

953. The BEC report indicated that 15 bids were further disqualified for failure to meet minimum functionality scores of 70 points following the scoring criteria on the BSC score cards.
954. The BEC report indicates that the remaining five bids achieved the minimum score of 70 points and were therefore evaluated on price and preferential point system as per tender criteria. The remaining five bids were evaluated and the BEC recommended the lowest bidder, Talis Fleet Holdings, with the amount of R1 345 685.15 inclusive of VAT.
955. The following were the BAC members that adjudicated this bid: (See Exhibit SCM 6)

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Jabulani Jiyane	BEC Chairperson
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

956. We established that all the BAC members were present during the adjudication of this bid as indicated by the BAC attendance register and signed declaration of interest forms. Mr Jiyane presented the BEC report as chairperson of the BEC.
957. According to the SCM Standard Operating Procedures for tender process, the BEC report will be presented to the BAC for recommendation. The presentation of the evaluation report will be done by the BEC chairperson. We were informed that Mr Jiyane never left the BAC meeting after the presentation and that he participated in the deliberations relating to the clarity seeking questions.
958. The BEC chairperson, not excusing himself or be excused by the BAC chairperson, after his presentation to the BAC committee, may influence the BAC members in their decision making and it nullifies the segregation of the two committees in that the BAC should scrutinize the BEC report to ensure that the evaluation process was fair, transparent and in line with the evaluation criteria specified on the bid document without being influenced by any person not being part of the BAC.
959. On 15 October 2018 the contract was awarded to Talis Fleet (Pty) Ltd with the total contract value of R1 345 685.15 inclusive of VAT as per bid submission. (See Exhibit SCM 7)

5.3.10.2 Provision of a backup solution for ICT Infrastructure Bid 002-2018/2019

960. Bid number 002-2018/2019 was advertised on 20 July 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 13 August 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by the National Treasury Regulations of March 2005 - Reg. 16A Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
961. There was a compulsory briefing session for the prospective bidders to attend on 31 July 2018. The tender briefing session attendance register indicated that the prospective bidders attended the tender briefing session on 31 July 2018. (See Exhibit SCM 8)
962. We perused the submission register dated 13 August 2018 where ten bid responses were received with no late submission recorded. (See Exhibit SCM 9).
963. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 002-2018/2019 were not opened in public on the closing date and time as per par. 4.10 of the National Treasury Guide of February 2004.
964. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
965. The following were the BSC members that drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Bongani Sibanyoni	Requester ICT unit
Tshepo Mogoane	SCM Secretary
Nokwanda Dlamini	SCM Advisor

966. The following were the BEC members that evaluated this bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Sipho Masombuka	Member

Name	BEC Position
Innocent Ngenzi	Member
Annetjie Phuti	Member
Constance Matsapola	SCM Secretary
Lungisile Kuzana	SCM Advisor

967. The BEC report dated 11 September 2018, states that the bids were subjected to the mandatory requirements evaluation and as a result only one bidder was disqualified for failing to meet the mandatory requirements, leaving nine to proceed to the next evaluation stage.
968. The BEC report indicates that six bids were further disqualified for failure to meet minimum functionality scores of 70 points given a scoring criteria by the BSC score cards.
969. From the remaining three bids that were evaluated on price and preferential point system, the BEC recommended the lowest price bidder being Cornerstone Enterprise System (Pty) Ltd.
970. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Jabulani Jiyane	BEC Chairperson
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

971. We established that all the BAC members were present during the adjudication of this bid as indicated by the BAC attendance register and signed declaration of interest forms. Mr Jiyane presented the BEC report as a chairperson of the BEC.
972. According to the SCM Standard Operating Procedures for tender process, it states that, the BEC report will be presented to the BAC for recommendation. The presentation of the evaluation report will be done by the BEC chairperson. We were informed that Mr Jiyane never left the BAC meeting after the presentation and that he participated in the deliberations relating to the clarity seeking questions.

973. The BAC chairperson not excusing Mr Jiyane after his presentation to the BAC contaminates the composition of the BAC meeting because the three committees (BSC, BEC & BAC) are required to be segregated as provided for in the CETA SCM SOP 2018/2019 and the SCM policy 2018/2019 (par 9.10).
974. The contract was awarded to Cornerstone Enterprise Systems (Pty) Ltd on the 16 October 2018 at the total contract value of R546 996.35, inclusive of VAT.

5.3.10.3 Provision of monitoring and evaluation of CETA accredited providers - Bid 003-2018/2019

975. Bid number 003-2018/2019 was advertised on 17 August 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 7 September 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
976. There was a compulsory briefing session for the prospective bidders to attend on the 29 August 2018. We noted that the tender briefing session attendance register reflected 24 prospective bidders who wrote with their own handwriting and attached their signatures. (See Exhibit SCM 10)
977. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 003-2018/2019 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 (Paragraph 4.10).
978. We determined through the submission register signed by two SCM officials, Ms Matsapola and Mr Kuzana, dated the 07 September 2018, that ten bid responses were received with no late submission recorded. (See Exhibit SCM 11).
979. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
980. The following were the BSC members that drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Bethuel Modibedi	Requester
Sibusiso Nkabinde	Member
Phumudzo Nethengwe	Member

Name	BSC Position
Nthabiseng Senkoto	SCM Secretary
Nokwanda Dlamini	SCM Advisor

981. The following were the BEC members that evaluated this bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Vincent Namane	Member
Annetjie Phuti	Member
Constance Matsapola	SCM Secretary
Lungisile Kuzana	SCM Advisor

982. After inspecting the attendance register, we determined that the following bidders did not attend the compulsory briefing session but were nonetheless considered for evaluation by the BEC:

- K3 strategies;
- Mukumba Consulting and Projects; and
- JKK Artisan Support Academy.

983. The BEC evaluated the above mentioned three bidders notwithstanding that they did not attend the compulsory briefing session. We observed that the conduct of the BEC was in contravention of the National Treasury Regulation 16A of March 2005 paragraph 8.1 (b) that states:

'All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote –

(b) an environment where business can be conducted with integrity and in a fair manner.'

984. We have observed that further evaluation of the said bidders was in contravention of Treasury Regulation 16A 3.2 in that, the BEC did not ensure that the bid evaluation process was fair and equitable.

985. We note that the SCM advisor did not protest to the inclusion and further evaluation of the said bidders, as it met grounds for disqualification.

986. The BEC report dated 14 September 2018, states that the bids were subjected to the mandatory requirements evaluation where only one bidder was disqualified for failing to meet the mandatory requirements.

987. We were informed by SCM officials namely Ms Mphuthi, Ms Matsapola and Mr Mogoane that there were two BEC meetings that sat for this bid, however,

we found a single attendance register that referenced one evaluation meeting held for bid 003-2018/2019. (See Exhibit SCM 12)

- 988. The BEC report indicates that seven bids were further disqualified for failure to meet minimum functionality scores of 70 points based on the scoring criteria stipulated by the BSC.
- 989. The BEC report indicates that the remaining two bids achieved the minimum score of 70 points and were evaluated on price and preferential point system as per bid evaluation criteria.
- 990. From the remaining two bids that were evaluated on price and preferential point system, the BEC recommended an entity styled Mosebo Networks.
- 991. We noted that the winning bidder Mosebo Networks has not completed the bid forms in respect of the following mandatory requirements: (See Exhibit SCM 13)

The first page of SBD (page 1), however, it bears an unidentifiable signature without initial and surname on the left of the page and not on the designated area for authorised signature.

Mosebo Networks did not stipulate the amount in their proposal, the only amount purported is written in the bid submission register as an amount of R8 743 800.00;

Page 10 of the SBD is not completed by Mosebo Networks even though the form heading indicated that failure to complete the section may result in the bid being disqualified;

Mosebo Networks did not complete and sign page 15 of the SBD 4 Declaration of interest.

- 992. The BEC report however reflects that the bidder has completed and signed the SBD forms.
- 993. The SCM advisor did not raise concerns regarding the further evaluation and granting of the bid to a bidder who did not complete the mandatory SBD forms.
- 994. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Jabulani Jiyane	BEC Chairperson
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

995. We were informed that Mr Jiyane was not excused from the BAC meeting after the presentation and that he participated in the deliberations relating to clarity seeking questions.
996. On 16 October 2018 the contract was awarded to Mosebo Networks at the total contract price of R 8 743 800.00, inclusive of VAT.
997. We established that there were no BEC and BAC audio recordings of the meetings. This is contrary the CETA SCM Standard Operating Procedure 2018/2019 highlighted on page 14 column 1 "BEC meeting will be recorded as well as minuted and minutes will be signed by the chairperson."

5.3.10.4 Provision of Development of CETA Occupational Qualifications Bid 004-2018/2019

998. Bid number 004-2018/2019 was advertised on 31 August 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 25 September 2018, affording the prospective bidders at least 21 days to submit their bid responses as required by the National Treasury Regulations of March 2005 - Paragraph 16A 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
999. There was a scheduled compulsory briefing compulsory briefing session on 12 September 2018. We noted that eight prospective bidders attended the compulsory briefing as per attendance register dated 12 September 2018.
1000. We established that the bid submission register was signed by the two SCM officials, Ms Matsapola and Mr Kuzana, noting that ten bid responses were received with no late submission recorded.
1001. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 004-2018/2019 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 (Paragraph 4.10).
1002. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1003. We noted that there was no procurement plan included in the file reflecting the project description relating to the Provision of Development of CETA Occupational Qualifications including the budget of approximately R50 million.
1004. The following were the BSC members that drafted the specifications of this bid:

Name	Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Jacobus Greeff	Member

Name	Position
B. Muchibert	Requester
Nthabiseng Senkoto	SCM Secretary
Nokwanda Dlamini	SCM Advisor
Khayakazi Mswepu	SCM (Intern)

1005. We discovered that the BEC sat twice for the evaluation of this bid. The following BEC members attended the first sitting on 9 November 2018: (See Exhibit SCM 15)

Name	BEC Position
Sipho Masombuka	Member (Acting Chairperson)
Vincent Namane	Member
Annetjie Phuti	Member
Lungisile Kuzana	SCM Advisor

1006. We noted in the attendance register that the SCM secretary did not attend both meetings to take minutes or record the meeting.

1007. The below listed BEC members that attended the second meeting dated 12 November 2018:

Name	BEC Position
Jabulani Jiyane	Chairperson
Innocent Ngenzi	Member
Annetjie Phuti	Member

1008. We noted that on the second meeting dated 12 November 2018, none of the SCM members were present. (See Exhibit SCM 16).

1009. We established that there were no BEC minutes nor audio recordings of the meeting. This is contrary the CETA SCM Standard Operating Procedure 2018/2019 highlighted on page 14 column 1 "BEC meeting will be recorded as well as minuted and minutes will be signed by the chairperson."

1010. The BEC report dated 12 November 2018 stipulates that the sole bidder was checked against the mandatory requirements and passed. The BEC further report that the sole bidder achieved functionality score of 70 points which was a requirement for further evaluation on price and preferential point system.

1011. We noted that the winning bidder NTIT Consulting (Pty) Ltd, did not complete the bid forms in respect of the following mandatory requirements: (See Exhibit SCM 17)

The first page of SBD (page 1), however, it bears an unidentifiable signature without initial and surname on the left of the page and not on the designated area for authorised signature.

The first page does not bear the name to the bidder.

NTIT Consulting (Pty) Ltd did not stipulate the amount in their proposal, the only amount purported is written in the bid submission register as an amount of R49 050 000.00;

Page 13 of the SBD is not completed by NTIT Consulting (Pty) Ltd even though the form heading indicated that failure to complete the section may result in the bid being disqualified;

Page 18 and page 19 of the SBD 4 refers to Declaration of interest, however, NTIT Consulting (Pty) Ltd did not complete and sign this section.

1012. The BEC report reflects that the bidder has completed and signed the SBD forms.

1013. We noted that the BEC, in their report did not raise the issue that the bidder NTIT Consulting (Pty) Ltd, did not properly complete the SBD forms. The BEC report however stated that they were completed.

1014. The report highlighted that the sole bidder namely NTIT Consulting (Pty) Ltd, scored 100.00 points to be recommended for award to the value of R49 050 000.

1015. The BAC members that participated in the adjudication this bid were as follows:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

1016. We noted that there was no BEC representative who presented the BEC report during the adjudication of the bid as indicated by the BAC attendance register for the BAC meeting of 21 November 2018. We could not obtain

evidence of how the BEC report was furnished to the BAC members, however the BEC report aided the adjudication as evident from the BAC report. (See Exhibit SCM 18)

1017. There was no evidence of a contract or letter of appointment of the awarded bidder in the file provided to the investigation team.
1018. We confirmed that all the BAC members were present during the adjudication of this bid as indicated by the BAC attendance register and signed declaration of interest forms.
1019. We established that there were no BEC and BAC audio recordings of the meetings. This is contrary the CETA SCM Standard Operating Procedure 2018/2019 highlighted on page 14 column 1 "BEC meeting will be recorded as well as minuted and minutes will be signed by the chairperson."
1020. We established that bid 004-2018/209 was initially advertised as bid 020-2017/2018 on the 24 November 2017. The bid was cancelled after 12 days after the closing date stipulated on the bid, with reasons states as "Change of specifications".
1021. We noted that this bid was re-advertised as 004-2018/2019 as discussed above, then we noted that there was a second cancellation of this bid, albeit after a recommendation of NTIT by the BEC.
1022. During our consultation with Ms Matsapola, she informed us that during the BAC meeting that was to confirm the recommended NTIT, it was decided that "this project will be done by Wits". She stated that it was not minuted, but she made a spreadsheet of cancelled tenders for 2017/2018 where she recorded the reason as "Project will be done by Wits".

5.3.10.5 Request for leasing service provider to review, design, develop and maintain the integrated management system. Bid 006-2018/2019

1023. Bid number 006-2018/2019 was advertised on 21 September 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date on the advert was 12 October 2018 giving bidders 21 days to submit their bids as required by the National Treasury Regulations 16A of March 2005, Paragraph 6.3(c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was no compulsory briefing session required.
1024. We determined through the bid submission register dated 12 October 2018 that eight bid responses were received with no late submission recorded. The entry was signed for by Ms Matsapola and Ms. Khayakazi.
1025. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 006-2018/2019 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, Paragraph 4.10, referring to opening of bids.
1026. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.

1027. The BSC members that met for the creation of the bid specification are as listed below:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Phumudzo Nethengwe	Member
Thabang Nene	Requester
Nokwanda Dlamini	SCM Advisor

1028. The following were the BEC members that evaluated this bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Vincent Namane	Member
Annetjie Phuti	Member
Lungisile Kuzana	SCM Advisor

1029. We noted through the BEC attendance register and declaration of interest that the SCM secretary was not present to take notes or make a recording of the meeting dated 15 October 2018. (Exhibit SCM 19)
1030. The BEC report dated 22 October 2018, states that the bids were subjected to the mandatory requirements evaluation. As a result, none of the bidders were disqualified for failing to meet the mandatory requirements.
1031. The BEC reports stipulates that eight bidders were evaluated on functionality. As a result, seven bidders were disqualified for failing to meet the minimum functionality score.
1032. It follows that one bidder was further evaluated on price and preferential point system as per tender criteria, and as a result SoluGrowth was recommended by the BEC.
1033. We noted that the winning bidder, SoluGrowth, has not completed the bid forms in respect of the following mandatory requirements: (See Exhibit SCM 21).

