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TO	Chief Financial Officer
FROM	Specialised Audit Services
DIVISION	Office of the Accountant-General
DOC REF.	02-76-02-2026
DATE	21 May 2026

REQUEST TO DEVIATE FROM NORMAL SUPPLY CHAIN MANAGEMENT PROCESSES TO RE-APPOINT GOBODO FORENSIC AND INVESTIGATIVE ACCOUNTING TO CONCLUDE AN INVESTIGATION AT THE GOVERNMENT PENSION ADMINISTRATION AGENCY FOR THE IRREGULAR APPOINTMENT OF A SERVICE PROVIDER FOR THE LEASING OF MOBILE BUSES

1. PURPOSE

1.1 The purpose of this memo is:

1.1.1 To brief the Chief Financial Officer (CFO) of the investigation conducted by National Treasury (NT) at the Government Pension Administration Agency (GPAA).

1.1.2 To request the CFO’s approval for a deviation from normal supply chain management (SCM) processes to re-appoint Gobodo Forensic and Investigative Accounting (Gobodo) to conclude the investigation at GPAA relating to the irregular appointment of a service provider for the leasing of mobile buses.

2. BACKGROUND

2.1 Specialised Audit Services (SAS) received correspondence from the Minister of Finance wherein a whistleblower was reporting allegations of an irregular appointment of a service provider by the GPAA for the leasing of mobile buses, including the related maintenance and support services. The appointment was for a period of five years at a cost of R148 005 000. On 16 September 2025, SAS co-sourced Gobodo from the forensic panel of service providers, appointed under bid NT009-2024, to conduct the investigation. Their mandate for this investigation initially expired on 24 October 2025 **[Annexure 1]**.

3. DISCUSSION/ MOTIVATION

3.1 The initial meeting held between the GPAA’s acting Chief Executive Officer, NT and Gobodo took place on 22 September 2025 whereby a detailed background of the investigation was discussed. The NT also provided Gobodo with the list of SCM documents that were obtained from the GPAA.

3.2 Gobodo made further requests to the GPAA for additional SCM documents. On 13 October, 29 October and 3 November 2025, Gobodo submitted investigation progress reports. Included in the reports were lists showing the outstanding documents and information. The reports also indicated that there are seven people of interest, Gobodo identified for interviews relating to the payments made, where interviews were still outstanding.

3.3 The lack of/ delayed submission of documentation and information contributed to a delay for Gobodo to finalise the draft investigation report. Gobodo requested an extension of time to finalise the draft report and to submit it for review and discussion with NT. The extension of time was granted up to 30 January 2026. No work was done beyond 30 January 2026 and therefore there are no cost implications since then. Prior to 30 January 2026 normal SCM processes were not fully observed. **[Annexure 2 and 3]**

3.4 Given that the extension of time expired on 30 January 2026, and that the SAS still requires Gobodo's services to finalise the investigation report, the matter was escalated to NT's Legal Services unit for advice. The Legal Services unit advised that SAS should consider seeking approval for deviation from normal SCM procedures to re-appoint Gobodo to finalise the investigation. Due to the extent and complexity of the work already completed by Gobodo on the investigation and to ensure continuity, it is required that Gobodo finalise the investigation. Gobodo indicated that they require a period of 60 days from the date of re-appointment to finalise the investigation.

4. LEGAL PRESCRIPTS

4.1 Treasury 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 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.

4.2 Paragraph 4 of Instruction No. 3 of 2021/22, a binding instrument under the Public Finance Management Act (PFMA), regulates deviations from the normal bidding process. Its purpose is to define parameters of procurement by "other means". As a start, the provisions of Treasury Regulation 16A6.4 are repeated in subparagraph 4.1 of Instruction No. 3 of 2021/22. In terms of sub-paragraph 4.2 of Instruction No. 3 of 2021/2022, procurement by "other means" for the purposes of Treasury Regulation 16A6.4 includes -

(a) Limited bidding
(b) Written price quotations not within the threshold determined by NT's Instruction and
(c) Procurement that occurs in emergency situations and urgent cases.

4.3 Sub-paragraphs 4.3 and 4.4 of Instruction No. 3 of 2021/2022 require the SCM Policy of the NT 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 4.2 above.

4.4 The SCM Policy of the National Treasury sets out, in sub-paragraph 4.5.8, that limited bidding is a process restricted to a specific group or category of potential suppliers and may occur through single-source procurement. Single-source procurement may be used:

4.4.1 Where a market analysis and transparent preselection process is used to select one supplier from a limited group to submit a proposal.

4.4.2 Where the required goods or services are only available from a single supplier due to their unique nature or a need for compatibility, continuity and alignment or where the goods or services and works that are already supplied in the department's value chain, or employ were supplied by an original equipment manufacturer or by a licensed agent.

5. FINANCIAL IMPLICATIONS

5.1 The budget for this project is R985 462,97, with R548 684,26 paid for services rendered, leaving an available balance of R436 778,71**.** The request to deviate from normal supply chain management processes to re-appoint Gobodo Forensic and Investigative Accounting to conclude the investigation has no financial implications. **[Annexure 4]**

6. RECOMMENDATION

6.1 It is recommended that the CFO:

6.1.1 Take note of the briefing on the progress made thus far on this investigation.

6.1.2 Approves a deviation from normal SCM processes to reappoint Gobodo Forensic and Investigative Accounting to conclude the forensic investigation over a period of two months, on a month-to-month basis.

Compiled by Siphiwe Mahlangu – Director: Specialised Audit Services

☒ Recommended ☐ Not recommended ☐ Recommended with comments

Or SignHub Signature

Signed by:Maryke Schneigansz
Signed at:2026-05-21 15:05:56 +02:00
Reason:Witnessing Maryke Schneigansz

Signature

MARYKE SCHNEIGANSZ

Chief Director: Specialised Audit Services

Date: 21 May 2026

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MEMORANDUM

☑ Recommended ☐ Not recommended ☐ Recommended with comments

Or SignHub Signature

Signed by:SHABEER HAMID KHAN
Signed at:2026-05-21 20:13:23 +02:00
Reason:Witnessing SHABEER HAMID K

Shabeer Khan

Signature

SHABEER KHAN

Accountant-General: National Treasury

Date:

○ Recommended ○ Not recommended ● Recommended with comments

Internal Control should investigate instances of non-compliance with the SCM process, specifically concerning the extension of contracts executed without the requisite formal approval.

Or SignHub Signature

Signed by:Koena Jeffrey Mapotse
Signed at:2026-06-12 19:22:16 +02:00
Reason:Witnessing Koena Jeffrey Mapots

Signature

KOENA MAPOTSE

Director: Supply Chain Management

Date: 12/06/26

○ Approved ○ Not approved ● Approved with comments

I note the potential irregular/unauthorised nature of the initial appointment, as cited in para 3.3, thus, this contract must be referred to Internal Control for further investigation.

Or SignHub Signature

Signed by:Unathi Ngwenya
Signed at:2026-06-17 10:12:18 +02:00
Reason:Witnessing Unathi Ngwenya

Signature

UNATHI NGWENYA

CHIEF FINANCIAL OFFICER

Date: 17/06/26