Joanne Scott

From: Empie Van Schoor
Sent: Monday, November 3, 2025 9:18 AM
To: DGRegistry
Cc: Steven Muleya; CD_Legal Services
Subject: Request to deviate from normal SCM processes to appoint the PWC Inc to conclude a full review of the design and control of the ICT Environment for Disbursement of payments to beneficiaries at the Compensation Fund
Attachments: SKM_C550i25101508320.pdf

Dear Joanne,

1. We are requested to review a memo to the DG in which the SAS seeks approval to deviate from normal Supply Chain Management ("SCM") processes to appoint PricewaterhouseCoopers ("PWC") to conduct phase 2 of the review of the ICT environment at the Department of Employment and Labour ("DEL") as it pertains to the Compensation Fund ("CF").

2. We are informed in the Memo that in 2023 the SAS engaged PWC to review the CF's ICT design and control environment following allegations of a possible syndicate within the CF that resulted in interceptions of instructions to pay beneficiaries leading to the CF losing approximately R2.1 billion.

3. The Memo further indicates that PWC was engaged through the previous panel *NT012-2020* of forensic investigators which terminated in 2024 and is not part of the new panel that is currently in place. As a result, a deviation is sought for PWC to be appointed to proceed with phase 2 of the review. Phase 2 of the review appears to be necessitated by the discovery that all ICT environment of the CF were managed by the DEL. Consequently, in order to conclude the review, it appears to have become necessary to also review DEL's network and application controls as it pertains to the CF. The motivation/reasons provided for the deviation is that PWC has already developed a deep understanding of the matter and is best placed to ensure continuity and conclude phase 2 of the review with minimal delay and reduced costs.

4. Reliance for the deviation is placed on Treasury Regulation 16A6.4, paragraph 4 of Instruction No. 3 of 2021/2022 and the National Treasury's SCM policy ("Policy") all which give the accounting officer the power to dispense with normal procurement processes to the extent that they are rendered impractical. It further appears from paragraph 4.5 of the Memo that reliance is specifically placed on paragraph 4.5.7.3 of the Policy as a basis to deviate from normal procurement process where it is impractical to do so. Paragraph 4.5.7.3. of the Policy provides that any other deviation may be allowed in exceptional cases subject to prior written approval from the accounting officer. The Policy does not define what constitutes exceptional cases. It is advised that the reasons provided for in paragraphs 3.11 and 3.12 of the Memo as motivation for the deviation suffice to constitute an exceptional case as provided for in paragraph 4.5.7.3 of the Policy. Based on the previous work of the service provider, phase 1, it is reasonable to conclude that it will result in them being able to execute phase 2 quicker and more cost-effective than a new service provider.

From: DGRegistry <DGRegistry@treasury.gov.za>
Sent: Wednesday, 15 October 2025 08:57
To: Empie Van Schoor <Empie.Vanschoor@treasury.gov.za>
Subject: Request to deviate from normal SCM processes to appoint the PWC Inc to conclude a full review of the design and control of the ICT Environment for Disbursement of payments to beneficiaries at the Compensation Fund

Dear Empie

DG wants your team to review this memo.

Kind regards

Joanne

National Treasury EMail Disclaimer

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Department:
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REPUBLIC OF SOUTH AFRICA

Choose an item.

To: Director-General

REQUEST TO DEVIATE FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES TO APPOINT THE PRICEWATERHOUSECOOPERS INC TO CONCLUDE A FULL REVIEW OF THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND.

From:	**Office of the Accountant-General**
Unit:	Specialised Audit Services
Enquiry:	Nodumo Ketani
File ref:	NT/ 02-16-02-2026/01

OFFICE OF THE DIRECTOR-GENERAL
DATE: 23/9/2025
REF: 067/4/10/1 (3859/25)
NATIONAL TREASURY

Classification:	Confidential
Priority:	High

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEMORANDUM

Private Bag X115, Pretoria, 0001 | 40 Church Square, Pretoria, 0002 | Tel: +27 12 315 5111

@Treasury_RSA National Treasury RSA National Treasury RSA @treasuryrsa | www.treasury.gov.za

To: Director-General

From: Specialised Audit Services
Division: Office of the Accountant-General
Doc ref: CF/03
Date: 9 September 2025

REQUEST TO DEVIATE FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES TO RE-APPOINT PRICEWATERHOUSECOOPERS INC TO CONCLUDE A FULL REVIEW OF THE DESIGN AND CONTROL OF THE INFORMATION AND COMMUNICATION TECHNOLOGY ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND.

1. PURPOSE

1.1 The purpose of this memorandum is:

1.1.1 To brief the Director General (**"DG"**) on the on-going review of the design and control of the Information and Communication Technology ("**ICT**") environment for the disbursement of payments to beneficiaries at the Compensation Fund conducted by National Treasury ("**NT**").

1.1.2 To request the DG to approve a deviation from normal Supply Chain Management ("**SCM**") process to re-appoint Pricewaterhousecoopers Inc ("**PWC**") to continue with Phase 2 review of the ICT environment at the Department of Employment and Labour

2. INTRODUCTION AND BACKGROUND

2.1 In December 2022, NT's Specialised Audit Services ("**SAS**") had a meeting with National Prosecuting Authority("**NPA**") and the Financial Intelligence Centre ("**FIC**") wherein allegations of a possible syndicate operating at the Compensation Fund ("**CF**") that had resulted in interceptions of instructions to pay beneficiaries were discussed.

2.2 According to the FIC analysis, CF had lost an estimated R2.1 billion due to fraudulent interception of payments to beneficiaries of the Fund.

2.3 The allegations emanating from the weaknesses within the CF's ICT control environment included amongst others:

2.3.1 fraudulent payments to beneficiaries,

2.3.2 payments made to fictitious bank accounts; and

2.3.3 duplicate claims made for claims that had previously been settled.

2.4 Several forensic investigations had already been initiated and completed by the CF through appointment of private sector forensic firms however fraudulent activities continued to be an issue within the CF.

2.5 In July 2023 the NT wrote a letter to the CF in terms of section 6(2)(e) of the Public Finance Management Act ("PFMA") which states that "*The National Treasury may investigate any system of financial management and internal control in any department, public entity or constitutional institution*" requesting to conduct a full review of the CF ICT control environment to establish the processes and procedures followed by the CF when disbursing payments to beneficiaries. **(Annexure 1)**

3. DISCUSSION / MOTIVATION

3.1 In August 2023, the Specialised Audit Services ("SAS") co-sourced PricewaterhouseCoopers Inc (PwC) from the previous contract with reference number NT012-2020 to conduct a review of the design and control of the ICT environment for disbursement of payments to beneficiaries at the CF. **(Annexure 2)**

3.2 PwC's appointment is contained in the National Treasury Agreement entered with PwC under Bid no. NT012-2020 which expired in September 2024.

