

No report yet on missing millions

Inquiries by two independent bodies slammed as wasteful

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Premier Phumulo Masualle's office has been asked to hand over a damning report on school prefabs and roads to both the SIU and portfolio committee members.

Special Investigations Unit (SIU) deputy head Caroline Mampuru said this would help in recovering the R800m paid out for non-existent schools and millions more paid out for roads which were never resurfaced. Mampuru was addressing office of the premier (OTP) portfolio committee members in Bhisho on Tuesday.

The Dispatch reported a month ago that the OTP committee had asked President Cyril Ramaphosa to sign a proclamation for the Hawks to investigate where R800m meant to deliver prefabs to certain schools had gone.

The provincial department of public works was supposed to deliver the prefabs in the 2013-14 financial year but this never happened.

It emerged that another amount of R300m was paid for the construction of schools that were never built.

The other investigation related to a roads project which was also not done. Accounting before the committee in August, public works MEC Pemmy Majodina said the payments formed part of an investigation by a private forensic investigation company, iFirm.

But UDM MPL Thando Mpu-lu demanded answers as to why Majodina had assigned another company to investigate.

Portfolio committee members said it was high time the Hawks, which are conducting a parallel investigation, came before the committee and updated members.

Mampuru said forensic investigations were necessary but "they do not have access to certain things that we as the SIU have".

"So there must be constraints for them to do such things as government payment systems. What we can do is to get the full report that Treasury has done and then we can take it from there."

She said the SIU had a unique mandate in that they were able to institute civil proceedings after an investigation. "So the question that you are raising, which is where the money is, the SIU is able to follow the money with the individuals and the companies that have this money. We might run into some difficulties depending on when

the departments were made aware of this. But those are things we can assist with and be able to brief this committee so that it can address these issues," said Mampuru.

The gross irregularities were uncovered following a National Treasury investigation.

Public works then assigned iFirm to do another probe.

But portfolio committee members were critical of this move, saying such repetition was wasteful expenditure.

Committee chairman Sicelo Gqobana and the UDM's Thando Mpu-lu questioned why the state had instituted two forensic investigations one after the other, yet still not a single report had been tabled in full before the committee.

Gqobana said: "How much has iFirm recovered from these individuals? That is the type of report we need. What is KPMG saying? If you go to OTP you will be told that commissioning KPMG to do an investigation was a useless exercise, that is why they opted for iFirm."

"Is that true? If it is true, that is wasteful expenditure. We must clarify why you had to use

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COMMITTEE CHAIRMAN

KPMG and iFirm at the same time," he added.

"We are talking about R800m but these schools were not (built), but service providers were paid their money. The Eastern Cape is known as a milking cow. It's a very sad situation," said Gqobana.

Acting director general Hanna Ntshingila apologised for failing to table full copies of the Treasury report and a detailed update on the followup investigations into the cases.

"I want to apologise for not providing a quality report. I was not sure whether it would be OK to discuss this in front of all of us as officials," she said.

But Gqobana cut her short, saying she should not make excuses because he was always available to discuss any sensitive matter which needed to be discussed in-camera, should facts dictate so.

The committee recommended that Hawks officials be invited to the next committee meeting to give an update on their investigations. "We have to get these details from the Hawks so that we are able as an oversight body to make informed decisions," he said.