The first page of SBD (page 1), however, it bears an unidentifiable signature without initial and surname on the left of the page and not on the designated area for authorised signature.

SoluGrowth did not stipulate the amount in their proposal, the only amount indicated is written in the bid submission register as an amount of R7 673 825.00;

Page 10 of the SBD is not completed by SoluGrowth even though the form heading indicated that failure to complete the section may result in the bid being disqualified;

Page 15 of the SBD 4 refers to declaration of interest, however, SoluGrowth did not complete and sign this section.

1034. The BEC report reflects that the bidder has completed and signed the SBD forms.

1035. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Constance Matsapola	SCM Secretary
Jabulani Jiyane	BEC Chairperson

1036. We noted through the BAC attendance register and declaration of interest that Ms Mphuthi was not in attendance at the BAC meeting. (See Exhibit SCM 20)

1037. We were informed that the BEC Chairperson, Mr Jiyane, never left the meeting after the presentation of the BEC report and he participated in the deliberations relating to the clarity seeking questions.

1038. SoluGrowth was recommended on 26 October 2018 by the BAC, for award to the value of R 7 673 825.00.

5.3.10.6 Construction of an ICT Data centre room. Bid 007-2018/2019

1039. Bid number 007-2018/2019 was advertised on 19 October 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 12 November 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, Paragraph 6.3 (c), and CETA SCM Policy 2018/19 (Paragraph 9.4.2).

1040. There was a compulsory briefing session for the prospective bidders to attend on the 29 October 2018. We noted that the tender briefing session attendance register reflected 33 prospective bidders who wrote with their own handwriting and attached their signatures.

1041. We noted through the bid submission register dated 12 November 2018 that nine bid responses were received. The entry was signed for by Ms Mswephu and Mr Mogoane.
1042. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 007-2018/2019 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 (Paragraph 4.10).
1043. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1044. The BSC members that drafted the bid specification are listed below:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Phumudzo Nethengwe	Member
Linette. Ramushu	Requestor
Bongani Sibanyoni	Requestor
Nokwanda Dlamini	SCM Advisor
Nthabiseng Senkoto	SCM Secretary

1045. The following were the BEC members that attended the evaluation of the bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Sipho Masombuka	Member
Annetjie Phuti	Member
Lungisile Kuzana	SCM Advisor
Constance Matsapola	Secretary
Khayakazi Mswephu	SCM (Intern)

1046. The BEC report dated 18 January 2019 states that all bidders passed the initial mandatory requirements and were evaluated on functionality. As a result, six bidders were disqualified for failure to meet the functionality score of 70 points. The remaining three bidders were evaluated on price and

preferential points system. The BEC report recommended Busicor South Africa to the BAC for approval.

1047. The following BAC members adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabello Shabangu	Member
Jabulani Jiyane	BEC Chairperson
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

1048. We were informed that the BEC Chairperson, Mr Jiyane, never left the BAC meeting after the presentation of the BEC report and that he participated in the deliberations relating to clarity seeking questions.

5.3.10.7 Appointment of service provider to offer internal audit services for 24 months. Bid 012-2017/2018

1049. Bid number 012-2017/2018 was advertised on 24 November 2017 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 31 January 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, Paragraph 6.3 (c), and CETA SCM Policy 2018/19 (Paragraph 9.4.2).

1050. There was no compulsory briefing session for the prospective bidders to attend as per tender advert dated 24 November 2017.

1051. We noted through the bid submission register dated 12 November 2018 that nine bid responses were received. The entry was signed for by Ms Mswephu and Mr Mogoane.

1052. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 012-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 (Paragraph 4.10).

1053. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.

1054. The following were the BSC members that drafted the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Tshepo Mogoane	SCM official
Lungisile Kuzana	SCM Advisor

1055. Upon perusal of the Needs Assessment Memo dated 24 October 2017, we noted that the requester of the internal audit services was Mr. Nene in his capacity of finance manager authorised by Ms. Ndlovu in her capacity of CFO.

1056. We noted that the attendance register and declaration of interest indicate that Mr. Nene participated in the specification committee as the BSC chairperson and the requestor.

1057. The following were the BEC members that evaluated this bid:

Name	BEC Position
Robert Semenya	Chairperson
Jabulani Jiyane	Member
Pitsi Tsipa	Member
Khomotso Mpandeli	Member
Innocent Ngenzi	Member
Nokwanda Dlamini	SCM Advisor

1058. The BEC report dated 26 February 2018, states that the bids were subjected to the mandatory requirements evaluation and as a result, three bidders were disqualified.

1059. The report indicates that 22 bidders did not meet the functionality scores of 70 points.

1060. The BEC report indicates that three bidders achieved the minimum score of 70 points and were therefore evaluated on price and preferential points system as per tender criteria. The report indicated that a bidder named Ntumba and Associates was recommended by the BEC.

1061. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Tumiso Mphuthi	SCM Advisor
Mitchell Govender	Member
Constance Matsapola	SCM Secretary
Mahlomola Teffo	Member

1062. We established that the attendance register, and declaration of interest indicate that Ms Ndlovu participated in the adjudication, whilst she also approved the request of the same bid.
1063. We noted through the BAC recommendation report that there were two page 20's in the file, where one page bears the signature that resembles that of Ms. Pilusa only and the Board chairperson designated area was left blank, whilst the second page bears the similar signature that resembles the CEO's and now the Board chairperson's designated area bears a signature purporting to be that of the Board chairperson, Mr Cele.
1064. The Board chairperson's signature on the scanned copy appears to have border lines around it.
1065. It appears that the signature of the Board chairperson on the file is an electronic signature or cut and pasted on the document.
1066. The Board chairperson did not mark the "approved" or "not approved" on the appropriate recommended block on the CETA Board Approval document.
1067. The CEO's name and signature portion on the copy appears to have border lines around it.
1068. We observed the practice that the approval of recommendations by the BAC are signed by the CEO, and a scanned copy is emailed to the Board chairperson for approval. The Board chairperson prints, signs and then scans the reports back to CETA.
1069. Our analysis established that the BAC recommendation report was concluded on 26 February 2018 and Ms Ndlovu approved the BAC recommendation report on the 28 February 2018, whereas the Board chairperson is purported to have signed the approval on 13 March 2018.
1070. Ms Pilusa signed the appointment letter on 16 March 2018 and on 22 March 2018, Ntumba and Associates accepted, through a letter, the appointment of the contract to value of R 2 736 000.
1071. The Service level agreement was signed by Mr Melusi Ntumba, representing Ntumba and Associates on 9 April 2018, although the service provider commenced their duties on the 01 April 2018.
1072. Ms Pilusa signed the service level agreement on 16 April 2018.

5.3.10.8 Appointment of a panel of legal firms for 24 months. Bid 017-2017/2018

1073. Bid number 017-2017/2018 was advertised on 24 November 2017 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date on the advert was 31 January 2018, which was more than 21 days for the prospective bidders to submit their bid responses, referring to the National Treasury Regulation 16A of March 2005 - Paragraph 6.3(c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was no compulsory briefing session required.
1074. We determined through the submission register dated 31 January 2018 that sixty-one bid responses were received with no late submission recorded.
1075. We established through the submission register that the bids were opened and signed by one SCM official, Mr Kuzana. (See Exhibit SCM 26).
1076. The CETA SCM Policy 2018/19 (Paragraph 9.5.4) prescribes the following:
'At least two officials must be present during opening of bids on the closing date and after the closing time specified for the bid in question.'
1077. The interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) indicated that the bid documents of Bid 017-2018/2019 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 (Paragraph 4.10).
1078. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1079. The following were the BSC members that drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Lungisile Kuzana	SCM advisor
Tshepo Mogoane	SCM Secretary
Vincent Namane	Requestor

1080. The following were the BEC members that evaluated this bid:

Name	BEC Position
Robert Semanya	Chairperson
Jabulani Jiyane	Member

Name	BEC Position
Khomotso Mpandeli	Member
Innocent Ngenzi	Member
Nokwanda Dlamini	SCM Advisor
Constance Matsapola	SCM Secretary

1081. We established that the bid submission register indicates that there were 57 bids that were registered and received by the SCM unit and signed for by Mr Kuzana.
1082. We noted that the bid submission register closed off by Mr Kuzana by means of signing next to the last entry on the list.'
1083. We established that the bid submission register had an error in numbering in that, number 21 is counted twice resulting in the final number listed reflected as 56 instead of 57.
1084. It appears from the bid submission register dated 31 January 2018 that there were additional four bidders that were inserted in the bid register after the close off evidenced by Mr Kuzana's signature, making the final figure 61 bidders. We were informed by SCM officials that the bid submission register was kept in the Ms Ndlovu's office. Below listed are bidders that were inserted after the register close-off:
- Mamogalake Chuane Attorneys Inc;
 - Mphoyama Ledwaba Inc;
 - Seanego Inc; and
 - Steve Maluleka Attorneys.
1085. There were two additional bidders that were evaluated but not appearing on the register, namely Diale Mogashoa Inc and Buthelezi Vilakazi Inc. The BEC report dated 02 March 2018, states that there were 63 bids that were subjected to the mandatory requirements. All 63 bidders met the requirements which qualified them for further evaluation on functionality.
1086. The report indicates that 56 bidders failed to meet the functionality score of 70 points.
1087. The BEC report indicates that seven bidders achieved the minimum score of 70 points and were therefore evaluated on price and preferential point system and two bidders were the highest in terms of price and subsequently eliminated.
1088. The remaining five bidders were recommended for the CETA panel of legal firms for a duration of 24 months effective from 1 April 2018 to 31 March 2020. The contracts were performance based which were said to be reviewed quarterly, and the following were the hourly rates of the recommended bidders:

- Mbowane Attorney – R 1 052.00;
- Sim and Botsi Attorneys Inc – R 2 793.00;
- Werksmanns Attorneys – R 3 433.33;
- Ndumiso Voyi Inc – R 3 686.76;
- Adams & Adams – R 4 000.00.

1089. We were informed through the protected disclosure document authored by Ms Mphuthi that on this bid she discovered that the BEC conducted a re-scoring of the bids which resulted in three bidders to have been disadvantaged from the initial recommended service providers to be on the panel of legal firms. There was no evidence of re-scoring owing to the original scoring sheets not being contained within in the file to compare with the current scoring sheets in the file. The three bidders below are alleged to have been disadvantaged, according to Ms Mphuthi:

- LM Maila Inc;
- Lingerfield and Baloyi Attorneys and Conveyance; and
- Mkhabela Huntley Attorneys.

1090. It follows that, based on the allegations raised by Ms Mphuthi, the following bidders should not have been recommended to be on the panel of legal firms:

- Werksmanns Attorneys;
- Ndumiso Voyi Inc; and
- Adams & Adams.

1091. On the 2 March 2018 the following BAC members adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Thapelo. Madibeng	Member
Robert Semanya	BEC Chairperson
Constance Matsapola	SCM Secretary

1092. We noted through the minutes and attendance register dated 2 March 2018 that the BEC chairperson, Mr Semanya formed part of the meeting and that Ms. Mphuthi was not present in the meeting. Ms Mphuthi conveyed to us that she was invited to the meeting via email but was deliberately directed to a venue where the meeting was not conducted. From the statement of Ms Mphuthi, it appears that she found out the meeting was held in Ms Ndlovu's office. Ms Pilusa corroborated the statement of Ms Mphuthi during her interview with us.

1093. The SCM policy 2017/2018 (Paragraph 9.10.2) requires that the CETA BAC Committee should have at least one member of the SCM unit to provide advisory and compliance services within bid committees. In this instance the BAC did not comply with the said provision.
1094. Our investigation determined that electronic meeting invites, shared via e-mail to BAC members are used as a standard method of communication by the BAC secretary. We noted through the BAC attendance register and declaration of interest that Ms Mphuthi was not present in the meeting. However, we noted that Ms Mphuthi was reflected as present in the minutes of the BAC meeting which were compiled by Ms Matsapola who was present and participated in this meeting as the secretariat.
1095. We were informed that Mr Semanya never left the BAC meeting after the presentation of the BEC report and that he participated in the deliberations relating to clarity seeking questions.
1096. The BEC chairperson not excusing himself after his presentation to the BAC committee may contaminate the BAC meeting in their decision making.
1097. According to the NSA investigation report into the bid 017-2017/2018, concerns were raised by the investigations that it appeared that some of the below five legal service providers on the panel are preferred, as the payments since 2017 reflect as follows:
- Ndumiso Attorneys R27 215 051.05;
 - Werksman Attorneys R8 946 870.89;
 - Adams & Adams R3 700 342.84;
 - Sim and Botsi Attorneys R1 325 816.68; and
 - Mbowane Attorney R1 314 730.01.
1098. We note that NSA requested CETA management to provide an explanation of why the legal service providers were briefed differently, to which an explanation was forwarded stating that the service providers have vastly different expertise, rates and availability.

5.3.10.9 Provision of service provider to adjudicate discretionary grants proposals. Bid 010-2017/2018

1099. The bid number 010-2017/2018 was advertised on 03 November 2017 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 23 November 2017 which was less than 21 days for the prospective bidders to submit their bid responses, contrary to the National Treasury Regulations of March 2005, Reg. 16A Paragraph 6.3(c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1100. The bid submission register dated 23 November 2017 indicates nine bid responses were received. The entry was signed for by Mr Mogoane and Ms Matsapola.
1101. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response

documents of Bid 010-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, Paragraph 4.10 (referring to opening of bids).

1102. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction from Ms Ndlovu.

1103. The following were the BSC members that drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Phumudzo Nethengwe	Member
Lerato Marx	Requestor
Lungisile Kuzana	SCM Advisor

1104. We established that the BEC sat twice for the evaluation of this bid. The following BEC members attended the first sitting on 29 November 2019:

Name	BEC Position
Robert Semanya	Chairperson
Khomotso Mpandeli	Member
Joyce Tsipa	Member
Innocent Ngenzi	Member
Nokwanda Dlamini	SCM Advisor

1105. We noted in the attendance register that the SCM secretary did not attend this meeting to take minutes or record the meeting.