3.3 The investigation was conducted using a phased approach. It was agreed that the need and scope for the subsequent phases (if required) will be informed by the results of Phase 1.

3.4 The scope for phase 1 encompassed the following at the CF:

3.4.1 Conducted a walkthrough to understand the business and the ICT environment at the CF.

3.4.2 Reviewed the reports for any forensic investigation conducted to date.

3.4.3 Reviewed the letter of engagement and the deliverables subsequently issued by the company contracted to carry out the penetration tests on the disbursement payment environment.

3.4.3.1 Understood the responsibilities of the various IT services providers in relation to the disbursement process.

3.4.4 Interviewed officials from the ICT department of CF as required.

3.4.5 Reviewed the availability of log files and their retention periods insofar as they relate to the review of the disbursement process.

3.5 In July 2024, PWC concluded the Phase 1 of the review, and we noted a number of deficiencies within the CF's Network and Application controls, as potential root causes for the payment security breaches at CF.

3.6 Furthermore, it came to light that all ICT environment of CF were managed by the Department of Employment and Labour.

3.7 In order to conclude a comprehensive review of payment security breaches at CF, SAS requires to proceed with Phase 2 which entails reviewing the network and application controls at the Department of Employment and Labour as it pertains to CF.

3.8 The phase 2 will encompass the following in relation to Department of Employment and Labour which were not covered by the initial scope of the review (under Phase 1):

3.8.1 Understand from CF if any new methods have been deployed by the attackers and if further instances of fraud have occurred since the initial phase (Phase 1) of the investigation.

3.8.2 Obtain an understanding of what remediation actions management has put in place in relation to the investigation since the completion of Phase 1 of the PwC investigation.

3.8.3 Hold meetings and or interviews to obtain an understanding of the network architecture, IT security, SAP administration and user access management with Department of Employment and Labour personnel who are involved in the administration of CF systems that were in the scope of our review.

3.8.4 Obtain and understand contractual agreements in place between Department of Employment and Labour and CF in particular, the Service Level Agreements (SLAs) to establish roles and responsibilities of both parties.

3.8.5 Review ICT policy documentation detailing how access and security is handled by Department of Employment and Labour on the CF network.

3.8.6 Understand the security monitoring operations that have been put in place by Department of Employment and Labour for CF and how duties are separated between Department of Employment and Labour, CF and their third-party security supplier 'Mitigate'

3.8.7 Assess what progress and the results of proactive penetration tests on the CF.

3.9 The phase 2 comprehensive review is necessary as it will assist to identify exact vulnerabilities to prevent future financial losses at CF.

3.10 NT recently concluded the process of appointing its panel of forensic investigation firms. However, PWC is not part of the service providers appointed to be part of the new panel.

3.11 Given the complexity and sensitivity of the matter, PWC, having already been engaged in the initial phase of the review, is best positioned to ensure continuity and conclude the second phase of the review outcome with minimal delay and reduced costs.

3.12 Furthermore, PWC has already developed a deep understanding of the systems, processes, and stakeholders involved during Phase 1. Familiarity with the context allows PWC to proceed swiftly with Phase 2, ensuring timely completion of the review.

4. LEGAL PRESCRIPTS

4.1 Regulation 16A6.4 gives authority to the accounting officer to dispense with a procurement process to the extent that they are rendered impractical by prevailing circumstances and to record the reasons for deviation. It states that if in a specific case it is impractical to invite competitive bids, the accounting officer or accounting authority may procure the required goods or services by other means, provided that the reasons for deviating from inviting competitive bids must be recorded and approved by the accounting officer or accounting authority.

4.2 Paragraph 4 of Instruction No. 3 of 2021/22, a binding instrument under the PFMA, regulates deviations from normal bidding process. Its purpose is to define parameters of procurement by "other means". As a start, the provisions of Regulation 16A6.4 are repeated in sub- paragraph 4.1 of Instruction No. 3 of 2021/22.

4.3 In terms of sub-paragraph 4.2 of Instruction No. 3 of 2021/2022, procurement by "other means" for the purposes of regulation 16A6.4 includes:

4.3.1 limited bidding;

4.3.2 written price quotations not within the threshold determined by National Treasury Instruction; and

4.3.3 procurement that occurs in emergency situations and urgent cases.

4.4 Sub-paragraphs 4.3 and 4.4 of Instruction No. 3 of 2021/2022 require the Supply Chain Management ("SCM") Policy of the National Treasury to at least provide for procurement by "other means" referred to in paragraph 4.2(a), (b) and (c), and any other procurement by "other means" that may be utilised. In essence, allowing for additional circumstances that may be considered "other means" of procurement in addition to those listed in paragraph 4.3 above.

4.5 The SCM Policy of the National Treasury sets out, in sub-paragraph 4.5.7, circumstances under which the National Treasury may deviate from the normal procurement process. The National Treasury is allowed to deviate from a normal procurement process with reasons for deviating in the appointment of a service provider where it is impractical to do so (paragraph 4.5.7.3).

5. FINANCIAL IMPLICATIONS

5.1 The total cost of services to be rendered amounts to R944,124.00. There are currently funds available under line-item Consult: Business & Advisory Services. **(Annexure 3)**

6. RECOMMENDATION

It is recommended that the Director-General:

6.1 Takes note of the briefing on the progress made thus far on the review of the design and control of the ICT environment for disbursement to beneficiaries at the CF.

6.2 Approves a deviation from normal SCM processes to re-appoint PWC to continue with Phase 2 review of the ICT environment at the Department of Employment and Labour.

Compiled by Zakhona Mvelase

REQUEST TO DEVIATE FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES TO APPOINT THE PRICEWATERHOUSECOOPERS INC TO CONCLUDE A FULL REVIEW OF THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND.

MEMORANDUM

Recommended ☐ Not recommended ☐ Recommended with comments

Or SignHub Signature

Signed by:Nodumo Dorris Ketani
Signed at:2025-09-10 10:49:28 +02:00
Reason:Witnessing Nodumo Dorris Ketani

Nodumo Dorris Ketani

Signature
NODUMO KETANI
Acting Chief Director: Specialised Audit Services
Date: 10/09/25

Recommended ☐ Not recommended ☐ Recommended with comments

In our engagement letter with Compensation Fund, we must request that they re-imburse NT for Phase 2 as this review was conducted at the request of the acting Compensation Fund Commissioner.

