

Report of the Auditor-General on a

performance audit of entities that
are connected with government
employees and doing business
with departments of the Northern
Cape Provincial Administration

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REPORT OF THE AUDITOR-GENERAL ON A PERFORMANCE AUDIT OF ENTITIES THAT ARE CONNECTED WITH GOVERNMENT EMPLOYEES AND DOING BUSINESS WITH DEPARTMENTS OF THE NORTHERN CAPE PROVINCIAL ADMINISTRATION

1. EXECUTIVE SUMMARY

- 1.1 The Auditor-General issued a report to Parliament in January 2006 on the approval for government employees to perform other remunerative work and the disclosure of financial interests by ministers, deputy ministers and senior managers. This report indicated that designated employees (senior managers) and certain ministers failed to declare their interests and that the majority of government employees did not have approval to perform remunerative work outside their employment in government, as prescribed by the relevant legislation and regulations.
- 1.2 Based on the above a transversal performance audit was conducted on government employee-related entities doing business with national and provincial departments.
- 1.3 During the audit specific emphasis was placed on:
 - 1.3.1 performance of remunerative work
 - 1.3.2 declaration of interest in standard bidding documentation (SBD)
 - 1.3.3 deviation from the supply chain management process in the adjudication of tenders and quotations.
- 1.4 The audit revealed, inter alia, the following:
 - 1.4.1 The extent of business done by employee- or spouse-related companies in the Northern Cape Provincial Administration for the period 1 April 2005 to 31 March 2007 amounted to approximately R4,4 million. The majority of employees did not have approval to perform other remunerative work.
 - 1.4.2 Tenderers also made misrepresentations by not declaring in the tender documentation that employees are related to the companies and CCs that are tendering.
 - 1.4.3 The following transversal findings were made where departments of the Northern Cape Provincial Administration deviated from the supply chain management process without the necessary approval and awarded tenders or contracts to employee-related entities. This could be an indication of preferential treatment of such employee-related entities or of fraudulent activities in the awarding of tenders or contracts.

- (a) Provincial departments did not always obtain three quotations for transactions with a value above R10 000 but not exceeding R200 000, in line with the regulations for the procurement of goods and services.
 - (b) In certain instances provincial departments did not invite competitive bids for procurement where the value of the goods or services exceeded R200 000, in accordance with the regulations, and awarded the contracts to employee-related entities.
 - (c) Bids were not always scored correctly by the evaluation committees of provincial departments and as a result the bids were incorrectly awarded to employee-related entities.
- 1.5 There are inconsistencies between the departments in rectifying the above shortcomings. In some instances departments charged employees with misconduct and discharged the employees or issued final warnings, while others indicated that disciplinary steps could not be taken as employees were not aware that they should have obtained approval to perform other remunerative work. A consistent approach, which includes awareness, training, disciplining and legal action as well as the blacklisting of entities, should be encouraged.
- 1.6 In response to the findings made by the Auditor-General, the Accountant-General, the Public Service Commission (PSC) and the Department of Public Service and Administration (DPSA) indicated that the current legislation and regulations would be reviewed and consideration would be given to amending them, if necessary, in order to limit and avoid the shortcomings identified in this report.

2. PURPOSE AND CONTENT OF THE REPORT

- 2.1 A performance audit was conducted of entities that are connected with government employees and are doing business with departments of the Northern Cape Provincial Administration, as per section 188(4) of the Constitution of the Republic of South Africa, 1996, read in conjunction with sections 5(3) and 20(3) of the Public Audit Act, 2004 (Act No. 25 of 2004) (PAA). The purpose of this report is to facilitate public accountability by bringing to the attention of the provincial legislature the findings of the performance audit.
- 2.2 Sufficient audit work was performed to provide substantiating audit evidence for the findings set out herein.
- 2.3 It is anticipated that this report, which reflects comments received from various departments, would give rise to corrective steps that would contribute constructively to the establishment and implementation of appropriate management measures and controls, and consequently to improved value for money.