1106. The below listed BEC members attended the second meeting dated 30 November 2017:

Name	BEC Position
Robert Semanya	Chairperson
Innocent Ngenzi	Member
Jabulani Jiyane	Member
Constance Matsapola	Secretary
Joyce Tsipa	Member
Khomotso Mpandeli	Member

1107. The BEC conducted their meeting without the presence of the SCM advisor, Ms. Nokwanda Dlamini. Refer to the BEC minutes and attendance register dated 30 November 2017. (See Exhibit SCM 30).
1108. We established that all the score sheets are signed and dated 29 November 2017 by each member performing the evaluation.
1109. The BEC report dated 30 November 2017, states that the bids were assessed according to the mandatory requirements and all bidders met the requirements which qualified them for further assessment on functionality.
1110. The report indicates that eight bidders failed to meet the functionality scores of 70 points, and one bidder named Global Software & IT Specialist was recommended with the total amount of R5000.00 per proposal as per bid submission.
1111. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Mahlomola Teffo	Member
Robert Semanya	BEC Chairperson
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

1112. The appointment was effective from the 19 January 2018 to 31 March 2020 and the contract was performance based to be reviewed quarterly.

5.3.10.10 Procurement of a Grade B Building for CETA Academy. Bid 010-2018/2019

1113. The bid number 010-2018/2019 was advertised on 15 March 2019 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date was 08 April 2019 which was more than 21 days for the prospective bidders to submit their bid responses. There was no compulsory briefing session for the prospective bidders to attend.
1114. On 08 April 2019, two bid responses were received with no late submission recorded, the bid submission register was signed by Mr Mogoane and Ms Mswephu.
1115. The bid documents were not opened in public during the closing date and time and were also stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1116. The following were the BSC members that drafted the specifications of this bid on 1 March 2019:

Name	BSC Position
Simphiwe Nene	Chairperson
Jacobus Greeff	Member
Nthabiseng Senkoto	SCM
Phumudzo Nethengwe	Member
Sibusiso Nkabinde	Requester

1117. The following were the BEC members that evaluated this bid on 17 April 2019:

Name	BEC Position
Annikie Phuti	Member (Acting Chairperson)
Vincent Namane	Member
Innocent Ngenzi	Member
Tshepo Mogoane	SCM Secretary
Constance Matsapola	SCM Advisor

1118. We established that there were no BEC minutes nor audio recordings of the meeting, contrary to the requirements of CETA SCM SOP and CETA Policy 2018/2019.

1119. The BEC report dated 17 April 2019 states that none of the bidders were disqualified for failing to meet the mandatory requirements, however, the bidders were disqualified due to failure to meet minimum functionality scores of 55 points, therefore there was no recommended winner for this bid, and the BEC recommended that the specification should be reviewed.

1120. In our consultation with Ms Matsapola, she stated that the said tender was not cancelled due to the changes in specifications, however it was cancelled due to the project being done through WITS as she indicated in the minutes. She further stated that subsequent to submitting the minutes of meeting to the chairman, she was advised by the BEC acting chairperson, Annikie Phuti, that she must remove that line from the minutes.

1121. The following were the BAC members that adjudicated this bid dated 17 April 2019:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabello Shabangu	Member
Annikie Phuti	Acting BEC Chairperson
Tumiso Mphuthi	SCM Advisor
Tshepo Mogoane	SCM Secretary

- 1122. We noted that there were no minutes for the above meeting, which is contrary to the CETA SCM SOP and CETA Policy 2018/2019
- 1123. We noted from the BEC report that the BAC signed the non-recommendation on the 17 April 2019 supporting the BEC's recommendation that the specification should be reviewed.

5.3.10.11 Provision of service provider to evaluate discretionary grants proposals. Bid 011-2017/2018

- 1124. The bid number 011-2017/2018 was advertised on 03 November 2017 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication, with the closing date 23 November 2017, being a day less than 21 days for the prospective bidders to submit their bid responses, contrary to the provisions of National Treasury Regulations of March 2005, Reg. 16A Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was no compulsory briefing session for the prospective bidders to attend.
- 1125. Fourteen bid responses were received, with no late submission, recorded by Ms Matsapola and Mr Mogoane.
- 1126. We were informed through the interviews of all the SCM officials that the bid response documents of Bid 011-2017/2018 were not opened in public during the closing date and time, and that the documents were stored in Ms Ndlovu's office instead of the SCM unit storage.
- 1127. The following BSC members conducted a meeting on the 24 October 2017 to draft the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Moodley	Member
Phumudzo Nethengwe	Member
Lerato Max	Requestor
Lungisile Kuzana	SCM

- 1128. The following were the BEC members that evaluated this bid dated 30 November 2017:

Name	BEC Position
Robert Semanya	Chairperson
Jabulani Jiyane	Member
Kgomotso Mpandeli	Member
Joyce Tsipa	Member
Innocent Ngenzi	Member

Name	BEC Position
Constance Matsapola	SCM (Secretary)

1129. We noted through the attendance register and the declaration of interest that the BEC conducted their meeting without the SCM advisor in attendance.
1130. The BEC report dated 30 November 2017 indicates that the thirteen bidders failed to meet the functionality scores of 70 points.
1131. The BEC report indicates that the one bidder achieved the minimum score of 70 points and was therefore evaluated on price and preferential point system as per tender criteria.
1132. The BEC report indicates that Falahmetrix Solutions (Pty) Ltd was recommended for the tender.
1133. The following were the BAC members that adjudicated this bid dated 30 November 2017:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Mahlomola Teffo	Member
Robert Semanya	BEC Chairperson
Constance Matsapola	SCM Secretary

1134. The BAC met without the SCM advisor Ms Tumiso Mphuthi.
1135. The SCM policy 2017/2018 Paragraph 9.10.2 requires that the CETA BAC Committee should have at least one member of the SCM unit to provide advisory and compliance services in bid committees. The BAC did not comply with the said provision.
1136. The contract was awarded to Falahmetrix Solutions (Pty) Ltd on 17 January 2018 at the total contract value of R 19 500.00 per proposal, inclusive of VAT.

5.3.10.12 Procurement of personal protective equipment (PPE) for learners of CETA funded projects. Bid 015-2017/2018 (Re-advert)

1137. The bid number 015-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 02 March 2018 which was 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulations of March 2005, Reg. 16A Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was no compulsory briefing session for the prospective bidders to attend.
1138. We determined through the submission register dated 02 March 2018 that 44 bid responses were received with no late submission recorded.

1139. We confirmed that the bid submission register was not signed by any of the SCM officials. (See Exhibit SCM 31)
1140. The CETA SCM Policy 2018/19, paragraph 9.5.4, prescribes the following:
 'At least two officials must be present during opening of bids on the closing date and after the closing time specified for the bid in question.'
1141. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 015-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1142. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1143. The following were the BSC members that drafted the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Jacob Greeff	Requester ICT unit
Lungisile Kuzana	SCM Advisor

1144. The following were the BEC members that evaluated this bid:

Name	BEC Position
Robert Semanya	Chairperson
Kgomotso Mpandeli	Member
Jabulani Jiyane	Member
Innocent Ngenzi	Member
Joyce Tsipa	Member
Constance Matsapola	SCM Secretary
Lungisile Kuzana	SCM Advisor

1145. We noted through the declaration of interest and attendance register that Mr Kuzana attended both the BSC and BEC as the SCM advisor.
1146. The BEC report dated 29 June 2018, states that 46 bid submissions were received, whereas only 44 bidders were recorded on the bid submission register. (See Exhibit SCM 32).
1147. We determined that Thato-Entle Training and Projects CC was written twice in the BEC report. In addition to that, Sgansonso Projects was added in the BEC report but do not appear in the bid submission register. (See Exhibit SCM 33).

1148. The BEC report states that bids were subjected to the mandatory requirements evaluation and as a result one bidder was disqualified for failing to meet the mandatory requirements leaving 45 bidders to proceed to the next evaluation stage.
1149. The BEC report indicates that 45 bids were further disqualified for failure to meet minimum functionality scores of 70 points. There was no recommended bidder as all of the bidders were disqualified.
1150. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabelo Shabangu	Member
Constance Matsapola	SCM Secretary
Tumiso Mphuthi	SCM Advisor

1151. We noted that there was no BEC representative who presented the BEC report during the adjudication of the bid as indicated by the BAC attendance register for the BAC meeting of 29 June 2018. We could not obtain evidence of how the BEC report was furnished to the BAC members, however the BEC report aided the adjudication as is evident from the BAC report. (See Exhibit SCM 34).

5.3.10.13 Provison of CETA Biometric system for leaner attendance administration. Bid 013-2017/2018 (Re-advert)

1152. The bid number 013-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 02 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by the National Treasury Regulations of March 2005, Reg. 16A Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1153. We determined through the submission register dated the 02 March 2018 that eleven bid responses were received with no late submission recorded. We confirmed that the bids were opened and signed on the bid submission register by Ms Matsapola and Mr Mogoane
1154. We noticed on the bid submission register signed by two SCM officials, Mr Mogoane and Ms Matsapola, that eleven bids were received and only Muroba Group Holdings T/a Grayson Reed Consulting (Pty) Ltd bid amount was not recorded on the register as per National Treasury Guide of 2004 Chapter 4. (See EXHIBIT SCM 35).

1155. We were informed through the interviews of all the SCM officials that the bid response documents of Bid 013-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1156. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1157. The following were the BSC members that drafted the specifications of this bid dated 21 February 2018:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Phumudzo Nethengwe	Member
Tshepo Mogoane	SCM (Secretary)

1158. We noted that Mr. Innocent Ngenzi and Mr. Robert Semenya were the requestors of this tender and that the Bid Specification Committee sat without the said project requestors. (See SCM EXHIBIT 36).
1159. We noted that the BSC conducted their meeting without an SCM advisor as required per the SCM policy 2017/2018, paragraph 9.10.2.
1160. We discovered through evaluation score cards that the BEC sat twice for the evaluation of this bid.
1161. The following BEC members attended the first sitting on 10 April 2018:

Name	BEC Position
Robert Semenya	Chairperson
Jabulani Jiyane	Member
Khomotso Mpandeli	Member
Innocent Ngenzi	Member
Lungisile Kuzana	SCM Advisor
Constance Matsapola	SCM Secretary
Joyce Tsipa	Member

1162. We noted that there was no attendance register and minutes for the above meeting, which is contrary to the CETA SCM SOP and CETA Policy 2017/2018
1163. The below listed BEC members attended the second meeting dated "03 – 08 May 2018":

Name	BEC Position
Robert Semanya	Chairperson
Jabulani Jiyane	Member
Khomotso Mpandeli	Member
Innocent Ngenzi	Member
Lungisile Kuzana	SCM Advisor
Constance Matsapola	SCM Secretary
Joyce Tsipa	Member

1164. The BEC report dated 08 May 2018, states that the bids were subjected to the mandatory requirements and that all eleven bidders met the requirements which qualified them for further evaluation on functionality.
1165. The report indicates that eight bidders failed to meet the functionality scores of 70 points.
1166. The BEC report indicates that three bidders achieved the minimum score of 70 points and were therefore evaluated on price and preferential point system as per tender criteria.
1167. The BEC report indicates that Muroba Group Holdings T/a Grayson Reed Consulting (Pty) Ltd was recommended for the tender with the total amount of R24 900 000.
1168. We have established that Mr. Innocent Ngenzi and Mr. Robert Semanya were the requestors of this tender and participated in the evaluation process as a member and chairperson respectively. (See EXHIBIT SCM 37).
1169. We directed certain written question to Mr Semanya. In response to our question regarding the protocol to be followed in that regard, he responded that he cannot remember what the SCM policy provides in this regard.
1170. The following were the BAC members that adjudicated this bid on 8 May 2018:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Thapelo Madibeng	Member
Jabulane Jiyane	BEC member
Constance Matsapola	SCM Secretary

1171. We noted that Ms Mphuthi was not present as SCM advisor for the adjudication meeting as required per the SCM policy 2017/2018, paragraph 9.10.2.

1172. We were informed that the BEC Chairman, Mr Jiyane, never left the meeting after the presentation of the BEC report and he participated in the deliberations relating to clarity seeking questions.
1173. On 15 June 2018 the contract was awarded to Muroba Group Holdings T/a Grayson Reed Consulting (Pty) Ltd at the total contract price of R 24 900 000.
1174. We noted that Muroba Group Holdings did not comply with the required 50 000 learners quotation as they only provided for 10 000.
1175. According to the Gobodo Forensic Investigative Accounting, the BEC failed to detect that Grayston Reed only quoted for 10 000 learners at a cost of R24 900 000 as opposed to the full scope of work which was 50 000 learners.
1176. We noted that Grayston Reed did not comply with the requirements stated in the CETA page 6 of the bid document requires that stated:
"The below services will be deemed to be included in the Bidder's price for the duration of the assignment and may not be charged for."
1177. However, we observed that the bidder wrote, in their submission that, "Cost of travel related to the roll-out of the project are not included above. We would adopt CETA travel, accommodation and subsistence policies and submit claims for expenditure incurred for the roll-outs on that basis."
1178. We determined that page 10 was signed by the Chief Financial Officer of bidding entity indicating a date of 31 January 2018, which a date prior to the publishing of this tender.

5.3.10.14 Comprehensive Insurance Services. Bid 016-2017/2018

1179. The bid number 016-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication and the Sunday Times Newspaper dated 25 February 2018. The closing date stipulated on the advert was 2 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1180. We noted through the bid submission register dated 12 November 2018 that four bid responses were received. The entry was signed for by Ms Matsapola and Mr Mogoane.
1181. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 016-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1182. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1183. The following were the BSC members that drafted the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Jacobus Greeff	Requester
Lungisile Kuzana	SCM Advisor

1184. The following were the BEC members that evaluated this bid:

Name	BEC Position
Robert Semanya	Chairperson
Joyce Tsipa	Member
Innocent Ngenzi	Member
Khomotso Mpandeli	Member
Nokwanda Dlamini	SCM Advisor
Constance Matsapola	SCM (Secretary)

1185. The BEC report dated 16 April 2018, states that the bids were subjected to the mandatory requirements and as a result, all bidders met the requirements which qualified them for further evaluation on functionality.
1186. The report indicates that two bidders failed to meet the functionality scores of seventy points.
1187. The BEC report indicates that two (2) bidders achieved the minimum score of 70 points and were therefore evaluated on price and preference points system as per tender criteria.
1188. The BEC report indicates that Kunene Makopo Risk Solutions scored the highest points and was recommended by the BEC for the total of R622 099.02 inclusive of VAT for the provision of Comprehensive Insurance Services from the appointment date until 31 March 2020.
1189. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velle Ndlovu	Chairperson
Michelle Govender	Member

Name	BAC Position
Thapelo Madibeng	Member
Constance Matsapola	SCM (Secretary)
Tumiso Mphuthi	SCM Advisor

1190. On the 16th of April February 2018, the contract was awarded to Kunene Makopo Risk Solutions (Pty) Ltd at the total contract price of R 622 099.00.

