

OFFICE OF THE PREMIER

PRESENTATION TO THE STANDING COMMITTEE ON PUBLIC ACCOUNTS (SCOPA)

COMMENT ON THE 2022/23 ON THE PFMA AUDIT OUTCOMES AND PROGRESS MADE ON SPECIAL FOCUS CASES, INVESTIGATIONS REFERRED BY DEPARTMENTS



GAUTENG
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

GGT2030
GROWING GAUTENG TOGETHER

Question 1:

Progress made on the following (special focus cases):

- Life Esidimeni payment of compensation
- Covid-19 related cases

Life Esidimeni payment of compensation

- The Office of the Premier received a total of 529 additional claims after the Life Arbitration was concluded. All 529 claims were verified. Of the 529 verified claims, 418 qualify to receiving compensation. The remaining 111 do not qualify. 111 Letters were issued to the Claimants informing them that their claims do not qualify.
- The current claims are paid on a 50%/50% split. 50% of the total compensation is paid to the members of the affected families (Hereinafter referred to as “family compensation”). The remaining 50% is paid to an Administrator who represents the affected surviving Mental Health Care User. In the case of a deceased Mental Health Care User, the remaining 50% is paid to the Executor who represents the estate of the said Mental Health Care User (Hereinafter referred to as “MHCU’s compensation”)

Life Esidimeni payment of compensation

In light of the above, below we provide the status of payments:

- ✓ 376 claims have been paid the 50% family compensation. The remaining 42 claims are at different stages of assessment.
- ✓ 90 claims have been paid the 50% MHCU's compensation. 15 claims are being processed for payment. Appointments for Administrators have been made by the Master of the High Court in 20 claims. We are awaiting further documents to be able to process payment.
- ✓ The remaining 293 claims are awaiting finalization of the processes of the Master of the High Court.

Covid-19 related cases

- The SIU has dealt with two (2) cases that were referred to by the Provincial Government
 - ✓ **Anglo Ashanti matter**
Irregular supply chain management processes related to the procurement of PPE
 - ✓ **Procurement of PPE by the Gauteng Department of Health during the National State of Disaster**

PROGRESS ON THE COMPLAINTS TO SIU

Department	Allegation	Status
Gauteng Department of Health (4)	Irregular supply chain management processes related to the procurement of PPE.	<ul style="list-style-type: none"> ✓ Referral / Progress Report was received from the SIU on 29 Dec 2021. The OOP is assisting the department to implement the recommendations of the referral. ✓ The disciplinary hearing for the three (3) officials who were served with precautionary suspension letters on 01 February 2022 is continuing. ✓ The hearing is continuing this week (9 – 13 October 2023). The next hearing is on 8 – 15 January 2024. ✓ The SIU has referred the evidence to the NPA to open criminal cases. ✓ The SIU has also instituted civil action and the case is pending at the Special Tribunal.

Financial implications for matters investigated by the SIU

Department	Allegation	Status	Outcomes
<p>Health</p>	<p>The SIU issued referrals / progress reports for the proposed disciplinary action in respect of the investigation into the procurement of PPE by the Gauteng Department of Health during the National State of Disaster.</p>	<ul style="list-style-type: none"> ▪ The SIU obtained a court order to freeze the accounts of 39 service providers to the value of R38m linked to an irregularly obtained personal protective equipment (PPE) tender from the Gauteng Department of Health. The matters are currently on the roll of the Special Tribunal. 	<ul style="list-style-type: none"> ▪ The SIU through the Special Tribunal has to date frozen an amount of R43 million.

Financial implications for matters investigated by the SIU

Department	Allegation	Status	Outcomes
<p>Health / Infrastructure Development</p>	<p>The SIU issued referrals / progress report for the proposed disciplinary action in respect of the investigation into the procurement of PPE during the National State of Disaster – AngloGold Ashanti Hospital</p>	<ul style="list-style-type: none"> ▪ The SIU’s investigation was finalised and has revealed evidence that points, amongst others, towards 9 officials from Health and Infrastructure Development who allowed fruitless and wasteful expenditure of <u>R588 504 235.42</u> for goods and services that was supplied by PSP’s and contractors – AngloGold Ashanti Hospital. The SIU is assisting the dept. with the disciplinary process. The Civil litigation has been enrolled in the Special Tribunal. 	<ul style="list-style-type: none"> ▪ 9 x DC referrals made against officials – DC in progress. ▪ 1 x NPA referral, ▪ Civil litigation referred to Special Tribunal to have the contract set aside vale R588 million.

