



Province of the
EASTERN CAPE

MINISTRY OF FINANCE, ECONOMIC
DEVELOPMENT, ENVIRONMENTAL AFFAIRS
& TOURISM

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<i>Ireferensi</i> Ref No: Verwysings	SUBMISSION OF INTERNAL QUESTION PAPER – 50 OF 2019	<i>Iifaxi</i> Facsimile Faksimile:	
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Honourable Speaker
Ms N. Kiviet
Eastern Cape Provincial Legislature
Independence Avenue
Bisho
5605

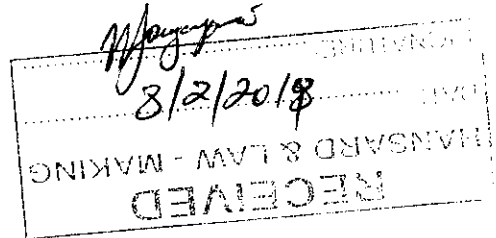
Dear Honourable N. Kiviet

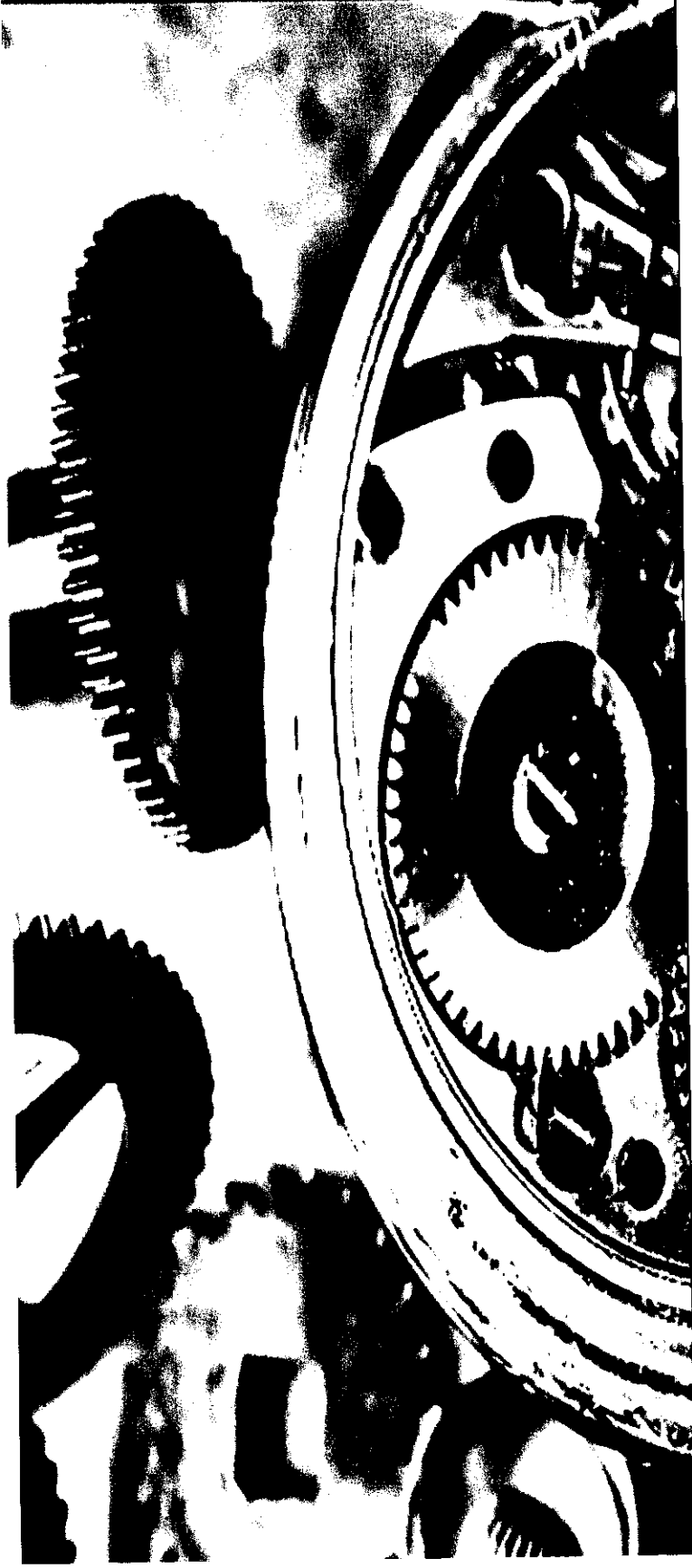
RE: SUBMISSION OF INTERNAL QUESTION PAPER – 50 OF 2019