5.3.10.15 Provision of Alarm with armed response services and security at the CETA Head office in Midrand Bid 018 2017/2018

1191. The bid number 018-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 2 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1192. We perused and observed that the submission register dated the 02 March 2018 that twenty-five bid responses were received with no late submission recorded.
1193. We noticed on the bid submission register signed by two SCM officials, Mr Mogoane and Ms Matsapola, that the tender amount for Fidelity Security Service was not documented on the register (See EXHIBIT SCM 38).
1194. We perused and observed that the Fidelity Security Service SBD document had two initial total bid amounts, which were scratched out and the awarded amount was inserted on the document. (See EXHIBIT SCM 39)
1195. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 018-2017/2018 were not opened in public during the closing date and time as per the National Treasury Regulation of February 2004 Paragraph 4.10 (referring to opening of bids).
1196. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1197. The following were the BSC members that drafted the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandra Chetty	Member
Jacobus Greeff	Requestor
Lungisile Kuzana	SCM Advisor

1198. The following were the BEC members that evaluated this bid:

Name	BEC Position
Robert Semenya	Chairperson
Khomotso Mpandeli	Member
Jabulani Jiyane	Member
Innocent Ngenzi	Member
Phuti Tsipa	Member
Constance Matsapola	SCM (Secretary)
Lungisile Kuzana	SCM (Advisor)

1199. The BEC report dated 12 July 2018, states that the bids were subjected to the mandatory requirements and as a result, none of the bidders were disqualified for not meeting the requirements.
1200. The report indicates that twenty-five bidders failed to meet the functionality scores of 70 points.
1201. The BEC report indicates that the remaining bidder that achieved the minimum score of 70 points was evaluated for price and preference point system as per tender criteria.
1202. The BEC report indicates that Fidelity Security Services scored 100.00 points and was recommended by the BEC for the total of R3 177 357.12, inclusive of VAT.

5.3.10.16 Appointment of CIDB Registered constructor for the construction of technology laboratory building at University of Venda (Re-advertised). BID 019-2017/2018

1203. The bid number 019-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 2 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1204. We determined that there was no information relating to Bid 019 2017/2018 on the submission register. We could not confirm that the bids were opened and recorded on the bid submission register by two SCM officials as required by CETA SCM Policy, par 9.5.
1205. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.

1206. We established that there is no record of the BSC meeting.

1207. The following were the BEC members that evaluated this bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Vincent Namane	Member
Annikie Phuti	Member
Sipho Masombuka	Member
Constance Matsapola	SCM (Secretary)
Lungisile Kuzana	SCM Advisor

1208. The BEC report dated 10 April 2018, states that the bids were subjected to the mandatory requirements and as a result, one bidder was disqualified for not meeting the requirements.

1209. The report indicates that sixteen bidders failed to meet the functionality scores of 70 points.

1210. The BEC report indicates that the remaining bidder that achieved the minimum score of 70 points was evaluated for price and preference point system as per tender criteria.

1211. The BEC report indicates that Nare Molebewe General Enterprise scored 100.00 points and was recommended by the BEC for the total of R11 943 735.13, inclusive of VAT, for the construction of a technology laboratory building at University of Venda.

1212. We established from the procurement plan that the approved budget for the bid was R 9 500 000, however there was an approved request for additional budget.

1213. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velle Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabello Shabangu	BEC member
Constance Matsapola	SCM (Secretary)
Tumiso Mphuthi	SCM Advisor

1214. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velle Ndlovu	Chairperson
Michelle Govender	Member
Thapelo Madibeng	Member
Constance Matsapola	SCM (Secretary)
Tumiso Mphuthi	SCM Advisor
Joyce Tsipa	BEC Member

1215. We established that on the 12th of July 2018 there was a price negotiation, and the contract was awarded to Nare Molebowe General Enterprise at the total contract price of R 11 645 141.75.13 as per bid submission, inclusive of VAT.
1216. The contracted period of this bid was 12 months. Through the emails documented we noted that the service provider has not commenced with the construction ten months after being awarded the contract.
1217. Mr Nkabinde responded with the reason for delay indicating that drawings were not approved, and the environmental assessment was not conducted.
1218. It is a concern that the BAC approved the contract despite the fact that building drawings were not approved, and the environmental assessment was not conducted.
1219. According to an anonymous letter sent to the investigation team, this bid was initially not awarded, and it was reported to the AA, where the BEC was directed to conduct a re-scoring. We do not have any evidence of the rescoring; however, the above discussion is based on the results of documents on file.

5.3.10.17 Provision of IP MPLS Service. Bid 023 2017/2018

1220. The bid number 023-2017/2018 was advertised on 08 December 2017 on the CETA website, National Government tender bulletin and National Treasury E-tender Publication. The closing date stipulated on the advert was 02 February 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005 Paragraph 6.3(c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was a compulsory briefing session for the prospective bidders to attend.
1221. We noted that the compulsory briefing session attendance register does not have an entry of an entity styled Singatel (Pty) Ltd t/a NET 15. (See Exhibit SCM 41).

1222. We perused and observed that the submission register is not dated and that eight bid responses were received with no late submission recorded.
1223. The seven bid names on the submission register appear to be written with a different pen from the eighth entry being that of Singatel (Pty) Ltd t/a NET 15. (See Exhibit SCM 42)
1224. It was noted that the bid submission register was signed by one SCM official being Mr Kuzana.
1225. CETA SCM Policy: 2017/2018, par. 9.5 Receiving and opening of bids states: '...At least two officials must be present during opening of bids on the closing date and after the closing time specified for the bid in question.'
1226. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto) that the bid response documents of Bid 023-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 Paragraph 4.10 (referring to opening of bids).
1227. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1228. According to Ms Mphuthi's affidavit, she states that the bidder Net15 did not attend the compulsory briefing session and they also did not submit by the closing date. She further states that the entry in the submission register referring to Net15 was entered by the CFO Ms Ndlovu after the seven bidders were written by an SCM official on the closing date. She reiterated that the eighth bidder was entered after the closing date and not by the SCM official.
1229. The following were the BSC members that drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Reandre Chetty	Member
Bongani Sibanyoni	Requestor
Lungisile Kuzana	SCM Advisor
Tshepo Mogoane	SCM Secretary

1230. We noted that the BEC sat on three occasions to evaluate this bid: The following were the BEC members who conducted the first meeting dated 25 February 2018:

Name	BEC Position
Robert Semanya	Chairperson
Khomotso Mpandeli	Member
Innocent Ngenzi	Member

Name	BEC Position
Constance Matsapola	SCM (Secretary)

1231. We noted through the attendance register that the BEC conducted this meeting without SCM advisor (Ms Dlamini).
1232. We directed certain written questions in this regard to Mr Semenya to which he responded indicating that he was the Chairperson of a BEC meeting for this bid.
1233. We established that the bid of Net15 T/A Singatel was evaluated despite the fact that this entity did not attend the compulsory briefing session.
1234. To this Mr Semenya responded that he only became aware of this fact after the report of the Auditor General.
1235. We were also informed that the bidder was subsequently requested to sign the attendance register for the compulsory briefing session. Mr Semenya however indicated in his responses that he did not know about this and had no involvement in respect thereof.
1236. He also stated that he did not have any discussion / communication with SCM officials regarding the above,
1237. The following were the BEC members who conducted the second meeting dated 30 May 2018:

Name	BEC Position
Jabulani Jiyane	Acting Chairperson
Joyce Tsipa	Member
Innocent Ngenzi	Member
Lungisile Kuzana	SCM (Advisor)

1238. We note through the attendance register that the BEC conducted this meeting without an SCM secretary.
1239. The following were the people who conducted the third meeting for price clarification with NET15 dated 31 May 2018:

Name	BEC Position
Jabulani Jiyane	Acting Chairperson
Joyce Tsipa	Member
Innocent Ngenzi	Member

Name	BEC Position
Lungisile Kuzana	SCM Advisor
Khaya Ntshinka	NET15 – CEO
Bekezela Mhlanga	NET15

1240. The BEC report dated 30 May 2018, states that the bids were subjected to the mandatory requirements and as a result, two of the bidders were disqualified for not meeting the requirements.

1241. After inspecting the attendance register, we determined that the bidder NET15 did not attend the compulsory briefing session but was nonetheless considered for evaluation by the BEC.

1242. The BEC evaluated and recommended NET15 although there is no evidence in the attendance register that NET15 attended the compulsory briefing session. We observed that the conduct was in contravention National Treasury Regulation 16A of March 2005 paragraph 8.1 (b) which states as follows:

“All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote –

(b) an environment where business can be conducted with integrity and in a fair manner.”

1243. The report indicates that five bidders failed to meet the functionality scores of 70 points.

1244. The BEC report indicates that Singatel (Pty) Ltd t/a NET 15 scored 100.00 points and was recommended by the BEC for the total of R8 889 879.60, inclusive of VAT.

1245. We were informed by Ms Matsapola that the initial awarded bidder was EOH Mthombo and there was rescoring to disadvantage EOH and benefit Singatel (Pty) Ltd t/a NET 15. (See EXHIBIT SCM 43, Page 16)

1246. We established from the initial report (unsigned) that the BEC did recommend EOH prior to the re-scoring by the BEC.

1247. The following were the BAC members who adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Thapelo Madibeng	Member
Constance Matsapola	SCM (Secretary)

Name	BAC Position
Tumiso Mphuthi	SCM Advisor
Joyce Tsipa	BEC Member

1248. We established that on 1 June 2018 the contract was awarded to Singatel (Pty) Ltd t/a NET 15 at the total contract price of R 4 226 365.00 as per bid submission, inclusive of VAT.

5.3.10.18 Appointment of an entity for LAN and VOIP infrastructure maintenance and support service. Bid 025-2017/2018

1249. The bid number 025-2017/2018 was advertised on 08 December 2017 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication and Sunday Times Newspaper dated 11 December 2018. The closing date stipulated on the advert was 02 February 2018 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005 Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1250. There was a compulsory briefing session for the prospective bidders to attend on 19 January 2018. We noted that the tender briefing session attendance register reflected 40 prospective bidders who wrote in their own handwriting and attached their signatures. (See Exhibit SCM 44).
1251. We determined through the bid submission register signed by one SCM official, Mr Kuzana, that five bid responses were received with no late submission recorded.
1252. The CETA SCM policy 2017/18, paragraph 9.5.4, prescribes that at least two officials must be present during opening of bids on the closing date and after the closing time specified for the bid in question.
1253. We observed that the ink that was utilised to write a list of entities onto the submission register is consistent with the ink utilised for the signature appended at the close of the entries. As determined through the consultations with Ms Mphuthi, Ms Matsapola and Mr Kuzana, the last entry on the submission register is marked by the signature of the SCM official recording the entries. The last entry appears to be of an ink not consistent with the prior listed and the signature ink. The entry is that of DataProof communication consortium. (See Exhibit SCM 45).
1254. We were informed by all the SCM officials that the bid response documents of Bid 025-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1255. We were informed that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1256. According to Ms Mphuthi's affidavit, she states that the bidder DataProof did not attend the compulsory briefing session and they also did not submit their

bid response documents by the closing date. She further states that the entry in the submission register referring to DataProof was entered by the CFO Ms Ndlovu after the four bidders were written by an SCM official on the closing date. She reiterated that the fifth bidder was entered after the closing date and not by the SCM official.

1257. The following were the BEC members who evaluated this bid:

Name	BEC Position
Robert Semanya	Chairperson
Innocent Ngenzi	Member
Jabulani Jiyane	Member
Joyce Tsipa	Member
Nokwanda Dlamini	SCM Advisor

1258. We noted in the attendance register and declaration of interest that the SCM secretary did not attend the BEC meeting to take minutes or record the meeting dated 27 February 2018. This is not in line with the CETA SCM SOP and CETA Policy 2017/2018.

1259. After inspecting the attendance register, we determined that the bidder styled DataProof did not attend the compulsory briefing session but was nonetheless considered for evaluation by the BEC.

1260. The BEC evaluated and recommended DataProof Communications although there is no evidence in the attendance register that DataProof Communications attended the compulsory briefing session. We observed that the conduct was in contravention the National Treasury Regulation 16A of March 2005. paragraph 8.1 (b), which states that:

'All officials and other role players in a supply chain management system must comply with the highest ethical standards in order to promote –
(b) an environment where business can be conducted with integrity and in a fair manner.'

1261. The BEC report dated 08 May 2018, purports that the bids were subjected to the mandatory requirements evaluation where two bidders were disqualified for failing to meet the mandatory requirements.

1262. The BEC report indicates that two bidders were further disqualified for failure to meet minimum functionality scores of 70 points.

1263. The BEC report indicates that the remaining one bidder achieved the minimum score of 70 points and was therefore evaluated on price and preferential points system as per bid evaluation criteria. The BEC recommended DataProof Communications (Pty)Ltd.

1264. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson

Name	BAC Position
Michelle Govender	Member
Thapelo Madibeng	Member
Jabulani Jiyane	BEC Chairperson
Constance Matsapola	SCM Secretary

1265. We noted through the BAC attendance register and declaration of interest that Ms Mphuthi was not in attendance of BAC meeting.
1266. We were informed that the BEC Chairperson Mr Jiyane was not excused from the BAC meeting after the presentation of the BEC report and he participated in the deliberations relating to clarity seeking questions.
1267. We were informed that the BEC Chairperson, Mr Jiyane, was aware that DataProof was awarded the bid whilst the bidder did not attend the compulsory briefing session.
1268. We noted through the attendance register and minutes of the meeting dated 24 April 2018 that there was a price negotiation with DataProof Communications as they quoted the initial amount of R7 961 760.00. The minutes on record are only one page and subsequent pages are not on record and /or availed to the investigators. (See EXHIBIT SCM 46).
1269. Mr Bongani Sibanyoni in his capacity as Specialist ICT, authored a memo dated 10 May 2018 addressed to Mr Cele as chairperson of the CETA board where he requests for additional budget on the said bid as the initial budgeted amount of R 1 200 000 inclusive of VAT was insufficient to cater for the envisaged services. An additional amount of R5 603 400.00 was requested in order to acquire the services. Mr Cele approved the request for additional budget on 10 May 2018, as recommended by Ms Pilusa and endorsed by Ms Ndlovu and Ms Mphuthi. (See EXHIBIT SCM 47).
1270. On 1 June 2018, the contract was awarded to DataProof Communications (Pty) Ltd at the total estimated contract price of R 6 803 400 inclusive of VAT.

5.3.10.19 Appointment of an entity to provide promotional materials for the CETA. Bid 029 2017/2018

1271. The bid number 029-2017/2018 was advertised on 02 March 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication and the Sunday Times Newspaper dated 25 February 2018. The closing date on the advert was 23 March 2018 which was 21 days for the prospective bidders to submit their bid responses as required by the National Treasury Regulation 16A of March 2005. paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2).
1272. The bid submission register dated 03 March 2018 reflected thirty-one bid responses were received and the entry was signed for by Ms Matsapola and the second signature has not been determined who it belongs to.