Question 2:

A summary of investigations which were referred to by Departments to the Office of the Premier in the 2022/23.

Summary of Investigations

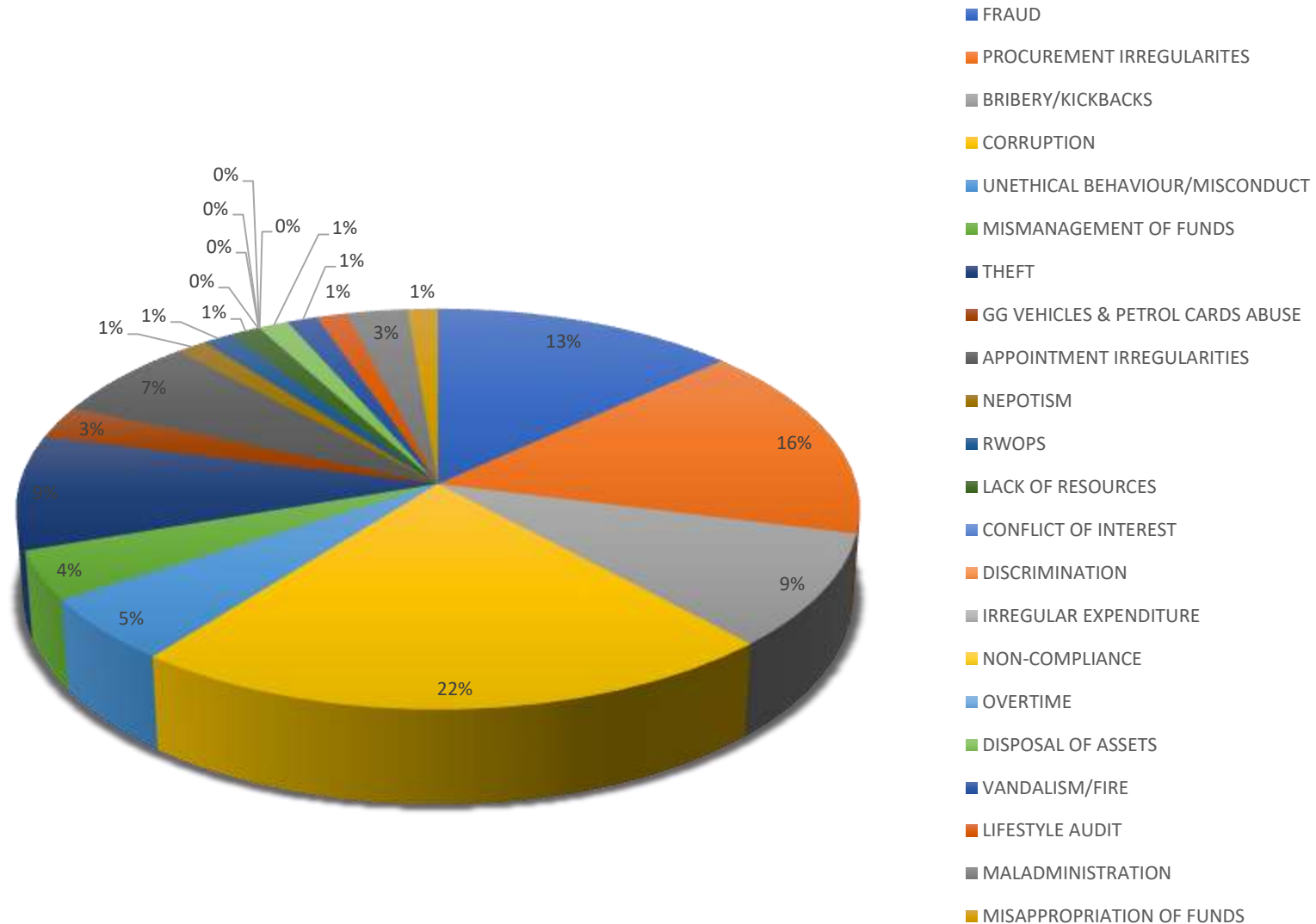
- A total of **seventy-six (76)** investigation request were received during the 2022/23 financial year.
 - ✓ 2022/23 List of received cases per department are as follows:

