

**REPORT FOR FORENSIC INVESTIGATION ON
MALADMINISTRATION AND IRREGULAR
ACTIVITIES AT THE CATERING SCHOOL**

FEBRUARY 2021

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IRREGULAR ACTIVITIES AT THE CATERING SCHOOL**

Sedupe and Metja Consulting (Pty), hereinafter referred to as "S&M" is pleased to submit the report to the Department of Defence, hereinafter referred to as the "DoD", for the aforementioned investigation.

This report is strictly private and confidential and only intended for the user and/or addressee. The report is not intended for, nor may it be relied upon by any third party except for circumstances authorized by the DoD in consultation with us.

In this report, we have presented our findings based on the information made available to us during our investigation and up to the date of this report. However, should it come to our attention that material or certain information was not disclosed to us for whatever reasons, or was not available at the time of writing this report, or additional information is brought to our attention, our conclusions and findings may be adjusted to the extent of that additional information.

For any queries and questions regarding the information contained in this report, please do not hesitate to contact Mr. Boikanyo at mogomotsi@sedupemetja.co.za.

Yours faithfully,

Mogomotsi Boikanyo
Director

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Abbreviations, definitions and acronyms used in the report

1. Entities

- NT National Treasury
- S&M Sedupe and Metja Consulting (Pty) Ltd
- DoD Department of Defence

2. Individuals

- Shaik-Latiff Lieutenant Colonel Shaik-Latiff, Officer Commanding, Department of Defence
- Munzhedzi Major K.H. Munzhedzi; Acting Officer Commanding, Department of Defence
- Madingwana Colonel H. Madingwana, Procurement Section; Department of Defence
- Monehi Private B.A Monehi, Procurement Section, Department of Defence
- Makgae Private P.D Makgae, Procurement Section, Department of Defence
- Masongwana Private Masongwana, Company Secretary, Department of Defence
- Kholoane Private. Kholoane, Procurement Section; Department of Defence
- Morakwane Private Morakwane, Procurement Section, Department of Defence
- Wesi Ms N. Wesi, Procurement Section, Department of Defence

Abbreviations, definitions and acronyms used in the report (continued)

3. Other

■ AOC	Acting Officer Commanding
■ BOARD	Board of Inquiry
■ Col	Colonel
■ Lt	Lieutenant
■ Lt Col	Lieutenant Colonel
■ DOD	Department of Defence
■ FA	Financial Authority
■ LEGSATO	Legal Satellite Office
■ NT	National Treasury
■ OC	Officer Commanding
■ Pte	Private
■ Cpl	Corporal
■ PFMA	Public Finance Management Act
■ PPPFA	Preferential Procurement Policy Framework Act
■ SCM	Supply Chain Management

4. Suppliers

■ Selem	Selem Construction
■ Ngwatladi	Ngwatladi Trading Enterprise
■ Alanka	Alanka Fabrics
■ Molatlhegi	Molatlhegi Marketing (Pty) Ltd

■ Patmola	Patmola Projects CC
■ Busukulunga	Busukulunga Construction and Projects CC
■ Lonfin	Lonfin Trading 112 (Pty) Ltd
■ GRS	GRS Tacho & Automotive CC
■ Koketso	Koketso Waka Trading CC
■ Fense	Fense Construction Development and Projects CC
■ Swartkop	Swartkop Catering and Consumable Supplies CC
■ M.L Nkosi	M. L Nkosi Electrical CC
■ Matsha	Matsha's Business Enterprise CC
■ Condralesa	Condralesa Trading CC
■ YIT	Yenani Imsizwa Trading and Projects CC
■ Kancho Dodo	Kancho Dodo Construction Enterprise CC
■ Tekkies	Tekkies Business Enterprise (Pty) Ltd
■ 0001 Konsultant	0001 Konsultant Beperk CC
■ Ndivho	Ndivho General Maintenance and Supply CC
■ Labeni	Labeni Electrical and General Trading (Pty) Ltd
■ Mathimahle	Mathimahle Construction Enterprise CC
■ MBHM	MBHM Engineering and IT Services CC
■ Striving Minds	Striving Minds Trading 40 CC
■ Joyabi	Joyabi Construction Enterprise CC
■ Dichaba Kopano	Dichaba Kopano Trading (Pty) Ltd
■ Kagomoremi	Kagomoremi Trading Enterprise (Pty) Ltd
■ Blackstone Edge	Blackstone Edge Communication CC
■ Mega	Mega Works Trading Enterprise CC
■ Melissa	Melissa Construction and Projects CC

■ Hlungwani	Hlungwani Maintenance CC
■ Leatile	Leatile Construction and Projects CC
■ Ditebogo	Ditebogo Holdings (Pty) Ltd
■ Kagisano	Kagisano Ya Ma'afrika CC
■ Tshepiso Mbokodo	Tshepiso Mbokodo Trading Enterprise (Pty) Ltd
■ Estherlicious	Estherlicious General and Projects (Pty) Ltd
■ Wiskus Trading	Wiskus Trading and Projects (Pty) Ltd
■ Knowledge Const	Knowledge Construction Fruit and Verge CC
■ Mercedes Benz	Mercedes Benz Commercial Centurion
■ Tarynedd	Tarynedd Business CC
■ Shibe	Shibe Trading (Pty) Ltd
■ S&B	S&B Delivery Services CC
■ Dzili	Dzili Development CC
■ Chineyere	Chineyere Chika Trading (Pty) Ltd
■ Abbillicious	Abbillicious Supply and Trading (Pty) Ltd
■ Baha	Baha Transport CC
■ Kechi	Kechi Trading & Projects (Pty) Ltd
■ La Hlabala Hlwele	La Hlabala Hlwele Trading (Pty) Ltd
■ Hlamehlungeni	Hlamehlungeni Construction Enterprise (Pty) Ltd
■ Perfect Chika	Perfect Chika Trading and Projects (Pty) Ltd
■ Overdriver	Overdriver Trading and Supply Pty Ltd (Pty) Ltd

1. BACKGROUND

- 1.1. The DoD Board of Inquiry conducted an inquiry during March 2014 regarding the procurement processes followed in the provision of maintenance and repairs at the DoD's School of Catering by approximately forty-three (43) service providers.
- 1.2. The DoD's LEGSATO provided remarks, dated May 2014, that an independent audit needs to be conducted in order to find out what transpired relating to the procurement processes followed, and whether there are no outstanding amounts to be paid to the suppliers by the DoD.
- 1.3. Pursuant to the above, the DoD appointed S&M to conduct a forensic investigation in respect of the alleged maladministration and irregular activities at the School of Catering.

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2. PURPOSE AND OBJECTIVES OF THE REPORT

2.1 The purpose of this report is to inform the DoD of the following:

- The background to the investigation;
- Our approach;
- The investigation and procedures performed;
- Any assumptions made and estimates applied;
- Our factual findings in respect of the investigation; and
- Our conclusions are based upon our factual findings.

2.2 The primary objectives of S&M's assignment were to:

- (i) To conduct an audit in order to determine what transpired relating to the procurement processes followed during the period 2013/14, and whether there are outstanding payments to be effected by the DoD.
- (ii) To investigate the extent of the loss to the State.
- (iii) To identify any suppliers who participated in the irregular procurement practices.
- (iv) To investigate the names of suppliers who appear on the list but have no outstanding claims against the State.
- (v) To ascertain whether there are major discrepancies/differences in amounts reflected on outstanding payment lists.
- (vi) To verify the fact that service providers are permitted to conduct work without a Government Order.
- (vii) To investigate how the Acting Officer: Commanding was appointed and what formalities were followed to appoint the member.

- (viii) To provide organizational guidelines and recommendations to prevent same occurrence.
- (ix) To assess if approvals took place at the right levels in terms of the Delegation of Authority and National Treasury prescripts.
- (x) To interview individual(s) considered to have information relevant to the investigation; and
- (xi) To report on our factual findings and to substantiate these with full exhibits and documentary evidence.

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3. APPROACH AND PROCEDURES PERFORMED

3.1 We took cognizance of the relevant legislation, policies and procedures and guidelines.

3.2 We, inter alia, obtained and reviewed copies of the following:

- Board of Inquiry Report of 20 March 2014;
- Annexures and evidence of the Board of Inquiry;
- Government Orders;
- Suppliers' tax invoices;
- Log support formation form;
- JDP ACQ3 2004 Ed1;
- DODI ACQ2 1999 Ed 2, and
- Preferential Procurement Policy Framework Act (PPPFA).

3.3 We have interviewed the following DoD officials:

- Lieutenant Colonel Shaik-Latiff, Former Officer Commanding,
- Lieutenant Colonel K.H. Munzhedzi (Former Major); Former Acting Officer Commanding,
- Captain H. Madingwana (Major Candidate Officer), Procurement Section,
- Corporal B.A Monehi (Former Private), Procurement Section,
- Corporal P.D Makgae (Former Private), Procurement Section, and
- Corporal Masongwana (Former Private), Company Secretary.

3.4 We were not able to interview Ms N. Wesi, the Budget Manager; and Ms M. Fivas, the Finance Manager as they are no longer employed by the DoD.

3.5 We interviewed the directors/members of the below listed service providers:

- Labeni
- Joyabi
- Kagisano
- Estherlicious
- MBHM
- Blackstone Edge
- Tshepiso Mbokodo
- ML Nkosi
- 0001 Konsultante
- Fentse
- Striving Mind
- Molathlegi Trading
- Patmola
- Chingere
- Leatlile
- Hlamehlungeni
- Kancho

- Lonfin
- Ditebogo
- Knowledge
- Overdriver

Limitations

- 3.6 This report does not constitute a legal opinion and has been prepared solely for the purpose of the investigation and possible further action that may be contemplated. No part of this report may be quoted, referred to or disclosed, in whole or in part, other than to competent authorities in terms of due legal requirements, without our prior written consent.
- 3.7 We have relied on statements and documentary provided to us and we do not express any opinion on the authenticity of such documents. We however believe that nothing turns of these documents as lacking authenticity and therefore we conclude that reliance may be placed thereon as they should be treated as what they purport to be.
- 3.8 We reserve our rights to supplement or adjust this report should it transpire that certain information was not made available to us at the time of this investigation, which is material to this investigation.
- 3.9 Due to lapse of time, certain service providers did not recall or have knowledge of exactly what transpired during the concerned period or whether there were outstanding invoices.

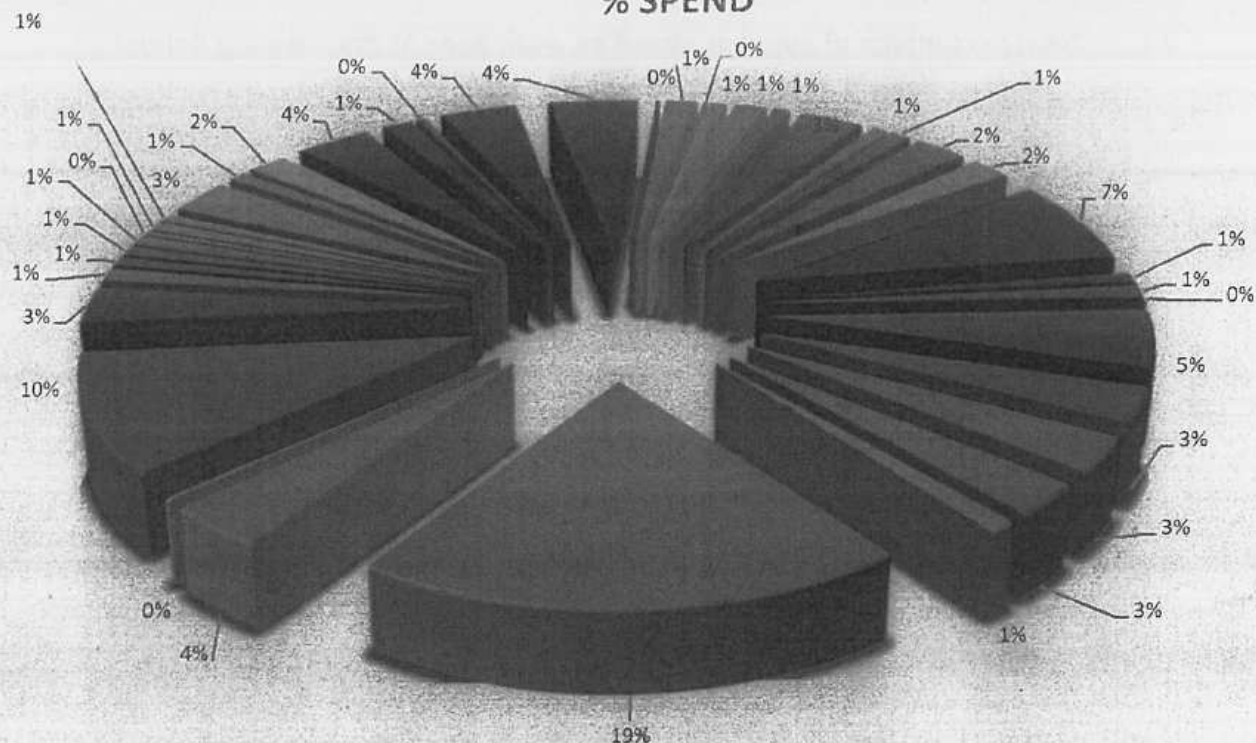
4. SCOPE OF OUR REVIEW

- 4.1. The scope of our review was determined by the purposes and objectives of our mandate, as recorded in paragraph 2.2 *supra*.
- 4.2. We have attempted to obtain all information relevant to our assignment, but cannot, at this stage, guarantee that all relevant documentation has been obtained, despite diligent effort on our part. Although every attempt has been made to identify all apparent irregularities, where applicable, we cannot guarantee that all or any such areas have been identified.
- 4.3. We were not required to, nor did we, undertake as part of the investigation, an audit in terms of Generally Accepted Audit Standards. The scope of our investigation was limited to a review of documents, information and data made available to ourselves.
- 4.4. Should further documentation and / or information exist, which was not divulged to us, for whatever reason, our findings and/or conclusions may be adjusted as dictated by such additional information and/or as may be deemed necessary.