1273. Ms Mphuthi, Ms Matsapola, Mr Mogoane and Ms Senkoto informed us that the bid response documents of Bid 029-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004 Paragraph 4.10 (referring to opening of bids).
1274. It was common cause that the bid documents were stored in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1275. We discovered that the BEC sat twice for the evaluation of this bid. The table below reflects the BEC members that attended the first sitting dated 15 May 2018:

Name	BEC Position
Robert Semanya	Chairperson
Jabulani Jiyane	Member
Joyce Tsipa	Member
Khomotso Mpandeli	Member
Constance Matsapola	SCM Secretary
Thato Kehiloe	Brite Comm Accounts
Bathabile Ramatong	Brite Comm (Managing Director)

1276. We noted in the attendance register that the SCM advisor was not present in the meeting.
1277. The CETA SCM policy 2017/2018, paragraph 9.10.2 requires that the CETA BEC Committee should have at least one (1) member of the SCM unit to provide advisory and compliance services within bid committees. The BEC did not comply with the said provision.
1278. We also noted that Brite Comm Accounts attended this meeting represented by two of their officials.
1279. The below listed BEC members attended the second meeting dated 16 May: 2018:

Name	BEC Position
Joyce Tsipa	Acting Chairperson
Jabulani Jiyane	Member
Innocent Ngenzi	Member
Khomotso Mpandeli	Member
Constance Matsapola	SCM (Secretary)

1280. We noted in the attendance register that the SCM advisor was not present in the meeting as per the SCM policy 2017/2018, paragraph 9.10.2.
1281. The BEC report dated 16 May 2018, states that twenty-seven bidders met the mandatory requirements and were further evaluated on functionality. The report indicated that twenty-five bidders did not meet the functionality scores of 70 points.
1282. The BEC report indicates that two bidders achieved the minimum score of 70 points and were therefore evaluated on price and preference point system as per tender criteria.
1283. The BEC report indicates that Five Stars Communications scored the highest points due to their lowest pricing and B-BBEE level and was recommended by the BEC for the total of R6 604 298.81.
1284. The following were the BAC members who adjudicated this bid dated 16 May 2018:

Name	BAC Position
Velile Ndlovu	Chairperson
Michelle Govender	Member
Thapelo Madibeng	Member
Constance Matsapola	SCM (Secretary)
Tumiso Mphuthi	SCM Advisor
Joyce Tsipa	BEC Member

5.3.10.20 Procurement of an Exhibit Panel Truck. Bid 031-2017/2018

1285. The bid number 031-2017/2018 was advertised on 2 March 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication and the Sunday Times newspaper dates 4 March 2018. The closing date on the advert was 23 March 2018 which was more than 21 days for the prospective bidders to submit their bid responses in line with the Treasury Regulation 16A of March 2005 Paragraph 6.3 (c) and CETA SCM Policy 2018/19 (Paragraph 9.4.2). There was no compulsory briefing session for the prospective bidders to attend as per tender advert.
1286. We noted through the bid submission register dated 23 March 2018 that four bid responses were received. The entry was signed for by Ms Matsapola and the second signature has not been determined who it belongs to.
1287. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 031-2017/2018 were not opened in public during the closing date and

time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).

1288. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.

1289. The following were the BSC members who drafted the specifications for this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Reandra Chetty	Member
Jacobus Greeff	Requester
Sabello Shabangu	Requester
Tshepo Mogoane	SCM official
Lungisile Kuzana	SCM Advisor

1290. The following were the BEC members who evaluated this bid:

Name	BEC Position
Jabulani Jiyane	Chairperson
Robert Semanya	Member
Joyce Tsipa	Member
Khomotso Mpandeli	Member
Innocent Ngenzi	Member
Lungisile Kuzana	SCM Advisor

1291. The BEC report dated 14 May 2018, states that the bids were subjected to the mandatory requirements and as a result, three bidders were disqualified.

1292. The BEC report indicates that one bidder achieved the minimum score of 56 points and therefore evaluated on price and preferential point system as per tender criteria. The report indicated that a bidder named Bonny Med was recommended by the BEC.

1293. The following were the BAC members who adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Tumiso Mphuthi	SCM Advisor
Khomotso Mpandeli	BEC representative
Michell Govender	Member

Name	BAC Position
Constance Matsapola	SCM Secretary

1294. On 22 June 2018, the contract was awarded to **Bonny Med** at the total contract price of R 3 411 670.00, inclusive of VAT.
1295. According to the NSA investigation report, there were irregularities in the bid documents of the successful bidder, relating to inconsistency in company registration dates and reference letter.
1296. We could not find any evidence that corroborates the CETA management explanation regarding the NSA finding. The CIPC records do not support the version of CETA management.

5.3.10.21 Appointment of a service provider for the provision of ICT hardware. Bid 033-2017/2018

1297. The bid number 033-2017/2018 was advertised on 9 March 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication and the Sunday Times newspaper. The closing date stipulated on the advert was 29 March 2018 which was 21 days for the prospective bidders to submit their bid responses in accordance with National Treasury Regulation 16A of March 2005, paragraph 6.3 (c) and CETA SCM Policy 2018/19 (paragraph 9.4.2). There was no compulsory briefing session for the prospective bidders to attend as per tender advert.
1298. We noted that bid 033 of 2017/2018 was not recorded on the bid submission register, as per National Treasury Guide dated February 2004, chapter 4, which states: *'The names of the bidders and their individual total prices should be recorded when bids are opened.'*
1299. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents in respect of Bid 033-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1300. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1301. The following were the BSC members who drafted the specifications of this bid:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Reandra Chetty	Member
Bongani Sibanyoni	Requester
Tshepo Mogoane	SCM official

Name	BSC Position
Lungisile Kuzana	SCM Advisor

1302. We discovered that the BEC sat twice for the evaluation of this bid. The following BEC members attended the first sitting on 21 July 2018:

Name	BEC Position
Jabulani Jiyane	Chairperson
Innocent Ngenzi	Member
Sipho Masombuka	Member
Vincent Namane	Member
Lungisile Kuzana	SCM Advisor

1303. We noted in the attendance register that the SCM secretary did not attend the first BEC meeting to take minutes or record the meeting.

1304. The below listed BEC members attended the second meeting dated 25 July 2018:

Name	BEC Position
Jabulani Jiyane	Chairperson
Innocent Ngenzi	Member
Annikie Phuti	Member
Constance Matsapola	SCM (Secretary)
Lungisile Kuzana	SCM Advisor

1305. The BEC report dated 26 July 2018, states that 44 bids were received, and the bids were subjected to the mandatory requirements and as a result 16 bidders were disqualified.

1306. The BEC report indicates that 12 bidders achieved the minimum score of 70 points and were therefore evaluated on price and preferential points system as per tender criteria. The report indicated that a bidder named AE Solutions Software was recommended by the BEC.

1307. The following were the BAC members who adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Tumiso Mphuthi	SCM Advisor
Khomotso Mpandeli	Member

Name	BAC Position
Masixole Sintu	BEC Member
Constance Matsapola	SCM Secretary
Sabello Shabangu	Member

1308. We noted that the BEC signed the BEC report on the 26 July 2018, the BAC accepted the BEC recommendation also on the 26 July 2018.
1309. It appears from the BEC evaluation and adjudication report that Mr Semenya and Mr Cele approved the recommendation to appoint AE Solutions Software on the 26 July 2018 which was the same day as the BEC and BAC meeting. (See EXHIBIT SCM 48).

5.3.10.22 Re-Advert - Procurement of a Grade B building. Bid 001-2019/2020

1310. The bid number 001-2019/2020 was advertised on 10 May 2019 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication. The closing date stipulated on the advert was 3 June 2019 which was more than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005. paragraph 6.3 (c). There was no compulsory briefing session for the prospective bidders to attend as per tender advert.
1311. We noted through the bid submission register dated 3 June 2019 that seven bid responses were received. The entry was signed for by Mr Mogoane and Dakalo Rambuda.
1312. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 001-2019/2020 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1313. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1314. We established that the BSC sat twice for the said bid: The following were the BSC members that attended the first meeting dated 25 April 2019:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Jacobus Greeff	Member
Nthabiseng Senkoto	SCM (Secretary)

1315. We noted that there was no requestor present in the first BSC meeting dated the 25 April 2019.

1316. The below listed BSC members attended the second BSC meeting dated 05 May 2019:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Sibusiso Nkabinde	Requestor
Nthabiseng Senkoto	SCM (Secretary)

1317. We established that the BEC sat four times for the evaluation of this bid. The following BEC members attended the first sitting on 11 June 2019:

Name	BEC Position
Sipho Tleane	Chairperson
Tshepo Mogoane	SCM Secretary
Sipho Masombuka	Member
Constance Matsapola	SCM Advisor

1318. We noted that there is no attendance register for the 11 June 2019 meeting.

1319. The below listed BEC members attended the second meeting dated 10 July 2019:

Name	BEC Position
Sipho Tleane	Chairperson
Sipho Masombuka	Member
Constance Matsapola	Member
Tshepo Mogoane	SCM
Rambuda Dakalo	SCM Intern

1320. The below listed BEC members attended the third meeting dated 12 July 2019:

Name	BEC Position
Sipho Tleane	Chairperson
Sipho Masombuka	Member
Constance Matsapola	Member

Name	BEC Position
Tshepo Mogoane	SCM Secretary

1321. The below listed BEC members attended the fourth meeting dated 18 July 2019:

Name	BEC Position
Sipho Tleane	Chairperson
Sipho Masombuka	Member
Constance Matsapola	Member
Tshepo Mogoane	SCM Secretary
Rambuda Dakalo	SCM Intern

1322. The BEC report dated 03 June 2019, states that seven bids were received, and the bids were subjected to the mandatory requirements and as a result, two bidders were disqualified.

1323. The BEC report stipulates that five bids were evaluated on functionality score of 55 points and as a result none of the bidders were disqualified for failing to meet the minimum functionality score. One bidder was disqualified for not quoting according to the tender specifications.

1324. The BEC report stipulates that four bid submissions were further evaluated onsite inspection criterion. Two bidders were disqualified for failing to meet the site inspection criteria.

1325. The BEC report states that (2) bid submissions qualified on the site inspection criterion and therefore were evaluated on price and preferential point system as per tender criteria.

1326. The report indicated that a bidder named Tecino Trading 22 (Pty) Ltd was recommended by the BEC.

1327. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Jolene Shaw	Member
Innocent Ngenzi	Member
Jabulani Jiyane	Member
Sipho Tleane	BEC Chairperson
Tumi Mphuthi	SCM
Dakalo Rambuda	SCM

Name	BAC Position
Tshepo Mogoane	SCM Secretary

1328. We noted through the BAC attendance register and declaration of interest dated 13 August 2019 that Ms Velle Ndlovu was not in attendance of the BAC meeting. She stated that she asked to be recused from these meetings as she deemed that there was a number of potential irregularities and/or unexplainable financial accounting reporting that would be raised as queries from this transaction.
1329. According to our consultation with Ms Velile Ndlovu, she mentioned that Mr Semanya addressed the CETA staff, stating that the delays on the approval of the Grade B building were caused by the fact that Ms Ndlovu refused to sign. Subsequently, she started receiving death threats regarding her participation in the bid as she was deemed to be a stumbling block.
1330. Ms Ndlovu stated that an email that was sent to National Treasury with respect to the tender was deceiving in the manner that it was drafted. The letter purported to be seeking advice from the Treasury on one matter whilst not disclosing the true intent.
1331. On the initial interview, Ms Ndlovu told the investigating team that she deliberately avoided to be part of the adjudication of this bid when she saw that the committee members/AA members were resolute in following the proper procurement process despite the acquisition being made with DG funding, coincidentally she was on sick leave during the same week.
1332. We directed certain written questions to Mr Semanya in this regard. In his written responses to us he stated that it is not true that he addressed the staff and/or mentioned that the delay was caused by the CFO. The approval of funding was a matter to be handled by the AA, not the CFO. He stated that he was aware that the CFO reported the said death threats to the Exco.
1333. On the of 29 November 2019, the contract was awarded to Tecino Trading 22 (Pty) Ltd at the total estimated contract of R43 750 000.00 VAT inclusive for outright purchase.
1334. We note that this matter is discussed in more detail in the section of our report that deals with Special Projects, in particular DG funding provided to WITS.

5.3.10.23 Procurement of tablets for CETA funded learners. Bid 026-2017/2018

1335. The bid number 026-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication. The closing date stipulated on the advert was 2 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005. paragraph 6.3 (c). There was no compulsory briefing session for the prospective bidders to attend as per tender advert.

1336. We noted through the bid submission register dated 2 March 2018 that thirty-three bid responses were received. The entry was signed for by Mr Mogoane and Ms Matsapola.
1337. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 026-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).
1338. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.
1339. The following were the BSC members that attended the meeting dated 06 December 2017:

Name	BSC Position
Simphiwe Nene	Chairperson
Phumudzo Nethengwe	Member
Bernard Mavangira	ICT
Tshepo Mogoane	SCM (Secretary)
Lungisile Kuzana	Member
Vincent Namane	Requestor

1340. We noted from the evaluation scoresheet dated 28 June 2018 that the below members evaluated this bid:

Name	BEC Position
Sipho Masombuka	Member
Vincent Namane	Member
Annikie Phuti	Member
Innocent Ngenzi	Member
Jabulani Jiyane	Member

1341. We noted that there is no attendance register and minutes for BEC meeting held on the 28 June 2018.
1342. The BEC report dated 29 June 2018, states that thirty-four bids were received, and the bids were subjected to the mandatory requirements and as a result, fifteen bidders were disqualified.
1343. The BEC report stipulates that nineteen bids were evaluated on functionality score of 70 points and as a result all the bidders were disqualified for failing to meet the minimum functionality score.

1344. We note that the number of bidders recorded on the bid submission register are thirty-three and the number of bidders evaluated are thirty-four.

1345. The following were the BAC members that adjudicated this bid:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabello Shabangu	Member

1346. We noted that there is no attendance register and minutes for BAC meeting held on the 29 June 2018.

1347. We received an anonymous letter indicating that the BEC and BAC minutes were backdated in order to ensure that the validity period had not expired.

5.3.10.24 Appointment of a project manager for the procurement of Land or building, design plan and construction or renovations of CETA head office. Bid 022-2017/2018

1348. The bid number 022-2017/2018 was advertised on 23 February 2018 on the CETA website, National Government tender bulletin, National Treasury E-tender Publication. The closing date stipulated on the advert was 2 March 2018 which was less than 21 days for the prospective bidders to submit their bid responses as required by National Treasury Regulation 16A of March 2005, paragraph 6.3 (c). There was no compulsory briefing session for the prospective bidders to attend as per tender advert.

1349. We noted through the bid submission register dated 2 March 2018 that five bid responses were received. The entry was signed for by Mr Mogoane and Ms Matsapola.

1350. We noted that bid 022 of 2017/2018 bidders' amounts were not recorded on the bid submission register, as per National Treasury Guide dated February 2004, chapter 4, which states: 'The names of the bidders and their individual total prices should be recorded when bids are opened.'