Summary of Investigations – Case Classification

- The top three misconduct and or malpractices reported for investigations within the province are:
 - a) Corruption related (e.g bribery, mismanagement of funds, overtime claims, abuse of GG vehicles) at 22%
 - b) Procurement irregularities at 16%
 - c) Fraud at 13%



Summary of Investigations – Case Classification



Question 3:

A summary of investigations outstanding which were referred to the Premier in the 2022/23.

Outstanding investigations referred to the Office of Premier

- 46 cases still in progress

Department	CLASSIFICATION	DATE RECEIVED	STATUS	PLANNED DATE OF ALLOCATION	DATE REPORT ISSUED
Economic Development	Procurement irregularities	02/03/2023	Analysed	15/12/2023	30/05/2024
			Not allocated		
Education	Appointment irregularities	16/09/2022	27/09/2022	15/12/2023	30/05/2024
	Maladministration	01/11/2022	Referred to the Department	09/11/2022	N/A
	Maladministration	15/12/2022	Referred to the Department	11/05/2023	N/A
	Appointment irregularities	07/12/2022	Referred to the Department	14/12/2022	N/A
E-Gov	Procurement irregularities	27/01/2023	BEC Sitting	Nov 2023	May 2024
GDSACR	Procurement irregularities	06/03/2023	Analysed	15/12/2023	30/07/2024
			Not allocated		
GDoH	Fraudulent overtime claim	06/04/2022	Analysed	15/12/2023	30/03/2024
			Not allocated		
	Abuse of GG vehicle at Petrol card abuse	22/06/2022	Analysed	15/12/2023	30/03/2024
			Not allocated		
	Money Laundering and Fraud	22/06/2022	Analysed	15/12/2023	30/07/2024
			Not allocated		
Procurement irregularities	08/07/2022	Analysed	15/12/2023	30/07/2024	
		Not allocated			
Procurement irregularities	01/08/2022	BEC Sitting	Nov 2024	30/07/2014	
Fraudulent overtime claim	06/04/2022	Planning	15/12/2023	30/04/2024	

Outstanding investigations referred to the Office of Premier

Department	CLASSIFICATION	DATE RECEIVED	STATUS	PLANNED DATE OF ALLOCATION/ REFERRAL TO DEPT	DATE REPORT ISSUED
GDoH	Fraud	16/09/2022	Referred to the Department	19/09/2022	N/A
	Fraud	18/10/2022	Referred to the Department	24/10/2022	N/A
	Unethical behaviour	20/10/2022	Referred to the Department	26/10/2022	N/A
	Procurement irregularities	11/11/2022	Planning	15/12/2023	0/08/2024
	Theft	28/11/2022	Referred to the Department	26/01/2023	N/A
GDHS	Corruption	20/04/2022	Referred to the Department	28/04/2022	N/A
	Corruption	26/04/2022	Referred to the Department	05/05/2022*	N/A
	Corruption	26/04/2022	Referred to the Department	12/05/2022	N/A
	Corruption	29/04/2022	Referred to the Department	05/05/2022*	N/A
	Corruption	08/06/2022	Referred to the Department	20/06/2022	N/A
	Corruption	11/08/2022	Referred to the Department	01/09/2022	N/A



Outstanding investigations referred to the Office of Premier

Department	CLASSIFICATION	DATE RECEIVED	STATUS	PLANNED DATE OF ALLOCATION/ REFERRAL TO DEPT	DATE REPORT ISSUED
GDHS	Corruption	29/08/2022	Referred to the Department	01/09/2022-,	N/A
	Corruption	29/08/2022	Referred to the Department	01/09/2022	N/A
	Corruption	01/09/2022	Referred to the Department	13/09/2022	N/A
	Corruption	05/09/2022	Referred to the Department	13/09/2022	N/A
	Corruption	05/09/2022	Referred to the Department	13/09/2022	N/A
	Bribery/Kickbacks	16/09/2022	Referred to the Department	25/09/2022	N/A
	Corruption	16/09/2022	Referred to the Department	25/09/2022	N/A
	Corruption	06/10/2022	Referred to the Department	07/10/2022	N/A
	Bribery/Kickbacks	06/10/2022	Referred to the Department	07/10/2022	N/A
	Corruption	06/10/2022	Referred to the Department	07/10/2022	N/A
	Corruption	28/11/2022	Referred to the Department	06/12/2022	N/A
	Corruption	22/02/2023	Referred to the Department	28/02/2023	N/A



