

# R18.8m tender fraud exposed in North West

One firm scored R7.2m

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**A** NORTH West consulting firm pocketed more than R7.2 million from four tenders it was awarded without the mandatory valid tax and equity documents.

Tlhogi Consulting Project received the millions, which were part of the R18.8m from questionable bids by the province's social development department. The other companies that benefited from the R18.8m are Batsatsing Consultants, Velocity Consulting and Diyo Enterprise.

This is according to a provincial internal audit report submitted to the department in December. Its contents were

mentioned by the suspended former chief director of corporate services, Itumeleng Mogorosi, on Tuesday. He appeared before the legislature's portfolio committee on health and social development where he gave evidence about the shocking state of affairs in his department.

Mogorosi was suspended last month after he blew the whistle on corruption.

The auditors' report revealed recklessness in the manner that the department's bid evaluation committee had

been awarding tenders.

Both the health and social development departments are currently subject to a Hawks' investigation of fraud and corruption committed through illegal tendering.

In one instance, Imbawula, a deserving firm in terms of bidding points, was overlooked in favour of Tlhogi which had submitted an uncertified B-BBEE certificate and did not have a tax clearance certificate. The provincial treasury policy states that failure to submit an original tax clearance certificate leads to disqualification from tendering.

The company also could not provide its bidding documents to the auditors, who also failed to secure signed declarations of confidentiality and impartiality by the committee.

The committee could also not justify the certificate transgression to the auditors.

"It should, however, be emphasised that in respect of the other six bidders with whom Tlhogi was competing, original bid documents were provided for audit purposes," the report said.

Mathhogoanolo Neube, who owns Tlhogi, said she was not bothered about the report. "I'm not really worried, because I've delivered on all my tenders."



**BLEW THE WHISTLE:** North West's suspended chief director of social development, Itumeleng Mogorosi, mentioned the illicit tenders during his testimony at the portfolio committee's hearings this week.

The committee was also found to have erred by awarding Batsatsing 10 points for B-BBEE status even though the company had submitted a copy of its certificate, instead of the original as was required. The company won the R2.1m tender.

In another case of gross oversight, the committee gave Diyo Enterprise two food catering tenders of R4.7m. Both tenders had surpassed their 90 days' validity by 112 days. Treasury stipulates that once

the validity period expired, the bids were no longer valid.

Auditors said these transgressions and oversights could render the bidding process unfair and corrupt, and could result in irregular expenditure and unfavourable audit outcomes.

The auditors reviewed the evaluation and adjudication of only nine bids awarded to the four companies between April 2016 and August 2017 and whether they conformed to the prescribed supply-chain

management requirements.

The auditor concluded that the department's internal controls and processes in reviewing bids were high risk, "inadequate and ineffective in ensuring that departmental objectives are met".

In a separate report compiled in June 2016, the committee erroneously awarded a R10m tender to Bheks Project and Investment to provide food parcels for two years at Dr Kenneth Kaunda District.

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