5. SUMMARY OF FINDINGS

5.1. Total percentage of supplier spend on work done at the Catering School

- 5.1.1 Lieutenant Colonel Munzhedzi was the Acting Officer Commanding from 05 December 2012, when an amount of R3 995 404.29 was incurred by the Catering School for the period 2013/14 without the DoD's procurement procedures being adhered to.
- 5.1.2 It is noteworthy to indicate that Lieutenant Colonel Munzhedzi confirmed that he used the DoD's emergency repairs budget for repairs and maintenance in order to prepare the Catering School to obtain national accreditation for the school of chef, which according to him was achieved.
- 5.1.3 Lieutenant Colonel Munzhedzi had requested funds for maintenance and repairs; however, no approval was granted to him and he then took it upon himself to continue with the repairs and maintenance under the emergency procedures.
- 5.1.4 Consequently, the use of emergency procedures, without following the proper procurement policies and procedures resulted in an improper and irregular appointment of service providers.
- 5.1.5 The graph below demonstrates the total percentage spend by the DoD in this regard on service providers for work done at the Catering School during the 2013/14 period, without the DoD's due procurement procedures being followed.

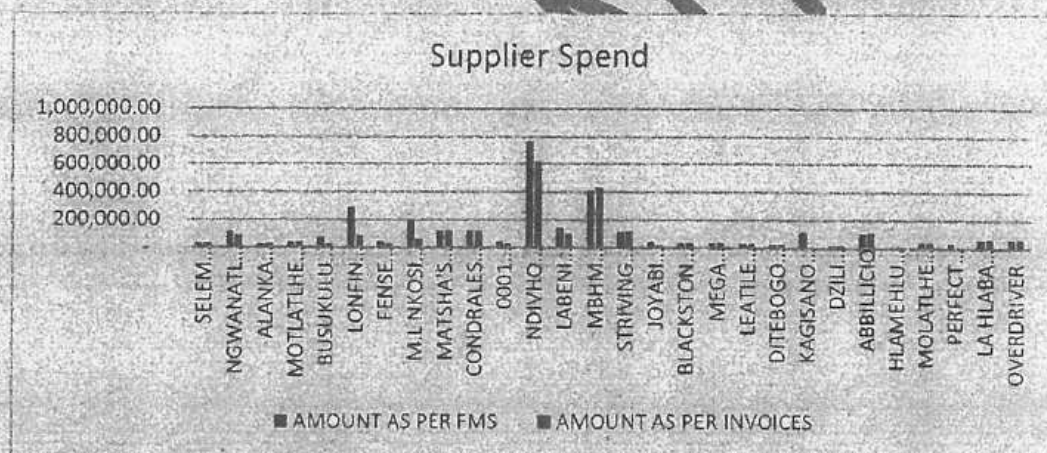


- NGWATLADI TRADING ENTERPRISE
- MOTLATLHEGI MARKETING
- BUSUKULUNGA CONSTRUCTION AND PROJECTS
- KOKETSO WAKA TRADING
- FENTSE DEVELOPMENT AND PROJECTS
- MATSHA'S BUSINESS ENTERPRISE
- KANCHO DODO CONSTRUCTION ENTERPRISE CC
- NDIVHO GENERAL MAINTENANCE AND SUPPLY CC
- MATHIMAHLE CONSTRUCTION ENTERPRISE CC
- STRIVING MINDS TRADING 40 CC
- KAGOMOREMI TRADING ENTERPRISE (PTY) LTD
- MEGA WORKS 155/ MEGA WORKS TRADING ENTERPRISE
- LEATILE CONSTRUCTION AND PROJECTS
- KAGISANO YA MA'AFRIKA
- ESTERLICIOUS GENERAL AND PROJECTS
- S&B DELIVERY SERVICES OF WHOM STEVEN MOKOKA IS THE OWNER
- CHINEYERE CHIKA TRADING
- KECHI TRADING & PROJECTS
- HLAMEHLUNGENI CONSTRUCTION ENTERPRISE
- OVERDRIVER SUPPLY AND TRADING (PTY) LTD

5.2 Discrepancies between the FMS report and the invoices reviewed

5.2.1 According to the reviewed FMS report, an amount of R3 995 404.29 was paid to service providers, however, the invoices provided and considered amounted to R3 039 437.13, meaning that the difference of R995 931.16 related to payments that were made but not supported by invoices.

5.2.2 The graph below demonstrates the total supplier spend by the DoD during the 2013/14 period. The graph further indicates that Ndivho had the highest number of invoices and payments made, as it was given more working opportunities. After conducting a director search, it was determined that Ms Elaine Matlodzi-Mashila is the director of Ndivho, Labeni and Abbilicious. Through further investigation we confirmed that she was a former director to Knowledge Solutions Enterprise.

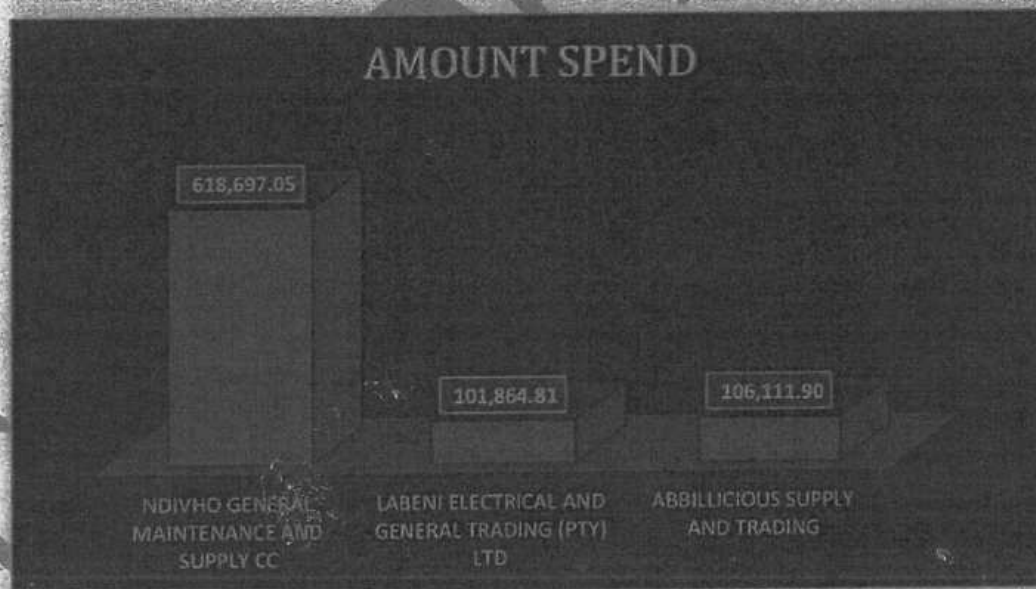


5.2.3 The table below indicates the differences between FMS payments and invoices for Ndivho, Labeni and Abbilicious. The total amount of R253 989.34 relates to payments which were not supported by invoices.

Name of the Company	Amount as per FMS Report	Amount as per Invoices	Difference
Ndivho General Maintenance and Supply	765 606.73	618 697.05	146 909.68
Labeni Electrical and General Trading	143 717.57	101 864.81	41 852.76
Abbilicious Supply and Trading	175 664.80	110 437.90	65 226.90

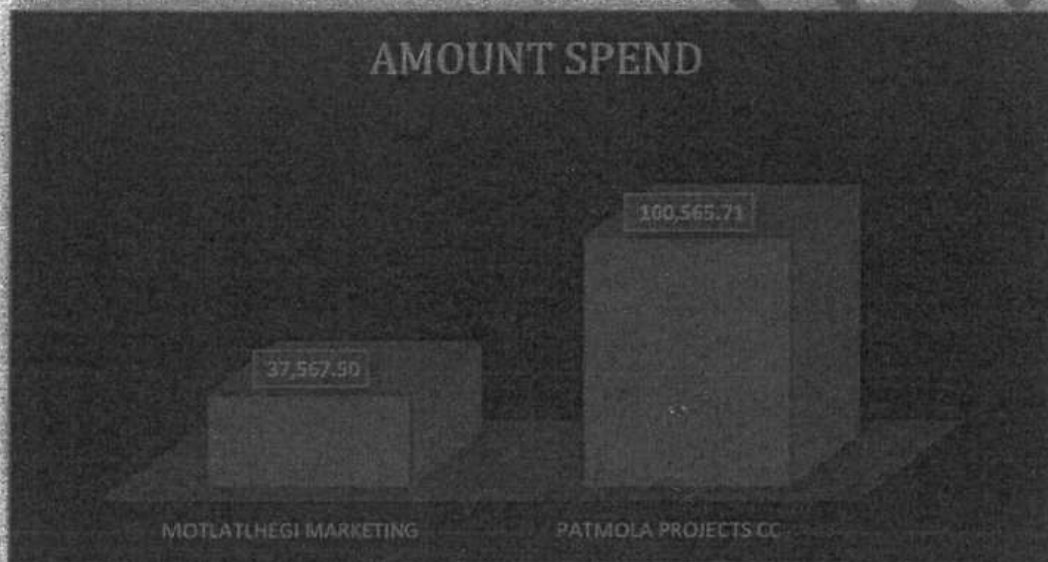
Total	1 084 989.10	830 999.76	253 989.34
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- 5.2.4 Knowledge, of whom Ms Elaine Mathodzi Mashila is the former director thereof (and currently the director of Ndivho; Labeni and Abbilicious), also had payments that are not supported by invoice/s.
- 5.2.5 Furthermore, Dzilivhulwani Mashila is a former director of Labeni and is the current director of Dzili, meaning that Ms Elaine Mathodzi Mashila and Mr Dzilivhulwani Mashila were both directors of Labeni.
- 5.3 Graph illustrations of the Companies that did work for the Catering School for the period of 2013/14, which companies have the same directors/members.



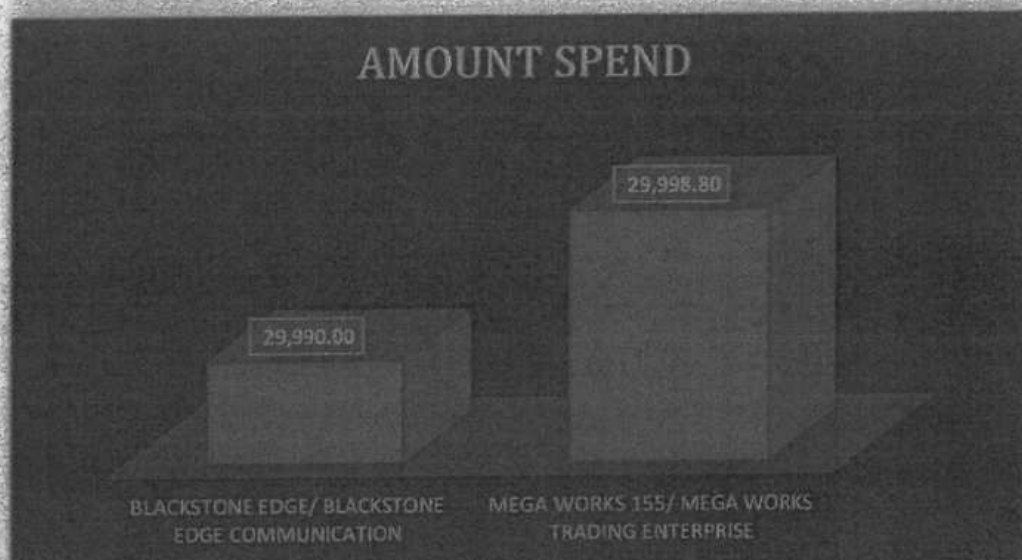
- 5.3.1 The graph above indicates the total amount of R 830 999.76 which was paid to Ndivho, Labeni and Abbilicious.

- 5.3.2 Probity searches conducted indicated that Ms Patricia Salaminah Molatlhegi is an official at the DoD, and she is the current director/member of Molatlhegi Marketing and Patmola, two of the suppliers that rendered the services at the Catering School. Ms Molatlhegi has been with the DoD from May 2012.