Outstanding investigations referred to the Office of Premier

Department	CLASSIFICATION	DATE RECEIVED	STATUS	PLANNED DATE OF ALLOCATION/ REFERRAL TO DEPT	DATE REPORT ISSUED
OOP	Appointment irregularities	13/12/2022	BEC Sitting	Nov 2023	30/08/2024
GDTL	Fraudulent travel allowance claim	01/08/2022	Analysis	15/12/2023	09/08/2023
	Corruption	06/10/2022	Referred to the Department	08/12/2022	N/A
	Theft	11/11/2022	Referred to the Department	08/12/2022	N/A
	RWOPS	16/01/2023	Analysis	15/12/2023	09/02/2023
	Theft	23/01/2023	Referred to the Department	27/03/23	N/A
	Theft	15/02/2023	BEC Sitting	Nov 2023	30/08/2023
	Procurement irregularities	15/02/2023	Analysis	15/12/2023	30/08/2023
GDSD	Bribery/Kickbacks	27/10/2022	Planning	10/11/2022	17/11/2023
	Appointment irregularities	28/02/2023	Planning	01/03/2023	17/12/2023

Question 3:

Finalised investigations referred to the Office of Premier (Forensic Investigation Unit) in the period under review (2022/23).



Finalised investigations referred to the Office of Premier

- 30 cases have been finalised

Department	CLASSIFICATION	DATE RECEIVED	STATUS	DATE REPORT ISSUED
Community Safety	Bribery/Kickbacks	01/09/2022	finalized	- 08/06/2023
	Bribery/Kickbacks	16/09/2022	Finalized	04/05/2023
Education	Victimisation and nepotism	24/05/2022	Finalized	Finalized
	Theft	08/07/2022	Finalized	29/07/2022
	Victimisation and nepotism	24/05/2022	Finalized	05/07/2022
	Theft	08/07/2022	Finalized	11/11/2022
	Procurement irregularities	07/10/2022	Finalized	11/05/2023
	Mismanagement of funds	24/10/2022	Finalized	12/05/2023
	Misuse of school funds	11/11/2022	Finalized	11/05/2023
	Salary Payment Irregularities	11/11/2022	Finalized	09/12/2022
	Misappropriation of funds	07/12/2022	Finalized	11/05/2023
	Mismanagement of funds	07/12/202	Finalized	11/05/2023



Finalised investigations referred to the Office of Premier

Department	CLASSIFICATION	DATE RECEIVED	STATUS	DATE REPORT ISSUED
GDSACR	Appointment irregularities	09/09/2022	Finalized	19/05/2023
	Appointment irregularities	16/09/2022	Finalized	22/06/2023
GDoH	Abuse of GG vehicle	08/04/2022	Finalized	29/07/2022
	Procurement irregularities	13/05/2022	Finalized	30/05/2022
	Lack of resources	08/07/2022	Finalized	27/06/2023
	Fraudulent overtime claim	25/07/2022	Finalized	18/11/2022
	Unethical behaviour	01/08/2022	Finalized	29/09/2022
	Vandalism	02/08/2022	Finalized	16/09/2022
	Lifestyle Audit	16/09/2022	Finalized	24/05/2023
	Fraud	16/09/2022	Finalized	17/04/2023
GDHS	Bribery/Kickbacks	08/06/2022	Finalized	20/06/2022
GDID	Fraud / Appointment irregularities	18/05/2022	BRC Sitting	30/06/2024
	Procurement irregularities	08/07/2022	Finalized	26/09/2022
	Unethical Behaviour	14/11/2022	Finalized	01/12/2022
MSD	Theft	02/03/2023	Referred to SIU	N/A



Finalised investigations referred to the Office of Premier

Department	CLASSIFICATION	DATE RECEIVED	STATUS	DATE REPORT ISSUED
GDTL	Procurement irregularities	16/02/2023	Finalized	01/03/2023
GDSD	Unethical behaviour	10/06/2022	Finalized	20/06/2022
	Fraud	16/09/2022	Finalized	22/11/2022

Question 4:

An assessment of progress made by Departments to implement the recommendations/findings of the investigations conducted by the Office of the Premier (Forensic Unit).

