

PRESS STATEMENT ON THE SECURITY UPGRADE IN NKANDLA

PRETORIA 27 January 2013.

A year ago, I as Minister of Public Works, announced a turnaround strategy to improve the department's governance systems and delivery models. Part of this was to deal with corruption and maladministration in the department.

Since the commencement of this process, various malpractices around non-adherence to supply chain, financial regulations and controls were uncovered. When reports surfaced around the security upgrade at President Jacob Zuma's private residence at Nkandla, this propelled the department to launch a probe. It is not a standard practice to comment on the security arrangements of members of the executive; however we deemed it necessary to inform the public about this upgrade without compromising any security arrangements.

Let us upfront state that, the private Nkandla residence of President Zuma, like the residences of former Presidents and former Deputy Presidents have been declared national key points in terms of the National Key Point Act, 1980. Therefore any information relating to security measures undertaken at a national key point is protected from disclosure in terms of this Act.

In November last year, I announced the establishment of a task team to investigate the matter. The team has concluded its investigation and we are here, to report on the findings as well as the way-forward.

Task Team Terms of Reference

The task team's terms of reference are summarised as follows:

- 1.1. to establish whether President Zuma's Nkandla residence was declared a national key point and, if so, the process followed thereof;
- 1.2. to ascertain in detail the security assessments and recommendations made by the state security agencies, like the South African Police Services (SAPS), South African National Defence Force (SANDF) and other statutory role players in respect of the provision of security measures at the Nkandla Residence;
- 1.3. to determine in detail any other recommendation(s) made by statutory entities on the security upgrades of the Nkandla residence on non-security aspects (i.e. improvements proposed that were not related to the securing of the residence);
- 1.4. ascertain whether supply chain prescripts were followed in the procurement of services in this project;
- 1.5. ascertain whether there were any deviations from the above; and
- 1.6. determine whether deviations from the above were in accordance with the legal and procedural prescripts.
- 1.7. was further required to make any recommendations it deems necessary to assist the Department to consider appropriate action.

The scope of the investigation

- In May 2009 after the inauguration of President Zuma, the Department of Public Works in line with its obligation to effect security measures at the President's private residence which is regularly used by the President, became involved in the Nkandla residence.
- The responsibility of Public Works, in this regard is contained in the Ministerial Handbook and the Cabinet Decision of 20 August 2003 which is now known as the Policy on Security Measures at Private Residences of the President, Deputy President and former Presidents and Deputy Presidents.
- The Ministerial Handbook requires the Minister of Public Works to implement, in conjunction with the SAPS the recommended security arrangement at privately owned residences of various public officials. The Cabinet decision or Policy of 20 August 2003 referred to above, deals with the process according to which the SAPS and the Department of Public Works would investigate, fund and maintain security measures at the private residences of the President, Deputy President, former Presidents and former Deputy Presidents.
- Furthermore in terms of the policy, the main consideration shall be to ascertain to what extent the safety of the President, Deputy President, former Presidents or Deputy Presidents or their immediate families including their personal property, is compromised as a direct result of the public position or

previously held. An evaluation by the security cluster must be done and be based on the findings of that analysis.

- After the assessment, a proposal on appropriate security measures that should be put in place by the State shall be submitted to Public Works which shall then prepare cost estimates of the proposed structural security measures and implement such measures as recommended. Public Works' obligation is to implement recommendations by the security cluster

The task team confirmed that the President's residence, like other residences of former Heads of State, was duly declared a National Key Point on 8 April 2010.

It is important to note that the investigation found that in 2008, before President Zuma became the President of the Republic of South Africa his residence was already undergoing renovations, including construction of other buildings. The security assessment by the security agencies, amongst others, included measures such as:

- Physical security system
- Evacuation mechanism
- Fire-fighting capabilities
- In addition to the above, the security assessment dealt with the operational needs of national departments which included amongst others, medical facilities and accommodation.

Task Team findings

Below are the findings of the task team:

- that there is no evidence that public money was spent to build the private residence of the President or that any house belonging to the President was built with public money.
- The investigation has further revealed that 15 service providers including consultants were contracted by the Department of Public Works to render various services ranging from bullet proof windows, security fence construction and many other services.
- The Supply Chain Management Policy of the Department of Public Works requires compliance with the principles of fair, equitable, transparent, competitive and cost effective process throughout acquisitions of goods and services. Without dealing in detail with each and every specific appointment, the investigation has found that the Supply Chain Management policy and prescripts were not fully complied with in procurement of goods and services in the project. As an example, the Treasury Regulations allow for a variation from an initial procurement order only up to 20%. However, in this case this was not observed.
- The investigation revealed that an approval was granted to the regional Bid Adjudication Committee (BAC) to adopt a negotiated and nomination procedure in appointing contractors despite this being a national project.
- It is very clear that there were a number of irregularities with regards to appointment of service providers and procurement of goods and services.

- The security upgrades done at the Nkandla residence amount to R71 212 621.79, including consultancy fees.
- The operational needs for state departments amounted to R 135 208 022. 58, including consultancy fees.
- The investigation have found that the amount paid by the state to date is R206 420 644.37.
- Included in the total cost is the amount of R26 677 240.46 which constitute variation orders for the whole project.

Way-forward

We took this unprecedented approach to inform the public about this specific project, to quell some of the misconceptions which have been falsely peddled in the public space. As we mentioned at the beginning, we do not disclose any security measures pertaining to the National Key Points as required by law.

As a way forward, we have decided on the following actions:

- In view of the irregularities found by the task team, the report will be referred to the law enforcement agencies, including Special Investigation Unit (SIU), Auditor General (AG) and South African Police Service (SAPS), with a view to investigate any possible acts of criminality.
- If there are any professionals who are found to have acted unethically will be reported to their respective professional bodies.

- to institute immediate disciplinary measures on implicated government officials where policies and procurement procedures have been flouted.
- Department of Public Works review as a matter of urgency the financial delegation of the Bid Adjudication Committee for any National Key Points.

Thank you.

Enquiries

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