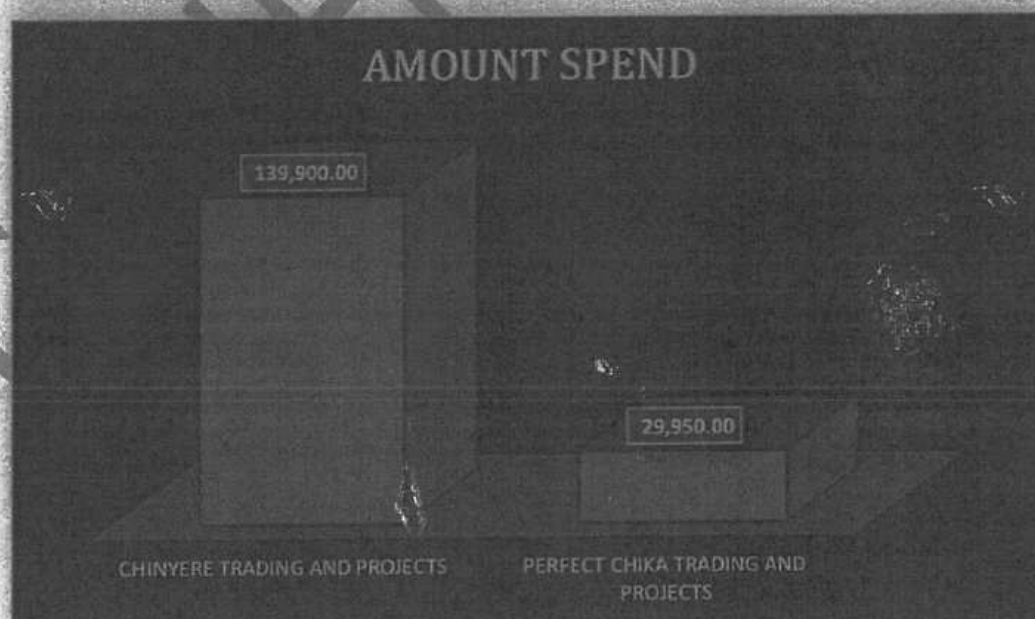


- 5.3.3 According to the Invoices considered, a total amount of R138 133.21 was paid to Molatlhegi Marketing and Patmola, and the difference of R2 991.00 relates to payment which was not supported by invoice/s. The graph above indicates the total spend on Molatlhegi Marketing and Patmola.
- 5.3.4 According to FMS report, the total amount of R59 998.00 was paid to Blackstone Edge/Blackstone Edge Communication and Mega Works 155/Mega Works Trading Enterprise. Mr Itumeleng Hendrich Mashishi is the director for both these entities.

5.3.5 The graph below indicates the total invoices submitted by Blackstone Edge/Blackstone Edge Communication and Mega Works 155/Mega Works Trading Enterprise.



5.3.6 Chinyere Trading and Projects and Perfect Chika Trading and Projects have the same director namely, Adiele Tumelo Madume. An amount of R 169 850.00 was spent on these two service providers as indicated in the graph below.



5.4 Suppliers that rendered services and linked to DOD officials

5.4.1 The table below illustrates that Ms Molatlhegi, who is a director of two (2) companies that rendered services at the Catering School, is a DoD official, who has been in the employ of DoD since 12 May 2012.

Name of Company	Registration Number	Directors	Amount paid
Molatlhegi Marketing Pty (Ltd)	2003/055514/23	Patricia Salaminah Molatlhegi	R 37 567,50
Patmola Projects CC	2004/024927/23	Patricia Salaminah Molatlhegi	R 100 565,71

5.4.2 We conducted a telephone trace search based on cell phone numbers used on the suppliers' tax invoices and found the following:

- That Ms Molatlhegi is the mother to Ms Sebaga Mtambo, who is the director of Kagisano. The table below indicates the linked cell phone number:

Name of Company	Directors	Linked Cell number	Amount paid
Kagisano Ya Ma Africa	Sebaga Mtambo	083 239 1984	R 116 520,00

5.4.3 It is noteworthy to indicate that Melissa Construction and Project, whose director is Ms Melissa Makhutle, is married to Mr Simon Magwera Makhutle, a DoD official, who has been in the employ of DoD since 25 August 2009. The table below indicates the linked cell phone number:

Name of Company	Directors	Linked Cell number	Amount paid
Melissa Construction and Projects	Melissa Makhutle	082 416 5573	R 86 830,00

5.4.4 Furthermore, Mr Makhutle and Ms Makhutle share the same postal and residential addresses, which is: 14 Sam Leon, General Kemp, Thaba Tshwane, 0183.

5.5 Suppliers who appear on the list but with outstanding claims against the State

5.5.1 We performed the reconciliation between FMS report and invoices. ML Nkosi invoices was not paid in respect on one (1) invoice.

Tax invoice no	Tax invoice date	Amount incl. Vat
ML 006803	09 September 2013	R25 096.00

5.5.2 In an interview with the director of ML Nkosi, it was confirmed that the above invoice remains outstanding.

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5.6 Suppliers who participated in the irregular procurement practices

5.6.1 We interviewed Lieutenant Colonel Munzhedzi to ascertain if service providers are permitted to conduct work without the GO and he stated that, only in case of an emergency suppliers are allowed to provide the services without GO.

5.6.2 Furthermore, he informed us that suppliers who rendered maintenance and repairs were sourced under emergency procurement procedures, which procedures were nonetheless not complied with.

5.6.3 We noted that an amount of R2 712 334.82 was paid to suppliers that rendered services without GO's.

5.7 The appointment of the Acting Officer Commanding

5.7.1 We interviewed Lieutenant Colonel Munzhedzi to ascertain how was he appointed as an Acting Officer Commanding, and he informed us that his appointment was done on 05 December 2012, and that he was provided with the appointment letter at that time. However, we were not provided with the aforesaid appointment letter.

5.8 Verification of Supplier Bank Accounts

5.8.1 We compared the suppliers' bank account details from the tax invoices with the banking details on the FMS report and identified that Overdriver Trading and Supply (Pty) Ltd had different banking details on the invoice compared to the FMS report.

5.8.2 The table below demonstrates the differences in the FNB (First National Bank) banking details for Overdriver Trading and Supply (Pty) Ltd.

OVERDRIVER TRADING AND SUPPLY (PTY) LTD	
Supplier Invoice	Financial Management System
Bank: FNB Account: 62347694996 Branch Code: 254605	Bank: FNB Account: 62696637910 Branch Code: 250655

5.8.3 We could not interview Ms Nomsa Wesi and Ms Fivas from the Finance Department to determine who changed the banking details, as they are no longer employed by the DoD.

5.8.4 In the interview with Mr Khathutshelo Thendo Nefale, the Director of Overdriver Trading and Supply (Pty) Ltd, he stated that he changed his business account details, and that both bank accounts belong to his company, Overdriver Trading and Supply (Pty) Ltd.

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6. LEGISLATIVE REQUIREMENTS AND POLICIES AND PROCEDURES

6.1 The Constitution of the Republic of South Africa

6.1.1 Section 217 provides that *"When an organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a system which is fair, equitable, transparent, competitive and cost-effective"*.

6.1.2 In dealing with the above 5 principles, the following guidelines are given:

Fairness and equality

The principles of fairness and equitability indicate that the procurement procedure must be procedurally fair. At a minimum, interested parties (including all tenderers) should be given a reasonable opportunity to make representations relating to the award of the relevant contract. In addition, affected persons should be treated fairly and equally. For example, all tenderers should be furnished with the same information and should be given the same opportunity to make representations.

Transparency

The principle of transparency promotes openness and accountability. The important principle serves to encourage good decision-making in relation to procurement and combats the ever-present possibility of corruption in the adjudication of tenders and awarding of contracts. In so doing, it instils public confidence in the procurement process.

In light of this constitutional principle of open procurement, it is difficult to justify the award of a contract by an organ of State in the absence of some form of public process.

Competitiveness and cost-effectiveness

The principles of competitiveness and cost-effectiveness indicate that an organ of state should, while taking into account other factors, attempt to procure goods or services at the lowest possible cost.

6.2 Process and Procedures for Procurement and Sales in Respect of Commercial Goods and Services

REQUESTS

31. **Submissions.** Concerning the submission of requests to procure goods and/or services or sell goods, the following is applicable:

- a. Clients must submit their requests to their procurement entities. If the requirements exceed the delegated procurement powers of the regional procurement entities at Level 4, they, and not the clients, must submit the requests to the corporate procurement entities, mainly at Level 3.
- b. Requests must be submitted as soon as all the information is available to process the requests. Requests may thus be submitted before the financial year in which the funds are available, so that contracts can be arranged and GOs placed at such a time that delivery and payment can be made early in the applicable financial year.
- c. The requests must be submitted in the following manner:
 - i. Requests for requirements less than an estimated R30 000 per requirement must be submitted on form *Request for Procurement or Sales*, as reflected in Appendix A.
 - ii. Requests for requirements in excess of R30 000 per requirement, must be submitted on form *Request for Procurement or Sales*, as reflected in Appendix B.

32. **Information.** The information required is to be entered on the relevant form. Any additional information is to be submitted in a covering letter attached to the request form.

33. **Progress of Requests Received.** The procurement entities must have a mechanism in place to trace the progress of requests received for procurement or sales. A *Register for Requests Received*, reflected in Appendix B, may be used as a guideline.

JDP/ACQ/0003/2004 Edition No: 1	RESTRICTED	Date: 1 August 2004
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APPENDIX A TO
CHAPTER 3

REQUEST FOR PROCUREMENT OR SALES: REQUIREMENTS LESS THAN R30 000

Particulars of Client	
Unit	
Unit Code	
Section	
Contact Person	
Contact Telephone Number	
Contact Facsimile Number	
Reference Number	
Requirement (Brief Description of Category of Goods/Service Required)	
Procurement of goods/service	
Sale of goods	
Financial Information	
Funds Available (Yes/No)	
Serial Number	
Goods Information (For Multi-Line Requirements, Information per Item to be Attached as Enclosure)	
National Stock Number	
Description of Item	
Part Number	
Brand Name/Trade Mark	
Denomination of Quantity	
Quantity Required	
Services Information	
Description of Service	
Period Service Required	

CERTIFICATION

The following is hereby certified:

The requirement is legitimate and according to the unit's approved business plan.
The required funds are available in the unit's budget.
The requirement may be processed and contracts concluded or orders placed.
Once the actual costs are known, the procurement entity may process the FA Request.

CS

TELEPHONIC PRICE QUOTATIONS

4. Financial Threshold. Where requirements are below R5 000-00, *delegans* so empowered, may process telephonic PQs. However, the procurement officers may use their discretion to process written PQs, if the requirements, eg repair to facilities, repair of vehicles, multi-item list of goods, etc, are of such a nature that the processing of written PQs with its control measures is more suited.

5. Sequence of Events. The sequence of events in which to process telephonic PQs is as follows (See Diagram 4-2):

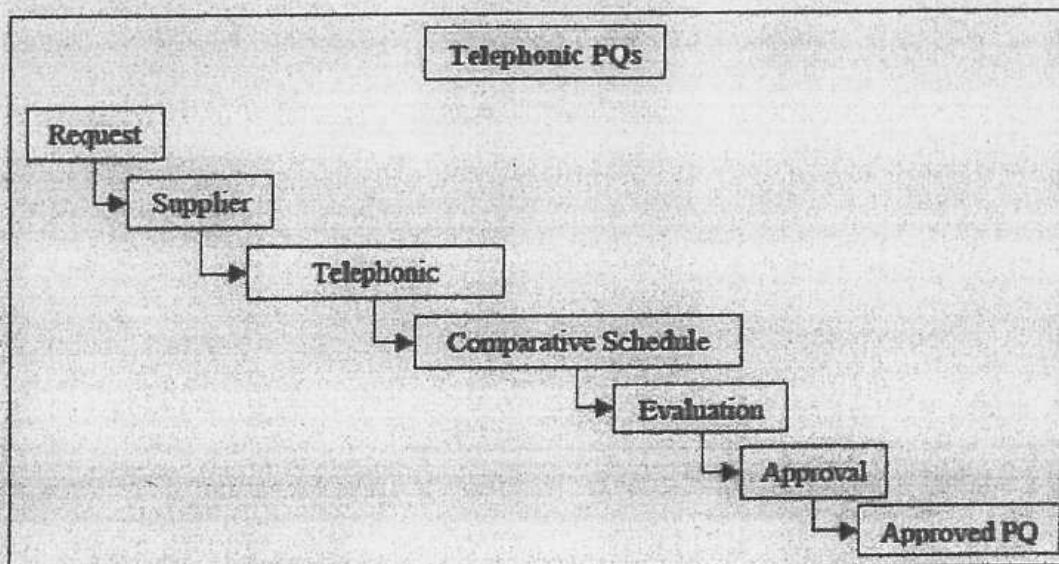


Diagram 4-2: Telephonic PQs

6. Suppliers. From the suppliers available on the supplier database or from the list of

approved suppliers, procurement officials shall identify the suppliers from which telephonic enquiries shall be made. Where suppliers have been included in the *Request for Procurement or Sales* received, these suppliers may not be used, unless they are due according to the rotational process. However, if these suppliers are not listed on the supplier database and they qualify according to the prescripts applicable to the registration of suppliers, they must be encouraged by procurement officials to apply for registration.