1. This serves to formally submit the internal question paper 50 of 2019
2. I trust you will find this in order.

Yours Sincerely

HON. L.O. MABUYANE
MEMBER OF THE EXECUTIVE COUNCIL
FINANCE, ECONOMIC DEVELOPMENT, ENVIRONMENTAL AFFAIRS AND TOURISM





Eastern Cape Provincial Treasury

**Legislature of the Province of the Eastern Cape:
INTERNAL QUESTION PAPER – 50 of 2018**

18 January 2019



QUESTIONS FOR WRITTEN REPLY (670)

Mr R S Stevenson to ask the MEC responsible for Finance:

(1) How many officials or entities, of which officials have an interest in, are currently doing business with (a) provincial government, (b) national government and (c) municipalities in the 2017/18 financial year as at the latest specified date for which information is available;

Response:

As at Quarter 3 2018/19, one hundred and twenty (120) officials are doing business with provincial government and twelve (12) officials are doing business with national government. We are unable to determine the number of officials that are doing business with municipalities as municipalities are utilising different procurement and payment systems, other than BAS and LOGIS.

QUESTIONS FOR WRITTEN REPLY (670)

Mr R S Stevenson to ask the MEC responsible for Finance:

(2) can he kindly provide the breakdown per department in respect of (1) above for the provincial government;

Response:

One hundred and twenty (120) officials are doing business with provincial government and twelve (12) officials are doing business with national government as per table below:

NAME OF DEPARTMENT	PROVINCIAL GOVERNMENT	NATIONAL GOVERNMENT
Cooperative Governance and Traditional Affairs	2	1
Rural Development and Agrarian Reform	1	0
Public Works	1	0
Sports, Recreation, Arts and Culture	1	0
Education	69	7
Health	40	2
Office of the Premier	1	0
Social Development	3	2
Transport	2	0
TOTAL	120	12

QUESTIONS FOR WRITTEN REPLY (670)

Mr RS Stevenson to ask the MEC responsible for Finance:

(3) Whether provincial officials are legally entitled to do business with the state; if so, under what circumstances;

Response

Regulation 13 (c) of the PSR, 2016, prohibits public service employees conducting business with any organ of state. Furthermore, Section 5.1.1 of DPSA Circular No. EIM 1/2016- Conducting Business with any Organ of State clearly highlights the fact that government officials are prohibited from doing business with the State.

QUESTIONS FOR WRITTEN REPLY (670)

Mr RS Stevenson to ask the MEC responsible for Finance:

(4) Whether any of these interests were declared at any point in time; if not, why and can he kindly provide the relevant details in this regard;

Response

Provincial Treasury did not request this information from Departments, because regardless of whether or not interests were declared, government officials are prohibited from doing business with the State, as per response provided to question 3 above.

QUESTIONS FOR WRITTEN REPLY (670)

Mr RS Stevenson to ask the MEC responsible for Finance:

(5) What steps is his Department taking with a view to dealing with the matter mentioned above and can he kindly provide the relevant details in this regard;

Response

Since the implementation of the Central Supplier Database (CSD) in 2015/16, Provincial Treasury, through National Treasury has been conducting Conflict of Interest search to identify officials who have ownership in companies registered on the CSD. The results have been communicated in writing to the departments concerned on a quarterly basis. The departments concerned were requested to take appropriate action against the affected officials and also to implement measures to prevent such occurrences from happening in future.

Upon noting an increase in the number of conflicted officials, in January 2019, the Provincial Treasury through the Honourable MEC has written to Accounting Officers of the affected departments to take the necessary remedial action to address the issue of officials who have shareholding in companies registered on CSD and implement measures to ensure that there is no recurrence in future. Accounting Officers have been cautioned that failure to take the necessary action, will result in the MEC for Finance taking appropriate action against them, after having consulted their Executing Authorities and the Honourable Premier. The Departments have been requested to respond to Provincial Treasury in writing as to their findings, measures implemented to prevent officials from doing business with government, and remedial actions taken against the identified officials, by 31 January 2019.

Furthermore, the Provincial Treasury has been having on-going discussions with the National Treasury to refine the registration on the CSD, in order to flag and prohibit anyone recognised as a government official, from registering on the CSD.

QUESTIONS FOR WRITTEN REPLY (670)

Mr RS Stevenson to ask the MEC responsible for Finance:

(6) What consequence management his Department envisages will fall onto the employees who are found guilty of the matter mentioned above and can he kindly provide the relevant details in this regard?

Response

If the measures outlined in the response to question 5 above are implemented, the result envisaged would be that officials employed in departments would resign from the entities in which they have ownership. Alternatively, these officials must resign from public service and pursue their business interests. Should the officials fail adhere to these options, it would be incumbent upon the Accounting Officer to terminate the service of the transgressing official/s.

In addition, the Provincial Treasury would like to see those companies listed on the CSD wherein government officials have ownership, or directorship to be placed on the Database of Restricted Suppliers hosted by the National Treasury.