expenditure</b>	<b>(270 317 670)</b>	<b>–</b>	<b>(270 317 670)</b>	<b>(252 852 140)</b>	<b>17 465 530</b>
<b>Surplus before taxation</b>	<b>10 726 830</b>	<b>–</b>	<b>10 726 830</b>	<b>75 462 940</b>	<b>64 736 110</b>
<b>Actual Amount on Comparable Basis as Presented in the Budget and Actual Comparative Statement Reconciliation</b>	<b>10 726 830</b>	<b>–</b>	<b>10 726 830</b>	<b>75 462 940</b>	<b>64 736 110</b>





# LIST OF ABBREVIATIONS

ACTT	Anti-Corruption Task Team	IDT	Independent Development Trust
AOL	Acknowledgement of Liability	IEDU	Infrastructure and Economic Development Unit
AFU	Asset Forfeiture Unit	IIU	Internal Integrity Unit
ALM	Amahlathi Local Municipality	KZN DOT	KwaZulu-Natal Department of Transport
ANDM	Alfred Nzo District Municipality	KZN	KwaZulu-Natal
AOD	Acknowledgement of Debt	LLM	Lesedi Local Municipality
APP	Annual Performance Plan	LNW	Lepelle Northern Water
BCMM	Buffalo City Metro Metropolitan Municipality	LOE	Letter Of Engagement
BLM	Bushbuckridge Local Municipality	LTD	Limited
CEO	Chief Executive Officer	MFMA	Municipal Finance Management Act
CIDB	Construction Industry Development Board	MIG	Municipal Infrastructure Grant
COGTA	National Department of Co-operative Governance and Traditional Affairs	MLM	Msunduzi Local Municipality
DBE	Department of Basic Education	MDM	Mopani District Municipality
DEFS	Department of Education for the Free State	MOA	Memorandum of Agreement
DCS	Department of Correctional Services	MOU	Memorandum of Understanding
DOA	Department of Agriculture	MSA	Municipal Systems Act
DoJ&CD	Department of Justice and Constitutional Development	NDoHS	National Department of Human Settlements
DOT	Department of Transport	NPA	National Prosecuting Authority
DPCI	Directorate for Priority Crimes Investigation (the Hawks)	NWM	North West Province Municipalities
DPW	Department of Public Works	PAJA	Promotion of Administrative and Justice Act
DRDLR	Department of Rural Development and Land Reform	PRECCA	Prevention and Combating of Corrupt Activities Act
DSD	National Department of Social Development	PFMA	Public Finance Management Act
DWA	Department of Water Affairs	POCA	Prevention of Organised Crime Act
EC	Eastern Cape	PSETA	Public Service Sector Education and Training Authority
EC DOE	Eastern Cape Department of Education	PTY	Proprietary
EC DSD	Eastern Cape Department of Social Development	SABC	South African Broadcasting Corporation
EMLM	Elias Motsoaledi Local Municipality	SANACO	South African National Apex Tertiary Co-operative Ltd
EMM	Ekurhuleni Metropolitan Municipality	SAPS	South African Police Service
eNaTIS	Electronic National Traffic Information System	SASSA	South African Social Security Agency
EXCO	Executive Committee	SCM	Supply Chain Management
FS	Free State	SITA	State Information Technology Agency
GDoH	Department of Health: Gauteng Province	SIU	Special Investigating Unit
GSDM	Greater Sekhukhune District Municipality	TMM	Tshwane Metropolitan Municipality
HGDM	Harry Gwala District Municipality	TLM	Thabazimbi Local Municipality
IAU	Internal Audit Unit	TSCM	Technical Surveillance Counter Measures
IBM	International Business Machines	USAASA	Universal Service and Access Agency of South Africa
ICT	Information and Communications Technology	VAT	Value Added Tax
		VDM	Vhembe District Municipality



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2017

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