1351. We were informed through the interviews of all the SCM officials (Ms Mphuthi, Ms Matsapola, Mr Mogoane, Ms Senkoto) that the bid response documents of Bid 022-2017/2018 were not opened in public during the closing date and time as per the National Treasury Guide of February 2004, paragraph 4.10 (referring to opening of bids).

1352. We were informed that the bid documents were kept in Ms Ndlovu's office instead of the SCM unit storage, as per instruction conveyed by Ms Ndlovu.

1353. The following were the BSC members that attended the meeting dated 19 February 2018:

Name	BSC Position
Simphiwe Nene	Chairperson

Name	BSC Position
Jacobus Greeff	Member
Kwazi Agyare Dinomoh	Member
JN Donhor	QS
Wotider Mapotse	Civil/Str ENG

1354. We noted from the evaluation scoresheet dated 27 June 2018 that the below members evaluated this bid:

Name	BEC Position
Sipho Masombuka	Member
Vincent Namane	Member
Annikie Phuti	Member
Innocent Ngenzi	Member
Jabulani Jiyane	Member

1355. We noted that there is no attendance register and minutes for BEC meeting held on the 27 June 2018.

1356. The BEC report dated 29 June 2018, states that s654 ix bids were received, and the bids were subjected to the mandatory requirements and as a result, four bidders were disqualified.

1357. The BEC report stipulates that two bids were evaluated on functionality score of 70 points and as a result all the bidders were disqualified for failing to meet the minimum functionality score.

1358. We note that the number of bidders recorded on the bid submission register were five and the number of bidders evaluated were six.

1359. The following were the BAC members that adjudicated this bid on the 29 June 2018:

Name	BAC Position
Velile Ndlovu	Chairperson
Khomotso Mpandeli	Member
Sabello Shabangu	Member
Tumiso Mphuthi	SCM Advisor
Constance Matsapola	SCM Secretary

1360. We noted that there are no minutes for this BAC meeting.

5.3.11 Request for Quotation

1361. We set out below our findings in respect of specific matters that were dealt with through RFQ.

5.3.11.1 RFQ - Appointment of Organisation & Management Technologies (OMT) to conduct the psychometric testing and assessments for the candidates for the CEO position of the CETA.

1362. We learned that Ms Swart sent two requisition forms to the SCM unit dated 21 August 2018 detailing the following:

1) Requisition form number 2607 was for MIE service provider for quantity of 15 of the following items: (See EXHIBIT CEO 14).

- Qualification (Umalusi & National Qualification Register);
- Criminal record (AFIS); and
- Credit (TransUnion & Experian) only for positions in finance or holding cash.

2) Requisition form number 2611 for one psychometric testing for CEO candidate. (See EXHIBIT CEO 15).

1363. Ms Senkoto decided to populate one (1) request for quotation (RFQ) form by combining the two requisition forms from Ms Swart, resulting in the escalation of quantities to a total of sixteen instead of three in accordance with the original request by DHET as indicated above. (See EXHIBIT CEO 16).

1364. Three (3) quotations were received from potential suppliers as captured and compiled by Ms Senkoto, recommended by Ms Dlamini and approved by Ms Ngenzi, on the Supply Chain Management Quotation Form dated 22 August 2018: (See EXHIBIT CEO 17)

- Organisational Management Training (OMT) - R 21 620.00;
- Optimum Talent Solutions (OTS) - R 24 275.00; and
- Mtileni Trading Enterprise (MTE) - R 29 928.75.

1365. We could not find evidence of the emails sent to the above bidders to invite them for the RFQ bidding, however, we found and noted the following correspondence from Ms Senkoto:

1366. On 21 August 2018 at 17:40, email sent to undisclosed recipients, however, copied are Mr Mogoane, Ms Dlamini and address SCMQuotations@ceta.co.za; Email referred to attached Psychometric testing and MIE services;

1367. On 22 August 2018 at 11:27 AM, email sent to Jason Manson Kullin, copied Munei Tshiovhe, Hendrik Bronkhorst (all 3 from OMT), then Ms Dlamini also copied; Email referred to attached Psychometric testing and MIE services (See EXHIBIT CEO 19);

1368. On 22 August 2018 at 12:39 PM, Munei Tshiovhe from OMT responding to Ms Senkoto, copied Ms Dlamini; Email referred to attached RFQ response

- and supporting documents. Included was the OMT supplier number as well as unique registration number (See EXHIBIT CEO 20);
1369. On 22 August 2018 at 14:35 (about 2 hours after the initial RFQ), Munei Tshiovhe sent another email addressed to the same recipients, email referring to the "revised" RFQ. We note a salutation "*I hope all is in order now*". (See Exhibit CEO 21)
1370. The initial quotation from OMT was handwritten and did not include MIE pricing. The pricing included was for Psychometric testing for Chief Executive Officer, quantity one (1) for the total amount of R12 500.00 excluding VAT. It is noted that the amount is per CEO candidate. This quotation was for a total of R14 375.00 including VAT, according to requisition form 2611 details. The quotation did not include the requisition form 2607 details, referring to the MIE service to be quoted.
1371. We were provided with copies of WhatsApp messages between Ms Senkoto and Ms Ndlovu as discussed in this report below, from which it appears that OMT was assisted to provide a revised quotation.
1372. Following the interaction between OMT, Ms Senkoto and Ms Ndlovu, we discovered that OMT sent another quotation which included fifteen MIE and one (1) psychometric assessment totalling R21 620.00. This quotation is the one on file and was sent for further processing through Procurement Management approvals. (See EXHIBIT SCM 22).
1373. Ms Senkoto did not file the original OMT quotation that amounted to R14 375.00 inclusive of VAT. (See Exhibit SCM 23)
1374. We established that OMT is a registered VAT vendor, however the total amount excluding VAT indicated on their quotation is the same as the total amount including VAT. Our calculation of the amount comparison with and without VAT is as below:
- Should R21 620.00 include VAT, then the VAT portion would be R2 655.08 with the total amount less VAT as R18 964.92.
- Ms Senkoto, however, did not record the details as such.
1375. We established the following with regards to the OMT form SBD 4, paragraph 2 of the Declaration of Interest in the said quotation: (See EXHIBIT SCM 24)
- Point 2.1 Full name of bidder or his or her representative: "Hendrik" was scratched out and "Pieter" was inserted, leaving the surname Bronkhorst unchanged;
- Point 2.2 Identity Number: 77041205034082 was scratched out and replaced with 5204165033088; and
- Point 2.3 Position occupied in the Company (director, trustee, shareholder², member): "Managing" was scratched out leaving the word "Director".
1376. We noted that the form SBD 4, paragraph 3, referring to the full details of the directors / Trustees /Members /Shareholders, was not completed by the bidder OMT.
1377. We established that SBD 4, paragraph 4 of the Declaration, reflects that the CEO from OMT has signed whereas section 2 point 2.3 states one Director

signed as a designee. The same declaration does not have any name of the person said to be making that declaration, the name is omitted. Though the signature depicts a resemblance of the name "Bronkhorst", we were not able to establish to whom it refers.

1378. The page 7 of the SBD 8, Declaration of bidder's past supply chain management practices, referring to paragraph headed "Certification", does not have any name of the signatory. The name is omitted. (See EXHIBIT SCM 25)

1379. Regarding the minimum requirements of the CETA RFQ, point 4 and 5 (on page 1) state as follows:

"...

4. Exclusion of required items will cause disqualification

5. Compete and sign SBD 4,8 and 9 which are attached to this request."

1380. It follows that the quotation from OMT, not bearing the name of the required signatory on both parts of the SBD4 and SBD 8 forms, was in contravention of the CETA RFQ minimum requirements stated above, and thus warranted the bid to be disregarded.

1381. Our investigation established that on the 22 August 2018, at or around 13:34, Ms Senkoto communicated to Ms Ndlovu that bidder OMT had sent a quotation that excluded the MIE. At or around 15:08 Ms Senkoto confirmed that she received a quotation that now includes MIE from bidder OMT.

1382. The CETA RFQ indicated that the closing date and time for the bidders to send quotations is 22 August 2018 @ 12:00. We found that OMT sent the quotation after the closing time stipulated by CETA, however Ms Senkoto and Ms Ndlovu did not disqualify them. (See Exhibit SCM 26)

1383. Ms Nokwanda Dlamini signed the supply chain management RFQ form on 22 August 2018 to recommend OMT as the lowest quotation in line with specifications. According to Ms Dlamini, her signature on the RFQ form confirms that she has compared all three quotations received from the suppliers, checked the lowest quotation as per the issued specifications, all procurement steps have been adhered to by an SCM official, and completed the declaration of interest as a senior procurement official.

1384. On 22 August 2018 at 16h13, Ms Senkoto wrote an email to OMT copied Ms Dlamini, referring to the attached purchase order for the Psychometric testing and MIE services, as proof of bid award to OMT (See EXHIBIT SCM 27).

1385. Within the same hour, Ms Senkoto communicated with Mr Nethengwe and Ms Chetty to hand over the approval of the appointed service provider, OMT, in order for them to engage further with OMT (See EXHIBIT SCM 28).

Alleged interference by CFO In the procurement process

1386. We consulted with Ms Senkoto, who informed us that she was instructed by Ms Velile Ndlovu (CFO) that the RFQ relating to an appointment of a service provider for psychometric testing and MIE should not follow the normal procurement processes, in order to secure OMT as the preferred service

- provider. She was further assured that Mr Semenya also supported this unofficial deviation from procurement process.
1387. Ms Senkoto informed us that she was requested by the CFO to meet her at Gallagher Convention Centre where she was instructed to ensure OMT is appointed notwithstanding other bidders who may be less expensive.
1388. When we consulted with Ms Ndlovu, she disputed the version of Ms Senkoto and stated that, in fact Ms Senkoto joined by Ms Mphuthi were in Mr Semenya's office late in the day, having some conversation that she (Ms Ndlovu) later learned was about the psychometric (vetting) company appointment. She reiterates that she was not party to discussion or decisions that resulted from that meeting.
1389. In consultation with Ms Senkoto, she informed us that she had met the CFO and later informed Ms Mphuthi of what was requested of her, where Ms Mphuthi advised her that she should request that the CFO and Mr Semenya's instruction should be in writing. According to Ms Senkoto, Ms Mphuthi further coerced her to depose to an affidavit to include matters where she is asked to flaunt SCM regulations, stating that such affidavit must be brought to her (Ms Mphuthi) for later use against management in order to protect Ms Senkoto.
1390. Ms Senkoto said she followed Ms Mphuthi's advice and requested the CFO to reduce that instruction in writing to grant herself some level of protection. Ms Ndlovu then communicated with her in a WhatsApp message, providing further instructions.
1391. The WhatsApp conversation was regarding the entity styled OMT to be assisted by Ms Ndlovu and Ms Senkoto to submit an adjusted quotation to offer services such as background checks, verifications and screening for the appointment of the Chief Executive Officer.
1392. On 22 August 2018 at 09h54, Ms Senkoto wrote to Ms Ndlovu that she tried to contact OMT in order to speed up the quotation submission process, however, she struggled to get hold of OMT, and requested Ms Ndlovu to provide an alternative contact number. In response, Ms Ndlovu said she would try. She later provided an email address named 'hendrik@evalex.com' in order for the Terms of Reference (TOR) to be sent via email.
1393. Ms Ndlovu followed up with Ms Senkoto on whether all was in order regarding the submission of the quotation. Ms Senkoto stated that the entity was "costly" and did not include "MIE" in their quotation. Ms Ndlovu replied that she will contact the service provider and revert to Ms Senkoto and continued to ask how much the quotation should be reduced by. At/around 15h08, Ms Senkoto writes to Ms Ndlovu to confirm that she has received the amended quotation following the instruction of Ms Ndlovu to reduce the cost.
1394. Ms Ndlovu informed Ms Senkoto to take the document to the 2nd floor for signature (around 15h09), following the signing of the document by Mr Innocent Ngenzi (Senior Projects Manager). She asked Ms Senkoto to hand over the process to Mr. Phumudzo Nethengwe (Board Secretary) at/around 16h56. The WhatsApp conversation ended at that point.

1395. During consultation with us, Ms Ndlovu stated that she was in fact in some national SETA conference, sitting next to Mr Semenya, being the day following the above meeting of Ms Senkoto, Ms Mphuthi and Mr Semenya. She noted that Ms Mphuthi was not at work on the day and that is why Ms Senkoto engaged in communication with her as the CFO. She further stated that Ms Senkoto used her (Ms Ndlovu's) phone as a conduit to speak to Mr Semenya at the time they both were at the SETA conference. Ms Ndlovu said she was only relaying the messages to Mr Semenya as they came from Ms Senkoto referring to the OMT matter.
1396. We directed certain written questions to Mr Semenya in this regard, to which he responded in writing that he was not in any manner involved with the appointment of OMT. He stated that he did not have any discussions/communications with SCM staff or with the CFO (Ms Ndlovu) relating to the appointment of OMT.
1397. He further responded that he had no interaction with OMT themselves in respect of their appointment and was not in any way whatsoever familiar with the entity OMT.
1398. The below is a screenshot of the WhatsApp conversation between the CFO and Ms Senkoto.
(Please note that the screenshot is partially duplicated).

[2018/07/17, 14:41:18] Velile Ceta: Messages and calls are end-to-end encrypted. No one outside of this chat, not even WhatsApp, can read or listen to them.

[2018/07/17, 14:41:18] Nthabiseng Senkoto: CFO

[2018/07/17, 14:41:26] Nthabiseng Senkoto: I'm outside

[2018/08/22, 09:53:34] Nthabiseng Senkoto: CFO

[2018/08/22, 09:53:54] Velile Ceta: Yebo

[2018/08/22, 09:54:31] Nthabiseng Senkoto: The company Organization and Management Technologies are not answering their phone

[2018/08/22, 09:54:47] Nthabiseng Senkoto: Do you maybe have another alternative number?

[2018/08/22, 09:55:16] Velile Ceta: Let me ask

[2018/08/22, 09:55:26] Nthabiseng Senkoto: They haven't sent their quote as yet.