Or SignHub Signature

Signed by:SHABEER HAMID KHAN
Signed at:2025-09-11 15:59:27 +02:00
Reason:Witnessing SHABEER HAMID K

Shabeer Khan

Signature
SHABEER KHAN
Accountant-General
Date: 11/09/25

Recommended ☐ Not recommended ☐ Recommended with comments

Or SignHub Signature

Signed by:Obakeng Benjamin Naphtal Th
Signed at:2025-09-17 09:22:13 +02:00
Reason:Witnessing Obakeng Benjamin N

Signature
OBAKENG THWANE
Acting Director: Supply Chain Management
Date: 17/09/25

Recommended ☐ Not recommended ☐ Recommended with comments

Or SignHub Signature

Signed by:Unathi Ngwenya
Signed at:2025-09-17 18:59:10 +02:00
Reason:Witnessing Unathi Ngwenya

Signature
UNATHI NGWENYA
Chief Financial Officer
Date: 17/09/25

REQUEST TO DEVIATE FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES TO APPOINT THE PRICEWATERHOUSECOOPERS INC TO CONCLUDE A FULL REVIEW OF THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND.

MEMORANDUM

☐ Approved

☐ Not approved

Please include OGC opinion with memo

☑ Approved with comments

Or SignHub Signature

Signed by:Duncan Ettienne Pieterse
Signed at:2025-11-23 12:17:57 +02:00
Reason:Witnessing Duncan Ettienne Piet

Signature
DR DUNCAN PIETERSE
Director-General
Date: 23/11/25

NATIONAL TREASURY

ACTING DG
ISMAIL MOMONIAT

SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

ENQUIRES:
Levy Moshoette
CD: SPECIALISED AUDIT SERVICES
X5750

[illegible]
National Treasury
Pretoria
2023 -07- 1 9
Ref No: 047/4/10/1-2155/23
...d by: H. Maphangwa

national treasury
Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001 • 40 Church Square, PRETORIA, 0002 • Tel: +27 12 315 5111, Fax: +27 12 406 9055 • www.treasury.gov.za

MEMORANDUM

TO	Mr. Ismail Momoniat **Acting Director-General**
FROM	Mr. Levy Moshoette **Chief Director: Specialised Audit Services**
DIVISION	Office of the Accountant-General
DOC REF.	CF/01
DATE	13 July 2023

SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

1. PURPOSE

1.1 The purpose of the memorandum is to:

1.1.1 Brief the Acting Director-General regarding the security breaches identified at the Compensation Fund that has an adverse effect on the Fund's service delivery;

1.1.2 Request the Acting Director-General to sign the letter informing the Board of the Compensation Fund of National Treasury's intended application controls review and security review of the ICT systems in operation at the Compensation Fund to affect payments to beneficiaries of the Fund.

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REPUBLIC OF SOUTH AFRICA

MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

2 INTRODUCTION AND BACKGROUND

<u>Establishment and mandate of the Compensation Fund</u>

2.1 The CF was established in terms of section 15 of the Compensation for Occupational Injuries and Diseases Act ("COIDA"), No. 130 of 1993 as amended by Act (No 61 of 1997) to provide social security through compensation in the event of an occupational injury and/or occupational diseases.

2.2 The mandate of the Compensation Fund ("CF") is derived from section 27(1)(c) of the Constitution of the Republic of South Africa which states that "*everyone has the right to have access to social security…*".

2.3 The Compensation Commissioner is appointed in terms of section 2 of the COIDA to administer the CF whereas the Compensation Board is established in terms of section 10 of the COIDA.

2.4 The CF is a Schedule 3A Public Entity reporting to the Department of Employment and Labour ("DoEL") and as such the Accounting Authority is appointed in terms of section 49 of the Public Finance Management Act ("PFMA").

2.5 The CF provides compensation to employees who incurred an injury as part of their job function termed "injury on duty". The injured employees are entitled to claim in terms of section 22 of the COIDA and are entitled to have a medical practitioner or chiropractor of his/her choice present for medical examination in terms of section 42 of the COIDA.

<u>Auditor-General of South Africa audits</u>

2.6 The Office of the Auditor-General of South Africa ("AGSA") has raised disclaimer audit opinions over a number of years due to the CF's weak internal controls. Affected areas include the Information and Communications Technology ("ICT") systems, policies and business processes of the CF.

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MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

2.7 The AGSA has raised adverse findings on the ICT environment of the CF over the last four (4) years, which is largely supported by the DoEL's Information Technology Services ("ITS") department. The ITS is responsible for:
- IT governance
- Security management
- IT service continuity
- Managing systems program changes
- User access management on the network
- Hosting of the application servers

2.8 Past adverse AGSA findings on the IT controls review at the DoEL include weakness in the following areas:
- Cyber security process / controls (NIST-bases assessment)
- Infrastructure security assessment (SAP)
- Vulnerability assessment (Scanning and analysis)
- Penetration tests (Active exploiting / POCs)

2.9 The CF manages its own application system, which includes:
- SAP S4i (CompEasy) – utilized for claims administration and payments
- SAP ECC – utilized as the core financial system

2.10 Past adverse AGSA findings on the CF application systems include:
- The CF is exposed to potential cyber security attacks.
- The migration in 2018 from the UMehluko claims processing system (a legacy system) to SAP S4i has resulted in data integrity issues which the CF is still in the process of addressing. The timeline of security breaches identified on SAP are as follows:
    - 19 July 2019
    - 16 August 2019
    - 21 January 2020
    - 6 October 2020
    - 5 December 2020
    - 31 January 2021
    - 5 February 2021
    - 28 July 2021

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MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

  - December 2021 (exact date unknown)
- Weak access controls resulted in users being granted inappropriate access to both the claims and financial systems.
- Weaknesses were identified on the automated controls of the claim application, including:
  - the processing of duplicate claims,
  - insufficient segregation of duties and
  - ***unauthorized users that had access to amend banking details***.

2.11 It should however be noted that the AGSA focused on network security assessment and did not cover in-depth application control review.

2.12 Furthermore, the AGSA's findings in internal control deficiencies were repetitive over a period of a number of years, without being satisfactorily resolved, evident from the AGSA's report.

Forensic and criminal investigations

2.13 The NPA has brought to our attention that numerous forensic investigations have been initiated by the CF through the appointment of private sector forensic firms. However, mandates are terminated prematurely, causing severe challenges for the investigators to finalise the forensic investigations. Instances also arose where the firms were significantly delayed or prevented from presenting their findings to the Board of the CF.

2.14 The DPCI, FIC and NPA have further brought to our attention that numerous criminal investigations are being conducted at the CF involving losses ***in excess of R500 million***.

- Annual fraud losses of CF per financial year totaling R411.9 million:
  - 2015/16 – R39.5 million
  - 2016/17 – R1.5 mill
  - 2017/18 – R170.5 million
  - 2018/19 – R79.6 million
  - 2019/20 – R34.1 million
  - 2020/21 – R86.7 million
- Criminal investigations in progress:
  - DPCI – R214.2 million

MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

- Commercial Crimes Unit - R104.9 million

2.15 Recoveries amount to a mere R10 million during the period 2015/16 to 2020/21.

2.16 The incurrence of losses is however continuing due to the lack of adequate preventative and detect controls in the CF's computerized systems.

