

Parliament of the Province of the Western Cape  
 Question Paper No 24 / 2017  
 FOURTH SESSION, FIFTH PARLIAMENT  
 FRIDAY, 25 AUGUST 2017  
 WRITTEN REPLY

**\*5. Mr P Uys to ask Mr A R Winde, Minister of Economic Opportunities:**

Whether any internal and/or external forensic reports have been begun and/or completed about his Department and/or about any entity reporting to him from 1 January 2009 to date; if so, (a) what the purpose, (b) focus, (c) name, (d) findings and (e) completion date of each of the forensic report are?

**DEPARTMENT OF ECONOMIC DEVELOPMENT AND TOURISM**

Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
2012-01-17	To conduct a forensic investigation into alleged procurement fraud	Alleged tender Irregularities regarding the award of three tenders to a specific service provider	FIU 98-11/12	Fraud and or Irregularity	2012-09-14	<ul style="list-style-type: none"> <li>No case reported to SAPS</li> <li>6 control recommendations made: all recommendations implemented</li> </ul>
2012-04-05	To conduct a forensic investigation into alleged financial Irregularities	Alleged misuse of state funds regarding funding provided by DEDAT to host a road show	FIU 13-12/13	Irregularity and/or Non-Compliance	2013-03-18	<ul style="list-style-type: none"> <li>No case reported to SAPS</li> <li>Disciplinary action recommended against 1 official: Management discretion - Not to implement recommendation</li> </ul>
2012-06-21	To conduct a forensic investigation into alleged corruption	Alleged corrupt relationship between a service provider and a former DEDAT official	FIU 38-12/13	Fraud and/or Corruption / Irregularity and/or Non-compliance	2014-03-26	<ul style="list-style-type: none"> <li>Case reported: case closed (undetected)</li> <li>1 control recommendation made: recommendation implemented</li> </ul>
2012-08-20	To conduct a forensic investigation into alleged financial irregularities	Alleged financial irregularities pertaining to alleged falsified documents	FIU 61-12/13	Fraud and/or Corruption	2013-07-16	<ul style="list-style-type: none"> <li>Case reported: case closed (NPA declined to prosecute)</li> <li>Disciplinary action recommended against 7 officials: recommendations implemented</li> </ul>
2014-11-13	To conduct a forensic investigation into alleged fraud	Alleged issuing of fraudulent liquor licences to members of the public	FIU 99-14/15	Fraud and/or Corruption	2015-03-31	<ul style="list-style-type: none"> <li>WCLA recommended to report case to SAPS: recommendation implemented</li> <li>6 control recommendations made: all recommendations implemented</li> </ul>
2017-05-18	To conduct a forensic investigation into alleged fraud	Alleged fraud in Work Skills Programmes funded by DEDAT	PFS17-18-0-000001	In progress	In progress	<ul style="list-style-type: none"> <li>No case reported to SAPS</li> <li>1 control recommendation made: recommendation implemented</li> </ul>

**WESGRO**

Wesgro has not initiated any internal or external forensic reports from the 1 January 2009 to date.

