



**KWAZULU-NATAL PROVINCE**  
**TRANSPORT**  
REPUBLIC OF SOUTH AFRICA

**DIRECTORATE:**

OFFICE OF THE MEC

Private Bag X9043, PIETERMARITZBURG, 3200

INKOSI MHLABUNZIMA MAPHUMULO HOUSE  
172 Burger Street, PIETERMARITZBURG, 3200  
Tel: (27)(33) 342 8824

10<sup>th</sup> Floor, Trufo House  
17 Victoria Embankment, Durban, 4001  
Tel: (27)(31) 337 0626/360 6576

E-mail: [Monde.Nondabula@kzntransport.gov.za](mailto:Monde.Nondabula@kzntransport.gov.za)

The Speaker

KwaZulu-Natal Legislature

Private Bag X 2119

PIETERMARITZBURG

3200

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB  
GWALA (DA) TO ASK THE MEC FOR TRANSPORT:**

**Question 1**

How the Department incurred the R17 billion irregular expenditure for the 2019/20 financial year?

**Response 1**

- a. The Department incurred irregular expenditure totalling R2,393,469,000 during the 2019/20 financial year.
- b. The irregular expenditure balance of R17,841 billion as at the end of the 2019/20 financial year was not incurred in a single year but is the accumulation of irregular expenditure over the seven-year period 2013/14 until 2019/20.



**KWAZULU-NATAL PROVINCE**  
**TRANSPORT**  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

**Question 2**

Why the Department intends to hire an external expert to help explain how it incurred the massive bill of irregular expenditure instead of using its internal staff components?

**Response 2**

- a. The nature of the irregular expenditure transactions identified by the Auditor-General in the main but also through the Department's own control processes has resulted in the department having to report contracts with a large volume of transactions as irregular and this has also required the department to go back to identify transactions that were completed in prior financial years.
- b. The result of this process is that there are now approximately 18,000 backlog transactions requiring determination (investigation) in terms of the Irregular Expenditure Framework issued by National Treasury.
- c. The Irregular Expenditure Framework requires a person independent of the supply chain process, generally Loss Control or Internal Control components of the department, to investigate the entire procurement process from initiation, demand, acquisition, contracting, delivery, and invoicing.
- d. The investigation must identify all irregularities in the process, not only the reason for being initially reported, identify officials responsible for irregularities and must conclude as to whether value for money was ultimately received for the transaction.



**KWAZULU-NATAL PROVINCE**  
TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

- e. The volume of transaction necessitated obtaining additional capacity to allow the department to investigate these transactions as the number of staff available in the department is insufficient to deal with this volume of transactions.
- f. The department is managing to investigate current transactions being incurred during the current financial year to ensure that the backlog does not increase.

**Question 3**

How much will be paid to the external expert? [Please provide a total breakdown of charges per hour, week and month].

**Response 3**

The Service Provider will be paid on an output basis a total amount of R25,509,300.

**Question 4**

Who is the external expert to be hired? [Please provide a name, surname, qualifications and a company name].

**Response 4**

The company awarded the contract through an open tendering process was Open Water Advanced Risk Solutions.



**KWAZULU-NATAL PROVINCE**  
**TRANSPORT**  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB  
GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

**Question 5**

When will the external expert be appointed? [Please provide a date, month and a year].

**Response 5**

The contract is currently being negotiated but is scheduled to operate from 06 September 2021 until 05 September 2024.

**Question 6**

For what will the external expert be appointed/

**Response 6**

Conduct a determination test in accordance with the Irregular Expenditure Framework to establish the facts and any losses related to the transaction and provide information on:

- i. Root cause that led to the transgression;
- ii. Employee(s) responsible for irregular expenditure;
- iii. Whether the department suffered a loss; and
- iv. Any breakdown in internal controls.

**Question 7**

What action has been taken against officials who contributed to the R17 billion irregular expenditure?



**KWAZULU-NATAL PROVINCE**  
TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

**Response 7**

The determination (investigation) exercise to be undertaken by the Service Provider will determine which officials transgressed and from this report the Department's Labour Relations component will assist supervisors in implementing appropriate disciplinary action for the transgression against those responsible in accordance with the Consequence Management Framework issued by the Office of the Premier.

**Question 8**

If yes, what are the relevant details, if not, why not?

**Response 8**

Please refer to the response 7 above.

**Question 9**

Has the R65,41 million that could not be verified by the Auditor-General been verified?

