

22 AUGUST 2019

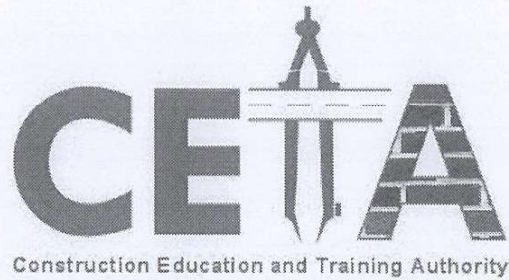
**FOR THE ATTENTION OF:  
THE CHAIRPERSON OF THE CETA AUDIT AND RISK COMMITTEE  
MR VICTOR NONDABULA**

**C/O CHAIR PERSON OF GOVERNANCE AND STRATEGY COMMITTEE  
AND AN AUDIT AND RISK COMMITTEE MEMBER  
MS. GOVENDER**

Dear Mr Nondabula,

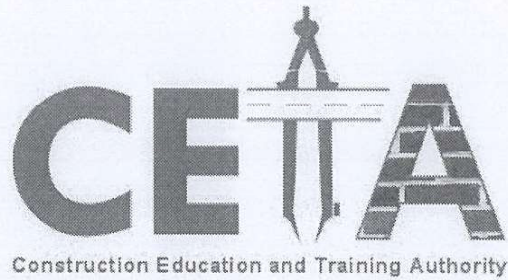
Subject : **FORMAL DISCLOSURE OF IMPROPRIETIES PERTAINING TO  
VIOLATION OF PROCUREMENT AT THE CONSTRUCTION  
EDUCATION AND TRAINING AUTHORITY**

1. I am an employee of the Construction Education and Training Authority, a public entity and an organ of state falling within the Department of Higher Education and Training.
2. I occupy the position of Senior Manager: SCM.
3. A series of recent events have compelled me to formally address this letter to you and disclose what I regard to be misconduct and irregularities taking place within the CETA regarding procurement. In order to ensure that I am protected from any



form of victimisation or occupational detriment, I have decided to disclose the improprieties in terms of Protected Disclosures Act 26 of 2000.

4. I could not make the disclosure to my Executives as I fear that the matter may be swept under the carpet and I end up being victimised. Also, I am not aware of any internal procedure for making any protected disclosure to the CETA other than the fraud hotline.
  
5. The disclosures I wish to make are the following:
  - 5.1. Twelve(12) tenders were advertised for 21 days and closed on 31 January 2018 **(refer to Annexure A- list of tenders closed on the 31 January 2018)**, on the 31 January 2018 SCM was instructed by the CFO (Ms Velile Ndlovu) that all submitted tenders must be taken to her office and we must not publicly open/register them. We were instructed to only open tenders where bidders attended to witness the public opening. CFO also instructed us to hand over the tender submission register, during this time SCM really struggled to meet the regulated timeline of publishing the submitted tenders on each tender on the website with 10 days of the tender closure which leads to non-compliance. Most of the tenders that closed on the 31 January 2018 were kept in the CFO's office



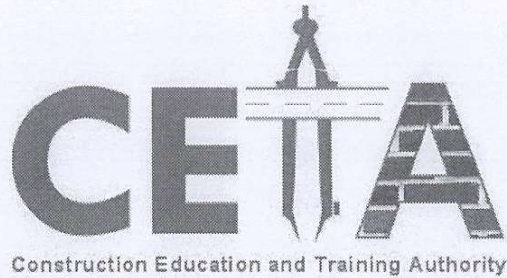
and cancelled without being evaluated and SCM was instructed to put the reason for cancellation as change of specification.

- 5.2. During audit preparation I went through the submission register and noticed that bidders that submitted their bids late were added on the tender submission register. In all instances the recommended bidders would be the ones added on the submission register after closing date in a different handwriting that looks like the CFO's handwriting - **(Refer to annexure B1 – Bid register where bidder's names were added after closing date in a different handwriting)**. The CEO told to me that she (CFO) had confirmed that it is her handwriting. In the bid register you can clearly notice the trend where the bids were opened in her office, there will only be one signature. ***This is violation of section 9.5 (9.5.2, 9.5.4, and 9.5.6) of the CETA SCM policy- (refer to Annexure B2 – CETA SCM Policy)***. Where bids were opened publicly, there is always two signatories. **(Refer to annexure B3 – Copy of bid submission register)**

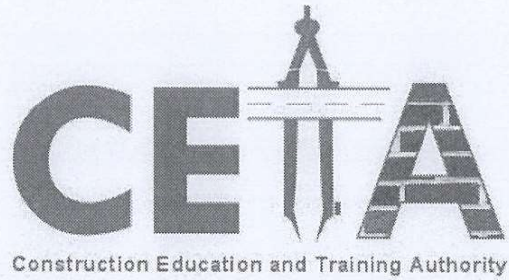
- 5.2.1. **Bid No. 021 – 2017/2018 – Review, design, develop and maintain the MIS system for the CETA**

On this bid four (4) tenders were received which were publicly opened and some of the bidders witnessed the opening, on the submission register a

