DATE: 31 March 2023

SUBJECT: RFQ 08/2023: APPOINTMENT OF A SUITABLE SERVICE PROVIDER TO CONDUCT AN INVESTIGATION AND ADVISE ON LOSS CONTROL FUNCTION.

QUERIES

1. After studying the TOR it is clear that one requires copies of the 2019/20, 2020/21 and the 2021/22 Annual Financial Statements (AFS) where the Irregular, Unauthorised and Fruitless & Wasteful Expenditure (UIFW) are disclosed. I am therefore requesting a copy of the AFS:

   Response: AFS attached

2. KINDLY PROVIDE CLARITY ON THE FOLLOWING FOR THE ABOVE-MENTIONED TENDER:

- How many cases must be investigated and assessed? : **Fruitless expenditure affects 13 service providers/parties with 23 cases and Irregular expenditure affects 15 service providers with 27 cases. As at 31 March 2023 not taking into account possible cases during year end processes. Year-end processes might identify more cases**
- Are the cases only for the 2019/20 financial year or does it include other years? **: No, this includes cases from 2020 financial year until 2023 financial year.**
- Within what period must the investigation be finalised? : **Between April 2023 until mid-May 2023 to allow AFS to be finalised for submission on 31st May 2023.**
- Must the pricing proposal be submitted separately, or can it be included in the technical proposal? **Pricing Proposal should be submitted together with the technical proposal**

3. DOES THE INVESTIGATION ONLY RELATE TO THE 2019/2020 FINANCIAL YEAR? –

   Response: From 2019/2020 until 2022/2023 financial year.

4. WE HAVE NOTED IN THE 2019/2020 ANNUAL REPORT THAT FRUITLESS AND WASTEFUL EXPENDITURE OF R123 612 000 WAS DISCLOSED – ARE WE CORRECT TO ASSUME THAT THE INVESTIGATION RELATES TO THIS AMOUNT AND THAT THE FRUITLESS AND WASTEFUL EXPENDITURE ONLY RELATES TO ONE TRANSACTION?

   Response: No, they don't relate to one transaction. Fruitless expenditure affects 13 service providers/parties with 23 cases and Irregular expenditure affects 15 service providers with 27 cases. As at 31 March 2023 not taking into account possible cases during year end processes. Year-end processes might identify more cases.

5. WE HAVE NOTED IN THE 2019/2020 ANNUAL REPORT THAT IRREGULAR EXPENDITURE OF R23 065 000 WAS DISCLOSED – ARE WE CORRECT TO ASSUME THAT THE INVESTIGATION RELATES TO THIS AMOUNT AND CAN YOU PLEASE CLARIFY HOW MANY TRANSACTIONS THE EXPENDITURE IS MADE UP OF?

   Response: No, the amount was revised to R37million with only 3 cases for 2019/2020. To date, there are 27 cases of irregular expenditure that requires investigation. It must be noted that this does not take into account items that might be identified during the year end processes. This means the items might increase. This RFQ requires investigation to be done from 2019/2020 to 2022/2023 financial year.

6. HOW MANY SERVICE PROVIDER CONTRACTS WILL BE REVIEWED?

   Response: Fruitless expenditure affects 13 service providers/parties with 23 cases and Irregular expenditure affects 15 service providers with 27 cases. As at 31 March 2023 not taking into account possible cases during year end processes. Year-end processes might identify more cases.

7. ESTIMATED HOURS TO COMPLETE INVESTIGATION?

   Response: Unable to determine as cases differ.

PRICING QUESTIONS

- We considered Annex D to the RFQ. We noticed that the annexure refers to activities/deliverables. The cost of forensic investigations is generally determined based on the composition of the team, is there an expectation that we disclose hourly rates? **Response: Annexure D has been amended and the new 1 only makes provision of disclosing the total hours - you may include hourly rates**.
- Annex D does not make provision for project related expenses, where do we include project expenses? **Response: Please see the new/amended Annexure D**

GENERAL QUESTIONS

- Is the relevant documentation and officials based in Gauteng or will we be required to travel? **– Response: We are in Gauteng.**
- Is the documentation available in electronic format? : **Response: Yes and some might not be printed, e.g if there is a need to look at procurement documentation.**
- Will any electronic devices, i.e. cell phones or computers, need to be forensically imaged and electronic data reviewed? : We can't advise on this one. **Response: The investigation team is required to do what investigation process requires them to do to ensure that evidence was collected**.

THE END