**Response 9**

The Auditor-General has accepted the disclosure of the 2019/20 revised irregular expenditure during their 2020/21 audit.

**Question 10**

If not, why not?



**KWAZULU-NATAL PROVINCE**  
TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB  
GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

**Response 10**

The full value of irregular expenditure for 2019/20 has now been disclosed.

**Question 11**

Why the Department underspent the budget for Transport Infrastructure by R1,64 billion?

**Response 11**

- a. Slow progress with maintenance projects in respect of betterment and gravelling, as well as blading of gravel roads due to the suspension of the Vukuzakhe Emerging Contractor Development Programme. This programme was a vehicle used by the department to undertake maintenance projects and was designed to allow for the awarding of contracts to emerging contractors at a local level. However, the Auditor-General declared the programme Irregular resulting from the programme's non-compliance with Preferential Procurement Policy Framework Act (PPPFA). The department then suspended the programme enable a review into the policy to align the programme to the Construction Industry Development Board (CIDB) and the National Contractor Developing Programme Framework and Guidelines and National Contractor Developing Programme Framework and Guidelines to make it compliant with the PPPFA.



**KWAZULU-NATAL PROVINCE**  
TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

- b. Challenges with access to quarries affecting maintenance projects that required gravel material like re-gravelling and patch gravelling, and this contributed to some of the under-spending. This is an issue throughout the province, but the areas mostly affected were the Ugu, Harry Gwala, and the uMgungundlovu District Municipalities. The department engaged with the House of Traditional Leaders and the Ingonyama Trust Board to address the challenges.
- c. Capital construction projects were significantly underspent as a result of poor performance by some contractors facing financial difficulties and thus not delivering on project milestones, change in the scope of work due to additional earthworks needed to be done as a result of changes in designs during construction, as well. The department has since terminated these poor performing contractors and re-advertised the tenders.
- d. SCM related challenges resulted in delays in the awarding of rehabilitation contracts. This was as a result of large volumes of applicants. The department received more than 1 100 bid applications and therefore the evaluation and adjudication took longer than anticipated. This was further intensified because the approval of the design and specification reports for the projects took longer than anticipated and was only completed in August 2019. The finalization of the contracts was also delayed and these were only issued in October 2019, due to challenges in clarifying local content requirements in contracts. The delays were further exacerbated by the construction shut down period. Most of the construction work resumed during the final quarter of the financial year which then resulted in the substantial underspending that is being reported.



**KWAZULU-NATAL PROVINCE**  
TRANSPORT  
REPUBLIC OF SOUTH AFRICA

**PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB  
GWALA (DA) TO ASK THE MEC FOR TRANSPORT**

**Question 12**

Have the projects which resulted to the Department to underspend the budget by R1,64 billion been commenced?

**Response 12**

- a. The projects which resulted in our underspending in 2019/20 are currently at procurement stage. The reason for this is that the procurement process had to be restarted after the relaxation of level 5 and 4 of lockdown. When the country went into hard lockdown the procurement currently underway had to be cancelled and restarted. Soon after this the outcome of the 2019/20 audit rendered the period contracts ZNB4197/17T and ZNB4198/17T irregular which necessitated the termination of the procurement processes underway. The affected projects then had to be re-invited for the third time using a different procurement approach. These contracts have not yet reached award stage.
- b. A list is attached of the projects that were identified to be implemented in the 2019/20 financial year and have now been planned for implementation during the 2022/23 financial year.

**Question 13**

If yes, please provide the list of the projects and place where they are situated; and

**Response 13**

Please refer to the response to question 12 above.





**KWAZULU-NATAL PROVINCE**  
**TRANSPORT**  
REPUBLIC OF SOUTH AFRICA

PARLIAMENTARY QUESTION NO. 239/2021 FOR WRITTEN REPLY: MR MB  
GWALA (DA) TO ASK THE MEC FOR TRANSPORT

Question 14

If not, why not?

Response 14

Not applicable.