2.17 Fraud was identified in the medical billing scheme which includes:

(a) ***Identity Theft***. It was established that the IDs and the credentials of claimants, including the claimant's medical profile, were stolen. The claimant's medical profile was unlawfully changed from a temporary disability ("TD") status to Permanently Disabled ("PD") status. The claimants in this matter were unduly prejudiced and their rights in terms of section 1(b) of the Protection of Personal Information Act and section 14 of the National Health Act (2003) were contravened.

(b) ***Impersonating Medical Service Providers and Corporate Identity Theft***. The credentials of the switching houses and the prejudiced MSPs, e.g. the legal name, unique BHFSA practice numbers assigned by CF and bank account number, were unlawfully changed to enable the theft of the illicit funds to be transferred to fraudulent bank accounts for the benefit of the implicated parties. The MSPs and switching houses in these matters were unduly prejudiced and their rights in terms of section 1(b) of the Protection of Personal Information Act were contravened.

(c) ***Phantom Billing***. Based on the written and oral testimonies from the MSPs, no medical invoices were generated for the claims under investigation as no record of the patient(s) (or claimants) exists. Consequently, no medical services and the alleged treatments were offered and therefore could not be billed. Furthermore, MSPs and switching houses corroborated that it had no knowledge of the fraudulent medical invoices, purportedly submitted under their respective legal names.

(d) ***Electronic Digital Health Care Fraud***. Consequently, the investigations established that the fictitious digital medical invoices were created on both the Umehleko and CompEasy system. No independent medical records exist of the alleged medical treatments. It exists only digitally on CompEasy and Umehleko.

(e) ***Organised Crime***. Commercial like entities are used to camouflage the fraud. Evidence of money laundering exists.

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SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

3 MOTIVATION/DISCUSSION

3.1 The investigative work conducted thus far suggests that a syndicate is operating at the CF which includes some banking institutions.

3.2 It is suspected that CF staff members are also involved in the fraud, which could explain the termination of the forensic investigation mandates and the challenges experienced by the forensic investigators to present their findings to the Board.

3.3 The ICT security of the CF is being breached through numerous means, including but not limited to:

- **Transitioning From Physical Devices To Virtual Devices** (Key logger application installed onto Domain Controllers).
- Used **hardware key logger** devices to steal user credentials (administrator).
- Once the perpetrator obtained such access, they **disable critical audit logs** which records crucial events and records all activity on the DC to identify who accessed the system on what date and time and from what network IP address / computer device.
- **Disabling of the Citrix farm audit logs** since 2016. Consequently, the IP address or computer the perpetrators transacted from cannot be identified.
- **Disable antivirus application** not to alert the administrators of the key logger application.
- Use **Man in the middle devices** connected to a remote office to gain access remotely to the DOL domain without the person being present onsite.
- Use **RDP to connect remotely** to computers within CF to create fraudulent transactions using the stolen credentials by framing the victims in this regard without their knowledge or consent.
- **Reset of user account passwords** on AD without the knowledge of the owner or consent, especially on Friday after hours and by setting it to not to change the password, meaning that whoever reset the password have knowledge of the default password until the legitimate user try to log onto the system on Monday, or the next time.
- **Deleted crucial transactions and audit logs** from the old Umehluko system.

MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

- **Most fraudulent transactions were done remotely and mainly after hours** utilising external devices.
- **No CCTV footage** was available for investigation purposes.
- **Physical access control records are limited.** Records exist for users entering the offices, not for leaving the offices.
- The **Citirx Nodes does not have unique computer names** and were not set up properly. Consequently the end points that users potentially transacted from cannot be identified.

3.4 The reconciliation process being performed by the CF staff identify discrepancies in the payment of claims months after the fact.

4 FINANCIAL IMPLICATION

4.1 The CF has incurred losses amounting to hundreds of millions of Rands due to large scale fraud being committed by a syndicate which has had and is continuing to have an adverse effect on service delivery.

5 RECOMMENDATION

5.1 It is recommended that the Acting Director-General:

5.1.1 Takes note of the briefing on the outcomes of the AGSA audits, forensic investigations and criminal investigations conducted thus far and the adverse impact thereof on the service delivery of the Compensation Fund;

5.1.2 Signs the letter informing the Board of the Compensation Fund of National Treasury's intended application controls review and security review of the ICT systems in operation at the Compensation Fund to affect payments to beneficiaries of the Fund

Compiled by Ms. Nadia Bosch and Ms. Nodumo Ketani – Director: Specialised Audit Services

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MEMORANDUM

SUBJECT: SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

☒ **RECOMMENDED** ☐ **NOT RECOMMENDED** ☐ **RECOMMENDED WITH COMMENTS**

Signature
Name and Surname:
Mr. Levy Moshoette
Title: Chief Director: Specialised Audit Services
Date:
14/07/23

Oi SignHub Signature
Signed by:Levy Letlhogonolo Moshoette
Signed at:2023-07-14 12:27:05 +02:00
Reason:Witnessing Levy Letlhogonolo M

☒ **RECOMMENDED** ☐ **NOT RECOMMENDED** ☐ **RECOMMENDED WITH COMMENTS**

Signature
Name and Surname:
Mr. Shabeer Khan
Title: Accountant-General
Date:
18/07/23

Oi SignHub Signature
Signed by:SHABEER HAMID KHAN
Signed at:2023-07-18 19:01:20 +02:00
Reason:Witnessing SHABEER HAMID K
SHABEER KHAN

☑ **APPROVED** ☐ **NOT APPROVED** ☐ **COMMENTS**

Signature
Name and Surname:
Mr. Ismail Momoniat
Title: Acting Director-General
Date: 3/8/2023

Oi SignHub Signature

Joanne Scott

From:	DGRegistry
Sent:	Tuesday, 15 August 2023 12:08
To:	'Paul@kagosolutions.co.za'
Cc:	Levy Moshoette
Subject:	Security breaches identified at the Compensation Fund
Attachments:	SKM_C550i23081511550.pdf

Dear Mr Serote

Please find attached for your attention from the Acting Director-General of the National Treasury.

I apologise for the delay in sending it to you, but we had difficulty obtaining your direct email address.

Kind regards

JOANNE SCOTT
Office of the Director-General
Tel: +27 (0)12 315 5591, **Mobile:** +27 (0)72 257 7961
Email: Joanne.Scott@treasury.gov.za / Dgregistry@treasury.gov.za

www.treasury.gov.za

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Enquiries : Levy Moshoette
Tel : 012 315 5750
Cell : 072 614 8526
Email : Levy.Moshoette@treasury.gov.za

Mr. Paul Serote
Chairperson of Compensation Board
Compensation Fund
Private Bag X955
PRETORIA
0001

Dear Mr. Serote

SECURITY BREACHES IDENTIFIED AT THE COMPENSATION FUND

It has come to National Treasury's attention that security breaches have been identified within the ICT systems in operation at the Compensation Fund (CF).