- 2.4 The responsibility for instituting these management measures rests with management. The primary objective of performance auditing is to confirm independently that these measures do exist and are effective, and to provide the executive and legislative bodies with findings and examples of the effects thereof, by means of a structured reporting process.

3. AUDIT SCOPE

- 3.1 This performance audit focused on the following aspects:

3.1.1 Employees of departments of the Northern Cape Provincial Administration, who are directors or members of companies and CCs which did business with the departments where such employees work (annexure A refers).

3.1.2 Transactions by employees' spouses who are directors or members of companies and/or CCs which did business with the departments where the husband/wife is employed (annexure B refers).

3.1.3 Employees of departments who are directors or members of companies and/or CCs which did business with other departments of the Northern Cape Provincial Administration (annexure C refers).

3.2 The transactions included in this report cover the period 1 April 2005 to 31 March 2007, unless stated otherwise.

3.3 The scope was limited to the procurement process up to the approval of the payments. The scope also included determining whether employees who had an interest in the company or CC that rendered the service or supplied the goods to the department, were involved in the procurement process.

3.4 The objective of the performance audit was to identify companies and CCs that are primarily profit driven and transacting with departments. For this reason the following types of companies were excluded from the scope of the performance audit:

3.4.1 Section 21 (not for profit) companies as defined in the Companies Act, 1973 (Act No. 61 of 1973).

3.4.2 Public entities listed under the Public Finance Management Act, 1999 (Act No. 1 of 1999) (PFMA).

3.4.3 Companies where the person is appointed as an independent contractor or board member in an executive capacity at a department. The reason for this is that in those cases the person's details are loaded on the Personnel and Salary System (Persal) for income tax purposes, and not because he or she is a permanent employee of the department.

3.4.4 Employees who hold shares in listed companies.

3.5 The objectives of the procedures performed were the following:

3.5.1 To identify the extent of employee-related entities that did business with departments of the Northern Cape Provincial Administration.

3.5.2 To enhance transparency and adherence to relevant legislation.

3.5.3 To identify and report on findings in the current processes and systems.

3.5.4 To possibly reduce the risk of corruption.

4. MODUS OPERANDI

4.1 Performance audits are conducted in accordance with the internal guidelines for the planning, execution, reporting and follow-up of performance audits.

4.2 Computer-assisted audit techniques (CAATs) were used extensively to compile exception reports while procedures were developed for following up on these exceptions. The following databases were used in the compilation of exception reports during the performance audit:

4.2.1 Database of the Companies and Intellectual Property Registration Office (CIPRO) of directors of companies and members of CCs as at 31 March 2006. Actual dates of appointments and resignations were confirmed with CIPRO.

4.2.2 Persal payroll data for March 2006.

4.2.3 Consolidated Basic Accounting System (BAS) payment data for the period 1 April 2005 to 31 March 2007, unless stated otherwise. This file included accounts payable data for government departments on BAS during this period.

4.3 The relevant supporting documentation was requested from the departments and audited. After the performance audit of each of the departments had been finalised, a management letter/report was submitted to the department for comment. The comments received were considered and incorporated in this report.

5. SCOPE EXCLUSION

5.1 The scope of the performance audit did not include the verification of shares held in companies, as this information is not available on the CIPRO database. Consequently, where an individual resigned as a director of a company, it was not possible to confirm that the employee had also sold his/her shares in the company unless this was

discovered by chance. Therefore, a risk exists that employees might have resigned as directors from companies, but had not sold their shares in the companies. If the shareholding was not declared, or the employee did not request permission to perform other remunerative work outside his/her employment at the department, it was not possible to identify employees who held shares in companies that conducted business with departments of the Northern Cape Provincial Administration.

- 5.2 Similarly, the procedures conducted in this performance audit will not reveal collusion between employees employed at a department and the company that did business with the department. This relates to employees who may be receiving another form of gratuity or emolument from the company that did business with the department.