7. **Telephonic Enquiry.** The identified suppliers are approached telephonically by procurement officials and the necessary information as indicated on the comparative schedule obtained from them.

8. **Comparative Schedule.** The information obtained from the suppliers approached is entered onto a comparative schedule (see Appendix B). If not all suppliers that were approached supplied the required information, only the information from those that responded is entered, with a notation of "No Response" entered against those that did not respond. If only one supplier responded, the procurement official is to establish reasonableness of the price. This is done by comparing the prices with previous purchases, prices charged on the open market or determining the profit margin.

9. **Evaluation.** In consultation with the client, if practical, the responses received are evaluated and the lowest price in respect of procurement or highest price in respect of sales per item recommended on the comparative schedule for approval. If any other response is recommended, sound reasons why the lowest or highest response(s) per item is(are) not recommended and that can withstand the acid test of law, must be indicated on the comparative schedule. The comparative schedule is signed by the recommending procurement official and, if so preferred by the client, the client as well. See Chapter 6 for more detail concerning the evaluation of PQs.

10. **Approval.** The relevant approval authority considers the recommendation and approves the recommended response by signing the comparative schedule. Should the approval authority not approve the recommendation, the steps to be taken shall depend on the ruling of the approval authority. This could be any of the following:

- a. Reviewing the recommendation.
- b. Considering the acceptance of one of the other responses received.
- c. Cancelling the invitation of telephonic PQs and repeating the process. In this case, the process is repeated but against a new PQ number.

11. **Declaration of Undertaking and Interest.** The officials making submissions to approval authorities and the approval authorities themselves must sign the following declaration of undertaking and interest on the comparative schedule:

*"I declare that I have no personal interest in the matter addressed in the submission; and
I did not purposefully and unlawfully favour or prejudice anyone."*

12. **Approved Response.** After approval, the successful supplier is requested by the relevant procurement official to submit a written PQ to confirm his/her original response. This is then used by procurement officials to initiate the creation of a cash purchase requisition or a GO. Should the supplier decline to submit his PQ, then the next recommended response is submitted for approval.

WRITTEN PRICE QUOTATIONS

13. **Financial Threshold.** Where requirements are below R100 000-00, *delegans* may process written PQs, but within their respective financial thresholds. However, the procurement officers may use their discretion to process bids, if the requirements are of such a nature that the processing of bids with its control measures is more suited.

14. **Sequence of Events.** The sequence of events in which to process written PQs is as follows (See Diagram 4-3):

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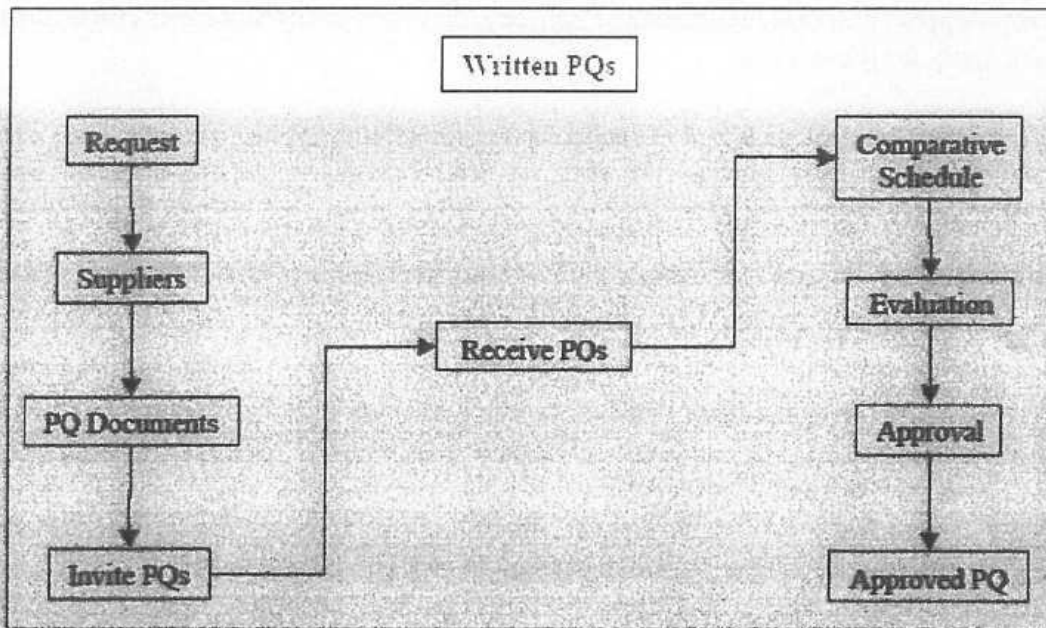


Diagram 4-3: Written PQs

15. **Suppliers.** From the suppliers available on the supplier database or from the list of approved suppliers, procurement officials shall identify the suppliers from which PQs must be invited. Where suppliers have been included in the *Request for Procurement or Sales* received, these suppliers may not be used, unless they are due according to the rotational process. However, if these suppliers are not listed on the supplier database and they qualify according to

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the prescripts applicable to the registration of suppliers, they must be encouraged by procurement officials to apply for registration.

16. Price Quotation Documents. PQ documents are compiled by procurement officials from the *Request for Procurement or Sales* received. The PQ documents must have sufficient space for the suppliers to enter their offers and accept all conditions indicated therein. The documents must provide for the following information where applicable (See Appendix C):

- a. Requirement Information. The following information concerning the requirement must be indicated:
 - i. Description.
 - ii. Quantities required.
 - iii. Periods during which the requirement must be provided.
 - iv. Place of Delivery.
 - v. Specific important documents involved, eg specification, drawing, task directive, terms of reference, statement of work, etc.
- b. Additional Information. Additional information indicating the following must be included:

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- b. Additional Information. Additional information indicating the following must be included:
 - i. Scheduling of a briefing session.
 - ii. DOD obligations to be noted.
 - iii. Evaluation criteria and applicable points that shall be applied.
 - iv. Preferential procurement point system that shall be applied.
- c. Contact Information. Particulars of officials to assist on the following to be indicated:
 - i. Information on the procurement or sales process.
 - ii. Information on the technical aspects on the requirement.
- d. Conditions. Particulars on the conditions applicable to the following must be indicated:
 - i. Submission of PQs, eg GBCs.

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- ii. Contract conditions, eg General Conditions of Contract (GCCs).
- iii. The right to award the PQ per item or in total.
- e. Point of Submission of PQs. Particulars of the point where PQs must be submitted must be clearly stated.
- f. PQ Dates and Periods. The following, as determined by procurement officials, must be clearly indicated:
 - i. Closing date and time by when the PQs must reach the procurement entity.
 - ii. Validity period.

17. Invitation of Price Quotations. Invitations for PQs entail the actual forwarding of PQ documents to the identified suppliers by procurement officials and the recording of the suppliers to whom the PQ documents have been forwarded. Should other suppliers request copies of the relevant PQ documents, they must be advised of the identification and rotational process and their requests declined. However, if these suppliers are not listed on the supplier database and they qualify according to the prescripts applicable to the registration of suppliers, they must be encouraged by procurement officials to apply for registration.

18. Receipt of Price Quotations. PQs are received by procurement officials and dealt with in the following manner to ensure that their confidentiality is preserved:

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- a. Holding-over of PQs. PQs received are held over in a secure place until the closing date and time indicated on the PQs.
- b. Price Quotation Receipt Register. After the closing date and time, the PQs received are numbered and recorded in the *PQ Receipt Register*. The following is required in the register (See Appendix D):
 - i. PQ number.
 - ii. Closing date.
 - iii. Description.
 - iv. Suppliers that submitted PQs and the numbers allocated thereto.
 - v. Names and signatures of the officials recording the information.
- c. Alterations on Price Quotations. The procurement officials must ensure that any alterations on PQs are initialled by the suppliers. If PQs are received with no

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initials against alterations, they must be submitted to the supervisor for initialling in order to confirm that the alterations were not done by officials attached to the procurement entity.

- d. Late Price Quotations. PQs that are received after the closing date and time are held in abeyance in a secure place by procurement entities. The late PQs may only be considered with the approval of the relevant approval authority and if no PQs were received or PQs received have unacceptable deviations from the specification, drawing, task directive, terms of reference, statement of work, etc.

19. Comparative Schedules. When compiling comparative schedules, the procurement officials must attend to the following:

- a. Scrutiny of Price Quotations. The PQs received must be thoroughly studied to establish the following:
 - i. Conditions
 - (1) Were the PQs submitted according to the GBCs.
 - (2) Are the required documents correctly completed and signed.
 - ii. Information
 - (1) Are prices and delivery periods indicated as firm or not.

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- (2) What is the basis of delivery.
 - (3) What other information is furnished by the supplier.
 - (4) What are the conditions set by the supplier.
 - (5) Whether the PQs are within the specified validity period.
- iii. Specification. Are there any deviations from the specified requirement and note the nature and influence thereof.
 - iv. Prices. Study the prices for completeness and reasonableness.
 - v. Preferences Claimed. Study the preferences claimed by the supplier for correctness and establish if it complies with the Preferential Procurement Regulations.
- b. Compiling the Schedule. The maximum information obtained from the PQs is entered onto a comparative schedule. In this regard the following applies:
- i. If not all suppliers that were approached responded, only the information from those that responded is entered, with a notation of "No Response" entered against those that did not respond. Under no circumstance may additional suppliers be approached to obtain additional PQs.
 - ii. If only one supplier responded, the procurement official is to establish reasonableness of the price. This is done by comparing the prices with previous purchases, prices charged on the open market or determining the profit margin.
 - iii. See Appendix E for comparative schedules for single or multi-item requirements that may be used when the Preferential Procurement Regulation point system is not applicable. Where the Preferential Procurement Regulation point system is applicable, the appendix is to be adjusted by the relevant procurement entities to reflect the points awarded to the responding suppliers.

10. Evaluation of Price Quotations. In evaluating PQs, the following is required:

- a. Technical Evaluation. Where practical, clients must do the technical evaluation of timely received PQs to establish whether they comply with the specification, drawing, task directive, terms of reference, statement of work, etc. Where PQs deviate, the impact of the deviation must be clearly stated. The written inputs must be timely submitted and well before the expiry of the validity period of the PQs. If the clients do not do the evaluation, the evaluation may be done by evaluation panels or appointed procurement officials.
- b. Evaluation Criteria. If applicable, the evaluation criteria must be applied and the relevant points calculated.
- c. Preferential Procurement Point System. If applicable, the preferential procurement points system must be applied and the relevant points calculated.
- d. Validity Period. All steps must be taken to ensure that PQs are dealt with whilst they are valid. If not, procurement entities must request all suppliers that responded, before expiry of the validity period and by letter or fax to extend the validity of their PQs.
- e. Recommendation. The PQ with the lowest price in respect of procurement or highest price in respect of sales, or with the highest point if the preference point system is applied, is recommended on the comparative schedule for approval. If any other PQ is recommended, sound reasons why the lowest price in respect of procurement, highest price in respect of sales or highest points is not recommended and that can withstand the acid test of law, must be indicated on

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the comparative schedule. If space is insufficient on the comparative schedule, a supporting document with additional information and signed by the client or procurement official shall be attached to the comparative schedule. The comparative schedule is signed by the recommending procurement official and, if preferred by the client, by the client as well.

- f. **PQ Information.** PQ information is to be treated with confidentiality and may only be known to officials directly involved with the specific PQ. Requests for information on the PQs must be dealt with according to the *Promotion of Access to Information Act*, Act 2 of 2000 (as amended). Under no circumstances may technical information of PQs be made known to competing suppliers.
- g. **Guidelines.** It is not possible to compile specific rules and methodologies that must be followed in the PQ evaluation and adjudication process as circumstances differ from PQ to PQ. Chapter 6 provides more detail concerning specific factors to be considered during the evaluation and shall guide officials to prepare recommendations pertaining to PQs to be recommended. However, the following basic guidelines are provided whereby officials involved can establish whether the responding suppliers are able to satisfy the requirements and which supplier's PQ should be recommended for acceptance:
 - i. Procurement officials must establish whether responding suppliers comply with the applicable PQ conditions.

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- ii. Both procurement officials and clients must establish whether responding suppliers are able to comply with the applicable contract conditions.
- iii. Clients must establish whether responding suppliers have submitted PQs that meet the specifications, drawings, task directives, terms of reference, statements of work, etc.
- iv. If the preference point system is applicable, procurement officials must establish which of the responding suppliers have submitted PQs that are the highest in points and are to be recommended for acceptance.

21. **Approval.** The relevant approval authority considers the recommendation and approves the recommended PQ by signing the comparative schedule. Should the approval authority not approve the recommendation, the steps to be taken shall depend on the ruling of the approval authority. This could be any of the following:

- a. Reviewing the recommendation.
- b. Considering the acceptance of one of the other PQs received.
- c. Cancelling the PQs and repeating the process. In this case, the process is repeated

but against a new PQ number.