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5<sup>th</sup> bidder which was **Data proof Communication**, was added in a different handwriting **-Refer to annexure C1 – Bid register where bidder’s names were added after closing date in a different handwriting)** and were eventually recommended for award - **(Refer to annexure C2 – Amended or second report)**, Dataproof did not attend the compulsory briefing session but were further evaluated and recommended instead of being disqualified for not attending the compulsory briefing session **(refer to Annexure C5 – Compulsory briefing session register)**. During the evaluation process the BEC advisor at the time advised me that the BEC had re-scored, the initial recommended bidder was **Deloitte (refer to Annexure C3 – Initial or first evaluation report)** and when this came to my attention I then informed the CFO that BEC re-scored and disqualified Deloitte without any substantial reasons (to advance/ or ensure appointment of Dataproof – **refer to annexure C2 – Amended or second report)** and this is not fair and cannot be allowed. I was then overpowered and my advice was not taken which led me to recuse myself from BAC as an SCM advisor and then a decision was taken to cancel the bid and re-advertise since the

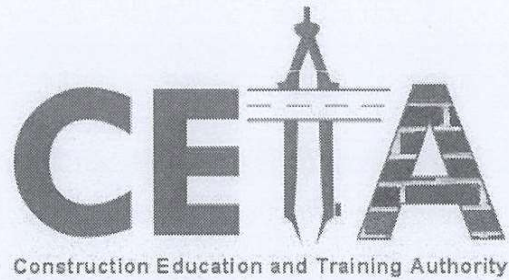


evaluation process was not done fairly. **(Refer to annexure C4 - Bid cancellation notice)**

5.2.2. **Bid No. 023-2017/2018 – Provision of MPLS Services**

On this bid also seven (7) tenders were submitted which were registered by an SCM official, for this tender the bids were not publicly opened, ***this is violation of section 9.5 (9.5.4, and 9.5.6) of the CETA SCM policy- (refer to Annexure B2 – CETA SCM Policy)***. They were registered by an SCM official in the CFO's office. On the submission register the 8<sup>th</sup> tender which is **Net15/ Singatel** was added in a different handwriting that looks like the CFO's handwriting **(refer to Annexure D1 - Bid register where bidder's names were added after closing date in a different handwriting)** and was eventually recommended for award **(refer to Annexure D2 - Amended or second report)**. On this one again I discovered that the tender was re-scored and the initially recommended bidder before re-scoring was EOH who were cheaper and had attended the compulsory briefing session **(refer to Annexure D3 – Initial or first evaluation report)**, EOH and other bidders that initially passed functionality and were cheaper were then disqualified on functionality to

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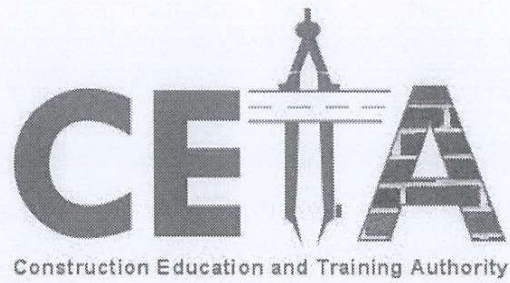
advance/ ensure appointment of Net15/Singatel. Net15/Singatel did not attend the compulsory briefing session but were further evaluated and recommended instead of being disqualified for not attending the compulsory briefing session (**refer to Annexure D4 – Compulsory briefing session register**). On this bid BAC sat without me as the BAC advisor or was sidelined, not sure why BAC sat without me.

5.2.3. **Bid No. 017 – 2017/2018 – Appointment of a Panel of legal firms for 24 months**

On this bid also sixty (60) tenders were submitted which were registered by an SCM official, for this tender, the bids were not publicly opened. They were registered by an SCM official in the CFO’s office, ***this is violation of section 9.5 (9.5.4, and 9.5.6) of the CETA SCM policy- (refer to Annexure B2 – CETA SCM Policy)***. On this bid I also discovered that the BEC re-scored, the initial recommended bidders were as follows: (**Refer to Annexure E1- Initial or first evaluation report**)

	<b>Bidder’s Name</b>	<b>Bidder’s Price</b>
1.	Lingenfielder and Baloyi Attorneys	R500.00/hour

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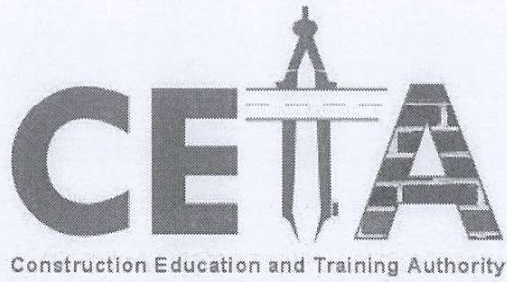


2.	Mbowane Attorney	R1 052.00/hour
3.	LM Maila Inc	R1 798.92/hour
4.	Mkhabela Huntley Attorneys	R2 736.00/hour
5.	Sim and Botsi Attorneys	R2 793.00/hour

Following the re-scoring three (3) of the above bidders were disadvantaged by being disqualified on functionality to advance the three (3) preferred bidders who are more expensive.