6. OVERVIEW OF EMPLOYEE-RELATED COMPANIES/CCs DOING BUSINESS WITH DEPARTMENTS OF THE NORTHERN CAPE PROVINCIAL ADMINISTRATION

- 6.1 During the performance audit, a significant number of cases were identified where the employee had resigned as a director or member of the company or CC. This could possibly be attributed to the impact of the Report of the Auditor-General on the declarations of interest by ministers, deputy ministers and government employees that covered the 2004-05 financial year [RP 19/2006]. Where the employee had resigned before the transaction occurred, the information was omitted from the final summary. The following table is a summary of the number of employees, number of companies and/or CCs and amounts paid to companies or CCs that transacted with the departments. Refer to annexures A to C for details.

Summary of employee-related companies/CCs doing business with departments of the Northern Cape Provincial Administration

	Number of employees	Number of companies	Amount paid 01/04/2005 to 31/03/2007	Annexure
Employee-related companies and/or CCs doing business with own departments	7	7	2 591 076	A
Employees' spouse-related companies and/or CCs doing business with own departments (<i>Note</i>)	4	5	162 674	B
Employee-related companies and/or CCs doing business with other departments of the Northern Cape Provincial Administration	22	22	1 684 865	C

Note: This exception report was compiled to audit the procurement process followed in awarding tenders/contracts to spouse-related companies and/or CCs

7. FINDINGS, RECOMMENDATIONS AND COMMENTS FROM DEPARTMENTS

7.1 Performance of remunerative work

Regulations with respect to the conduct of remunerative work by government employees differ in certain instances between departments of the Northern Cape Provincial Administration. Where relevant, these differences were taken into account.

7.1.1 Regulations

- (a) Chapter VII, sections 30 and 31 of the Public Service Act of 1994 (Act No. 103 of 1994) (PSA) stipulates: *Unless it is otherwise provided for in his or her conditions of employment every officer and employee shall place the whole of his or her time at the disposal of the State. No officer or employee shall perform or engage himself or herself to perform remunerative work outside his/her employment in the public service, without permission granted by the relevant executing authority or officer authorised by the said authority. If an officer receives any remuneration, allowance or other reward, other than in accordance with this act, an amount equal to such remuneration received should be paid into the revenue account.*
- (b) Chapter 7, section 33 of the Employment of Educators Act, 1998 (Act No. 76 of 1998) states: *Unless an Educator's conditions of service provide otherwise, an educator shall place such time as the Minister may determine at the disposal of the employer; no educator shall without permission of the employer perform or undertake to perform remunerative work outside the educator's official duty or work.*

7.1.2 Findings

- (a) A total of seven employees were identified who are directors or members of companies or CCs that did business with the provincial department in which the person is employed (annexure A refers). With respect to obtaining approval to perform remunerative work it was found that none of these employees, as verified by the respective departments, had approval to perform other remunerative work. The total amount paid to these companies and CCs during the period under review was R2,6 million.
- (b) In addition, 22 employees were identified who are directors or members of companies or CCs that did business with other provincial departments (annexure C refers). With respect to obtaining approval to perform remunerative work it was found that three of these employees had approval to perform other remunerative work. The total amount paid to these companies and CCs during the period under review was R1,7 million.