22. **Declaration Of Undertaking And Interest.** The officials making submissions to approval authorities and the approval authorities themselves must sign the following declaration of undertaking and interest on the comparative schedules:

"I declare that I have no personal interest in the matter addressed in the submission; and I did not purposefully and unlawfully favour or prejudice anyone."

23. **PQ Information.** PQ information is to be treated with confidentiality and may only be known to officials directly involved with the specific PQ. Under no circumstances may technical information of PQs be made known to competing suppliers.

24. **Approved Price Quotation.** Once the comparative schedules have been signed, the approved PQs may be processed by the procurement officials to initiate the creation of cash purchase requisitions or GOs.

DEVIATIONS

25. Requirements Less than R500. Where requirements are to be processed or awards of telephonic PQs are below R500-00 and it is not cost-effective to either follow the process linked to telephonic PQs or to further process the PQs, *delegans* may authorise Client Procurement Officials to procure such requirements at best advantage, that is to dispense with the invitation or use of PQs. This allows the procurement officers of the *delegans* to authorise on the cash purchase requisitions, that the Client Procurement Officials do their own sourcing and procure the requirements by means of cash purchases and not by means of GOs.

26. Emergency Repairs. If emergency repairs are required, the processing of PQs may be processed after the repairs have been done. See Chapter 3 concerning the applicable procedures.

27. Sole Suppliers. If approvals exist for suppliers to be classified as sole suppliers, then PQs may be invited from such suppliers only.

28. List of Approved Suppliers. If suppliers appear on lists of approved suppliers, then PQs may be invited from such suppliers only.

29. Unknown Repairs and Latent Defects. If unknown repairs or latent defects are involved, it invariably occurs that suppliers have to strip the facilities, vehicles or equipment to establish the repairs required or if there are any latent defects. In such cases procurement entities shall act as follows:

a. Comparative Information. Suppliers identified as prescribed above are requested to submit written PQs with information on the following:

i. Labour rates per hour.

The PFMA section 46 Responsibilities of other officials states the following

An official in a department, trading entity or constitutional institution—

(a) must ensure that the system of financial management and internal control established for that department, trading entity or constitutional institution is carried out within the area of responsibility of that official;

(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;

(c) *must take effective and appropriate steps to prevent, within that official's area of responsibility, any unauthorised expenditure, irregular expenditure and fruitless and wasteful expenditure and any under collection of revenue due;*

(d) *must comply with the provisions of this Act to the extent applicable to that official, including any delegations and instructions in terms of section 44; and*

is responsible for the management, including the safeguarding, of the assets and the management of the liabilities within that official's area of responsibility

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7. FINDINGS

7.1 Total amount of supplier spent on work done at the Catering School

- 7.1.1 The Catering School incurred a total amount of R3 995 404.29 for the period 2013/14 without following the DoD's procurement procedures and National Treasury procurement prescripts. Lieutenant Colonel Munzhedzi was the Acting Officer Commanding at the time.
- 7.1.2 We interviewed Lieutenant Colonel Munzhedzi to understand the DoD's procurement procedures followed during his tenure as the Acting Officer Commanding for the Catering School. Lieutenant Colonel Munzhedzi informed us that the budget of R250 000 was initially made available for maintenance and repairs.
- 7.1.3 During the interview, Lieutenant Colonel Munzhedzi confirmed that he used the DoD emergency repairs budget for repairs and maintenance to prepare the Catering School to obtain national accreditation for the school of chef, which according to him was achieved.
- 7.1.4 Lieutenant Colonel Munzhedzi over committed the DoD by appointing suppliers for maintenance and repairs under the emergency procedures, wherein the amount of R3 995 404.29 was incurred and no prior approval was obtained from Log Support Formation.

7.2 Appointment of different service providers with the same directors

- 7.2.1 We performed a probity searches on the service providers/suppliers and their directors that provided the services and goods at the Catering School and noted that the below listed companies have same directors.

Name of Company	Registration Number	Directors	Total Spend
Molatlhegi Marketing	2003/055514/23	Patricia Salaminah Molatlhegi	R 37 567,50
Patmola Projects CC	2004/024927/23	Patricia Salaminah Molatlhegi	R 100 565,71
Ndivho General Maintenance And Supply CC	2004/098890/23	Elaine Mathodzi Singo	R 618 697,05
Labeni Electrical And General Trading (Pty) Ltd	2012/084042/07	Elaine Mathodzi Singo- Mashila	R 101 864,81
Abbilicious Supply and Trading	2008/072474/23	Elaine Mathodzi Singo- Mashila	R 175 664,80
Blackstone Edge/ Blackstone Edge Communication	2008/219545/23	Itumeleng Hendrich Mashishi	R 29 990,00
Mega Works 155/ Mega Works Trading Enterprise	2010/030698/23	Itumeleng Hendrich Mashishi	R 29 998,80
Chinyere Trading and Projects	2006/02846/23	Adiele Tumelo Madume	R139 900,00
Perfect Chica Training and Projects	2012/189613/07	Adiele Tumelo Madume	R29 950,00

- 7.2.2 The abovementioned suppliers may have benefited more than other suppliers as more work was allocated to them.
- 7.2.3 Ms Molatlhegi confirmed during her interview held with her that she was the director of both Molatlhegi Marketing and Patmola.
- 7.2.4 Mr Itumeleng Hendrich Mashishi confirmed during a telephonic interview held with him that he was the director of both Blackstone and Mega.
- 7.2.5 During the interview with Lieutenant Colonel Munzhedzi, he stated that the supplier database list that was utilised by the Catering School was obtained from JSB Garrison.

7.3 Directors with similar surname as Lieutenant Colonel Munzhedzi's wife

7.3.1 We conducted probity/xds searches regarding directors of the service providers that rendered the maintenance and repairs service at the Catering School to establish if they were similar surnames to those of DoD officials. We noted that the directors of the suppliers listed below have similar surnames to Lieutenant Colonel Munzhedzi's ex-wife's maiden name, Mashila. It was also noted that Major Rerhandu Louisa Munzhedzi is currently employed at the DoD's Catering School.

Name of Company	Directors	Ex Wife of Lt Col Munzhedzi
Ndivho General Maintenance and Supply CC	Elaine Mathodzi Singo-Mashila	Rirhandu Louisa Munzhedzi (Maiden name – Mashila)
Labeni Electrical and General Trading (Pty) Ltd	Elaine Mathodzi Singo-Mashila	Rirhandu Louisa Munzhedzi (Maiden name – Mashila)
Abbilicious Supply and Trading	Elaine Mathodzi Singo-Mashila	Rirhandu Louisa Munzhedzi (Maiden name – Mashila)
Knowledge Construction Fruit and Veg	Thendo Innocent Mabunda Elaine Mathodzi Singo-Mashila (Former Director)	Rirhandu Louisa Munzhedzi (Maiden name – Mashila)
Dzili Development Centre	Dzivhuluwani Mashila (Former Director)	Rirhandu Louisa Munzhedzi (Maiden name – Mashila)

7.3.2 From the above, the below suppliers were provided with more work as compared to other suppliers. The below table illustrates the total amount spent on those suppliers:

Name of the Company	Amount as per FMS Report
Ndivho General Maintenance and Supply	R 765 606.73
Labeni Electrical and General Trading	R 143 717.57
Abbilicious Supply and Trading	R 175 664.80
Total	R 1 084 989.10

7.3.3 We interviewed Major Munzhedzi (maiden name - Mashila), on 23 February 2021, to ascertain if she was related to the directors of the, aforementioned suppliers that rendered the maintenance and repairs at the Catering School, and she confirmed the following among others:

- That her maiden name is Mashila,
- That when she joined the Catering School in 2012, she was already separated with Lieutenant Colonel Munzhedzi,
- That she is not related to Ms Elaine Mathodzi Singo- Mashila, Mr Dzivhuluwani Mashila and Mr Londani Mashila.

7.3.4 Suppliers that rendered services and linked to DOD officials

7.3.5 Probity searches conducted indicated that some officials who are in the employ of the DoD and did business with the Catering School.

7.3.6 We noted that the director of Molatlhegi Marketing and Patmola, Ms Molatlhegi is a current employee of the DoD and she has been employed at the DoD since 12 May 2012. The details of her companies are tabulated below:

Supplier Name	Reg no	Director/Member	No Invoices	Total Amount
Molatlhegi Marketing (Pty) Ltd	2003/055514/23	Patricia Salaminah Molatlhegi	2	R 37 567.50
Patmola Projects CC	2004/024927/23	Patricia Salaminah Molatlhegi	4	R100 565.71

7.3.7 We interviewed Ms Molatlhegi on 22 February 2021 regarding her employment at DoD and her directorships. She informed us that she is the member of Military Veterans and that Military Veterans are permitted to do business with the organs of the state.

7.4 DoD Employees' addresses similar with the suppliers' addresses

7.4.1 We conducted the probity/xds searches on directors of suppliers that rendered the maintenance and repairs service at the Catering School to establish any similarities of addresses with DoD officials. The table below illustrate suppliers that have similar addresses with the different officials who are currently employed at DoD Catering School.

Name of Company	Directors	Similar Address	DoD Employee Link
1) Molatlhegi Marketing	1) Patricia Salaminam Molatlhegi	ADDRESSES REDACTED by the Commission for publication to protect residential details. Original held on file.	Patricia Salaminam Molatlhegi
2) Kagisano Ya Ma' Africa	2) Simphiwe Mtambo		
3) Baha M Transport	3) Kagiso Sebaga/ Mtambo		
Melissa Construction and Projects	Melissa Makhutle		Simon Makhutle
Condralesa Trading	Thabo Makola		Masemola Khukhwana Dorcus (Neighbour to Condralesa Trading)

7.4.2 On numerous occasion we could not find Mrs Melissa Makhutle, the director of Melissa Construction and Projects, who is married to Mr Simon Makhutle (who is employed by the DoD) in order to conduct an interview.

7.4.3 We also could not find Mr Thabo Makola, director of Condralesa Trading to to conduct an interview.

7.5 Suppliers who participated in the irregular procurement practices.

7.5.1 The process and procedures for procurement of the DoD, Acquisition and Procurement division, Joint Defence Publication ACQ3 "JDP": chapter 4 states that delegans may do the following *inter alia*:

- Request the suppliers to submit their price documents,
- On receiving of the suppliers' price quotations, a schedule is compiled for evaluations,
- The supplier with the lowest price quotation is approved.

7.5.2 It is worth noting that the Financial Authority documents were not made available as the officials who were responsible for finance of the Catering School, namely Ms Nomsa Wesi and Ms Fivas during the tenure of Lieutenant Colonel Munzhedzi, are no longer in the employ of DoD.

7.5.3 We reviewed the GO's and tax invoices of the below listed suppliers and noted that the GO's were processed after the tax invoices were received by the Catering School. The table below indicates this:

Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
Mathimale Construction Enterprise Cc	V1DB4	1H656409	17/12/2014	2463	23/08/2013	6 897,00
Mat'ha's Business Enterprise Co	V2R19	1H656417	17/12/2014	198	17/10/2014	29 583,00
Mat'ha's Business Enterprise Cc	V2R19	1H656415	17/12/2014	201	17/10/2014	25 890,00
Salem Construction Cc	V1TN3	1H656369	17/03/2014	0024	30/06/2013	27 500,00
Alanka Fabrics	V3BK6	1H656439	23/01/2015		18/11/2014	24 990,00
Estherlicious General	V37A1	1H656316	12/12/2014		10/10/2013	17 020,00
Construction Projects	V37A1	1H656439	12/12/2014	88	28/05/2013	4 513,60
Estherlicious General Construction Projects	V37A1	1H656317	12/12/2014	89	11/09/2013	9 705,00
Chinyere Trading & Projects	V1H67	1H656320	12/12/2014	000984	09/09/2013	26 700,00