- Lingenfielder and Baloyi Attorneys
- LM Maila Inc
- Mkhabela Huntley Attorneys

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BEC re-scored and the following bidders were recommended at a higher rate than the initial recommended bidder: **(refer to Annexure E2 - Amended or second report)**

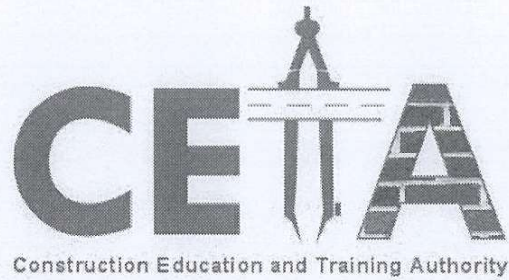
	Bidder's Name	Bidder's Price
1.	Mbowane Attorney	R1 052.00/hour
2.	Sim and Botsi Attorneys	R2 793.00/hour
3.	Werksmann Attorneys	R3 433.33/hour
4.	Adams & Adams	R3 686.76/hour
5.	Ndumiso Voyi Inc	R4 000.00/hour

The following three(3) bidders were the preferred bidders who were unfairly advanced and recommended:

- Werksmanns Attorneys
- Adams & Adams
- Ndumiso Voyi Inc

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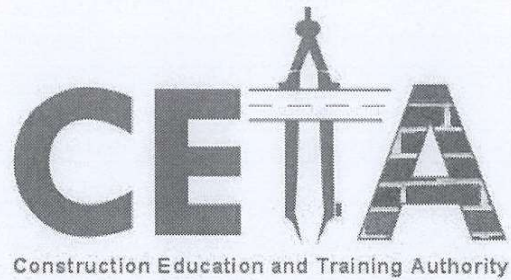
The appointment of the above legal firms was unfair and irregular, even the allocation of work to the panel confirms this. They are the mostly used in the panel (**refer to Annexure E3 - payment made to the panel**)

On this bid BAC sat without me as the BAC advisor or was sidelined, not sure why BAC sat without me.

BEC and BAC failed to perform their duties as stipulated in their appointment letters as bid committee members.

5.2.4. **Bid No. 025 – 2017/2018 – LAN and VOIP Infrastructure maintenance and support services**

On this bid also four (4) tenders were submitted which were registered by an SCM official, for this tender the bids were not publicly opened. They were registered by an SCM official in the CFO's office, ***this is violation of section 9.5 (9.4.2, 9.5.4, and 9.5.6) of the CETA SCM policy- (refer to Annexure B2 – CETA SCM Policy)***. On the submission register the 5<sup>th</sup> tender which is **Dataproof Communications** was added in a different handwriting that looks like the CFO's handwriting (**refer to Annexure G1 - Bid register where bidder's names were added after closing date in a different handwriting**) and was eventually recommended for award (**refer to Annexure G2 – Evaluation report**). Dataproof Communications did not

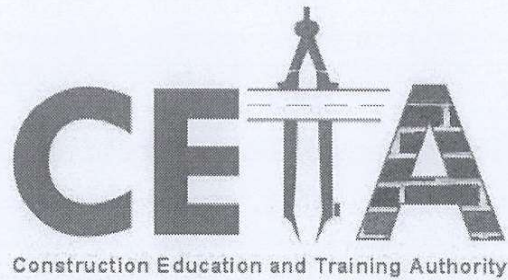


attend the compulsory briefing session but were further evaluated and recommended instead of being disqualified for not attending the compulsory briefing session (**refer to Annexure G3 - Compulsory briefing session register**). On this bid BAC sat without me as the BAC advisor or was sidelined, not sure why BAC sat without me.

5.2.5. **Bid No. 026-2017/2018 - Procurement of learner tablets**

The above tender was initially advertised and closed on 02 February 2018, 59 submissions were and received and kept in the CFO's office and the tender was cancelled without being evaluated, we were then told by the CFO to put the reason for cancellation as "due to change in specifications".

This tender was re-advertised on the 23 February 2018 and closed on 02 March 2018. 33 bids were received and bid were opened in public. BEC sat and evaluated and only two bidders passed functionality and were evaluated on price and preference. **Ikando (Pty)** was recommended for award (**Refer to Annexure I1- Initial or first evaluation report**). BEC was then instructed to re-score or adjust scores to ensure that there is no appointment.

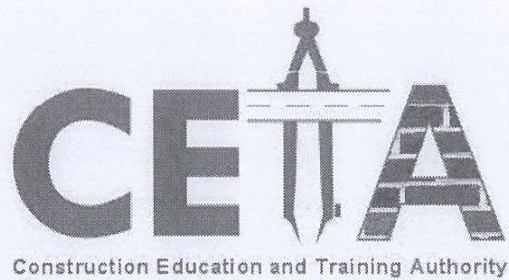


The two bidders who initially passed functionality scores were then adjusted without any substantial reason once again which resulted in a non-appointment, BEC in so doing led to a process that is contravening section 217 of the constitution which led an unfair, not cost effective and not transparent process. And Ikando (Pty) was disadvantaged by being disqualified without any substantial and documented reason (**refer to Annexure I2 - Amended or second report**)

5.2.6. **Bid No. 014-2017/2018 - Provision of CETA toolkits to learners on CETA – Funded learners**

The above tender was initially advertised and closed on 31 January 2018, 18 submissions were and received and kept in the CFO's office and the tender was cancelled without being evaluated, we were then told by the CFO to put the reason for cancellation as "due to change in specifications". This tender was re-advertised on the 23 February 2018 and closed on 02 March 2018.