7.1.3 Recommendations by the Auditor-General

- (a) As indicated in paragraph 7.1.2 (a) and (b) above, only a few employees requested and received approval to perform other remunerative work. Therefore the relevant departments were requested to take disciplinary action against employees whose companies or CCs did business with the departments of the Northern Cape Provincial Administration and who had not requested approval to perform other remunerative work.
- (b) The departments should implement action plans to monitor progress made with regard to the disciplinary action taken against the employees who had not applied for and received approval to perform other remunerative work. The departments should also report back to the provincial legislature on the outcomes of the disciplinary action and the action plans implemented.
- (c) The departments should monitor on a yearly basis the extent of business conducted by their employees. If it is found that the extent of business conducted by these entities is excessive and impacts on the employees' ability to perform their duties at the departments, the departments should consider withdrawing the approval granted. Approval to perform other remunerative work should not be granted if an executive authority is certain that the approval would lead to work being performed for a government department.
- (d) The departments should implement and actively monitor the systems of control to manage the performance of other remunerative work by employees. This could include the annual issuing of letters to employees informing them of the requirement to obtain approval to perform other remunerative work. Copies of the letters of approval should be either kept centrally or placed on the employees' files. Where possible, the completeness of certain aspects of the declarations should also be verified by, for example, conducting CIPRO searches to confirm the completeness of the declared directorships and memberships of companies and/or CCs.
- (e) Companies should be requested to supply their shareholding, and not just directorship, in the tender documentation to allow departments to identify related-party transactions.
- (f) Consideration should be given to amending the existing regulations with regard to the declaration of interests and the performance of other remunerative work by government employees as follows:
 - (i) Non-designated employees (levels 1 to 12) who hold directorships or memberships of companies and/or CCs should disclose such directorships and memberships. According to the DPSA the matter of

extending the system to non-designated employees and supply chain management officials had been considered before and it was decided not to extend the system. However, in light of the recommendations and findings made in this report, the extension of the system should be reconsidered.

- (ii) Non-designated and designated employees should specifically disclose details of directorships and memberships of companies and/or CCs that had previously transacted with government. An overview of the transactions with government should also be provided.
 - (iii) Non-designated and designated employees should disclose their spouses' directorships and memberships of entities that are transacting with the specific government institutions where they are employed.
- (g) Newly appointed government employees should make the disclosures within 30 days of appointment, while government employees who are transferred from one government department to another should again make the required disclosures at the new department within 30 days of transfer.
- (h) The policy should require government employees to disclose changes in circumstances that could have an impact on the completeness or accuracy of the declarations they have provided. Such disclosure should be made within 30 days of the change in circumstances. For example, a newly acquired directorship or membership should be disclosed by a government employee within 30 days of obtaining it.
- (i) Non-designated and designated employees should take personal responsibility for ensuring that CIPRO processes their resignation/termination of directorships and memberships.

7.1.4 Responses from provincial departments

- (a) The **Department of Agriculture** indicated that the respective employees were not aware that approval should be obtained as they were approached by individuals and not by the departments themselves. A memo will be circulated to all staff members to inform them that such approval needs to be obtained from the accounting officer.
- (b) The **Department of Education** has taken the following corrective measures:
- (i) The department sent letters to the district directors requesting the employees listed in the report to furnish the office with proof that permission had been obtained from the executive authority prior to engaging in work outside their official capacity, as well an indication as to whether the listed officials are still directors/members of the

- companies/CCs and, if not, the date of resignation and whether they had received any income from these entities.
- (ii) Disciplinary measures will be instituted against the officials who failed to provide the necessary proof and/or failed to meet the deadline.
 - (iii) The department will also conduct an investigation into the business interests of employees and determine whether their membership of the CCs impacts on their ability to perform their respective duties. A report in this regard will be forwarded to the Auditor-General once the investigation has been completed.
- (c) The **Department of Health** is still in the process of following up the findings as highlighted in the Auditor-General's report. The process is conducted through the labour relations unit within the Human Resource Management Directorate. The department will inform the Auditor-General of the outcome of the investigation.
- (d) The **Office of the Premier's** comments only indicated whether the employees had approval to perform remunerative work and did not address the corrective measures to be implemented.
- (e) The **Provincial Legislature** has a declaration of interest policy, which requires employees to declare their financial and other interests to the Legislature annually. In addition, both the policy and the conditions of employment require employees to obtain permission from the Secretary to the Legislature for performing remunerative work outside the Legislature.

