



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001

Office of the Accountant General Division

Reference: 02-95-01-2021

Enquiry: Jabu Masoka Tel: (012) 395 6636 Fax: (012) 315-5890

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22 September 2020

Acting Chief Executive Officer, Ms. Tshepo Kgare

Railway Safety Regulator
Building 4, Waterfall Point Office Park
Cnr Waterfall and Woodmead Drive
Waterfall City

MIDRAND

1685

Dear Ms. Kgare

**REQUEST FOR INFORMATION IN TERMS OF THE PUBLIC FINANCE MANAGEMENT ACT (PFMA)
SECTION 41**

BACKGROUND

The Specialised Audit Service unit ("SAS") was established by the Minister of Finance within the branch of the Office of the Accountant-General at National Treasury, mainly to enhance the Support and Enforcement of the prescripts of the public procurement processes. The SAS key objectives is to provide performance auditing and investigative capacity in all spheres of government, on a broad range of financial management and internal control systems in the supply chain management of public procurement.

SAS received a request from the Ms Margaret Phiri, the Chairperson of the Audit and Risk Committee of the Railway Safety Regulator ("RSR") to conduct a forensic investigation pertaining to various allegations of non-compliance to recruitment processes, irregularities on the appointment of service providers, fraud and corruption RSR. The request for investigation was informed by a resolution took at Audit and Risk Committee meeting that

was held on 18 February 2020 were the above-mentioned allegations were discussed which related to matters mentioned below:

1. The appointment of the Chief Executive Officer (CEO).
2. The appointment of the Chairperson of the Audit and Risk Committee.
3. The appointment of the Chief Financial Officer.
4. The appointment of the Company Secretary / Executive Legal and Chief Information Officer.
5. Remuneration (increments of the Executives salaries).
6. The procurement of the Legal Advisory, Nazeer Cassim SC.
7. The procurement of the Waterfall Park Offices,
8. The procurement of motor vehicle for the Chairperson of the RSR Board.
9. The procurement of the NIMS enhancement project.
10. The procurement of the Personal Protective Equipment (PPE)

The investigation will cover all the aforementioned matter and any matters related to the reported allegations.

INFORMATION REQUEST

In line with **Section 41** of the **Public Finance Management Act ("PFMA")** which requires that *"The accounting officer for a trading entity must submit to the relevant treasury or the Auditor-General, such information, returns, documents, explanations and motivations as may be prescribed or as the relevant treasury or the Auditor-General may require"*

We request your office to furnish us with copies of:

1. Details of recruitment agencies used for recruitment and their mandate;
2. Details of all shortlisted candidates;
3. Interview packages which should include the interview panel and a recruitment report / motivation to appoint a successful candidate;
4. Appointment letter;
5. Employment contract;
6. All documents (communications, resolution by Board, report/s and processes followed) relating to the increment of Executives salaries;

7. All bid documents (procurement plan, strategy, budget, advertisement / invitation of bids; briefing session register and reports, list of bids received and bidder's documents / submissions, all reports relating to Bid Specifications Committee (BSC), Bid Evaluation Committee (BEC) and Bid Adjudication Committee (BAC));
8. Names and contacts details of BSC, BEC and BAC members;
9. Minutes of the BSC, BEC and BAC;
10. All correspondences between RSR officials, bidders and other role-players who were involved in respect of these bid;
11. Names and contacts details of the representative of the successful bidder and their appointment letters;
12. Service Level Agreement/s;
13. Payments documents (invoices, requisitions, proof of payments etc.); and
14. Copy of master electronic payment (all payment transactions processed to service providers in the last three (3) financial period)

The SAS unit will appreciate your cooperation in this regard.

Yours faithfully



Levy Moshoele

Acting Chief Director: Specialised Audit Service

Office of the Accountant-General of SA

Date: 22/9/2020

Cc : Acting Accountant-General, Karen Maree

: Chairperson of the Board of RSR Mr. Boy Nobunga

: Chairperson of the RSR Audit and Risk Committee, Ms. Margaret Phiri