Status on implementation of the recommendations/findings per Department / Entity

Department	Total number of recommendation from investigations		Amount to be recovered	Amount Recovered/ Paid	Recommendations in progress	Recommendations not implemented
GTA	6	0%	R589 964.11	-	6	-
E-Gov	70	86%	R2 961 527.93	R 161 527.93	-	-
GDCS	49	91%	R28 711 483.57	-	-	-
GDHS	18	61%	R 1 789 916.28	-	7	-
GDED	27	59%	R 7 000 000. 00	R 70 221 000.00	11	-
GGB	19	57%	R450 000.00	-	8	-
GGDA	-	-	-	-	-	-
GLB	-	-	-	-	-	-
GDE	113	92%	R373 541.37	R86 362.37	4	-
GDID	12	25%	R 6 057,45	-	9	-

Status on implementation of the recommendations/findings per Department / entity

Department	Total number of recommendation from investigations		Amount to be recovered	Amount Recovered/ Paid	Recommendations in progress	Recommendations not implemented
GDoH	394	58%	R223 382 909.86	-	62	102
GDARD	125	90%	R675 339.92	-	12	-
COGTA	24	100%	-	-	13	11
CRADLE	13	69%	R 16 752.00	-	4	4
GIFA	-	-	-	-	-	-
GDTL	78	0%	-	R20 000 000.00	0	13
OOP	2	50%	-	-	1	-
DSD	238	56%	R5,896,329.25	-	128	3
G-FLEET	13	76%	R2 915.41	-	3	-
MSD	-	-	-	-	-	-
OVERALL TOTAL OF RECOVERIES			R 271 856 736.88	R 90 468 890.30		

Question 5:

An assessment of the capacity of the Office of the Premier Forensic Unit to timely conduct investigation referred to it, and interventions to be made to improve where there are weaknesses identified

Recovery Plan – Finalisation of backlog cases

No.	Challenge	Action Plan	Responsible Person	Due	Progress
1.	Head of Forensics' post				
1.1	Vacant Chief Director's post	<ul style="list-style-type: none"> Filling of the post 	<ul style="list-style-type: none"> DG DDG 	<ul style="list-style-type: none"> 01/01/2024 	<ul style="list-style-type: none"> Headhunting process Shortlisting scheduled – 20/10/2023
2.	Capacity capability				
2.1	Internal Forensic Investigation Directorate capacity	<ul style="list-style-type: none"> Filling of 3 x Level 8 Junior Investigator's vacant posts Filling of the 3 x Level 8 Junior Investigator's posts. 	<ul style="list-style-type: none"> Dir: Forensic Investigation 	<ul style="list-style-type: none"> Start date - 01/12/2023 	<ul style="list-style-type: none"> Interviews of 3 x Level 8 Investigators completed – 02/10/2023 Job evaluation is in process to enable the advertisement of the posts.
2.2	Internal Fraud Prevention Directorate capacity	<ul style="list-style-type: none"> Filling of the 3 x ASD vacant posts 	<ul style="list-style-type: none"> Dir: Fraud Prevention Review 	<ul style="list-style-type: none"> Possible appointment date – 01/01/2024 	<ul style="list-style-type: none"> Job evaluation is in process to enable the advertisement of the posts.
2.3	Internal Digital Evidence Management Directorate capacity	<ul style="list-style-type: none"> Filling of the 3 x ASD vacant posts Filling of 1 x DD vacant post 	<ul style="list-style-type: none"> Dir: Digital Evidence Management 	<ul style="list-style-type: none"> Possible appointment date – 01/01/2024 	<ul style="list-style-type: none"> Job evaluation is in process to enable the advertisement of the posts.