The National Treasury (NT) will conduct a review of the application controls and security measures of the ICT systems in operation at the CF utilised to affect payments to beneficiaries of the Fund by invoking its powers in terms of section 6(2)(e) of the Public Finance Management Act ("PFMA") which states that *"The National Treasury may investigate any system of financial management and internal control in any department, public entity or constitutional institution".*

Specialised Audit Services (SAS) within the Office of the Accountant–General at NT is mandated to conduct this review.

In summary:

AGSA findings

- The Office of the Auditor-General of South Africa (AGSA) has raised disclaimer audit opinions over a number of years. The weak internal controls in the ICT systems were a contributing factor.
- Even though the CF migrated from the UMehluko claims processing system to SAP S4i in 2018, data integrity issues are still being addressed and since July 2019 a number of security breaches were identified.
- The weak access controls resulted in users being granted inappropriate access to both the claims and financial systems.

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- Weakness identified on the automated controls of the claim application include processing of duplicate claims, insufficient segregation of duties and unauthorized users that had access to amend bank details.

- The AGSA conducted high-level network security assessments and did not cover in-depth application control reviews.

Forensic and criminal investigations

- The CF has incurred extensive fraud related losses since the 2015/16 financial year, estimated to be in excess of R500 million, which have been the subject of both forensic and criminal investigations. The recoveries during the period 2015/16 to 2020/21 amounts to a mere R10 million.

- Serious internal control deficiencies were identified, especially with regards to security access controls and application controls, which exposes the CF to fraud and theft.

- The extent of these losses had an adverse effect on service delivery to the detriment of legitimate beneficiaries of the CF.

You are advised to facilitate the review of the application controls and security measures of the ICT systems in operation at the CF to be conducted by NT's SAS unit to enable us to assist the CF by identifying internal control weaknesses and recommending improvements that will facilitate improvement in the CF's service delivery.

If you require any further information, please do not hesitate to contact Mr. Levy Moshoette, Chief Director: SAS. His contact details are listed on the enquiry section above.

Yours sincerely

ISMAIL MOMONIAT
ACTING DIRECTOR-GENERAL
DATE: 3/1/2023

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National Treasury
REPUBLIC OF SOUTH AFRICA

Private Bag X115, Pretoria, 0001, 240 Madiba Street, Tel: 012-395 5100, Fax: 012-315 5890

Office of the Accountant General Division

Reference: SAS Project Code: 01-109-01-2024
Enquiry: Zakhona Mvelase Tel: (012) 315 5167 Fax: (012) 315 5890
E-Mail: Zakhona.Mvelase@treasury.gov.za

13 February 2024

Mr. Trevor White
Director Forensic Services
PriceWaterhouse Coopers (Pty) Ltd
P.O. Box 1274
Umhlanga Rocks
4320

Dear Mr. White

RE: APPROVAL OF IMPLEMENTATION PLAN, FEE STRUCTURE & TEAM MEMBERS TO CONDUCT A REVIEW THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND: UNDER NATIONAL TREASURY Bid No. NT 012-2020.

This letter serves to inform you that your implementation plan and the fee structure to conduct a review the design and control of the ICT environment for disbursement of payments to beneficiaries at the compensation fund, as contained in the attached Annexure has been accepted by National Treasury: Specialised Audit Services. This assignment is effective from **13 February 2024** to **15 March 2024.**

It should be noted that your engagement for this project is informed by the terms and conditions, as contained in the National Treasury memorandum of agreement, entered with you under **Bid no. NT 012-2020**, effective from **September 2021**. Ms. Zakhona Mvelase is the Project Director responsible for your deliverables under this implementation plan.

The SAS project code for this assignment is **01-109-01-2024,** which should be quoted on all your correspondence and reports, together with the National Treasury tender number: **NT 012-2020.**

Kind regards,

Levy Moshoette

Chief Director: Specialised Audit Services

Office of the Accountant-General of SA

Date: 13/02/2024

pwc

REVIEW THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND

7 February 2024

1. Introduction

1.1 PricewaterhouseCoopers (**PwC**) has been requested by the Specialised Audit Services (**SAS**) of National Treasury (**NT**) to provide a detailed Project Implementation Plan (**PIP**), team profiles and fee structure based on the proposed scope, to conduct a review of the information and communications technology (**ICT**) environment for disbursement of payments to beneficiaries at the Compensation Fund. PwC's appointment is contained in the National Treasury Agreement entered into with PwC under Bid no. NT012-2020, from 12 February 2024 and terminating on 15 March 2024.

2. Background

2.1 National Treasury received allegations of a possible syndicate operating at the Compensation Fund that has resulted in interceptions of instructions to pay beneficiaries.

2.2 These allegations emanating from the weaknesses within the ICT control environment identified above included amongst others: fraudulent payments to beneficiaries, payments made to fictitious bank accounts and duplicate claims made for claims that had previously been settled.

2.3 It is against this background that Specialised Audit Services was requested to conduct a full review of the ICT control environment and establish the processes and procedures followed by the Compensation Fund when disbursing payments to beneficiaries and recommend corrective action to prevent the reoccurrence.

3. Proposed Scope

3.1 In line with the above background information, NT requires PwC to provide SAS with a detailed PIP, fee structure and team profiles. The proposed scope is stated as follows:

a) Conduct a walkthrough to understand the business and the ICT environment at the Compensation Fund.

b) Review the reports for any forensic investigations conducted to-date.

c) Review the letter of engagement and the deliverables subsequently issued by the company contracted to carry out the penetration tests on the disbursement payment environment.

d) Understand the responsibilities of the various IT service providers in relation to the disbursement process.

e) Interview officials from the ICT department as required.

f) Review the availability of log files and their retention periods insofar as they relate to the review of the disbursement process.

4. Our Approach

Our approach for this phase of the investigation will be as follows:

a) Planning, Interviews, Information gathering and review of reports;

b) Detailed review and analysis; and

c) Reporting (Deliverables).

a) Planning, Interviews, Information gathering and review of reports

4.1 As part of the Planning, Information gathering and Review of reports we will perform the following procedures:

1) Meet key ICT officials to understand the system architecture. During this phase we will also attempt to identify the any constraints that may be foreseen in the performance of the IT forensic investigation.

2) Conduct an architecture review to understand the hosts, service providers and interaction between the systems that are involved in the facilitation the disbursement payment process.

3) Examine the responsibilities of the various IT service providers in relation to the disbursement process.