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
Chinyere Trading & Projects	V1H67	1H656322	12/12/2014	000985	09/09/2013	27 000,00
Chinyere Trading & Projects	V1H67	1H656323	12/12/2014	000986	09/09/2013	29 000,00
Chinyere Trading & Projects	V1H67	1H656324	12/12/2014	000988	09/09/2013	28 200,00
Chinyere Trading & Projects	V1H67	1H656326	12/12/2014	000989	09/09/2013	29 000,00
Mbhm Engineering & It Services Cc	V3BS7	1H656297	12/12/2014	INV-DEF0002	10/01/2014	29 979,72
Mbhm Engineering & It Services Cc	V3BS7	1H656298	12/12/2014	INV-DEF0003	10/01/2014	28 374,60
Mbhm Engineering & It Services Cc	V3BS7	1H656299	12/12/2014	INV-DEF0005	10/01/2014	29 868,00
Mbhm Engineering & It Services Cc	V3BS7	1H656300	12/12/2014	INV-DEF0006	10/01/2014	29 637,72
Mbhm Engineering & It Services Cc	V3BS7	1H656301	12/12/2014	INV-DEF0007	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656302	12/12/2014	INV-DEF0008	10/01/2014	29 526,00
Mbhm Engineering & It Services Cc	V3BS7	1H656303	12/12/2014	INV-DEF0009	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656304	12/12/2014	INV-DEF0010	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656305	12/12/2014	INV-DEF0011	10/01/2014	29 480,40
Mbhm Engineering & It Services Cc	V3BS7	1H656306	12/12/2014	INV-DEF0012	10/01/2014	29 628,60
Mbhm Engineering & It Services Cc	V3BS7	1H656307	12/12/2014	INV-DEF0013	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656308	12/12/2014	INV-DEF0014	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656309	12/12/2014	INV-DEF0015	10/01/2014	29 982,00
Mbhm Engineering & It Services Cc	V3BS7	1H656311	12/12/2014	INV-DEF0017	10/01/2014	20 369,52
Mbhm Engineering & It Services Cc	V3BS7	1H656312	12/12/2014	INV-DEF0019	10/01/2014	24 553,32
Ndivho General Maintenance And Supply Cc	V17D4	1H656358	17/12/2014	DOD29	20/06/2014	17 111,40
Ndivho General Maintenance And Supply Cc	V17D4	1H656276	12/12/2014	2145	26/04/2013	28 630,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656351	17/12/2014	2146	29/04/2013	28 990,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656350	17/12/2014	2148	10/06/2013	29 990,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656349	17/12/2014	2149	10/06/2013	29 990,00

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
Ndivho General Maintenance And Supply Cc	V17D4	1H656345	17/12/2014	2159	24/06/2013	27 108,06
Ndivho General Maintenance And Supply Cc	V17D4	1H656344	17/12/2014	2161	18/07/2013	4 848,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656315	12/12/2014	2172	04/08/2014	17 111,40
Ndivho General Maintenance And Supply Cc	V17D4	1H656343	17/12/2014	2173	28/05/2013	29 370,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656342	17/12/2014	2174	15/08/2013	29 989,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656354	17/12/2014	2175	30/11/2013	29 264,88
Ndivho General Maintenance And Supply Cc	V17D4	1H656339	12/12/2014	2176	15/08/2013	29 700,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656334	12/12/2014	2177	15/08/2013	29 700,00
Ndivho General Maintenance And Supply Cc	V17D4	1H696352	17/12/2014	2178	18/07/2013	12 027,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656332	12/12/2014	2179	18/07/2013	25 989,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656406	17/12/2014	2191	15/08/2013	28 933,20
Ndivho General Maintenance And Supply Cc	V17D4	1H656330	12/12/2014	2192	12/08/2013	28 933,20
Ndivho General Maintenance And Supply Cc	V17D4	1H656328	12/12/2014	2194	15/08/2013	28 933,20
Ndivho General Maintenance And Supply Cc	V17D4	1H656327	12/12/2014	2193	15/08/2013	25 380,00
Ndivho General Maintenance And Supply Cc	V17D4	1H656325	12/12/2014	2195	09/10/2013	12 448,80
Ndivho General Maintenance And Supply Cc	V17D4	1H656321	12/12/2014	2196	09/10/2013	23 050,80
Ndivho General Maintenance And Supply Cc	V17D4	1H656319	12/12/2014	2197	16/04/2013	28 858,80
Ndivho General Maintenance And Supply Cc	V17D4	1H656318	17/12/2014	2198	16/10/2013	18 158,83
Ndivho General Maintenance And Supply Cc	V17D4	1H656356	17/12/2014	2199	13/12/2013	29 756,28

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
Ndivho General Maintenance And Supply Cc	V17D4	1H656356	17/12/2014	2200	13/12/2013	24 425,20
Condralesa Trading Enterprise	V2U66	1H656399	2014/12/17	10	17/10/2014	29 982,00
Condralesa Trading Enterprise	V2U66	1H656401	2014/12/17	20	17/10/2013	28 374,60
Condralesa Trading Enterprise	V2U66	1H656402	2014/12/17	30	17/10/2013	29 993,40
Condralesa Trading Enterprise	V2U66	1H656402	2014/12/17	40	17/10/2013	29 868,00
Overdriver Trading And Supply (Pty) Ltd	V36V3	1H656451	2015/02/06	A14	29/08/2013	29 771,00
Overdriver Trading And Supply (Pty) Ltd	V36V3	1H656452	2015/02/06	201	29/08/2013	29 900,00
Lahlabala Hlwete Trading	V3877	1H656375	2014/12/17	K0007	31/10/2013	29 930,00
Lahlabala Hlwete Trading	V3877	1H656373	2014/12/17	K0006	31/10/2013	29 930,00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656371	2014/12/17	00021	18/09/2013	13 748,11
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656364	2014/12/17	0124	24/06/2013	29 960,00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656366	2014/12/17	1055	19/09/2013	17 937,60
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656367	2014/12/17	1059	18/09/2013	14 299,50
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656370	2014/12/17	1069	18/09/2013	7 030,60
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656427	2014/12/19	236	11/10/2013	18 889,00
Dzili Development Centre	V36V6	1H656377	2014/12/17	050	06/09/2013	4 743,80
Dzili Development Centre	V36V6	1H656379	2014/12/17	56	10/10/2013	3 435,99
Dzili Development Centre	V36V6	1H656384	2014/12/17	059	04/11/2013	2 115,00
Dzili Development Centre	V36V6	1H656383	2014/12/17	058	16/10/2013	3 338,99
Dzili Development Centre	V36V6	1H656387	2014/12/17	057	14/11/2013	2 350,00
Ngwatladi Trading Enterprise	V1N85	1H656600	17/12/2014	0802	2013/09/06	28 800,00
Ngwatladi Trading Enterprise	V1N80	1H656398	17/12/2014	0801	2014/09/13	29 000,00
Mat'ha's Business Enterprise Cc	V2R19	1H656417	17/12/2014	198	10/17/2014	29 583,00
Mat'ha's Business Enterprise Cc	V2R19	1H656413	17/12/2014	199	10/17/2014	26 300,00
Mat'ha's Business Enterprise Cc	V2R19	1H656414	17/12/2014	200	17/10/2014	28 500,00
Mat'ha's Business Enterprise Cc	V2R19	1H656415	17/12/2014	201	17/10/2014	25 890,00
Busukulunga Construction And Projects	V1RWO	1H656397	17/12/2014		31/12/2011	23 665,28
Blackstone Edge Communication	V2BVO	1H656390	17/12/2014		12/08/2013	29 999,20
Tshepiso Mbokodo Trading Enterprise	V3PD1	1H656442	22/01/2015	INV2014100101	2014/09/05	29 100,00
M.L Nkosi Electrical Cc	VAYH9	1H656405	17/12/2014	ML 006794	31/08/2013	28 496,00

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
M.L Nkosi Electrical Cc	VAYH9	1H656403	17/12/2014	ML 006957	2014/03/20	29 999,00
Lahlabala Hlwele Trading	V3B77	1H656375	17/12/2014	K0006	31/20/2013	29 930,00
Lahlabala Hlwele Trading	V3B77	1H656375	17/12/2014	K0007	31/20/2013	29 930,00
Kancho Dodo Enterprise Cc	V2B09	1H656314	2014/12/12	648	29/08/2013	14 050,00
Kancho Dodo Enterprise Cc	V2B09	1H656313	2014/12/12	0647	03/09/2013	29 730,00
Kancho Dodo Enterprise Cc	V2B09	1H656368	17/12/2014	0668	03/09/2013	29 730,00
Kagomoremi Trading Enterprise (Pty) Ltd	V34C1	1H656486	02/02/2015	216	08/08/2013	29 994,00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656371	17/12/2014	00021	18/07/2013	13 748,11
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656354	17/12/2014	0124	24/06/2013	29 960,00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656366	17/12/2014	1055	19/09/2013	17 937,60
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656367	17/12/2014	1059	18/09/2013	14 299,50
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656370	17/12/2014	1069	19/09/2013	7 030,60
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656427	18/12/2014	236	11/10/2013	18 889,00
Patmola Project Cc	V18Y2	1H656378	17/12/2014	00901	10/08/2013	29 990,00
Patmola Project Cc	V18Y2	1H656374	17/12/2014	00902	26/08/2013	11 100,00
Patmola Project Cc	V18Y2	1H656376	17/12/2014	903	05/03/2014	29 850,00
Patmola Project Cc	V18Y2	1H656372	17/12/2014	00904	30/08/2013	29 625,71
Ditabogo Holdings (Pty) Ltd	V3AF6	1H656407	17/12/2014	001/17913	N/A	22 095,00
Hlamsihlungeni Construction Enterprise Cc	V1D82	1H656406	17/12/2014	50008	05/09/2013	5 200,00
Molalegi Marketing (Pty) Ltd	V0XU2	1H656394	17/12/2014	121	25/07/2013	12 170,00
Mega Works Trading Enterprise	V1QT4	1H656388	17/12/2014	QT0099	03/08/2013	29 998,80
Striving Mind Trading 40 Cc	V2TV7	1H656382	17/12/2014	10	17/10/2013	29 200,00
Striving Mind Trading 40 Cc	V2TV7	1H656387	17/12/2014	v2tv7	17/10/2013	29 900,00
Striving Mind Trading 40 Cc	V2TV7	1H656396	17/12/2014	v2tv7	17/10/2013	29 500,00
Striving Mind Trading 40 Cc	V2TV7	1H656385	17/12/2014	v2tv7	17/10/2013	28 500,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656416	17/12/2014	LON001	20/08/2014	29 990,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656418	17/12/2014	LON002	20/08/2014	29 990,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656419	17/12/2014	LON003	20/08/2014	28 310,00
Abilicious Supply Trading Cc	V1TC0	1H656966	17/12/2014	046	29/11/2013	29 580,00
Abilicious Supply Trading Cc	V1TC0	1H656357	17/12/2014	047	07/11/2013	10 073,90
Abilicious Supply Trading Cc	V1TC0	1H656359	17/12/2014	N/A	30/11/2013	20 979,00

Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Invoice Date	Invoice Amount (R)
Abilicious Supply Trading Cc	V1TC0	1H656360	17/12/2014	052	29/11/2013	9 258,00
Abilicious Supply Trading Cc	V1TC0	1H656361	17/12/2014	053	29/11/2013	15 737,00
Abilicious Supply Trading Cc	V1TC0	1H656362	17/12/2014	058	16/04/2013	24 810,00
Total						2 712 334,82

7.5.4 Furthermore, we noted the following regarding the appointment of the above-mentioned suppliers:

- That the request for procurement or sales (less than R30 000) was not approved as required by the process and procedures for procurement and sales in respect of commercial goods and services, and
- That at least three (3) quotations were not obtained before the suppliers were appointed to carry out the services or work.

7.5.5 Furthermore, process and procedures for procurement from JDP ACQ3 chapter 4 clause 4 states that the *officials making submission to approval and the approval authorities themselves must sign the declaration of undertaking and interest on the comparative schedules.*

7.5.6 We interviewed Captain Madingwana who was the procurement officer, to establish what transpired during his tenure at the Catering School and, he stated the following *inter alia*:

- That he was instructed by the Lieutenant Colonel Munzhedzi (Former Major) at the Catering School that he should call the suppliers from the database in order to obtain the price quotations and to provide the maintenance and repairs.
- That some suppliers were called by the Major Munzhedzi to obtain the price quotations and to provide the maintenance and repairs at the Catering School.

- That he was still a Candidate Officer with no experience in procurement and did not know the legislation and policies that related to the procurement.
- Furthermore, he did not know the Joint Defence Publication on Process and Procedures for Procurement and Sales in respect of Commercial Goods and Services.
- That he never signed the declaration of undertaking and interest during his tenure at the Catering School.

7.5.7 We interviewed Lieutenant Colonel Shaik-Latiff to determine if there was a budget for maintenance and repairs at the Catering School and she stated the following *inter alia*:

- That there was never a budget provided for the maintenance and repairs for the Catering School during her tenure as the Commanding Officer.
- That Lieutenant Colonel Munzhedzi was in charge of procurement and had the Financial Authority of R30 000 and
- That when she went on training for a year in Zimbabwe, Lieutenant Colonel Munzhedzi was appointed as the Acting Officer Commanding by the Log Support Formation General.

7.5.8 We conducted an interview with Corporal Mooke who was working in procurement unit during her tenure at the Catering School and she stated the following *inter alia*:

- That she did not receive any training on procurement procedures and policies;
- That she was instructed by Captain Madingwana and Lieutenant Colonel Munzhedzi to call suppliers to provide the maintenance or repairs services; and

- That the GO's were issued to the suppliers after the work has been completed and after the suppliers had submitted their tax invoice.

7.5.9 We interviewed Lieutenant Colonel Munzhedzi on 12 February 2021 regarding suppliers that provided services before the Government Order was given to them, and he stated the following among others:

- That in a case of emergencies, government orders were provided to suppliers after the completion of the work and also invoices have been received;
- That invoices were marked "emergency" for services provided under emergency procurement.

7.5.10 We noted that the abovementioned suppliers' invoices and GO's were not marked or written "emergency" procurement as informed by Lieutenant Colonel Munzhedzi.