MR JS MBHELE

HEAD OF DEPARTMENT: TRANSPORT

DATE: 2020-01-17

MS. NP NKONYENI

MEC FOR TRANSPORT, COMMUNITY SAFETY AND LIAISON

DATE: 22/01/22

**SUMMARY**

Activities	Contribution to the under expenditure
Rehab	825 120 425.00
Reseal	115 776 440.00
Upgrades & Bridges	604 733 322.00
	1 545 630 187.00

REHAB

IGHS State	Project Status	Sum of Total Budget Appropriation (CYPA)	Sum of Actual Expenditures Q1	Sum of Actual Expenditures Q2	Sum of Actual Expenditures Q3	Sum of Actual Expenditures Q4	Total actual Expenditure	Contribution to the Under appropriation
Stage 4: Design Documentation	Design	31,278,250.00	-	198,099.00	167,440.00	5,018,657.00	5,379,196.00	31,278,250.00
Stage 4: Design Documentation	Design	65,175,950.00	-	582,609.00	543,666.00	93,955.00	676,594.00	57,796,754.00
Stage 4: Design Documentation	Design	21,264,000.00	-	-	-	-	543,666.00	20,567,458.00
Stage 4: Design Documentation	Design	76,446,000.00	-	228,071.00	-	109,198.00	337,269.00	75,902,954.00
Stage 4: Design Documentation	Design	1,368,000.00	-	-	-	-	-	1,050,791.00
Stage 4: Design Documentation	Design	71,747,040.00	-	-	-	-	-	71,747,040.00
Stage 4: Design Documentation	Design	43,244,760.00	-	1,718,158.00	150,998.00	5,805,230.00	7,574,346.00	43,244,760.00
Stage 4: Design Documentation	Design	71,591,000.00	-	-	-	-	-	69,916,654.00
Stage 4: Design Documentation	Design	2,639,000.00	-	-	-	-	-	2,639,000.00
Stage 4: Design Documentation	Design	1,289,000.00	-	-	693,506.00	-	693,506.00	1,289,000.00
Stage 4: Design Documentation	Design	71,820,000.00	-	-	2,225,058.00	-	2,225,058.00	71,126,494.00
Stage 4: Design Documentation	Design	48,255,000.00	-	-	16,060,843.00	-	16,060,843.00	46,039,942.00
Stage 4: Design Documentation	Design	21,667,000.00	-	13,320,818.00	1,159,424.00	10,360,265.00	23,741,926.00	-12,074,926.00
Stage 4: Design Documentation	Design	48,722,000.00	-	1,364,493.00	979,062.00	467,740.00	1,627,164.00	47,084,836.00
Stage 4: Design Documentation	Design	45,600,000.00	-	-	-	789,249.00	789,249.00	42,463,296.00
Stage 4: Design Documentation	Design	62,621,000.00	-	-	1,858,046.00	-	1,858,046.00	62,621,000.00
Stage 4: Design Documentation	Design	47,128,000.00	-	-	-	-	-	45,289,954.00
Stage 4: Design Documentation	Design	24,168,000.00	-	3,986,976.00	17,790,135.00	1,231,082.00	23,008,193.00	24,168,000.00
Stage 4: Design Documentation	Design	70,954,000.00	-	-	-	855,477.00	855,477.00	47,945,807.00
Stage 4: Design Documentation	Design	55,852,000.00	-	-	-	-	-	54,696,528.00
Stage 4: Design Documentation	Design	27,696,000.00	-	596,804.00	-	-	596,804.00	28,097,660.00
Stage 4: Design Documentation	Design	914,515,970.00	1,031,596.00	21,433,419.00	42,205,747.00	24,724,853.00	1,029,965,515.00	202,110,725.00

Origin Municipality	Local Municipality	Project Name	IBOS Item	Project Status	Main Budget Agreement (TOTAL)	Actual Expenditure Q1	Actual Expenditure Q2	Actual Expenditure Q3	Actual Expenditure Q4	Total Actual Expenditure	Commitment to the Budget
Amajuba	Durbanvuer	RESFAL OF P35-1 (KM 0 TO KM 13,64)	Stage 4: Design Documentation	Tender	15 000 000	-	-	-	1 568 446	1 568 446	13 431 554
	Emedlangeni	RESFAL OF P314 (KM 0 TO KM 13)	Stage 4: Design Documentation	Design	15 000 000	640 009	545 304	-	-	1 185 313	13 814 687
	Newcastle	RESFAL OF P299 (KM 0 TO KM5)	Stage 4: Design Documentation	Tender	8 764 000	-	-	487 874	-	487 874	8 276 126
eThekweni	eThekweni	RESFAL OF P211 (KM48 TO KM241)	Stage 4: Design Documentation	Design	4 740 000	-	-	-	-	-	4 740 000
		THE RESFAL OF D870 (KM4 TO KM12)	Stage 4: Design Documentation	Design	6 080 000	-	-	-	-	-	6 080 000
		THE RESFAL OF P572-1 (KM0 TO KM9 Z)	Stage 4: Design Documentation	Design	6 733 000	-	-	-	-	-	6 733 000
iNgcakhawo	Middelburg	RESFAL OF P91 (P) (KM2 TO KM12,38)	Stage 4: Design Documentation	Design	9 842 000	-	368 198	-	-	368 198	9 842 000
	Uthukela	RESFAL OF P369 (KM 4 TO KM 12,07)	Stage 4: Design Documentation	Design	15 000 000	-	-	-	-	-	14 611 804
		RESFAL OF P208 (KM 0 TO KM 16,22)	Stage 4: Design Documentation	Design	16 672 000	-	-	-	-	-	16 672 000
Zululand	Cokhshamba	RESFAL OF P301 (KM 2 TO KM 3,99)	Stage 4: Design Documentation	Design	20 169 000	3 401 436	-	-	-	3 401 436	19 862 449
	Nongoma	RESFAL OF P235-2 (KM 0 TO KM 4)	Stage 4: Design Documentation	Tender	6 978 000	-	315 180	-	1 805 115	2 120 295	13 862 449
											14 982 744
					<b>124 912 000</b>					<b>9 151 560</b>	<b>115 760 440</b>

