

SKX EXECUTIVE SUMMARY

Compliance with the SCM Policy Framework:

7.1 For the 20 contracts that formed the basis of our review, we identified that there was a problem with record keeping in all of them. Several documents were found to be missing, and in instances where we found the documents, these tended not to comply with PRASA SCM Policy framework for reasons more fully set out in the detailed findings of this report.

Contract Spend:

7.2 We identified payments to suppliers with no supporting payment documentation to the value of **R337 235 311.61**. For these payments **R247 549 046.22** was totalled as the variance between the contract values (present on the contracts received) and the total payments made for each supplier. In eight instances, contracts were not available to establish if there was any overspend.

7.3 Where supporting payment documentation was made available, we identified payments to the value of **R210 550 061.08**. For these payments, a total of **R34 299 299.18** was noted where no contract was available for comparison against the contract spend.

Conflicts of Interests:

7.4 We did not identify any conflicts of interests from the comparisons made of SCM employees involved in the contracts against the awarded companies. This is based on the information provided to us. As several ID numbers were not made available to us to perform background searches, this constituted a serious limitation.

Overall Conclusion

7.5 We concluded that for the 20 contracts reviewed, irregular expenditure should be recorded for either lack of documentation or flouting of procurement procedures as laid down in the PRASA SCM policy frameworks.