7.6 Work split amongst different service providers under R 30 000.00

7.6.1 We reviewed and analysed the GO's and tax invoices and noted that the GO's for the similar work was split in order to be less than R30 000.00 which, is the Financial Authority of the Officer Commanding for the Catering School. The details are listed below:

Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Work Description	Invoice Date	Invoice Amount (R)
Mbhm Engineering & It Services Cc	V3BS7	1H656297	12/12/2014	INV-DEF0002	Toilets repairs	10/01/2014	29 979.72
Mbhm Engineering & It Services Cc	V3BS7	1H656298	12/12/2014	INV-DEF0003	Bakery repairs	10/01/2014	28 374.60
Mbhm Engineering & It Services Cc	V3BS7	1H656299	12/12/2014	INV-DEF0005	Toilets repairs	10/01/2014	29 868.00
Mbhm Engineering & It Services Cc	V3BS7	1H656300	12/12/2014	INV-DEF0006	Bakery repairs	10/01/2014	29 637.72
Mbhm Engineering & It Services Cc	V3BS7	1H656301	12/12/2014	INV-DEF0007	Bakery repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656302	12/12/2014	INV-DEF0008	Toilets repairs	10/01/2014	29 526.00
Mbhm Engineering & It Services Cc	V3BS7	1H656303	12/12/2014	INV-DEF0009	Toilets repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656304	12/12/2014	INV-DEF0010	Toilets repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656305	12/12/2014	INV-DEF0011	Bakery repairs	10/01/2014	29 480.40

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Work Description	Invoice Date	Invoice Amount (R)
Mbhm Engineering & It Services Cc	V3BS7	1H656306	12/12/2014	INV-DEF0012	Bakery repairs	10/01/2014	29 628.60
Mbhm Engineering & It Services Cc	V3BS7	1H656307	12/12/2014	INV-DEF0013	Bakery repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656308	12/12/2014	INV-DEF0014	Bakery repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656309	12/12/2014	INV-DEF0015	Bakery repairs	10/01/2014	29 982.00
Mbhm Engineering & It Services Cc	V3BS7	1H656311	12/12/2014	INV-DEF0017	Bakery repairs	10/01/2014	20 369.52
Mbhm Engineering & It Services Cc	V3BS7	1H656312	12/12/2014	INV-DEF0019	Toilets repairs	10/01/2014	24 553.32
Lahlabala Hlwale Trading	V3877	1H656375	2014/12/17	K0007	Materials, Labour & Transport	31/10/2013	29 930.00
Lahlabala Hlwale Trading	V3877	1H656373	2014/12/17	K0006	Materials, Labour & Transport	31/10/2013	29 930.00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656371	2014/12/17	00021	Material	18/09/2013	13 748.11
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656384	2014/12/17	0124	Material	24/06/2013	29 960.00
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656366	2014/12/17	1055	Material	19/09/2013	17 937.60
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656367	2014/12/17	1059	Material	18/09/2013	14 299.50
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656370	2014/12/17	1069	Material	18/09/2013	7 030.6
Labeni Electrical And General Trading (Pty) Ltd	V36V1	1H656427	2014/12/19	236	Material	11/10/2013	18 889.00
Dzili Development Centre	V36V6	1H656377	2014/12/17	050	Material	06/09/2013	4 743.80
Dzili Development Centre	V36V6	1H656379	2014/12/17	56	Material	10/10/2013	3 439.9
Dzili Development Centre	V36V6	1H656384	2014/12/17	059	Material	04/11/2013	2 115.00
Dzili Development Centre	V36V6	1H656383	2014/12/17	058	Material	16/10/2013	3 338.99
Dzili Development Centre	V36V6	1H65638	2014/12/17	057	Material	14/11/2013	2 350.00
Matsha's Business Enterprise Co	V2R19	1H656417	17/12/2014	198	Men toilet repairs	10/17/2014	29 583.00
Matsha's Business Enterprise Co	V2R19	1H656413	17/12/2014	199	Men toilet repairs	10/17/2014	26 300.00
Matsha's Business Enterprise Co	V2R19	1H656414	17/12/2014	200	Men toilet repairs	17/10/2014	28 500.00
Matsha's Business Enterprise Co	V2R19	1H656415	17/12/2014	201	Men toilet repairs	17/10/2014	25 890.00
M.L. Nkosi Electrical Cc	VAYH9	1H656405	17/12/2014	ML 006794	Library repairs	31/08/2013	28 496.00
M.L. Nkosi Electrical Cc	VAYH9	1H656403	17/12/2014	ML 006957	Library repairs	2014/03/20	29 999.00
Lahlabala Hlwale Trading	V3B77	1H656375	17/12/2014	K0006	Building Material	31/20/2013	29 930.00
Lahlabala Hlwale Trading	V3B77	1H656375	17/12/2014	K0007	Building Material	31/20/2013	29 930.00
Kancho Dodo Enterprise Cc	V2B09	1H656314	2014/12/12	648	Materials	29/08/2013	14 050.00
Kancho Dodo Enterprise Cc	V2B09	1H656313	2014/12/12	0647	Materials	03/09/2013	29 730.00
Kancho Dodo Enterprise Cc	V2B09	1H656368	17/12/2014	0668	Materials	03/09/2013	29 730.00
Molalegi Marketing (Pty) Ltd	V0XU2	1H656394	17/12/2014	121	Materials And Labour	25/07/2013	12 170.00

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Supplier Name	Supplier Code	Order Number	Order Date	Invoice Number	Work Description	Invoice Date	Invoice Amount (R)
Molatlaga Marketing (Pty) Ltd				101	Materials And Labour	25/07/2013	25 397,50
Striving Mind Trading 40 Cc	V2TV7	1H656382	17/12/2014	10	Toilets and change room repairs	17/10/2013	29 200,00
Striving Mind Trading 40 Cc	V2TV7	1H656387	17/12/2014	v2tv7	Toilets and change room repairs	17/10/2013	29 900,00
Striving Mind Trading 40 Cc	V2TV7	1H656396	17/12/2014	v2tv7	Toilets and change room repairs	17/10/2013	29 500,00
Striving Mind Trading 40 Cc	V2TV7	1H656385	17/12/2014	v2tv7	Toilets and change room repairs	17/10/2013	28 500,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656416	17/12/2014	LON001	Materials And Labour	20/08/2014	29 990,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656418	17/12/2014	LON002	Materials And Labour	20/08/2014	29 990,00
Lonfin Trading 112 (Pty) Ltd	V3AH4	1H656419	17/12/2014	LON003	Materials And Labour	20/08/2014	28 310,00
Abilicious Supply Trading Cc	V1TC0	1H656359	17/12/2014	N/A	Plumbing Services	30/11/2013	20 979,90
Abilicious Supply Trading Cc	V1TC0	1H656360	17/12/2014	002	Plumbing Services	29/11/2013	9 258,00
Abilicious Supply Trading Cc	V1TC0	1H656361	17/12/2014	053	Plumbing Services	29/11/2013	15 737,00
Total							1 172 758,98

7.6.2 In an interview held with Captain Madingwana, he stated that Lieutenant Colonel Munzhezdi at the time gave the procurement section a verbal instruction to split the funds for the entire work to be done. Hence the GO's issued to suppliers were all under R30 000.00.

7.6.3 In a consultation with Lieutenant Colonel Shaik-Latiff, pertaining to the Financial Authority or delegations of Officer Commanding at the Catering School, she stated that an Officer Commanding has a Financial Authority of up to R30 000.00. Lieutenant Colonel Shaik-Latiff further informed us that, should the amount be above R30 000.00, then it goes to open tender.

7.6.4 Furthermore, in an interview with Corporal Monehi held on the 20 January 2021, she stated among others the following:

- That Lieutenant Colonel Munzhedzi and Captain Madingwana were responsible for calling suppliers to obtain the quotations, and
- That she signed the invoices that were brought to her by Lieutenant Colonel Munzhedzi and those invoices were already certified, that the suppliers had rendered the service.

7.6.5 However, in an interview held with Lieutenant Colonel Munzhedzi on the 12 February 2021, to establish his involvement in the procurement process, he denied calling suppliers to request the quotations for repairs and maintenance.

7.6.6 Furthermore, Lieutenant Colonel Munzhedzi stated that splitting of funds was not permitted by the log support formation however, it was done.

7.7 Verification of Supplier Bank Accounts

7.7.1 We noted that there were instances where payments made to suppliers were not supported by invoices and there were invoices that were not paid. The table below illustrates the variances of payments made suppliers for 2013/2014:

NAME OF COMPANY	AMOUNT AS PER FMS	AMOUNT AS PER INVOICES	DIFFERENCE
Ngwatladi Trading Enterprise	118 980,00	86 800,00	32 180,00
Patmola Projects CC	97 574,71	100 565,71	(2 991,00)
Busukulunga Construction And Projects	75 489,84	23 665,28	51 824,56
Lonfin Trading 112 (Pty) Ltd	290 175,00	88 290,00	201 885,00
Koketso Waka Trading	32 894,00	-	32 894,00
Fentse Construction	39 433,00	24 290,00	15 143,00
M.L Nkosi Electrical CC	196 448,60	59 495,00	136 953,60
Matsha's Business Enterprise	117 579,00	117 379,85	199,15
Kancho Dodo Construction Enterprise CC	108 600,00	73 510,00	35 090,00
0001 Konsultant Beperk	39 600,00	29 800,00	9 800,00
Ndivho General Maintenance And Supply Cc	765 606,73	618 697,05	146 909,68

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NAME OF COMPANY	AMOUNT AS PER FMS	AMOUNT AS PER INVOICES	DIFFERENCE
Labeni Electrical And General Trading (Pty) Ltd	143 717,57	101 864,81	41 852,76
Mbhm Engineering And It Services CC	409 688,24	431 309,88	(21 621,64)
Joyabi Construction Enterprise	42 020,76	12 170,76	29 850,00
Blackstone Edge/ Blackstone Edge Communication	29 999,20	29 990,00	9,20
Melissa Construction And Projects	12 532,00	-	12 532,00
Ditebogo Holdings (Pty) Ltd	22 095,40	22 095,00	0,40
Kagisano Ya Ma'afrika	116 520,00	164 389,00	(47 869,00)
Estherlicious General And Projects	72 584,60	31 238,00	41 346,60
Knowledge Solutions Enterprise	140 265,56	-	140 265,56
S&B Delivery Services Of Whom Steven Mokoka Is The Owner	54 587,20	-	54 587,20
Chinyere Chika Trading	148 234,00	139 900,00	8 334,00
Abbilicious Supply And Trading	175 664,80	110 437,90	65 226,90
Kechi Trading & Projects	4 150,00	-	4 150,00
La Hlaba la Hlwele Trading	59 860,00	101 864,81	(42 004,81)
Perfect Chika Trading And Projects	29 950,00	-	29 950,00
Total	3 995 404,29	3 039 473,13	955 931,16

7.7.2 We verified the banking details of the aforesaid suppliers to ascertain if they were paid in the valid and correct bank accounts and we noted that the bank accounts uploaded on FMS were valid.

Name of the Company	Bank Account - Invoice	Bank Account - FMS Report	Bank Account - Verification
Ditebogo Holdings (Pty) Ltd	No banking details stated on the Invoice	018365019	Valid
Koketso Wa Ka Trading and Projects	No banking details stated on the Invoice	1651343187	Valid

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Name of the Company	Bank Account - Invoice	Bank Account - FMS Report	Bank Account - Verification
Striving Mind Trading 40 CC	No banking details stated on the Invoice	1029937028	Valid
Fentse Development & Projects	No banking details stated on the Invoice	9198958754	Valid
Kechi Trading and Projects CC	No banking details stated on the Invoice	1651349185	Valid
Selem Construction CC	No banking details stated on the Invoice	62028324755	Valid
Dichaba Kopano Trading Enterprise (Pty) Ltd	No banking details stated on the Invoice	62415315870	Valid
Abilicious Supply and Trading	No banking details stated on the Invoice	62178690337	Valid
Dzili Development Centre	No banking details stated on the Invoice	62320248653	Valid

Name of the Company	Bank Account - Invoice	Bank Account - FMS Report	Bank Account - Verification
Kancho Dodo Construction Enterprise CC	No banking details stated on the Invoice	62137892833	Valid
Kagisano Ya Ma Africa Cleaning and Projects CC	No banking details stated on the Invoice	62461958161	Valid
Joyabi Construction Enterprise CC	No banking details stated on the Invoice	62090783880	Valid
Busukulunga Construction and Projects CC	No banking details stated on the Invoice	62833799234	Valid
Blackstone Edge Communication	No banking details stated on the Invoice	62204320379	Valid

7.7.3 Furthermore, we compare the suppliers' bank accounts from the tax invoices with those on the FMS and noted that from one of the suppliers that the bank accounts indicated on the supplier invoice was different from the one loaded on FMS. The table below illustrates two different bank accounts.

Supplier Invoice	Financial Management System
Bank: FNB Account: 62347694996 Acc Type: Cheque Branch Code: 254605	Bank: FNB Account: 62696637910 Branch Code: 250655

✓ 7.7.4 We could not interview Ms Nomsa Wesi and Ms Fivas from the Finance Department to determine who changed the banking details on the invoice are no longer employed by the DoD.