[2018/08/22, 09:55:27] Nthabiseng Senkoto: Ok

[2018/08/22, 11:08:30] Velile Ceta: LRTS:
Sir, the guy who has to finalise the process is not here.
May you please send the quote to this email :
hendrik@evalex.com this will help speed up the process

[2018/08/22, 11:09:04] Velile Ceta: Use that email to send TOR

[2018/08/22, 11:09:43] Nthabiseng Senkoto: Will do

[2018/08/22, 13:21:46] Velile Ceta: Are u winning

[2018/08/22, 13:21:54] Nthabiseng Senkoto: No

[2018/08/22, 13:22:06] Nthabiseng Senkoto: They costly

[2018/08/22, 13:22:25] Nthabiseng Senkoto: And they didn't quote for MIE

[2018/08/22, 13:22:25] Velile Ceta: 😞

[2018/08/22, 13:23:18] Velile Ceta: Let me try

[2018/08/22, 13:23:31] Nthabiseng Senkoto: Ok thank you

[2018/08/22, 13:31:23] Velile Ceta: How much down

[2018/08/22, 13:32:55] Nthabiseng Senkoto: image omitted

Sir, the guy who has to finalise the process is not here.
May you please send the quote to this email :
hendrik@evalex.com this will help speed up the process
[2018/08/22, 11:09:04] Velile Ceta: Use that email to
send TOR
[2018/08/22, 11:09:43] Nthabiseng Senkoto: Will do
[2018/08/22, 13:21:46] Velile Ceta: Are u winning
[2018/08/22, 13:21:54] Nthabiseng Senkoto: No
[2018/08/22, 13:22:06] Nthabiseng Senkoto: They
costly
[2018/08/22, 13:22:25] Nthabiseng Senkoto: And they
didn't quote for MIE
[2018/08/22, 13:22:25] Velile Ceta: 🤔
[2018/08/22, 13:23:18] Velile Ceta: Let me try
[2018/08/22, 13:23:31] Nthabiseng Senkoto: Ok thank
you
[2018/08/22, 13:31:23] Velile Ceta: How much down
[2018/08/22, 13:32:55] Nthabiseng Senkoto: image
omitted
[2018/08/22, 13:32:55] Nthabiseng Senkoto: image
omitted
[2018/08/22, 13:34:10] Velile Ceta: Is this them
[2018/08/22, 13:34:45] Nthabiseng Senkoto: Yes, but
they didn't include MIE
[2018/08/22, 13:41:55] Velile Ceta: Ok
[2018/08/22, 15:08:32] Nthabiseng Senkoto: Done
[2018/08/22, 15:08:42] Nthabiseng Senkoto: Will bring
for signature
[2018/08/22, 15:08:46] Velile Ceta: Thank u
[2018/08/22, 15:09:02] Velile Ceta: We downstairs
second floor
[2018/08/22, 15:54:53] Velile Ceta: We back
[2018/08/22, 16:56:17] Velile Ceta: Hand it to
Nethengwr
[2018/08/22, 17:10:19] Nthabiseng Senkoto: Ok

1399. During our consultation with Ms Senkoto, she indicated that she informed Ms Mphuthi via telephone, of what transpired. However, both Ms Senkoto and Ms Mphuthi did not report the incident to the AA in writing as contemplated in terms of the PFMA Regulations of March 2005 (Regulation 16A, par. 8.5).
1400. In consultation with Ms Dlamini, she indicated that Ms Senkoto did not reveal to her what transpired in the background, including that OMT was allowed to submit an amended quotation after consulting with Ms Senkoto, however, she was only provided a finalised recommendation report for her to sign.
1401. We note that Ms Dlamini was copied on the email communication between Ms Senkoto and OMT. She was included in the email responses from OMT with the quotations sent after the closing time of 12h00, and no evidence of any concern raised by her was noted.
- Confirmation of additional charge In the original RFQ amount by OMT**
1402. On 22 August 2018 Mr Jason Mason Kullin wrote to Mr Nethengwe where he confirms the candidates to be vetted as three. The email aimed to clarify common understanding of the requirements by OMT as represented by Mr Kullin with Mr Nethengwe and Ms Chetty as the key role players representing CETA.
1403. We note that Mr Nethengwe requested for three (3) candidates to be vetted instead of one (1) candidate.
1404. We further noted that OMT had initially provided an RFQ that the cost of psychometric testing for CEO position was R12 500.00 per candidate. An RFQ sent by OMT via Email from one Munei Tshiovhe, dated 22 August 2018 at 12h39, included a handwritten (and scanned) attachment for Evalex 35 assessment with selection feedback, quoted at R12 500.00 excluding VAT.
1405. OMT was aware that the testing will be done on three (3) candidates, where each test was quoted R12 500, thus totalling R42 750.
1406. Both HR unit and SCM unit had the knowledge that psychometric testing will be done on 3 candidates.
1407. On 31 August 2018 OMT raised an invoice reference number INV0008805, for the three candidates at R12 500.00 per candidate, amounting to R37 500 excluding 14% VAT of R5 250.00, the total inclusive of VAT being R42 750.00. The invoice is addressed to Reference: Robert Semanya RobertS@ceta.co.za. We note that the invoice is not signed and stamped.
1408. The above invoice INV0008805 was in line with the requisition form number 2611 (See EXHIBIT SCM 15). We established that the invoice was never paid, prompting OMT to send a second invoice five months later, referenced number INV0010315 dated 24 April 2019.
1409. On 05 March 2019 Ms Senkoto noted that the invoice that had been received from OMT was for an amount in excess of the purchase order awarded to the supplier.
1410. She then requested a memo from Mr Nethengwe and Ms Swart authorising for that invoice to be paid. (See EXHIBIT SCM 32). The invoice dates and email indicate that she was referring to invoice number INV0008805.

1411. Accordingly, on 18 March 2019 Mr Robert Semenya drafted a memorandum to National Treasury and made a request for approval of invoice, for psychometric assessments conducted for the successful candidates for the CETA CEO position. (See EXHIBIT SCM 33).
1412. Mr Semenya's memo to Treasury for approval requested potential fruitless and wasteful expenditure to be condoned, however his request was denied. His memo was understood to be a deviation approval request as referred to by Ms Nokwanda Dube in her email to Treasury, attaching the memo.
1413. Par 9.1 of National Treasury SCM Instruction Note No 3 of 2016/17 states that:
"The Accounting Officer/Authority must ensure that contracts are not varied by more than 20% or R20 million (including VAT) for construction related goods, works and or services 15% or R15 million (including VAT) for all other goods and or services of the original contract value."
1414. On 29 March 2019 Ms Mphuthi informed Mr Nethengwe of the National Treasury response in relation to the request for the deviation and stated that National Treasury has declined to approve the deviation that was submitted as the request for deviation was only done after CETA had approved the appointed service provider to provide the required services for three people instead of one. She further clarified to Mr Nethengwe that the SCM will process the payment to the service provider for the provided services and the cost for the additional two individuals will have to be recovered from the person who gave the go ahead for the supplier to provide services for three individuals instead of only one (See EXHIBIT SCM 34).
1415. The financial implication of this was that the deviation will result in a total amount of R42 750.00 (incl. 14% VAT), for three people, to be approved for payment by CETA, which is more than what was quoted for (for one person) at R14 250.00 (incl. 14% VAT).
1416. We established that the original purchase order was for R21 620.00, however, the actual payment was R43 125.00 which is an amount more than double that of the purchase order. The protected disclosure by Ms Mphuthi refers to this RFQ being paid double as a result of some sort of corrupt action. However, we have not found any evidence supporting her view. As discussed above, the main reasons for the increased payment was as a result of the number of the candidates being three as originally indicated and was requested to be approved (email sent by OMT to Ms Senkoto) prior to any work being undertaken.
1417. The failure of Ms Senkoto, Ms Dlamini and Ms Mphuthi to properly address the request for approval for three candidates appears to have been the cause of the resultant confusion.
1418. Mr Nethengwe was subsequently held responsible for the difference in the amounts which was deemed to be unauthorised or wasteful expenditure.
1419. In our discussions with Mr Nethengwe, he stated that he took the fall for someone and acknowledged the debt. Ms Chetty was adamant that she did not play any role in the recruitment process of the CEO, notwithstanding her inclusion on the email communication.

1420. On 18 June 2019 Mr Nethengwe signed the acknowledgement of debt which had particulars that the additional costs were incurred for the procurement of a service provider to conduct psychometric evaluations and MIE verifications for three candidates for the CEO position. The additional costs were incurred over and above the quoted amount of R21 620, which was one individual. The total amount charged for three individuals the amounted to R42 750. The total amount Mr Nethengwe was held liable for is R21 130.
1421. We have determined that CETA Finance unit had discussions with SCM unit where they identified possible fruitless and wasteful expenditure and they decided to allocate these amounts as a "staff loan" in order to avoid registering it as fruitless and wasteful expenditure as required by section 9.1.5 of the National Treasury Regulations of March 2005, which states that:
1422. "...the amount of the unauthorized, irregular, fruitless and waste expenditure must be disclosed as a note to the annual financial statements."
- Conclusion on OMT appointment**
1423. According to Ms Dube, it is common practice for SCM to receive quotations written by hand.
1424. It appears that the request for MIE Services in respect of fifteen items, had a financial impact on the quotation received from the suppliers.
1425. The fifteen MIS services were not part of the original request by Mr Nethengwe nor was it eventually actioned by OMT, even though they quoted for it in their second approved quotation.
1426. We found the following in terms of the conduct of the SCM officials:
1427. The conduct of Ms Ndlovu is improper in that she instructed an SCM official to conduct unethical activities.
1428. The conduct of Ms Senkoto was improper in that she committed an act that she knew was unethical.
1429. The failure of Ms Senkoto, Ms Dlamini and Ms Mphuthi to properly address the request for approval for three candidates caused the confusion and the irregular appointment of OMT.

5.3.11.2 RFQ - Appointment of TNI Superlor General Trading to provide bodyguards/ protection services to the acting CEO.

1430. We were informed by Mr Kuzana that on 16 July 2018 around 17h00 he was summoned to the ACEO's office, where he found Ms Mphuthi, Ms Ndlovu and Mr Semenya.
1431. He said it was mentioned that Mr Semenya was believed to have received death threats and the SCM unit was requested to assist with sourcing security services urgently to mitigate the threat.
1432. Mr Kuzana informed us that Ms Mphuthi requested that he issues an RFQ as the SCM unit officials that deal with RFQs had already gone home. Mr Kuzana's proposal of generating a deviation memo to appoint Fidelity (as they

were the existing security service providers for CETA) was not accepted. It was claimed that the current security guards were perceived to be close to the former CEO, Ms Pilusa, and may not act impartially.

1433. His suggestion to deviate is quoted as follows:
- "my suggestion to deviate was informed by the national instruction note 3 of 2016/2017(preventing and combating abuse in the supply chain management system) which permit deviation by stating the following an emergency procurement may occur when there is a serious and unexpected situation that poses an immediate risk to health, life, property or environment which calls an agency to action and there is insufficient time to invite competitive bids."
1434. He was instructed to raise an urgent RFQ and advertise it on 16 July 2018 and close on 17 July 2018 at 14h00, which he said he was duly assisted with by Ms Mphuthi. Ms Ndlovu provided the specification as at that time there was no requisition submitted to the SCM unit. The approved requisition was said to have been submitted to Ms Senkoto the following day (17 July 2018).
1435. According to Mr Kuzana, Ms Ndlovu indicated in their meeting that the Chairperson of the Board, Mr Cele, will provide the specification.
1436. Ms Ndlovu, admitted to only signing the purchase order. As far as the other matters relating to meetings and communications with the chairperson and the ACEO are involved, she stated that she was not a party to. She however states that Mr Semenya and Ms Mphuthi were frequently in discussions about various matters concerning procurement.
1437. Ms Mphuthi denies that she was involved at all. According to Ms Mphuthi, it was Mr Kuzana, Ms Dlamini and Mr Semenya that colluded to award this bid to a predetermined service provider named Umshiya Security.
1438. In his written responses to us, Mr Semenya stated that he received death threats and reported the matter to the EXCO of the Board. The Board took a decision that protection services be procured for his protection whereafter a company by the name of Umshiya was appointed.
1439. He further stated that Umshiya failed to deliver the services they were appointed to deliver. SCM had to follow due process and cancel their appointment and appoint another service provider. TNI were then appointed.
1440. He stated that he does not know the details of the quotes and how they were increased. He denied that he issued any instructions in this regard.
1441. We were not provided with all relevant documentation for this RFQ, therefore our observations are based on verbal evidence from the interviewed parties.
1442. Our consultation with Ms Mphuthi and Mr Kuzana, both confirm that there were other bidders who could have been considered based on price as they were cheaper than Umshiya Security. We verified and confirmed that Ms Mphuthi was correct that, at the time of the appointment of Umshiya, the following bidders provided their price quotations as below:
- Tshambobo - R47 200.00;
 - Maberet Protection services - R164 070.00; and
 - Djaka Trading - R274 275.00.

1443. We could not be provided with the RFQ for the above and the evidence that the winning bidder actually provided their bid proposal. The report that we received had the following bidders, from which TNI Superior General Trading was appointed:
- TNI Superior General Trading - R300 000.00;
 - Tshidzok Consulting Services - R427 680.00;
 - Belscan - R431 550.00; and
 - Brand Awareness - R477 000.00.
1444. In our consultation with Ms Senkoto, she said that she was not aware of circumstances that lead to the appointment of Umshiya Security, however, she was part of the replacement of same with TNI Superior General Trading, following Mr Semenya indicating on 23 July 2018 that Umshiya failed to deliver, and they will not be paid.
1445. Ms Senkoto told us that she was asked by Mr Kuzana to meet with him outside in the car parking area, where she was informed of the discussion of "management" regarding the replacement of Umshiya Security with TNI, and that the PO must be amended to state that it was done on the 17 July 2018.
1446. She explained to us that the initial TNI quotation was for R100 000.00 of which she created a purchase order PO24522 for (on the 23 July 2018) but backdated it to 17 July 2018. The quotation was submitted to Ms. Mphuthi, who took it to Ms Ndlovu for checking and approval, then Ms Senkoto raised the PO, being the second PO with the same reference of PO24522 issued in respect of the appointment of Umshiya Security.
1447. We established that there were two quotations from TNI Superior General Trading dated the 16 July 2018 with quotation number, PR 254. The first being of R100 000.00 and the second was for R300 000.00.
1448. We received an anonymous letter indicating the below regarding the number of times the PO was generated:
- "...
The Purchase order was generated three times. First time it was 17 July 2018 when were appoint Umshiya, second time it was 23 July 2019 when were informed that Umshiya failed to deliver. We appointed TNA Superior on this date. The PO amount was R100 000.00 third time it was end of July 2018 TNA Superior was revised up to R300 000.00 this company had submitted for payment. I did not review the file for payment. The management said TNA Superior can submit a revised quotation and it was accepted. The PO was revised."
1449. The anonymous letter further indicated that the decision to backdate the purchase order was that of the Management (Ms Mphuthi, Ms Ndlovu and Mr Semenya), whereas Ms Senkoto was instructed to action same.
1450. In our consultation with Ms Senkoto, she admitted that she cut out the footer of the Purchase order so that it does not reflect that the PO was not generated on the 17 July 2018.