**DEPARTMENT OF AGRICULTURE**

Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
2010-09-10	To conduct a forensic investigation into alleged financial irregularities	Financial mismanagement Sports and Rec Club	FIU 20-10/11	Fraud and or Irregularity	2010-12-09	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing - Sanction of dismissal overturned at appeal (1<sup>st</sup> official). Final written warning.</li> <li>➤ Disciplinary hearing - Official found not guilty (2<sup>nd</sup> official).</li> <li>➤ Further Intervention:                             <ul style="list-style-type: none"> <li>- Engagement with Stakeholder on identified matter/s.</li> </ul> </li> </ul> <p>After the incident, financial staff awareness levels were raised.</p>
2012-07-10	To conduct a forensic investigation into alleged corruption	Alleged bribery and corruption: Oudtshoorn Experimental Farm	FIU 48-12/13	Fraud and/or Corruption / Irregularity and/or Noncompliance	2014-04-22	<ul style="list-style-type: none"> <li>➤ Official resigned before investigation was completed, therefore, disciplinary action could not be taken.</li> <li>➤ Case reported to SAPS (CAS1155/04/14).</li> <li>➤ Further Intervention:                             <ul style="list-style-type: none"> <li>- Finance Instruction revoked.</li> </ul> </li> </ul> <p>Funds managed in accordance with a Memorandum of Agreement between the Department and Implementing Agent (Casidra).</p>
2012-12-11	To conduct a forensic investigation into alleged theft	Alleged theft of Ostrich Feathers	FIU 130-12/13	Fraud and/or Corruption	2013-05-28	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing - Official dismissed.</li> <li>➤ Case reported to SAPS (CAS 12/7/2013).</li> <li>➤ Debt registered and funds recovered( R25 745.00)</li> <li>➤ Further Intervention</li> </ul> <p>A Standard Operating Procedure for the handling and managing of ostrich by-products drafted and implemented.</p>
2013-08-01	To conduct a forensic investigation into alleged HR transgressions	Alleged HR transgressions and conflict of interest	FIU 69-13/14	Irregularity and/or Non-Compliance	2014-06-25	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing – Officials found not guilty.</li> </ul>
2013-09-04	To conduct a forensic investigation into alleged corruption	Alleged corruption pertaining to the procurement of cleaning services at Elsenberg	FIU 77-13/14	Fraud and/or Corruption / Irregularity and/or Noncompliance	2013-11-26	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing - Official dismissed.</li> <li>➤ Case reported to SAPS (CAS 407/1/2014).</li> <li>➤ The contract was cancelled by mutual consent and the set cancellation was made in order of court.</li> <li>➤ Case referred to the Competition Commission.</li> </ul>

Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
						<p>Matter finalised by Competition Tribunal (CR248Mar16/SA141Oct16, CR248Mar16/SA142Oct16).</p> <ul style="list-style-type: none"> <li>➤ Matter reported National Treasury (National Treasury will include the suppliers and its directors in the list of restricted suppliers for a period of five years from 04 July 2017 to 03 July 2022). However, in a High Court ruling of 16 August 2017 they were again removed from the list.</li> <li>➤ Further Interventions</li> </ul> <p>Increased Awareness - Red Flag training was provided to the Bid Specification Committee, Bid Evaluation Committee and Bid Adjudication Committee. Administrative process improved.</p>
2014-04-15	To conduct a forensic investigation into alleged corruption	Alleged corruption regarding the appointment of a service provider at the Oudtshoorn Research Farm	FIU 3-14/15	Fraud and/or Corruption / Irregularity and/or Noncompliance	2014-10-31	<ul style="list-style-type: none"> <li>➤ No apparent corruption involved in the disqualification of supplier (supplier did not meet crucial minimum specifications).</li> <li>➤ Case reported to Provincial -and National Treasury. Restriction imposed (list of restricted suppliers).</li> <li>➤ Case reported to SAPS (CAS 199/1/2015).</li> <li>➤ Further Intervention</li> </ul> <p>None required (no changes required to be made to the system of internal control).</p>
2014-09-05	To conduct a forensic investigation into alleged procurement fraud	Alleged procurement irregularities pertaining to suspected abuse of the SCM system to provide an unfair advantage to the implicated service provider	FIU 77-14/15	Irregularity and/or Non-Compliance	2014-12-09	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing – Sanction: Corrective Counselling</li> <li>➤ Further Intervention</li> </ul> <p>Procedural change/s (Supply Chain Management Delegations)</p>
2015-06-08	To conduct a forensic investigation into alleged fraud	Alleged collusion between Casidra and DOA officials to unduly benefit a service provider	FIU 20-15/16	Fraud and/or Corruption, Theft, Irregularity and/or Noncompliance	2015-11-30	<ul style="list-style-type: none"> <li>➤ Disciplinary hearing - Official dismissed.</li> <li>➤ Case reported to SAPS (CAS 489/05/2015).</li> <li>➤ Further Intervention</li> </ul> <p>Matter escalated to Casidra. Engagement between Department and Casidra took place. Still to be finalised.</p>

Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
2016-08-25	To conduct a forensic investigation into Alleged fraud	Alleged procurement fraud and conflict of interest by a DOA official regarding an SCM process carried out by Casidra.	PFS16-17-0-000056	Fraud and/or Corruption/Irregularity and/or Non Compliance	2017-03-29	<ul style="list-style-type: none"> <li>➤ Official resigned before the investigation was completed, therefore, disciplinary action could not be taken.</li> <li>➤ Case reported to SAPS (CAS 310/4/2017).</li> <li>➤ Further Intervention</li> </ul> <p>Matter escalated to Casidra. Further discussions still to take place.</p>
2017-01-31	To conduct a forensic investigation into alleged fraud	Alleged expense claim fraud and corruption perpetrated by a DOA official.	PFS16-17-0-000070	In progress	In progress	Matter still under investigation.

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20-09-2012	To conduct an investigation into alleged corruption (closure letter).	Alleged corruption pertaining to the procurement of a training service provider at Outeniqua Research Farm.	FIU 80 2012/2013	Case was disproved; however, supplier fraud was detected (additionally).	2014-04-29	<p>Only a preliminary investigation required by the Provincial Forensic Services.</p> <ul style="list-style-type: none"> <li>➤ Suspected Supplier Fraud - Case reported to SAPS (CAS 63/6/2014).</li> <li>➤ Further Intervention</li> </ul> <p>None required (no changes required to be made to the system of internal control).</p>
30-07-2013	To conduct an investigation into alleged procurement irregularities.	Alleged procurement irregularities at Elsenburg.	FIU 64 2013/2014	Case was disproved; however, supplier non-compliance was detected (additionally).	2014-08-28	<p>Only a preliminary investigation required by the Provincial Forensic Services.</p> <ul style="list-style-type: none"> <li>➤ Supplier informed that the WCBD4 contained an error/ omission. Matter corrected by supplier.</li> <li>➤ Further Intervention</li> </ul> <p>None required (no changes required to be made to the system of internal control).</p>
2013-10-01	To conduct an investigation into an alleged submission of a fraudulent qualification (closure letter) by an applicant for a post.	Alleged fraudulent qualification.	FIU 85 2013/2014	Qualification submitted may be fabricated qualification certificate.	2013-12-17	<p>Only a preliminary investigation required by the Provincial Forensic Services. Person involved not appointed.</p> <ul style="list-style-type: none"> <li>➤ Case reported to SAPS (CAS 281/12/2013).</li> <li>➤ Further Intervention</li> </ul> <p>None required (no changes required to be made to the system of internal control).</p>
2013-09-13	To conduct an investigation into alleged	Alleged subsistence and transport	FIU 104-2013/2014	Fraud and/ or	2013-10-03	Investigation done by Department, but also referred to