14 bids were received and bid were opened in public. In and around 02 July 2018 BEC sat and evaluated and only one bidder passed functionality and was evaluated on price and preference. **Gap-fill (Pty)** was recommended for award (**Refer to Annexure K1- Initial or first evaluation report**). BEC was then instructed to re-score or adjust scores



to ensure that there is no appointment. **Gap-fill (Pty** who initially passed functionality scores were then adjusted without any substantial reason once again which resulted in a non-appointment (**refer to Annexure K2 - Amended or second report**), BEC in so doing led to a process that is contravening section 217 of the constitution which led an unfair, not cost effective and not transparent process. And **Gap-fill (Pty** was disadvantaged by being disqualified without any substantial and documented reason.

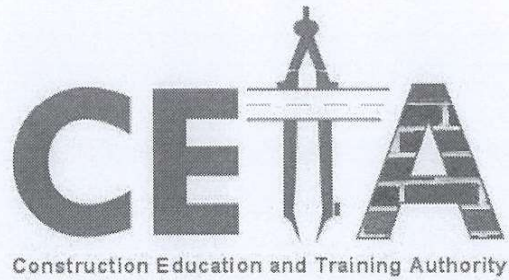
5.2.7. BEC and BAC failed to perform their duties as stipulated in their appointment letters as bid committee members.

5.3. **It must also be noted that all bids referred in Annexure B1 had compulsory briefing session and all bidder's names that were added after closing date in a different handwriting did not attend the briefing session and they were all recommended for awards regardless.**

5.4. **Misconduct and interference into SCM procurement process by CETA executives**

On the tenders/requests for quotes below the Executives interfered with SCM process leading to misconduct and possible fraud and irregular appointments:

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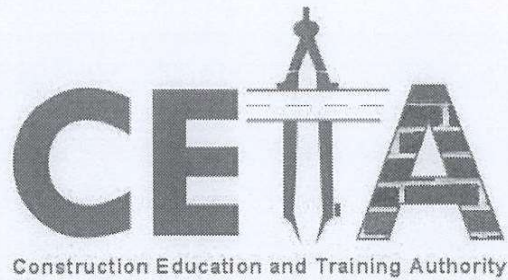


5.5. **Disclosure on the Appointment of a Service Provider to Chair Disciplinary Enquiries – (Refer to Annexure M1- copy of a recordings)**

5.5.1. On Tuesday, 9 October 2018, I was in my office when I was approached by Ms Ms Khomotso Mpandeli, an employee of the CETA occupying the position of Acting Core Business Executive. Ms Mpandeli informed me that they (meaning **Executive** management I assumed) want to appoint a service provider to chair disciplinary hearings of three senior employees within the CETA. She mentioned that the CETA had obtained two legal opinions from two different law firms regarding the misconduct committed by the senior employees and that these legal opinions suggested that the said employees must be dismissed.

5.5.2. She gave me the name of the company to be appointed, being **Molefe & Ramoetsisi Attorneys**.

5.5.3. I then asked Ms Mpandeli for more information regarding the provider to be appointed so that the request for quotations accurately reflects what is

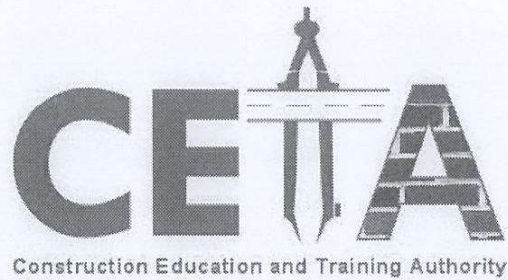


needed. In my presence, she then phoned the service provider who informed her that they are labour relations practitioners.

5.5.4. After our brief encounter, I then went to the Central Supplier Database to check the company that I was provided. I discovered that the company was not compliant. I then went to Ms Mpandeli to inform her that the company she wanted to be appointed was not compliant. She then informed me to put the process on hold and she will inform me once they are compliant so that I may go ahead. That was the end of our encounter in relation to the appointment of the service provider to chair the disciplinary enquiry.

5.6. **Disclosure on the Appointment of a Law Firm to Prosecute / Initiate Disciplinary Proceedings - (Refer to Annexure M1- for copy of a recording)**

5.6.1. On Thursday, 11 October 2018, I was in my office when I was once again approached by Ms Mpandeli. She informed me that we need to appoint another law firm to initiate the disciplinary proceedings against the three senior employees. She gave me the name of a law firm to whom the request for quotation must also be sent. The law firm's name is **Edwin S.**



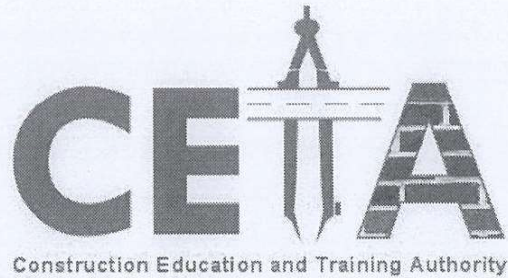
**Nkwana Incorporated Attorneys.** She told me that I must make sure that this law firm is the one appointed.

5.6.2. The request for quotations was issued on Thursday and closing date was Monday, 15 October 2018.

5.6.3. I wish to mention that the CETA has an approved panel of legal services providers. The panel was appointed after the CETA went on tender inviting prospective law firms to submit their bids. Ultimately the CETA appointed five law firms as part of its panel of legal services providers. The instructions from Ms Mpandeli were that I request quotations from specific service providers outside of the panel. I found this to be irregular and unethical.