7.2 Declaration of interest on standard bidding documentation

7.2.1 Regulations

- (a) The declaration of interest form (NCT 12) requires the tenderer to declare the following:
- *Are you or any person connected with the tenderer, employed by the Northern Cape Provincial Administration?*
 - *Do you, or any person connected with the tenderer, have any relationship (family, friend, other) with a person employed in the department concerned or with the Northern Cape Provincial Administration tender board or its administration and who may be involved with the evaluation or adjudication of this tender?*
- (b) Paragraph 10 of the Northern Cape Provincial Supply Chain Management Policy states that *a written quotation or bid must be submitted in prescribed format and may not be considered unless the provider who submitted the quotation or bid provided the following information:*

Whether the owner, director, managers, principles or stakeholders are in the service of the state or are a family member or other close relative of any official working in the department.

7.2.2 Findings

Various instances were identified where entities misrepresented facts on the NCT 12 declaration of interest forms by not declaring that employees of a department or their spouses were directors or members of companies or CCs of the entity that had submitted the tenders and were subsequently awarded the tenders based on such misrepresentation of facts. A summary of transactions and the number of entities that had not provided the correct information is set out per department as follows.

Misrepresentations on NCT 12 declaration of interest forms		
Department	Number of entities	Transaction value R
Agriculture <i>(Note)</i>	3	735 672
Education	9	835 448
Total	12	1 571 120

Note: The employees are employed at the Department of Education

7.2.3 Recommendations by the Auditor-General

The departments should investigate the contracts awarded to the entities that made false declarations of interest in their bidding documents and the department should consider cancelling contracts with these entities. The department should furthermore consider blacklisting these entities at the National Treasury.

7.2.4 Responses from provincial departments

- (a) The **Department of Agriculture** indicated that they were not aware of the fact that the officials had interests in the mentioned entities. The SCM unit was not fully functional at that stage and there were no clear methods for them to detect this. Currently the forms used in the SCM process require a declaration of interest and the SCM unit of the department had only become fully operational in June 2006. The corrective controls have since been put in place.
- (b) The **Department of Education** will investigate the contracts awarded to the entities that made false declarations of interest in their bidding documents. A legal opinion will be sourced regarding the possibility of cancelling contracts. Furthermore, these entities will be blacklisted at National Treasury.
- (c) In this regard the **Accountant-General** also responded as follows:

- (i) The declaration of interest form should be amended to also indicate the position occupied by the shareholder/director/member in the department, as well as the name of the department. Directors/members/shareholders of companies tendering should also declare their interests in other related companies, whether or not such related companies are tendering.
- (ii) Spouses' directorship/shareholding/membership in companies that had transacted with the state during the 12 months of the past financial year should be declared. A database of all closed projects, with their performance results, should be kept and where subsequent tenders are received from companies that had previously tendered with government departments, reference to their previous performance should be made and the decision to award the tender should be influenced by the latter.
- (iii) An integration of the Public Service Commission (PSC) system and CIPRO should be considered. An investigation into whether the forms are kept manually or electronically will have to be conducted. If the system is manual, a feasibility study on whether to change from manual to electronic is recommended.

7.3 Deviation from the supply chain management process in the adjudication of tenders and quotations

7.3.1 Inviting tenders and quotations

7.3.1.1 Regulations

Paragraph 3.1 of *Practice note number SCM 2 of 2005* prescribes the procurement process of goods and services for the different thresholds as follows: *Above the value of R10 000,00 but not exceeding R200 000,00 (VAT included) the accounting officer should invite and accept written price quotations from as many suppliers as possible.* Furthermore, paragraph 3.3 states that *if it is not possible to obtain at least three (3) quotations, the reasons should be recorded and approved by the accounting officer/authority or his/her delegate.*

7.3.1.2 Findings

- (a) The following cases were identified where three written quotations had not been obtained for transactions above R10 000 but not exceeding R200 000. The reasons for deviating from the procurement process were not supplied and approved by the accounting officer or his/her delegate.