4) Obtain reports from all previous forensic investigations carried out on the disbursement payment environment.

5) Review the existing forensic reports that have been issued.

6) Obtain the letter of engagement and the deliverables subsequently issued by the company contracted to carry out the penetration tests on the disbursement payment environment.

7) Analyse the scope of work and deliverables from the penetration tests that have been conducted.

b) Detailed review and analysis

4.2 We will perform the following tasks as part of the detailed review and analysis for the review period:

1) Based on our review of the forensic reports, identify technical (IT) gaps insofar as the investigations have been done to-date.

2) Conduct a walkthrough of the disbursement payment process at a technical level.

3) Understand whether any architectural or security flaws exist in the implementation of the current system architecture.

4) Where relevant, assess the log files which are available and the periods for which they are retained.

c) Deliverables/Reporting Phase

4.3 Prepare a detailed report for Phase 1 which will detail our findings to-date and form the basis of a further work should it be required.

5. Timeframes

As required, we will submit our PIP on 7 February 2024 to the Chief Director: Specialised Audit Services at the National Treasury, Mr Levy Moshoette. The effective date for the commencement of the project will be 12 February 2024 provided that all the required information and/or documentation is readily available, and with the team assigned to the investigation, we anticipate issuing a report by 15 March 2024.

6. Fee structure

Given the nature of reviews such as this it is difficult at the outset to give an exact indication for what our fees will be. The estimate set out below is our best estimate based on our understanding of review required and is prepared on the assumption that we will receive full co-operation from the relevant employees and that the required data and documentation will be provided without delay. Our fees will depend on the time necessary incurred at our rates for the specialised work of this nature and is based on the hourly rate determined by the Office of the Auditor-General as summarised in the table below:

Name and surname	Level	Total Hours	AG Rate (R)	Total (R)
A. Planning, Information gathering and review of policies				
Junaid Amra (Project Leader)	Partner	30	3,375	101,250.00
Solomon Bhala (Overall Project Manager)	Senior Manager	40	2,627	105,080.00
George Skosana (Technical Analyst)	Associate	30	735	22,050.00
Sub-Total (A)				**228,380.00**
B. Review and Analysis				
Junaid Amra (Project Leader)	Partner	50	3,375	168,750.00
Solomon Bhala (Overall Project Manager)	Senior Manager	85	2,627	223,295.00
George Skosana (Technical Analyst)	Associate	80	735	58,800.00
Sub-Total (B)				**450,845.00**
C. Reporting				
Junaid Amra (Project Leader)	Partner	20	3,375	67,500.00
Solomon Bhala (Overall Project Manager)	Senior Manager	30	2,627	78,180.00
George Skosana (Technical Analyst)	Associate	30	735	22,050.00
Sub-Total (C)				**168,360.00**
Sub-Total (A + B + C)				**847,585.00**
Disbursements (estimated @ 2% of cost)				16,951.70
Sub-Total excl. VAT				**864,536.70**
VAT @ 15%				129,680.51
Total				**994,217.21**

7. Project team profiles

The team members all have experience, and the key staff was part of assignments of a similar nature. The team members' *curricula vitae* are included to this project implementation plan as ***Annexure A***. The team members that will provide the required services are listed in the table below.

No.	Name	Grade	Role on Project	Rate
1	Junaid Amra	Partner	Overall Engagement Leader	3,375.00
2	Solomon Bhala	Senior Manager	Overall Project Management	2,627.00
3	George Skosana	Associate	Associate: Digital Forensics Investigations	735.00

Private & Confidential

Ms Zakhona Mvelase
Director: Specialised Audit Services
National Treasury Department
Private Bag X115
PRETORIA
0001

8 August 2025

REQUEST FOR QUOTATION: REVIEW THE DESIGN AND CONTROL OF THE ICT ENVIRONMENT FOR DISBURSEMENT OF PAYMENTS TO BENEFICIARIES AT THE COMPENSATION FUND – PHASE 2 – DEL INVESTIGATION

Dear Ms Mvelase,

1. Thank you for affording PricewaterhouseCoopers Inc. (hereinafter referred to as PwC) the opportunity to provide you with a quotation for our services.

2. We have structured this quotation based on the discussion between yourself and Junaid Amra of PwC. The purpose of the request was to conduct the next phase (Phase 2) of our investigation into the design and control of the ICT environment for disbursement of payments to beneficiaries at the Compensation Fund (CF).

3. The proposed scope of work that will be performed as follows:

    a. Understand from CF if any new methods have been deployed by the attackers and if further instances of fraud have occurred since the initial phase (Phase 1) of the investigation.
    b. Obtain an understanding of what remediation actions management has put in place in relation to the investigation since the completion of Phase 1 of the PwC investigation.
    c. Hold meetings to obtain an understanding of the network architecture, IT security, SAP administration and user access management with Department of Employment and Labour (DEL) personnel who are involved in the administration of CF systems that were in the scope of our review.
    d. Obtain and understand contractual agreements in place between DEL and CF in particular, the Service Level Agreements (SLAs) and roles and responsibilities of both parties.
    e. Review ICT policy documentation detailing how access and security is handled by DEL on the CF network.
    f. Understand the security monitoring operations that have been put in place by DEL for CF and how duties are separated between DEL, CF and their third-party security supplier 'Mitigate'
    g. Assess what progress and the results of proactive penetration tests on the CF.

4. Our approach for this phase of the investigation will be as follows:

   a. Planning, Interviews, Information gathering and review of policy and contractual documents.
   b. Detailed review and analysis; and
   c. Reporting (Deliverables).

5. As part of the Planning, Information gathering and Review of reports we will perform the following procedures:

   a. Meet key ICT officials from the CF to understand if methods have been deployed by the attackers and if further instances of fraud have occurred since the initial phase of the investigation.
   b. Obtain an understanding of which of the systems and infrastructure that were affected insofar as the Phase 1 investigation is concerned are administered by the DEL on behalf of the CF.
   c. Understand the responsibilities of the IT service providers from a DEL perspective who are subcontracted to provide services to the CF in relation to the IT infrastructure in scope for the investigation.
   d. Obtain reports from the most current penetration tests carried out by DEL contracted service providers on the CF network.
   e. Review the above-mentioned penetration test report(s) that have been issued.
   f. Obtain and examine the Service Level Agreements (SLAs) in place between DEL and the CF together with the services that DEL provides for the CF insofar as it relates to the investigation.
   g. Obtain and examine detailed architecture diagrams depicting how the CF network is connected to the wider DEL network and the ICT Organogram detailing the teams within the DEL's ICT space and how they are involved in the administration of the CF's environment

6. We will perform the following tasks as part of the detailed review and analysis for the review period:

   a. Conduct follow up interviews with CF personnel to discuss the extent to which further incidents may have occurred since the completion of Phase 1.
   b. Conduct interviews with DEL personnel who are involved in the administration of the CF systems and network as it relates to the investigation. The following are the teams we need to conduct individual interviews with:
      - Networking.
      - IT Security.
      - SAP Application; and
      - User Access Management.
   c. Review documentation (insofar as it relates to the investigation) detailing amongst other things:
      - How credentials and roles are allocated.
      - The provisioning of ICT equipment such as Sim Cards.
      - Revoking of credentials and ICT equipment when employment is terminated.
      - Privileged access management (e.g. granting of firefighter role); and
      - Third party access management.

d. Understand security monitoring and operations processes in place, particularly regarding:
- Mitigate (Pty) Ltd's mandate detailing their roles and responsibilities regarding security for the CF and the DEL.
- DEL and CF IT Security strategies i.e. responsibilities; and
- Network access control mechanisms in place around the disbursement payment environment.