7.7.5 In the interview with Khathutshelo Thendo Nefale the Director of Overdriver Trading and Supply (Pty) Ltd, he stated that he changed his business account details, and that both bank accounts belonged to his company.

7.8 The appointment of the Acting Officer Commanding and formalities followed

7.8.1 We interviewed Lieutenant Colonel Munzhedzi to ascertain how was he appointed as an Acting Officer Commanding, and he stated the following among others:

- That when Lieutenant Colonel Shaik-Latiff was about to go on a year training to Zimbabwe, Lieutenant Colonel Zondo came to the Catering School to act as an Officer Commanding;
- That after a short while Lieutenant Colonel Zondo was acting as an Officer Commanding, Brigadier General Majolo from Log Support Formation came to the Catering School to remove Lieutenant Colonel Zondo as Acting Officer Commanding; and
- That he was appointed on the 05 December 2012 and was also provided with the appointment letter signed by Chief Lieutenant Nkonyana.

7.9 Verification of work done by suppliers

7.9.1 S&M contacted suppliers that allegedly provided repairs and maintenance services at the Catering School to verify if the work was executed and completed. The following are the outcome:

ML Nkosi

7.9.2 We visited Mr Leon Fourie, a director of ML Nkosi on 10 February 2021 to verify if his company did render the various maintenance and repair services at the Catering School as per the invoices reviewed and he confirmed the following among other:

- That ML Nkosi rendered the below services at the Catering School during the year 2014:
 - ✓ Supply and install 8 cupboards and work top;
 - ✓ Paint work to library roof;
 - ✓ Alarm system;
 - ✓ Supply tinting film for 35 large and small windows;
 - ✓ Install shutter guard louvres in communication hall;
 - ✓ Supply and install drywall, and
 - ✓ Supply and install tiles in transport office,
- That no government orders were provided to him before the commencement of the work and government orders were provided after the invoicing stage.
- That the official that contacted his company was Lieutenant Colonel Munzhezdi.

7.9.3 We performed the reconciliation between FMS and ML Nkosi invoices and found that the below was not paid to ML Nkosi.

Tax invoice no	Tax invoice date	Amount incl. Vat
ML 006803	09 September 2013	R25 096.00

Molatlhegi Marketing and Patmola

7.9.4 We interviewed Ms Molatlhegi, director of Molatlhegi Marketing and Patmola on 22 February 2021 to verify if her company did render the maintenance and repairs services at the Catering School and to ascertain if she is in the employment of DOD. She confirmed the following among others:

- That Molatlhegi Marketing and Patmola rendered the below listed services at the Catering School during the year 2014: Supply and repairs of ladies toilets.
- That Lieutenant Colonel Munzhezdi called her company to submit the quotations and in some instances, she was told that the work was urgent and
- That no government orders were provided to her before the commencement of the work,
- That not all invoices were paid in full and that some of the invoices could not be found from the company records.

0001 Konsultante

7.9.5 We visited Mr Sammy Poonsamy director of 0001 Konsultante on 10 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and he confirmed the following among others;

- That 0001 Konsultante rendered the below listed services at the Catering School during the year 2014:
 - ✓ Supply and install new suspended ceiling,
 - ✓ Repair and paint complete office including burglar guards and frames, and
 - ✓ Supply and install new notice boards covered with veld.

- That no government orders were provided to him before the commencement of the work,
- That all 0001 Konsultante invoices were paid in full, and
- 0001 Konsultante was on the DOD supplier database.

7.9.6 We performed the reconciliation between FMS and 0001 Konsultante invoices and found that no outstanding payment was due to 0001 Konsultante.

Labeni

7.9.7 In a telephonic interview with Mr Dzivhuluwani Mashila of Labeni, he stated amongst others that his company rendered electrical lights installation at the Catering School and all the invoices were paid in full.

7.9.8 We noted the below invoices that were paid as per the FMS system, however, there were no tax invoices available at the Catering School:

Government Order No	Invoice No	Date	Amount
1H656735	AC0002	21/07/2014	4 289,78
1H656735	AC0003	21/07/2014	3 234,58
1H656735	1-06-014	11/06/2014	4 937,00
1H656735	1-06-014	11/06/2014	4 937,00
1H656195	1070	22/01/2014	2 690,00
1H656195	1080	22/01/2014	4 285,00
1H656195	1090	22/01/2014	2 394,95
1H656195	11-6-14	11/06/2014	3 948,49
1H656195	1100	07/02/2014	4 289,00
1H656195	1110	07/02/2014	2 690,00
1H656195	1113	03/07/2014	3 132,90
1H656195	1120	07/02/2014	1 940,00

Kagisano

7.9.9 We contacted Ms Sebag Kagiso Mtambo of Kagisano to verify if Kagisano rendered the maintenance and repair services at the Catering School and she stated the following among others:

- That Kagisano rendered the maintenance and repair work at the Catering School and the work was completed fully,

- That no government orders were provided before the commencement of the work,
- That there was outstanding money still owed to her company by DOD but she could not recall as it is an old matter and the outstanding payments were written off; and
- Kagisano was on the DOD supplier database.

7.9.10 We noted the below invoices that were paid as per the FMS, however, we were not provided with the tax invoices, upon request, at the Catering School and when following up with the supplier:

Government Order no	Invoice no	Date	Amount
1H656391	INV1016	03/03/2015	19 097,00
1H656391	INV1003	31/07/2015	9 163,00
1H656389	IN1004	31/07/2015	11 011,00

Joyabi

7.9.11 In a telephonic consultation with Mr Abiot Tshifura Managing Director of Joyabi, he confirmed the following among others;

- That his company did the installation of sports lights and day light switch at the Catering School;
- That he does not remember the name of the official that called him for work, however he was told that his company was appointed on emergency basis;
- That government order was received after submitting the invoice and the invoice was paid in full.

Estherlicious

7.9.12 In an interview held with the Mr Masilo Sammuel Sekgobela, the representative of Estherlicious, he stated among others that the repairs were done at the

Catering School however since it has been long time, he could not recall if the company was paid or not.

- 7.9.13 Mr Masilo Sammuel Sekgobela further stated that his company was on the DoD database and he was called by the Catering School official to submit the quotations for repairs.

MBHM

- 7.9.14 We contacted Mr Bornface Mboma director of MBHM to verify if MBHM did render the maintenance and repair services at the Catering School and he confirmed the following among others;

- That MBHM rendered the maintenance and repair work at the Catering School,
- That no government orders were provided to him before the commencement of the work,
- That all MBHM invoices were paid in full, and
- MBHM was on the DOD supplier database.

- 7.9.15 We noted the below invoices that were paid as per the FMS, however, there were no tax invoices available at the Catering School and when following up with the supplier:

Government Order no	Invoice no	Date	Amount
1H656310	INV-DEF0016	10/01/2014	23 301,60
9H166560	INV0000160	29/10/2016	12 540,00
9H166537	INV0000196	14/12/2016	33 345,00

Blackstone and MEGA

- 7.9.16 We interviewed Mr Itumeleng Mashishi, director of Blackstone to verify if Blackstone rendered the maintenance and repair services at the Catering School and he stated the following among others:

- That Blackstone rendered the maintenance and repair work at the Catering School,
- That no government orders were provided to him before the commencement of the work,
- That all Blackstone invoices were paid in full, and
- Blackstone was on the DoD supplier database.

Tshepiso

7.9.17 Tshepiso director, was interviewed in order to verify and confirm the work done by his company at the Catering School and he stated the following *inter alia*:

- That Tshepiso rendered the maintenance and repair work at the Catering School,
- That no government orders were provided to him before the commencement of the work,
- That all Tshepiso invoices were paid in full, and
- Tshepiso was on the DOD supplier database.

Fentse

7.9.18 We conducted telephonic interview with Mrs Beauty Kopa of Fentse on 23 December 2020 to verify if her company did render the maintenance and repair services at the Catering School and she telephonically confirmed the following among others;

- That Fentse rendered the below listed services at the Catering School during the year 2014;
- That no government orders were provided to her before the commencement of the work,

- That Fentse invoices were paid in full, and
- That Fentse was on the DOD supplier database.

Chinyere

7.9.19 We conducted telephonic interview with Mrs Tumelo Adiele, director of Chinyere on 4 December 2020 to verify if her company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Chinyere rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Chinyere invoices were paid in full, and
- That Chinyere was on the DOD supplier database.

Leatile

7.9.20 We conducted telephonic interview with Mr Elhers, director of Leatile on 3 December 2020 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Leatile rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Leatile invoices were paid in full, and
- That Leatile was on the DOD supplier database and he does not recall the name of the DOD official he was dealing with.

Hlamehlungeni

7.9.21 We conducted telephonic interview with Ms Nkoana, director of Hlamehlungeni on 16 January 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Hlamehlungeni rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Hlamehlungeni invoices were paid in full, and
- That Hlamehlungeni was on the DOD supplier database.

Kancho

7.9.22 We conducted telephonic interview with the director of Kancho on 11 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Kancho rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Kancho invoices were paid in full, and
- That Kancho was on the DOD supplier database.

Lonfin

7.9.23 We conducted telephonic interview with Mr Moatshe, the director of Lonfin on 9 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Lonfin rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Lonfin invoices were paid in full, and
- That he was dealing with Lieutenant Colonel Munzhezdi at the Catering School.

Ditebogo

7.9.24 We conducted telephonic interview with Ms Boitumelo Molokomme, the director of Ditebogo on 8 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Ditebogo rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Ditebogo invoices were paid in full, and
- That he was dealing with Lieutenant Colonel Munzhezdi at the Catering School.

Knowledge

7.9.25 We conducted telephonic interview with Ms Matodzi, the director of Knowledge on 2 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Knowledge rendered the below listed services at the Catering School during the year 2014:

- That no government orders were provided to him before the commencement of the work,
- That all Knowledge invoices were paid in full, and
- That he was dealing with Lieutenant Colonel Munzhezdi at the Catering School.

Overdriver

7.9.26 We conducted telephonic interview with Mr Nefale, the director of Overtax on 2 February 2021 to verify if his company did render the maintenance and repair services at the Catering School and she stated the following among others;

- That Overtax rendered the below listed services at the Catering School during the year 2014:
- That no government orders were provided to him before the commencement of the work,
- That all Overtax invoices were paid in full, and
- That he was dealing with Lieutenant Colonel Munzhedzi at the Catering School.

Striving

7.9.27 We conducted telephonic interview with the member of Striving on 28 January 2021 to verify if his company did render the maintenance and repair services at the Catering School and he telephonically stated that he does not remember all the details as it was long time ago.

8. CONCLUSIONS

Based on our findings, we conclude as follows:

- 8.1. There are identified DoD officials that conducted business with an organ of the State (the Catering School) at the time, with certain officials being linked to the service providers that rendered services to the Catering School.
- 8.2. Lieutenant Colonel Munzhedzi invited service providers to submit quotations, despite his denials. Be that as it may, this facilitated irregular appointments.
- 8.3. The DoD's procurement procedures were breached.
- 8.4. That Lieutenant Colonel Munzhedzi used the emergency budget to do maintenance and repairs, however, emergency procurement procedures were breached.
- 8.5. An amount of R3 995 404.29 was incurred by the Catering School for the period 2013/14 without the DoD's procurement procedures being adhered to, of which an amount of R3 039 478.13 was for invoices relating to the suppliers that rendered a service without GO.
- 8.6. In terms of the FMS report, an amount of R3 995 404.29 was paid to service providers, however, the invoices provided and considered amounted to R3 039 437.13, meaning that the difference of R995 931.16 related to payments that were made but not supported by invoices.
- 8.7. ML Nkosi has an outstanding amount owed to it of R25 096.00.
- 8.8. Lieutenant Colonel Munzhedzi has contravened the section 45 of the PFMA.
- 8.9. In light of the fact that the DoD now utilizes the e-procurement system and the central supply database, we are of the considered view that these processes are now sufficient to prevent the same occurrences, and it is thus not necessary to develop organizational guidelines and recommendations.

9. RECOMMENDATIONS

9.1. We recommended that the DoD take the disciplinary actions against Lieutenant Colonel Munzhedzi for not adhering to the following procurement legislation and policy during his tenure as an Acting Officer Commander at the Catering School:

- Non-adherence section 45 of PFMA on Responsibilities of other officials;
- Non-adherence to section 217 of South African Constitution;
- Non-compliance to the process and procedures for procurement and sales in respect of commercial goods and services as stated in Joint Defence Publication ACQ No 00003/2004 (Edition 1).

9.2. In essence, Lieutenant Colonel Munzhedzi should be disciplined for the following:

9.2.1. Breach of procurement procedures.

9.2.2. Breach of emergency procurement procedures.

9.2.3. Partaking and/or facilitating irregular appointments of services providers.

9.2.4. Causing irregular expenditure to be incurred.

9.3. We further recommend that amount paid to suppliers in contravention of the above-mentioned legislations and policy should be recorded as an irregular expenditure in the respective years, and that Lieutenant Colonel Munzhedzi is an official liable in law for this irregular expenditure