**UPGRADES AND BRIDGES**

IDMS Gate	Project Status	Main Budget Appropriation (TOTAL)	Actual Expenditure Q1
Stage 4: Design Documentation	Design	13 500 000	-
Stage 4: Design Documentation	Design	32 000 000	-
Stage 3: Design Development	Feasibility	250 000	-
Stage 3: Design Development	Feasibility	250 000	-
Stage 3: Design Development	Feasibility	2 500 000	-
Stage 4: Design Documentation	Design	6 000 000	-
Stage 4: Design Documentation	Design	9 581 000	-
Stage 4: Design Documentation	Design	6 000 000	-
Stage 3: Design Development	Feasibility	3 500 000	384 389
Stage 3: Design Development	Feasibility	11 940 000	-
Stage 4: Design Documentation	Design	11 970 000	-
Stage 4: Design Documentation	Design	26 000 000	-
Stage 4: Design Documentation	Design	5 818 000	-
Stage 3: Design Development	Feasibility	12 000 000	3 368 423
Stage 3: Design Development	Feasibility	3 500 000	-
Stage 4: Design Documentation	Design	12 940 000	15 047
Stage 4: Design Documentation	Design	7 000 000	-
Stage 3: Design Development	Feasibility	6 000 000	-
Stage 4: Design Documentation	Tender	2 098 000	-
Stage 4: Design Documentation	Design	11 000 000	-
Stage 4: Design Documentation	Design	10 000 000	-
Stage 4: Design Documentation	Design	23 000 000	-
Stage 4: Design Documentation	Design	25 000 000	-
Stage 4: Design Documentation	Design	-	-
Stage 4: Design Documentation	Tender	1 442 000	-
Stage 4: Design Documentation	Design	13 000 000	-
Stage 3: Design Development	Feasibility	1 000 000	-
Stage 4: Design Documentation	Design	2 723 000	-
Stage 4: Design Documentation	Tender	1 000 000	-
Stage 3: Design Development	Feasibility	13 000 000	-
Stage 3: Design Development	Feasibility	1 169 000	-
Stage 4: Design Documentation	Design	4 500 000	-
Stage 4: Design Documentation	Design	6 000 000	-
Stage 4: Design Documentation	Design	5 300 000	-
Stage 4: Design Documentation	Design	200 000	-
Stage 3: Design Development	Feasibility	11 400 000	-
Stage 4: Design Documentation	Design	6 000 000	-
Stage 4: Design Documentation	Tender	6 000 000	-
Stage 4: Design Documentation	Design	6 656 000	-
Stage 4: Design Documentation	Design	20 000 000	-
Stage 4: Design Documentation	Design	12 500 000	-
Stage 4: Design Documentation	Design	500 000	-
Stage 4: Design Documentation	Design	23 000 000	-
Stage 4: Design Documentation	Design	20 000 000	-
Stage 3: Design Development	Feasibility	2 500 000	-