Three written quotations not obtained		
Department	Number of instances	Transaction value R
Agriculture <i>(Note)</i>	2	112 000
Education	3	50 763
Total	5	162 763

Note: The employees are employed at the Department of Education

- (b) In 21 instances the **Department of Health** obtained medical services to the value of R724 285 from a specialist and sole provider of the medical service. The cases were classified as extreme emergencies and complex medical cases. From the payment documentation it could not be determined whether the deviation from the procurement process in these emergency cases had been approved by the accounting officer.

7.3.1.3 Responses from provincial departments

- (a) The **Department of Agriculture** indicated that the services were procured by the ministry of the department. Due to previous transactions with the entity, the ministry received good service and the required standards were met at all times. Therefore the ministry chose to use the supplier again.
- (b) The **Department of Education** has already instituted disciplinary action against employees who acted negligently during the evaluation process and awarding of contracts. Once the matter is finalised, a report confirming the outcome will be submitted to the Auditor-General.
- (c) The **Department of Health** had only established a fully fledged SCM unit during the 2006-07 financial year. Before that the department was dependent on the provincial treasury for procurement processes. The following measures have been/will be instituted:
- (i) The SCM unit has developed a procedure manual that will guide all officials in the department, particularly SCM practitioners.
 - (ii) The SCM unit is in the process of planning workshops for the implementation of this manual. The manual has sections that deal with ethical standards covering private or business interests in any contract to be awarded by the department and threshold values dealing with procedures to be followed based on monetary value of procurement.

7.3.2 Awarding of bids

7.3.2.1 Regulations

Part 2, paragraph 3(4) of the Preferential procurement regulations, 2001 pertaining to the Preferential Procurement Policy Framework Act (PPPFA), states that *only the tender with the highest number of points scored may be selected*. Furthermore, part 3, paragraph 12(8) states that *in the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specific goals*.

7.3.2.2 Findings

A tender was awarded by the **Department of Education** to an employee-related entity to the value of R349 518 for repairs and maintenance. Two suppliers scored equal total points during the tender evaluation process. In cases where tenderers score equal total points, the entity with the highest number of preferential points must be awarded the tender. Therefore the tender was incorrectly awarded to the employee-related entity as the other supplier had scored the highest number of preferential points.

7.3.2.3 Responses from the department of Education

Deviations from the procurement process, as outlined in the report, will be investigated internally. Once the cause of the deviations is established, corrective measures will be put in place to minimise/prevent recurrence thereof.

7.3.3 List of approved suppliers

7.3.3.1 Regulations

According to the Northern Cape Provincial Supply Chain Management Policy, chapter 2, paragraph 11, *provincial supply chain management will keep a database of all accredited prospective service providers and update the list on an ongoing basis. The list will be available to all departments/public entities to obtain written and verbal quotations from*.

7.3.3.2 Findings

Government aims to incorporate as many small, micro and medium enterprises as possible within the process of public sector procurement. For the promotion of historically disadvantaged individuals, small, micro and medium enterprises and black economic empowerment, institutions should keep a database of prospective suppliers. In eight instances to the value of R1 001 817, entities in which employees

of the **Department of Education** or their spouses had interests did business with the department, but were not on the list of approved/prospective suppliers, which is contrary to the Northern Cape Provincial supply chain management policy. Therefore there is a possibility that officials of the department afforded these entities undue preferential treatment when awarding contracts.

7.3.3.3 Responses from Department of Education

A database of approved/registered service providers is kept and utilised on a rotational basis to invite quotations for goods and services that fall below the tender process threshold. At this point, the department is establishing its own database to keep record of officials with business interests. However, this report necessitates that the current declaration form be reviewed to include spousal business interests.

8. APPRECIATION

- 8.1 The assistance of all role players involved during the performance audit is sincerely appreciated.