5.6.4. As a matter of fact, I was previously approached by the Chief Financial Officer of the CETA, being Ms Velile Ndlovu, who said that we must have additional members of the panel. When I asked the CFO for reasons for the additional members, she indicated that she will get back to me.

5.6.5. Ms Mpandeli mentioned to me that two of law firms on the panel had worked closely with the CFO (She is one of the three senior employees who was facing the said misconduct) in particular and it would not be

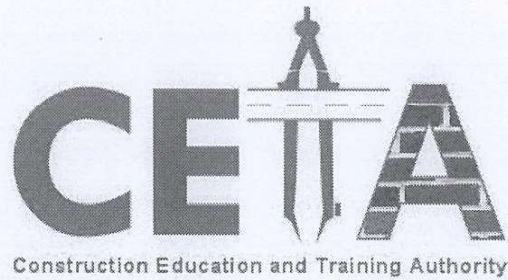


advisable that they be appointed to prosecute in the disciplinary proceedings concerning her. Having applied my mind to this and after the request for quotations was issued, I saw the appointment of a law firm outside of the panel to be irregular and unethical.

5.6.6. I then wrote an email to Ms Mpandeli stating that we were being asked to deviate from normal procurement processes and such deviation must be authorized by the Accounting Authority and supported by National Treasury. The memo to deviate was prepared and signed by the Chairperson of the board but then **I was told by Ms Mpandeli to put the process on hold and not send the deviation memo to treasury - (Refer to Annexure M2 for copy deviation memo).**

5.6.7. I was then called into the CEO's office where I met with Ms Mpandeli and CEO and in the meeting, the CEO indicated that Ms Mpandeli raised a concern in relation to delays in SCM processes for the appointment in the two requests which are urgent and that they needed to provide feedback to the Minister of Higher Education and Training. Following this meeting I felt unprotected and reported the matter to DHET to try and protect myself should I be forced to action the request as per Ms Mpandeli's instruction to

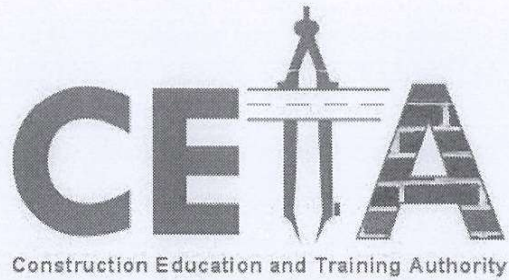




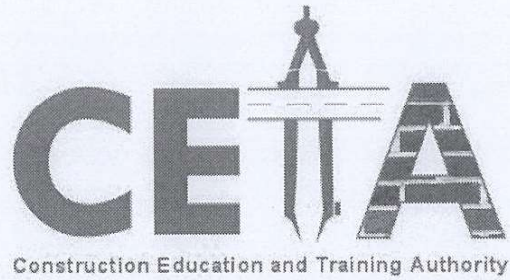
appoint **Edwin S. Nkwana Incorporated Attorneys**. My email to Ms Mpandeli is enclosed in this report.

5.6.8. Even though I was told to put the process on hold and not send the deviation memo to National Treasury, I was surprised when I received response from National Treasury on the 28 March 2019 supporting the approval of sourcing the legal entities outside the panel and I knew SCM had not sent the request to Treasury (**Refer to Annexure M3 – Response from Treasury**). I then called National Treasury to find out who from the CETA or SCM sent them the deviation memo and treasury then advised that it was sent by the CFO and she did not disclose to them that she is the executive that is going to be disciplined (**Refer to Annexure M4- Request to Treasury from CFO**). She misled National Treasury and her conduct is questionable as she is conflicted in this matter and her misleading National Treasury is putting the CETA's name in disrepute.

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- 5.6.9. What is of concern to me is the fact that both executives who are friends have acted unlawfully, I have been instructed by an executive to ensure that a certain pre-identified law firm is appointed to initiate the disciplinary proceedings. I regard the instruction to be unlawful. I therefore did not be complying with it.
- 5.6.10. I also regard the conduct of both Ms Mpandeli and CFO in relation to both instances to be improper and irregular. For the SCM to be instructed on who it should appoint to act as a Chairperson of the disciplinary enquiries or to prosecute is in violation of section 217 of the Constitution, the provisions of the PFMA, Prevention and combating of corrupt activities act and the SCM Policy of the CETA and for CFO to support Ms Mpandeli's action by misleading National Treasury.
- 5.6.11. I find myself in a situation where I get victimized because I did not act as required by Ms Mpandeli and I did inform the organisation about this and nothing is done (**Refer to Annexure M5 – Meeting to report victimization**), instead Ms Mpandeli went on and told one of my subordinates that I am corrupt I am eating the tender monies and this is defaming my character. I therefore report this matter so as to ensure that



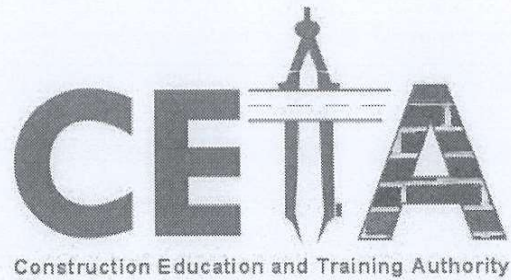
same is investigated and the necessary disciplinary steps are taken to ensure that I does not happen again.