Recovery Plan – Finalisation of backlog cases

No.	Challenge	Action Plan	Responsible Person	Due	Progress
3.	GPG forensic investigation capacity				
3.1	GPG forensic investigation skills	Capacitation and professionalization of forensic investigation function	<ul style="list-style-type: none"> • IM • PFA ACD • DDG • DG 	Date to be confirmed	<p>PFA consulted with SIU on 13/10/2023 to provide training in investigation methodology and approaches.</p> <p>Possible training programmes:</p> <ul style="list-style-type: none"> ○ First Responder ○ Digital forensic investigation ○ Procurement irregularities ○ Applications of legal frameworks during forensic investigation ○ Fraud Detection Review

Recovery Plan – Finalisation of backlog cases

No.	Challenge	Action Plan	Responsible Person	Due	Progress
4.	Digital forensic capability and systems				
4.1	Lack of digital forensic investigation capability and systems	<ul style="list-style-type: none"> Benchmarking with other law enforcement agencies (e.g SIU, SARS, Department of Home Affairs) 	<ul style="list-style-type: none"> PFA DDG 	<ul style="list-style-type: none"> Date to be confirmed 	<ul style="list-style-type: none"> PFA consulted with SIU on 13/10/2023 to provide possible training on digital and cyber forensic investigation tools and systems available.
5.	Establishment of a panel of service providers				
5.1	Delays in the finalization of the complex earmarked investigation	<ul style="list-style-type: none"> Establishing a panel of service providers in forensic services 	<ul style="list-style-type: none"> PFA SCM 	<ul style="list-style-type: none"> Expected BEC sitting date – between 23 Oct to 03 Nov 2023 Expected appointment date - 14/11/2023 	<ul style="list-style-type: none"> Advertisement process finalized – 04/08/2023 Appointment of BEC finalized.

Recovery Plan – Finalisation of backlog cases

No.	Challenge	Action Plan	Responsible Person	Due	Comments
6.	Process Re-engineering				
6.1	Weakness in a lead analysis process	<ul style="list-style-type: none"> Establishing dedicated and skilled personnel to conduct lead analysis project function. (internal capacity) 	<ul style="list-style-type: none"> Chief Director DDG 	<ul style="list-style-type: none"> Six weeks (23/10/2023 to 04/12/2023) 	<ul style="list-style-type: none"> Identification of skilled personnel to review and revise lead analysis reports to be concluded by 20/10/2023. Work to commence on 23/10/2023. Weekly reports on progress to be submitted to the DG.
6.2	Ineffective performance management tool	Preparation and submission of Sub-Directorate Weekly Plan to be monitored against Weekly Reports.	PFA	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Each personnel is expected to submit a Weekly Timesheet. The Weekly Plan is aligned to the Individual Performance Agreement and PFA's APP
6.3	Non-uniformity of reports.	Develop a GPG standard reporting guideline. (Template)	Dir: Digital Evidence Management	<ul style="list-style-type: none"> Ongoing 	<ul style="list-style-type: none"> Service Delivery Unity assisting with developing a tracking, monitoring, and reporting tool. Review and revise the reporting guideline.

Question 6:

Comment on the 2022/23 on the PFMA Audit Outcomes.

OUTCOMES OF 2022/23 AUDIT

- The OoP maintained its clean audit outcome - 10 years in a row
- The organisation outlook improved significantly
 - ✓ The leadership of the organisation is rated as green
 - ✓ Oversight bodies//Governance structures are rated as green
 - ✓ Performance information has improved significantly, and all identified errors were corrected before the finalisation of the audit report
 - ✓ Reduction in underspending
- Areas that require improvement to contribute to the effectiveness of the system of internal controls
 - ✓ Senior management need to ensure that there is an operative system of internal control to prevent material errors and non-compliance
 - ✓ Conflict of interest
 - ✓ Procurement and contract management- Quotations
 - ✓ Record keeping to provide reliable information to assurance providers
 - ✓ Compliance with laws and regulations
 - ✓ Information technology-User management and change control
 - ✓ Leave management

THANK YOU

 0800 Gauteng (428 8364) 0800 22 88 27
 support@gauteng.gov.za hotline@gauteng.gov.za
 35023
 @GautengHotline  @GautengHotline

Gauteng Ethics Hotline: 080 1111 633

National Anti Corruption Hotline: 0800 701 701



WE
CARE



WE
SERVE



WE
BELONG

Batho Pele

Putting People First