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& 2013-11-11	fraud (closure letter).	(S&T) fraud at Elsenburg.		irregularity.	& 2013-11-25	Provincial Forensic Services. <ul style="list-style-type: none"> <li>➤ Disciplinary hearing - Sanction of dismissal overturned at appeal.</li> <li>➤ Final written warning and 1 month suspension without pay.</li> <li>➤ Further Intervention</li> </ul> None required (no changes required to be made to the system of internal control).
2014-04-15	To conduct an investigation into alleged fraud.	Alleged procurement fraud.	FIU 4-2014/2015	"Supplier" may have been defrauded, however, no departmental official/s were involved.	2014-12-23	Only a preliminary investigation required by the Provincial Forensic Services. <ul style="list-style-type: none"> <li>➤ Documentation presented by the supplier to the Department was not legitimate WCG/DoA documents and were considered fictitious and/ or fraudulent.</li> <li>➤ Supplier was advised to report matter further (CAS80/04/2014).</li> <li>➤ Further Intervention</li> </ul> None required (no changes required to be made to the system of internal control).
2015-10-01	To conduct an investigation into alleged theft.	Purchasing and treatment/ administering of medication in respect to an animal disease.	FIU 70-2015/2016	Case was disproved; however, potential non-compliance with Public Service Regulations (PSRs) was identified – Non-compliance or other irregularity.	2016-03-31	Only a preliminary investigation required by the Provincial Forensic Services. <ul style="list-style-type: none"> <li>➤ Disciplinary hearing – Official found not guilty (as it pertains to non-compliance with the Public Service Regulations – Remunerative work outside Public Service).</li> <li>➤ Further Intervention               <ul style="list-style-type: none"> <li>– Communication to all officials annually.</li> <li>– A process (formalised) to manage annual RWOP applications and ad hoc applications implemented and aligned to the financial year.</li> </ul> </li> </ul> Specific Programme communication.
2016-01-27	To conduct an investigation into alleged fraud (closure letter).	Alleged misrepresentation by using the Department's letterhead.	FIU 108-2015/2016	Allegation could not be proven; however, non-compliance with Public Service Regulations was identified (additional).	2016/03/09  &  2016/05/26	Only a preliminary investigation required by the Provincial Forensic Services.  Matter pertaining to non-compliance with PSRs investigated by Department. <ul style="list-style-type: none"> <li>➤ Disciplinary hearing – Official found guilty (as it pertains to non-compliance with the Public Service</li> </ul>

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						<p>Regulations – Remunerative work outside Public Service).</p> <ul style="list-style-type: none"> <li>➤ Sanction - verbal written warning.</li> <li>➤ Further Intervention <ul style="list-style-type: none"> <li>– Communication to all officials annually.</li> </ul> </li> </ul> <p>A process (formalised) to manage annual RWOP applications and ad hoc applications implemented and aligned to the financial year.</p>

CASIDRA

Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
1 June 2015	Alleged Fraud and SCM irregularities	Investigation of a whistle-blower complaint for alleged supply chain management irregularities in purchasing of goods and services	FIU 172-2014/2015	The investigation concluded that documents submitted by the whistle-blower comprised part-documents for two separate bids. The bid requirements for the individual tenders were found correct according to the PFMA and no irregularities were found in the ultimate approval and awarding of the bids.	19 June 2015	None
2015	Alleged SCM irregularities	Investigation of supply chain management irregularities and non- delivery of services and goods	FIU 20-2015/16 and FIU 115/2015/16	The forensic investigation revealed the suspicion of fraudulent activities due to non- delivery of goods beneficiaries. The SAPS case ( CAS489/05/2015) was closed due to insufficient evidence to prosecute. <b>Casidra</b> official resigned.	February 2017	<ul style="list-style-type: none"> <li>➤ Employee resigned before any further action could be taken.</li> <li>➤ Case reported to SAPS (FIU20-2015/2016) as per Annexure A (CAS 489/05/2015).</li> <li>➤ Further Interventions</li> </ul> <p>Engagement between Casidra and Department took place. Still to be finalised – See Annexure A.</p>



Date Reported	What is the purpose?	Focus	(File) Name	Findings	Completion Date	Other Comments
March 2017	Alleged procurement fraud and conflict of interest at the Department of Agriculture's Regional Office in Malmesbury	Investigation whether a <b>Casidra</b> official was aware of the fraudulent and irregular activities by a department official in the provision of invoices for payment for training intervention.	PFS 56-2016/2017	The investigation revealed that the department official committed procurement fraud (including forgery and uttering) by fabricating quotes and submitting them for consideration, for her own benefit, amounting to R3750.00	15 May 2017	<ul style="list-style-type: none"> <li>➤ Case reported to SAPS (CAS 310/4/2017) as per Annexure A.</li> <li>➤ Further Interventions <ul style="list-style-type: none"> <li>– Attempt to recover cost in the most cost-effective manner from the person who was employed by the Department.</li> </ul> </li> </ul> <p>Changes to the system of internal control (SCM) to prevent re-occurrence.</p>