7. In the reporting phase, we will prepare a detailed report for Phase 2 which will detail our findings, recommendations and form the basis of a further work should it be required.

Timeframes

8. We will begin work as soon as we received a signed copy of a Letter of Engagement containing our terms of business. We estimate that the analysis phases will take 12 weeks to complete. We will submit our draft deliverables to you within two weeks of us completing any analysis we are requested to do. Should any delays as a result of unforeseen circumstances be experienced, we shall immediately notify you

Assumptions & Limitations

9. Our ability to accept this engagement is subject to our internal Risk Management approval, which is underway, and the receipt of a signed letter of engagement.
10. Upon acceptance of this quotation a Letter of Engagement will be provided to yourself. Our service will commence upon receipt of the signed Letter of Engagement.

Fee Structure

11. Given the nature of reviews such as this it is difficult at the outset to give an exact indication for what our fees will be. The estimate set out below is our best estimate based on our understanding of review required and is prepared on the assumption that we will receive full co-operation from the relevant employees and that the required data and documentation will be provided without delay. Our fees will depend on the time necessary incurred at our rates for the specialised work of this nature and is based on the hourly rate determined by the Office of the Auditor-General as summarised in the table below

Name and surname	Level	Total Hours	AG Rate (R)	Total (R)
A. Planning, Information gathering and review of policies				
Junaid Amra (Project Leader)	Partner	18	3,491	62,838.00
Solomon Bhala (Overall Project Manager)	Senior Manager	26	3,057	79,482.00
Thabang Mothoane (Technical Analyst)	Manager	26	1,961	50,986.00
Sub-Total (A)				**193,306.00**
B. Review and Analysis				
Junaid Amra (Project Leader)	Partner	32	3,491	111,712.00

Name and surname	Level	Total Hours	AG Rate (R)	Total (R)
Solomon Bhala (Overall Project Manager)	Senior Manager	64	3,057	195,648.00
Thabang Mothoane (Technical Analyst)	Manager	64	1,961	125,504.00
Sub-Total (B)				**432,864.00**
C. Reporting				
Junaid Amra (Project Leader)	Partner	16	3,491	55,856.00
Solomon Bhala (Overall Project Manager)	Senior Manager	24	3,057	73,368.00
Thabang Mothoane (Technical Analyst)	Manager	16	1,961	31,376.00
Sub-Total (C)				**160,600.00**
Sub-Total (A + B + C) excl. VAT				**786,770.00**
VAT @ 15%				118,015.50
Disbursements (estimated @ 5% of cost)				39,338.50
Total (Including VAT and disbursements)				**944,124.00**

12. Please note that, except if otherwise indicated, invoices will be issued in the name of and will be due to PricewaterhouseCoopers Incorporated. Should you require us to provide further assistance in terms of additional analysis or in terms of testifying, this will be charged at hour hourly for the specialised work of this nature and is based on the hourly rate determined by the Office of the Auditor-General as summarised in the table below:

Position	**Rate (R) (Including VAT)**
Directors	R 4,015
Associate Directors	R 4,015
Senior Managers	R 3,515
Managers	R 2,255
Associates	R 729

13. In addition to the fees outlined above, you will reimburse us for our expenses and VAT of 15% will be added where applicable.

    Please note that disbursements are be billed at cost and we will only bill you for disbursements that we incur.

14. Please do not hesitate to contact me Amra on +27 (82) 953 9325, should you wish to discuss any matter arising from this letter. We would be grateful if you would acknowledge your agreement to our understanding to the scope of our work, and your acceptance of the contract after which we will provide you with a letter of engagement that can be signed to formalise the acceptance of the engagement.

Yours sincerely,

Junaid Amra

Junaid Amra

Engagement Leader.

docusign

Certificate Of Completion

Envelope Id: 0ACF6D62-C6CE-4EA3-9005-BC6012751265	Status: Completed
Subject: Complete with Docusign: National Treasury - CF Investigation Phase 2 - Quotation - 2.pdf	
Source Envelope:	

Document Pages: 4	Signatures: 1	Envelope Originator:
Certificate Pages: 1	Initials: 0	Solomon Bhala
AutoNav: Enabled		solomon.bhala.za@pwc.com
EnvelopeId Stamping: Disabled		IP Address: 197.100.242.36
Time Zone: (UTC+02:00) Harare, Pretoria		

Record Tracking		
Status: Original 8/8/2025 4:14:52 PM	Holder: Solomon Bhala solomon.bhala.za@pwc.com	Location: DocuSign

Signer Events	Signature	Timestamp
Junaid Amra junaid.amra@pwc.com Partner F[illegible] South Africa Security Level: Email, Account Authentication (None)	Junaid Amra Signature Adoption: Pre-selected Style Using IP Address: 13.245.129.37	Sent: 8/8/2025 4:16:04 PM Viewed: 8/8/2025 4:25:28 PM Signed: 8/8/2025 4:27:50 PM

Electronic Record and Signature Disclosure:
Not Offered via Docusign

In Person Signer Events	Signature	Timestamp

Editor Delivery Events	Status	Timestamp

Agent Delivery Events	Status	Timestamp

Intermediary Delivery Events	Status	Timestamp

Certified Delivery Events	Status	Timestamp

Carbon Copy Events	Status	Timestamp

Witness Events	Signature	Timestamp

Notary Events	Signature	Timestamp

Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	8/8/2025 4:16:04 PM
Certified Delivered	Security Checked	8/8/2025 4:25:28 PM
Signing Complete	Security Checked	8/8/2025 4:27:50 PM
Completed	Security Checked	8/8/2025 4:27:50 PM