#### 5.7. Disclosure on other Irregularities

5.7.1. In addition to what I report above, I also wish to bring to the attention of the Audit and Risk Committee that I have been reliably informed by my staff (my subordinates) that they have been asked to do perform irregular transactions that are not in line with proper procurement processes of the CETA.

5.7.2. Some of these irregularities had to do with the appointment of a service provider to provide bodyguards / protection services to the acting Chief Executive Officer of the CETA, Mr Robert Semanya. A company by the name of **TNI Superior General Trading** was appointed as the preferred service provider (**Refer to Annexure N1 – Forged Purchase order awarded to TNI**). When I was preparing document for audit I picked up some irregularities on the purchase order pack. When I enquired from my subordinate (Mr Kuzana) about the company and what actually transpired, he informed me that the company was appointed on an RFQ and he had

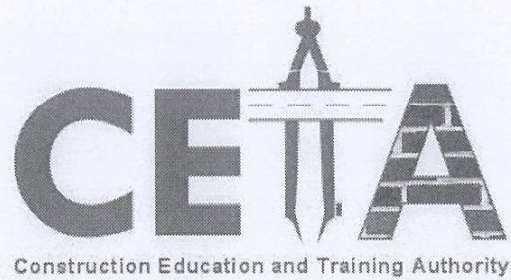
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received direct instructions from the CFO on which company to appoint from those that submitted their quotations.

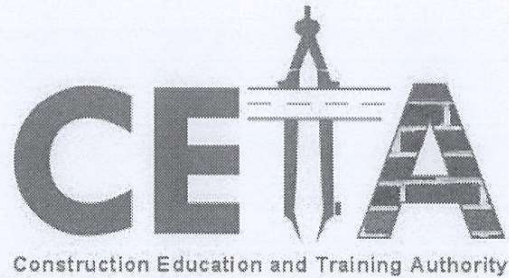
5.7.3. I then started doing my own investigations since Mr Kuzana (an SCM subordinate) was not willing to cooperate and the fact that it is a norm that when the CFO want certain things to be done without any questions or “delays” she would bypass me and give direct instructions to my subordinates especially Mr Kuzana. During my own investigation I further discovered that:

- TNI’s purchase order was forged as it shows that it was generated on the 17 July 2018 and signed by the CFO on the 17 July 2018 which could not be possible because on the same date a bidder called **Umshiya Security** was appointed for the same service and they offered the services from the 17 to 22 July 2018, their services were terminated due to “non-performance” (**refer to Annexure N2 – Original Purchase order that was awarded to Umshiya Security**)
- Secondly the signed purchase order referred to on **annexure N1** does not have a **footer with date and time the purchase order was generated**, the reason it was removed is simply because it was

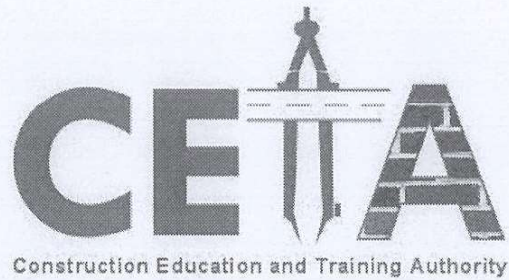


not generated on the 17 July 2018 BUT was generated on the 23 July 2018, this is fraud. All our purchase orders have a footer with date and time it was generated on the system.

- TNI Superior did not submit their quotation on time. The RFQ was advertised on the 16 July 2018 and closed on the 17 July 2018 but TNI's quotation of R100 000.00 was received on the 23 July 2018 yet they were considered for evaluation and appointed. **(refer to Annexure N3 – TNI's first Quotation)**
- On and around 30 July 2018, TNI sent a revised quotation of R300 000.00 (Three hundred thousand rand) and the Purchase order amount was amended and CEO still dated the purchase order signature to "17 July 2018" on and around the 30 July 2018. **(refer to Annexure N4 - TNI's second Quotation)**



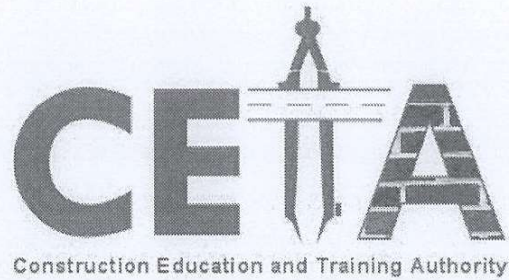
- I also discovered that some of the quotations which were received on time on or before “17 July 2018” were not considered simply because they were cheaper than “Umshiya Security and TNI Superior”. Some of the excluded quotations are as follows: **(refer to Annexure N5 – Excluded quotations on TNI’s appointment)**
  - Tshambobo – R47 200.00
  - Maberet Protection Services – R164 070.00
  - Djaka Trading – R274 275.00
- **This also raised a question on the appointment of Umshiya since I could not find any proof of how their quotation was submitted and whether it was submitted on time or not AND why were the above quotations excluded from the evaluation process when they submitted on time?**
- **Refer to Annexure N6 as a proof that TNI’s forged purchase order was not generated on 17 July 2018 as per signatories’ dates on the purchase order BUT was generated on 23 July 2018**



5.7.4. It is worth mentioning that this employee (Mr Kuzana) was not dealing with request for quotations. The employee (Ms Nokwanda Dlamini) dealing with request for quotations was however side-lined and was not part of the process leading to the appointment of the company that provided bodyguards for the acting CEO. Instead a junior employee (Ms Senkoto) was also given unlawful instructions by Mr Kuzana (**refer to Annexure N7 – Affidavit from Ms Senkoto which she requested protected disclosure for**)

5.7.5. In my view, it was improper and irregular for the CFO to instruct an employee of the CETA on which company to be appointed and supporting a junior employee in generation a fraudulent purchase order and signing it. I therefore report this matter so as to ensure that same is investigated and the necessary disciplinary steps are taken to ensure that I does not happen again.