Stage 4: Design Documentation	Design	6 000 000	-
Stage 4: Design Documentation	Design	32 000 000	
Stage 4: Design Documentation	Design	11 500 000	-
Stage 4: Design Documentation	Design	5 500 000	
Stage 4: Design Documentation	Design	1 000 000	
Stage 4: Design Documentation	Design	1 250 000	
Stage 3: Design Development	Feasibility	10 000 000	
Stage 4: Design Documentation	Tender	2 500 000	-
Stage 4: Design Documentation	Design	2 500 000	
Stage 4: Design Documentation	Design	7 500 000	
Stage 4: Design Documentation	Design	13 700 000	
Stage 4: Design Documentation	Design	1 000 000	
Stage 3: Design Development	Feasibility	2 500 000	
Stage 4: Design Documentation	Design	9 500 000	
Stage 4: Design Documentation	Tender	15 661 000	129 754
Stage 4: Design Documentation	Design	17 500 000	
Stage 4: Design Documentation	Design	15 500 000	
Stage 4: Design Documentation	Tender	11 500 000	
Stage 4: Design Documentation	Tender	1 000 000	-
Stage 4: Design Documentation	Tender	14 718 000	
Stage 4: Design Documentation	Tender	620 000	
Stage 4: Design Documentation	Design	22 558 000	
Stage 4: Design Documentation	Tender	11 598 000	-
Stage 4: Design Documentation	On Hold	1 500 000	
Stage 3: Design Development	Feasibility	10 051 000	
Stage 4: Design Documentation	Design	12 000 000	-
Stage 3: Design Development	Feasibility	4 000 000	
		<b>644 393 000</b>	

Actual Expenditure Q2	Actual Expenditure Q3	Actual Expenditure Q4	Tota Actual Expenditure	Contribution to the under expenditure
-	-	-	-	13 500 000
66 111	-	-	66 111	31 933 889
-	-	-	-	250 000
-	-	-	-	250 000
-	-	-	-	2 500 000
-	-	-	-	6 000 000
-	228 428	-	228 428	9 352 572
-	-	825 675	825 675	5 174 325
-	-	-	384 389	3 115 611
795 501	-	1 000 058	1 795 559	10 144 441
-	915 359	-	915 359	11 054 641
-	357 938	361 236	719 174	25 280 826
-	-	-	-	5 818 000
-	-	-	3 368 423	8 631 577
-	392 484	713 730	1 106 214	2 393 786
-	126 500	-	141 547	12 798 453
-	391 476	531 685	923 161	6 076 839
-	-	-	-	6 000 000
442 062	554 680	-	996 742	1 101 258
-	429 773	-	429 773	10 570 227
-	-	-	-	10 000 000
-	-	248 660	248 660	22 751 340
-	-	278 493	278 493	24 721 507
-	-	-	-	-
-	-	-	-	1 442 000
-	-	798 502	798 502	12 201 498
-	-	-	-	1 000 000
-	-	-	-	2 723 000
-	1 033 462	783 695	1 817 157	-817 157
-	-	-	-	13 000 000
-	-	-	-	1 169 000
-	-	-	-	4 500 000
-	1 019 130	430 821	1 449 951	4 550 049
-	-	-	-	5 300 000
-	-	-	-	200 000
-	-	-	-	11 400 000
-	-	-	-	6 000 000
-	-	-	-	6 000 000
-	-	2 112 906	2 112 906	4 543 094
-	-	-	-	20 000 000
-	-	-	-	12 500 000
-	-	-	-	500 000
-	351 095	-	351 095	22 648 905
-	2 665 919	-	2 665 919	17 334 081
-	-	-	-	2 500 000

-	-	620 979	620 979	5 379 021
189 767	-	-	-	32 000 000
-	-	-	189 767	11 310 233
-	-	-	-	5 500 000
-	-	-	-	1 000 000
-	-	-	-	1 250 000
58 646	43 945	-	-	10 000 000
-	-	-	102 591	2 397 409
-	-	-	-	2 500 000
-	-	-	-	7 500 000
-	-	-	-	13 700 000
-	-	-	-	1 000 000
-	-	-	-	2 500 000
-	-	-	-	9 500 000
-	-	-	129 754	15 531 246
-	-	-	-	17 500 000
-	-	-	-	15 500 000
-	-	-	-	11 500 000
-	2 060 912	219 297	2 280 209	-1 280 209
-	-	-	-	14 718 000
-	-	-	-	620 000
-	-	-	-	22 558 000
-	4 518 719	733 100	5 251 819	6 346 181
-	-	-	-	1 500 000
-	-	-	-	10 051 000
-	7 784 115	1 677 206	9 461 321	2 538 679
-	-	-	-	4 000 000
-	-	-	39 659 678	109 711 432