1451. The RFQ and the subsequent PO (PO24522) was awarded for the duration of three months at R100 000.00 per month.
1452. We analysed the payment records relating to TNI and determined the following:

Reference	Month	Order No	Unit Cost
GRV24569	August	PO24522	R26 400,00
GRV25176	August	PO24522	R39 600,00
GRV25814	October	PO24522	R39 600,00
GRV26422	November	PO26600	R57 200,00
GRV25176	August	PO24522	R100 000,00
GRV25814	October	PO24522	R100 000,00

Grand Total paid to supplier = R362 800,00

1453. Ms Senkoto informed us that she was instructed by Ms Mphuthi to go to the Police station and depose to an affidavit, relaying what transpired between her and Mr Kuzana in the cause of changing Umshiya Security and appointing TNI. She later explained that she handed the affidavit to Ms Mphuthi, who then took possession of it stating that she will use it later as protection "against management".
1454. Ms Mphuthi sent our team a copy of the first page of the said affidavit. She further stated that her statement of her involvement or explanation of what could have happened, is detailed in the "Formal Disclosure of improprieties pertaining to the violation of Procurement at the CETA" as provided by her.

5.3.12 Conclusions: SCM

1455. National Treasury Regulation 16A 6.3 (a) and paragraph 9.4.2 of the CETA SCM Policy of 2018/19 requires adverts of bids to be placed, giving prospective bidders at least 21 days to respond.
1456. In respect of some of the tenders investigated by us, we noted that the time given to bidders to respond was less than 21 days.
1457. In respect of all of the tenders that we investigated, it was noted that the tenders were not opened in public as required by the National Treasury Guide of February 2004, paragraph 4.10.
1458. The failure to open tender bids in public, as stated above, was as a result of the fact that the bid documents were kept in the office of the CFO, following an instruction conveyed by the CFO, Ms Velile Ndlovu, to the SCM officials. Ms Ndlovu claims that this was done as a result of an instruction from the former CEO, Ms Pilusa. Ms Pilusa denies that she gave such an instruction. Ms Mphuthi however stated that the matter was discussed with Ms Ndlovu in the office of Ms Pilusa and in the presence of Ms Pilusa and Mr Semenya.

1459. When SCM officials open bids in public they give assurance of the transparency of the process to bidders. With that removed, there may be room to tamper with the bid documents.
1460. The instruction to keep the bid documents in the CFO's office therefore impeded on the process of pre-evaluation and casts doubt that the documents may have been tampered with prior to evaluation.
1461. The failure to open bids in public was contrary to the provisions of Sec 217 of the Constitution of the RSA and Treasury Regulation 16A, par 3.2, which requires procurement to be conducted in accordance with an SCM system which is, amongst others, fair and transparent.
1462. In respect of some of the tenders investigated by us, we noted that the bid submission register was signed by one SCM official only. Such practice is in conflict with par. 9.5.4 of the CETA SCM Policy of 2018/19, which requires at least two officials to be present when the bid documents are opened and recorded in the bid submission register.
1463. We noted that this occurred in respect of the following bids:
- Bid No17- 2017/18 (Procurement of a panel of legal advisors.)
 - Bid No 23 of 2017/18 (Provision of IP MPLS Service), where the bid register was signed by Mr Kuzana only.
 - Bid No 25 of 2017/18 (Provision of LAN and VOIP service).
1464. In respect of some of the tenders investigated by us, it appears that the bid submission register was completed but not signed off by the official who completed the register. This leaves the register open to possible tampering. This occurred in respect of Bid No 15 of 2017/18 (Procurement of PPE for CETA learners).
1465. We noted that in respect of some of the tenders investigated by us, names of bidders were added to the bid submission register after the original closing off of the register through the signature of an SCM official at the bottom of the list. Such subsequent addition of bidders to the register creates doubt as to whether the bids in question were received regularly. This occurred in respect of Bid No 17 of 2017/18 (Procurement of a panel of legal service providers), where four bidders were added subsequent to the signing off of the register by Mr Kuzana.
1466. It was alleged by Ms Mphuthi that in respect of one tender the name of a bidder was added to the bid submission register by Ms Ndlovu after the completion of the register by the SCM officials.
1467. Only bids of the bidders recorded in the bid submission register are supposed to be evaluated by the bid committees of the CETA. We however noticed that, in some of the instances investigated by us, bids of bidders who were not recorded in the register were evaluated by the BEC. This occurred in respect of:
- Bid No 17 of 2017/18 (Procurement of a panel of legal service providers); and
 - Bid No 33 of 2017/18 (Procurement of ICT hardware).

1468. The CETA SCM Policy of 2017/18 requires, in paragraph 9.10.2 thereof that an SCM advisor should be present at meetings of bid committees to provide the committees with advisory and compliance services in respect of the evaluation and adjudication of bids. We noted that in respect of some of the tenders investigated by us, no such SCM advisor was present at the meetings of the BEC. This creates room for irregularities to occur and causes bid committees to operate without the advice of SCM practitioners.
1469. We noted that SCM advisors were not present at the bid committee meetings in respect of the following bids:
- Bid No 10 of 2017/18 (Appointment of service provider to adjudicate DG applications). (Second BEC meeting).
 - Bid No 11 of 2017/18 (Appointment of service provider to evaluate DG applications). (Both BEC and BAC meetings).
 - Bid No 13 of 2017/18 (Procurement of biometric system for learner administration). (Meetings of BSC and BAC).
 - Bid No 23 of 2017/18 (Provision of IP MPLS Service).
 - Bid No 25 of 2017/18 (Procurement of LAN and VOIP services).
 - Bid No 29 of 2017/18 (Procurement of promotional materials).
1470. In respect of one of the tenders that we investigated, we were informed by Ms Mphuthi that she did not attend the meeting of the BEC as she was intentionally misdirected to a wrong venue. (We noted that Ms Matsapola attended this meeting as SCM scribe.) (Bid No 17 of 2017/18 - Procurement of panel of legal services providers).
1471. In terms of the CETA SCM SOP and CETA SCM Policy, meetings of the bid committees are required to be recorded and minutes are required to be kept. We were informed that SCM officials are required to attend the meetings as scribes.
1472. In respect of some of the tenders investigated by us, we noted that some of the meetings of bid committees were not attended by an SCM official as scribe and that consequently no minutes of such meetings were taken. This occurred in respect of the following bids:
- Bid No 4 of 2017/18 (Development of CETA accredited qualifications).
 - Bid No 6 (Procurement of MIS provider)
 - Bid No 10 of 2017/18 (Procurement of service provider to adjudicate DG applications).
 - Bid No 10 of 2018/19 (Procurement of Grade B building).
 - Bid No 23 of 2017/18 (Provision of IP MPLS service).
 - Bid No 25 (Procurement of LAN and VOIP service).
 - Bid No 33 (Procurement of ICT hardware).
1473. In respect of Bid No 10 of 2018/19 (Procurement of a Grade B building), investigated by us, we were informed that the SCM scribe (Ms Matsapola)

- was instructed by the Chairperson of the BEC to delete from the minutes a reference to the fact that it was stated in the meeting that the procurement of this item was to be done "through WITS".
1474. The CETA SCM SOP provides for segregation of the different bid committees.
1475. We were informed that it is the practice that the Chairperson of the BEC should also initially attend the BAC meeting in order to present the report of the BEC and that he should then be excused from further participation.
1476. We were however informed that in respect of a number of the tenders that we investigated, the Chairperson of the BEC would attend the meeting of the BAC but would then not be excused but instead remained in the meeting and, in some instances, even participated in deliberations of the BAC meeting. We noted that this occurred in respect of the BAC meetings relevant to various bids. The relevant BEC chairpersons were Mr Jiyane (various bids) and Mr Semenya.
1477. The failure of chairpersons of the BEC to excuse themselves from BAC meetings, nullifies the intended segregation of the committees, and, given the seniority of such persons may have had the effect of intimidating BAC members or limiting frank and open discussion amongst BAC members.
1478. In respect of tenders, it is often a requirement that prospective bidders should attend a compulsory briefing session prior to submission of their bids. An attendance register is kept at such meetings. In instances where bidders do not attend such compulsory briefing sessions, it is practice for such bidders to be disqualified at the initial compliance checking stage.
1479. In respect of some of the tenders investigated by us, we noted that bidders did not attend the compulsory briefing sessions, but their bids were nonetheless considered and evaluated. This occurred in respect of the following bids:
- Bid No 3 of 2017/18 (Procurement of CETA accredited providers)
 - Bid No 23 of 2017/18 (Provision of IP MPLS service).
 - Bid No 25 (Procurement of LAN and VOIP service).
1480. Where bidders who do not comply with compulsory bid requirements such as the above, are not disqualified, it follows that the officials involved in considering such bids do not act in a fair manner as required of them by Treasury Regulation 16A, paragraph 8.1 (b). The proceedings where such bids are considered and not disqualified can also not be said to have taken place in accordance with a supply chain management system that is, amongst others, fair and equitable, as required by National Treasury Regulation 16A, paragraph 3.2.
1481. In respect of some of the tenders investigated by us, we noted instances where some bidders did not attend the compulsory briefing sessions (or were not included in the attendance registers of the said briefing sessions), however the BEC stated in their report that all bidders attended the compulsory briefing sessions. This happened in the following instances:
- Bid No 3 of 2017/18 (Provision of CETA accredited providers).

- Bid No 25 of 2017/18 (Provision of LAN and VOIP service).
1482. The statements in the BEC reports that all bidders attended the compulsory briefing sessions, constitute misrepresentation by the BEC.
1483. When tenders are issued, bidders are to comply with the bid requirements, which included the full and proper completion of all (SBD) bid documents. When bidders do not comply with this requirement, it is practice that they are disqualified at the compliance checking stage and that such bids are excluded from further consideration.
1484. In a number of tenders that we have investigated, we noted that some bidders have not properly completed certain required (SBD) bid documents. However the said bidders were not disqualified from further consideration for the bids. This happened in respect of the following bids:
- Bid No 3 of 2017/18 (Provision of CETA accredited providers).
 - Bid No 4 of 2017/18 (Development of CETA qualifications).
 - Bid No 6 of 2017/18 (Provision of MIS service).
1485. Where non-compliant bidders are not disqualified, it follows that the officials involved in considering such bids do not act in a fair manner as required of them by Treasury Regulation 16A, paragraph 8.1 (b). The proceedings where such bids are considered and not disqualified can also not be said to have taken place in accordance with a supply chain management system that is, amongst others, fair and equitable, as required by National Treasury Regulation 16A, paragraph 3.2.
1486. In respect of some of the bids investigated by us, where some bidders did not properly complete the mandatory (SBD) bid documents, we noted that the BEC reports stated that all bidders have completed the required bid documents. This occurred in respect of the following bids:
- Bid No 3 of 2017/18 (Provision of CETA accredited providers);
 - Bid No 4 of 2017/18 (Development of CETA qualifications); and
 - Bid No 6 of 2017/18 (Provision of MIS service).
1487. The statements in the BEC reports that all bidders completed the required bid documents, constitute misrepresentation by the BEC.
1488. In respect of Bid No 17 of 2017/18 (Provision of a panel of legal service providers), we were informed by Ms Mphuthi that a re-scoring of the bids occurred which had the effect of excluding certain bidders who have previously been selected, based on the initial scoring. This further had the effect that some bidders were subsequently awarded the bids who were not initially successful (after the initial scoring).
1489. In respect of Bid No 18 of 2017/18 (Provision of alarm and armed response), we noted that the price of the bid documents of the successful bidder, was scratched out and replaced with the subsequent awarded price for the bid. Such altering of bid documentation is highly irregular and should not have been allowed by the BAC.
1490. In respect of Bid No 4 of 2017/18 (Development of CETA qualifications) we noted that there was no contract or letter of appointment on file in respect of

- the successful bidder. This is of concern, particularly given the high value of the awarded bid (R 47 million).
1491. In respect of Bid No 12 of 2017/18 for the appointment of Internal Auditors, we noted that the CFO, Ms Ndlovu, was the requestor of the service. Despite the aforementioned she also participated in the adjudication of the bid.
1492. In respect of Bid No 23 of 2017/18 (provision of IP MPLS service), we were informed by Ms Matsapola that a re-scoring of the bids was performed which prejudiced EOH and advantaged Singatel t/a Net15, despite the fact that Singatel was not recorded in the bid submission register.
1493. National Treasury Regulation 16A, paragraph 8, provides for role players in a supply management system to comply with the highest ethical standard and guard against the abuse of such system. To this end paragraph 8.5 provides that "An official in the supply chain management unit who becomes aware of a breach of or failure to comply with any aspect of the supply chain management system must immediately report the breach or failure to the accounting officer or accounting authority, in writing."
1494. We noted that in a number of instances role players in the CETA SCM system who became aware of breaches of the system did not report such breaches to the Accounting Authority. We note in particular that this was not complied with by Mr Kuzana and Ms Mphuthi in respect of various matters referred to above.
1495. The appointment of OMT by way of RFQ was irregular in that SCM officials were instructed to appoint OMT contrary to normal procurement procedures.
1496. The appointment of TNI Superior General Trading was effected irregularly through the backdating of a Purchase Order.

5.3.13 Recommendations: SCM

1497. We recommend that the CETA gives consideration to the institution of appropriate disciplinary action in respect of:
- (a) SCM officials who issued bids without giving the bidders 21 days to respond as required by National Treasury Regulation 16A 6.3 (a) and paragraph 9.4.2 of the CETA SCM Policy.
 - (b) SCM officials who failed to open bids in public as required by par 4.10 of the National Treasury Guide of 2004.
 - (c) Mr Kuzana in respect of instances where he completed and signed the bid submission register on his own in the absence of another official as required by par. 9.5.4 of the CETA SCM Policy of 2018/19.
 - (d) Ms Ndlovu in respect of the bid where she added names of bidders to the register after completion of the register by SCM, as alleged by Ms Mphuthi.
 - (e) members of the BEC who evaluated bids of bidders whose names were not recorded in the bid submission register, as set out in our report.
 - (f) members of the BEC who proceeded with BEC meetings in the absence of an SCM advisor, as indicated in our report.

- (g) members of the BEC who evaluated bids of bidders who ought to have been disqualified as a result of them not attending the compulsory briefing sessions, as indicated in our report.
- (h) members of the BEC who approved reports to the BAC stating that all bidders attended the compulsory briefing sessions, whereas some of the bidders did not in fact attend the said compulsory briefing sessions (in the instances as indicated in our report).
- (i) members of the BEC who evaluated bids of bidders who ought to have been disqualified as a result of them not having completed the prescribed (SBD) bid documents, as indicated in our report.
- (j) members of the BEC who approved reports to the BAC stating that all bidders have completed the prescribed (SBD) bid documents whereas some of the bidders did not properly complete the prescribed (SBD) bid documents, as indicated in our report.
- (k) SCM officials who were aware of breaches of the SCM processes and failed to report same to the Accounting Authority as required by par 8 of the National Treasury Regulations (Reg. 16 A 8).
- (l) Ms Ndlovu and Ms Senkoto who acted in an unethical manner in procuring the services of OMT as discussed in our report.
- (m) Ms Senkoto, who irregularly issued a purchase order for the appointment of TNI Superior General Trading, as indicated in our report.

1498. Where our above recommendations refer to categories of offences, we recommend that the details of individual offences be confirmed with our investigation team prior to the institution of charges against specific individuals.