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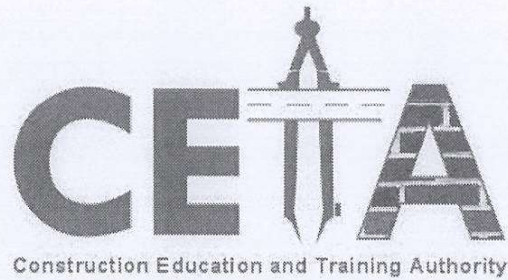


5.7.6. The other instance that came to my attention pertaining to some irregularities in the procurement process had to do with the company that was appointed to conduct the psychometric testing and assessments for the candidates for the CEO position of the CETA. The company that was eventually appointed was **Organisation & Management Technologies (OMT)**.

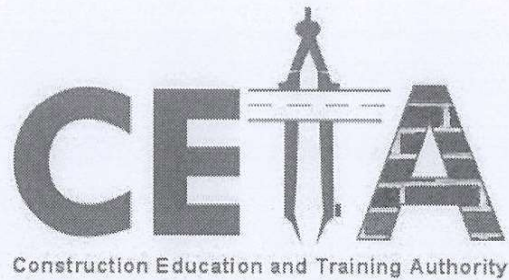
5.7.7. There were three candidates that were shortlisted for the position of CEO for the CETA and whose names were submitted to Department of Higher Education and Training. An SCM employee of the CETA informed me that she had received direct instruction from the CFO on which company to appoint and she duly complied with the instruction, hence the appointment of **Organisation & Management Technologies (OMT)**. *(Refer to Annexure O1- Awarded Purchase Order AND communication between the employee and CFO)*

5.7.8. I was not aware and neither was I part of process leading to the appointment of this company. It would appear that the CFO deliberately decided to exclude me from the process and instructed a junior staff member to ensure that the appointment was made.



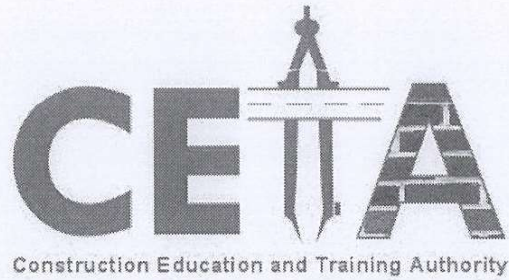


- 5.7.9. The RFQ was advertised on the 21 August 2018 and closed on 22 August 2018 and CFO gave an employee the instruction on the 22 August 2018 before closing time. **Organisation & Management Technologies** was appointed for an amount of R21 620.00 on the 22 August 2018 and was paid R43 125.00 which is twice the awarded amount. This then means that they were no longer the cheapest bidder, making the process unfair to the other two bidders who were cheaper. **(Refer to Annexure O2- Payments made to Organisation & Management Technologies)**
- 5.7.10. The conduct of the CFO in both instances was not only irregular but amounted to violation section 217 of the Constitution of South Africa, SCM regulations and proper procurement processes. CFO used her position to instruct Ms Senkoto(an SCM subordinate) to do things that are not in line with proper procurement processes of the CETA. **Are executives allowed to give unlawful instructions to junior staff members and what is the organisation going to do going forward to ensure that such unlawful instructions are not given to junior staff? AND how do junior staff members protect themselves from not carrying out such instructions without being victimised and intimidated?**

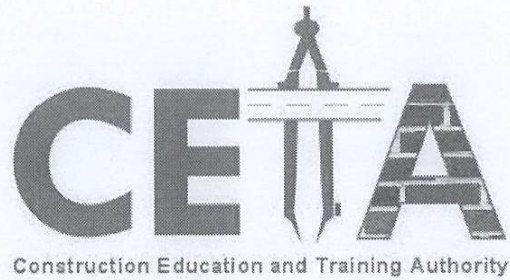


#### 5.8. **Recommendations**

- Audit Committee to institute an independent investigation
- Both Executives to be suspended pending the outcome of the investigation to ensure that they do not use their powers to temper with evidence and victimize or intimidate SCM officials
- All Bid Committee members involved in the above mentioned bids for appointments and re-scoring of bids be suspended pending the investigation to ensure that they do not temper with evidence.
- Contracts that are awarded unlawfully be suspended pending the investigation
- Real reasons for why bid documents were stored in the CFO's office to be investigated
- Reasons for why winning bidder's names were added in the submission register in a different handwriting to be investigated
- Reasons why Dataproof and Net15/Singatel were awarded contracts without attending the compulsory briefing sessions to be investigated