Payment Events	Status	Timestamps

BUSINESS UNIT DEMAND MANAGEMENT PLAN: CD SPECIALISED AUDIT SERVICES

ITEM NAMES	ENE BUDGET 2025/26	ESTIMATED QUANTITY REQUIRED	PERIOD OF PROCUREMENT (QUARTERLY) E.G Q1, Q2, Q3 OR Q4	PAYMENT PURPOSE/ EXISTING CONTRACT	COMMENTS
GOODS AND SERVICES	R 39 761 000,00				
ADMINISTRATIVE FEES	R 71 000,00				
TRAVEL AGENCY FEES	R 71 000,00	as many as possible	through out the year	Department's Travel Agency	
BURSARIES (EMPLOYEES)	R 42 000,00				
BURSARIES (EMPLOYEES)	R 42 000,00	1	1st quarter	to pay for an official's study fees	
CATERING:DEPARTML ACTIVITIES	R 8 000,00				
CATERING:DEPARTML ACTIVITIES	R 8 000,00	as many as possible	through out the year	By sourcing quotations	
COMPUTER SERVICES	R 375 000,00				
EXT COMP SER:SFT LCN:OPR SYS SFT	R 375 000,00	2	4th quarter	To pay for forensic software license, through an existing	
CONS/PROF: BUSINESS & ADVISORY SERVICES	R 37 420 000,00				
CNS:BUS&ADV SER:RESEARCH&ADVISOR	R 37 310 000,00	As many as possible	through out the year	70% of this budget is allocated to unit's panel of forensic investigating firms and 30% is allocated for the new panel of auditing firms	The unit has advertised an open tender to establish a panel of forensic investigating firms (NT009-2024). In addition, the unit plans to establish a new panel of auditing firms to be co-sourced to conduct performance audits in all spheres of government. The Specifications have been drawn, and the plan is to advertise an open tender early in 2025.
CNS:BUS&ADV SER:QUALIFICTN VERIF	R 110 000,00	As many as possible	through out the year	To pay for searches made in-house when conducting investigations, through an existing contract with MIE	Some investigations are done internally, and the team uses this budget to access MIE webside I order to perform searches
ENTERTAINT	R 7 000,00				
ENTERTAIN MANAGEMENT	R 7 000,00	as many as possible	through out the year	By sourcing quotations	
CONS SUPPLIES	R 71 000,00				
CONS:BAGS AND ACCESSORIES	R 1 000,00	3	3rd quarter	for new laptops	
CONS:IT CONSUMABLES	R 70 000,00	4	Every quarter	to replenish IT consumables such as toners	
CONS: STA, PRINT&OFF SUP	R 44 000,00				

BUSINESS UNIT DEMAND MANAGEMENT PLAN: CD SPECIALISED AUDIT SERVICES

CONS:SP&OS:GOV PRIN	R	1 000,00	As many as possible	2nd quarter	through sourcing of quotations	
CONS:SP&OS:STATIONERY	R	43 000,00	As many as possible	2nd and 4th quarter	to replenish the unit's statinery	
OPERATING LEASES	R	2 000,00				
OPERATING LEASES:NON-INFRSTRCTR	R	2 000,00	1	1st quarter	for the printing machine	
TRAVEL AND SUBSISTENCE	R	1 574 000,00				
TRAVEL AND SUBSISTENCE	R	1 574 000,00	As many as possible	through out the year	Department's Travel Agency	The officials travels across the country to conduct investigations or support law enforcement cases.
TRAIN&DEV:EMPLOYEES	R	103 000,00				
TRAIN & DEV:EMPLOYEES	R	103 000,00	As many as possible	through out the year	through sourcing of quotations	This is to cater for the officials' self development needs
OPERATING PAYMENTS	R	44 000,00				
O/P:COURIER & DELIVERY SERVS	R	1 000,00	3	through out the year	Petty Cash	
O/P:PROF BODIES,MEMB&SUBSC FEES	R	43 000,00	R 16,00	through out the year	through sourcing of quotations	The unit's officials affiliate to different professional bodies, e.g. IIA, ACFE etc, this line item is to cater for those affilications
PUR/CONST CAPITAL ASSETS	R	199 000,00				
MACHINERY & EQUIPMENT	R	199 000,00				
OFFICE EQUIPMENT	R	14 000,00	1	3rd quarter	by following the ICT Committee processes	
COMP HARD&SYSTEMS - LAPTOP	R	185 000,00	3	2nd quarter	by following the ICT Committee processes	To replace officials laptops that are no longer functioning well, and are out of warranty
GRAND TOTAL	R	39 960 000,00				

Budget Manager's signature and date

Signed by:Levy Letlhogonolo Moshoette
Signed at:2024-12-17 12:48:51 +02:00
Reason:Witnessing Levy Letlhogonolo M

Levy Letlhogonolo Moshoette

national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

FUNDS CERTIFICATE FOR **BUDGET CONFIRMATION**

Certification of the budget available to implement the following:	
Performance Indicator:	
Annual Target:	
Key Activities: Purpose of Memorandum:	Payments for Forensic Investigation

EXPENDITURE ITEMS REQUIRED:		
ITEM	**ITEM DESCRIPTION**	**ESTIMATED BUDGET REQUIRED**
1	BUSINESS&ADVISORY SERV	R 5,000,000.00
2		
3		
4		
5		
6		
7		
TOTAL AMOUNT REQUIRED:		**R 5,000,000.00**

BUDGET SEGMENT ALLOCATION:	
SCoA INDICATOR	**DESCRIPTION**
FUND:	VOTED FUNDS
OBJECTIVE:	Fin Man Policy & Compliance Improve
RESPONSIBILITY:	CD Specialised Audit Services
INFRASTRUCTURE:	NON INFRA/ST ALONE:CURRENT
ASSET:	NON-ASSETS RELATED
PROJECT:	NO PROJECT
ITEM:	EXT C/S:OPER SYS LIC:WINDOWS
REGIONAL IDENTIFIER:	EXP: REGION LOCAL

COMPILED BY (SURNAME & INITIALS):	Madzivhandila T.C	Date: 03/07/2025
LINE FUNCTION BUDGET MANAGER (SURNAME & INITIALS):	Mahlangu S.S	

FINANCIAL MANAGEMENT: *BUDGET VERIFICATION*					
ITEM	**BUDGET**	**EXPENDITURE**	**OUTSTANDING COMMITMENTS**	**CONFIRMED IN LINE WITH BAS**	**AVAILABLE BUDGET**
1	R 37,185,000.00	R 3,085.00	**R 5,000,000.00**	**yes**	R 32,181,915.00
2					R -
3					R -
4					R -
5					R -

	SIGNATURE	**SURNAME & INITIALS**	**DATE**
VERIFIED BY:	[signature]	**DUKASHE YN**	**14/07/2025**
CERTIFIED CORRECT:	B Kgotsa	KGOTSA BP	14/07/2025
FMCD TRACKING NO:	**CD SAS 1407**		

Please email the completed form to your respective Budget team member. Form to be utilised for procurement of goods and services exceeding R100k and where funds are depleted or insufficient or to be reprioritised.