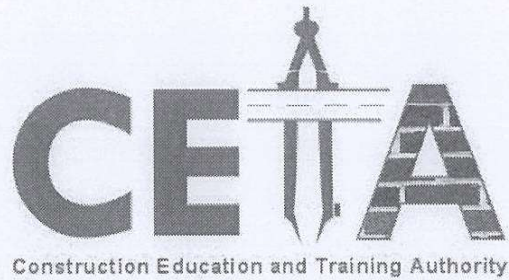


- Bid Committee members to be appointed per bid/tender as opposed to being appointed for all tenders and for a full financial year. This will eliminate cliques within the BEC members
- Subject matter expert to be invited to form part of BSC committee to ensure development of specification that are not bias and to also ensure an evaluation criterion that is objective
- Subject matter expert/s to be invited to form part of BEC committee to provide technical support and ensure that bidders are evaluated fairly
- Two envelope system to be adopted as a method of bid submission to ensure that BEC members are not influenced by bidder's prices to decide on which bidders to disqualify which has been a trend currently.
- All received bids must be opened in public on the closing date and time, bidders' names must be called out and registered in a submission register to ensure a fair and transparent process which will eliminate tempering and manipulation of bids and submission register.



- Two SCM officials, registry and logistics official, and a security guard must be present at the public opening and must closed the register. The register must be signed by all them.
- All bids received on time must be stamped and numbered by SCM and be stored in a lockable storage with biometric access
- Re-scoring of bids must be discouraged unless substantial reasons exist which must be tested and well documented.
- Bid Committee must not sit without SCM advisors to advise on the process to ensure compliance
- CETA executives and board members must stop influencing and interfering with SCM processes to ensure proper implementation of SCM processes to ensure compliance without being intimidated. **Their interference leads to policies and relevant legislation not being followed which result in audit findings**
- All bids that are within the chairperson of the board delegation must be presented to EXCO before he can sign and the signed board resolution must be attached to the report

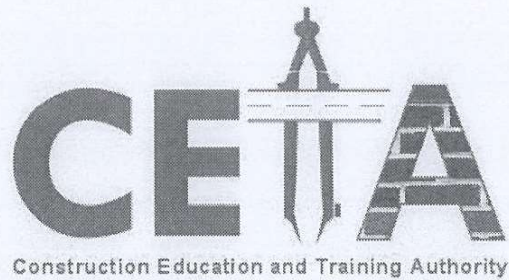
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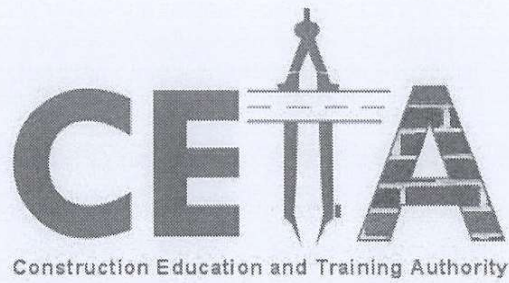
- Executives must stop to giving direct instructions to my subordinates and side-lining me
- No one should be allowed to instruct or interfere with BEC members in their work of evaluating tenders
- Reasons for tender cancellations must be established and there must be consequence management for tender cancellations as this affects SMMEs financially and cost them money to make copies and submit a bid.

## 5.9. Conclusion

5.9.1. In terms of section 57(d) of the PFMA, an official in a public entity must comply with the provisions of the PFMA to the extent applicable to him or her. My understanding is that the provisions of the PFMA, dealing with appropriate procurement and provisioning system which is fair, equitable, transparent, competitive and cost-effective, are informed by section 217 of the Constitution. The manner in which the two junior employees have been asked to act by the CFO was in violation of proper procurement processes.



- 5.9.2. The appointment of the company that provided bodyguards and the company that conducted the psychometric testing was not fair, equitable, transparent, competitive and cost-effective. That appointment violated the provisions of the SCM Policy of the CETA as well.
- 5.9.3. All officials of the CETA have a responsibility for the effective, efficient, economical and transparent use of the financial and other resources of the organization. Also, the conduct of Ms Mpandeli, CFO and BEC members was in violation of those provisions of the PFMA.
- 5.9.4. In this disclosure therefore, I am reporting information regarding the conduct of senior employees of the CETA which gives me a reason to believe that the information concerned does show that a person has failed, is failing or is likely to fail to comply with any legal obligation to which that person is subject and that a possible criminal offence has been committed or is likely to be committed. The possible criminal offence relates in my view to discussions that would have taken place with the service providers that were eventually appointed and those that are to be appointed for the disciplinary proceedings.



- 5.9.5. There is a possibility that somewhere somehow someone has acted in violation of the Prevention and Combatting of Corrupt Activities Act of 2004.
- 5.9.6. Having made this disclosure, I humbly request the Audit Committee to commission an investigation on the above matters.
- 5.9.7. In order to ensure that I do not suffer occupational detriment or get to be victimized, I will not disclose this report to anyone else unless I am required by law to do so. I also wish that this report is not given to the CETA Executives as I will definitely be victimised the moment they become aware of its contents.
- 5.9.8. I trust that you will find my conduct in reporting this directly to you to be in order.

Should any further information be required on the matter I may be contacted on 060 588 0666 or by email to [mphuthi.tumiso@yahoo.com](mailto:mphuthi.tumiso@yahoo.com).

Yours faithfully,

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**TUMISO MPHUTHI**