Auditor-General

Pretoria

August 2008



A U D I T O R - G E N E R A L

ABBREVIATIONS AND ACRONYMS

Word or phrase	Description
Auditor-General	(a) As an institution, means the institution contemplated in section 181(1)(e) of the Constitution; and (b) As an individual, means the individual appointed as Auditor-General, Mr Terence Nombembe.
BAS	Basic Accounting System
CAATs	Computer-assisted audit techniques
CIPRO	Companies and Intellectual Property Registration Office
CC	Close corporation
Designated employee	Any person occupying a post on SMS grade C (13) in a department
DPSA	Department of Public Service and Administration
Employee-related companies/CCs	Companies/CCs that are connected with government employees in terms of directorships or membership
Government employee	A person in the public service who holds a post on the fixed establishment of a state institution
Non-designated employee	Employees other than designated employees
PAA	Public Audit Act, 2004 (Act No. 25 of 2004)
Persal	Personnel and Salary System
PFMA	Public Finance Management Act, 1999 (Act No. 1 of 1999)
PPPFA	Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000)
PSA	Public Service Act, 1994 (Act No. 103 of 1994)
PSC	Public Service Commission
SCM	Supply chain management
SMS	Senior management staff
VAT	Value-added tax

ANNEXURE A**EMPLOYEE-RELATED COMPANIES AND CLOSE CORPORATIONS DOING BUSINESS WITH OWN DEPARTMENTS**

The table is a summary of employees who are directors or members of companies and/or CCs that did business with the departments where they are employed.

List of employees doing business with their own department					
No.	Department	Number of employees	Number of entities	Amount paid for the period 01/04/2005 to 31/03/2007 R	Number of employees with approval already verified by departments
1	Agriculture and Land Reform	0	0	0	n/a
2	Economic Affairs	0	0	0	n/a
3	Education	5	5	880 954	0
4	Health	1	1	1 648 632	0
5	Local Government and Housing	0	0	0	n/a
6	Office of the Premier	1	1	61 490	0
7	Provincial Legislature	0	0	0	n/a
8	Safety and Liaison	0	0	0	n/a
9	Transport, Roads and Public Works	0	0	0	n/a
	Total	7	7	2 591 076	0

ANNEXURE B

EMPLOYEES' SPOUSE-RELATED COMPANIES AND CLOSE CORPORATIONS DOING BUSINESS WITH OWN DEPARTMENTS

The table is a summary of employees' spouses who are directors or members of companies and/or CCs that did business with the departments where their spouses are employed.

Employees' spouses doing business with departments where the spouses are employed				
No.	Department	Number of employees	Number of entities	Amount paid for the period 01/04/2005 to 31/03/2007 R
1	Agriculture and Land Reform	0	0	0
2	Economic Affairs	0	0	0
3	Education	4	5	162 674
4	Health	0	0	0
5	Local Government and Housing	0	0	0
6	Office of the Premier	0	0	0
7	Provincial Legislature	0	0	0
8	Safety and Liaison	0	0	0
9	Transport, Roads and Public Works	0	0	0
	Total	4	5	162 674

ANNEXURE C

EMPLOYEE-RELATED COMPANIES AND CLOSE CORPORATIONS DOING BUSINESS WITH OTHER DEPARTMENTS IN THE NORTHERN CAPE PROVINCIAL ADMINISTRATION

The table is a summary of employees who are directors or members of companies and/or CCs that did business with other departments.

List of employees doing business with other departments					
No.	Department	Number of employees	Number of entities	Amount paid by other departments to employee-related entities for the period 01/04/2005 to 31/03/2007 R	Number of employees with approval already verified by departments
1	Agriculture and Land Reform	2	2	531	0
2	Economic Affairs	1	1	15 470	1
3	Education	8	8	996 507	0
4	Health	4	4	288 690	0
5	Local Government and Housing	0	0	0	n/a
6	Office of the Premier	3	3	288 658	0
7	Provincial Legislature	2	2	80 209	2
8	Safety and Liaison	1	1	10 000	0
9	Transport, Roads and Public Works	1	1	4 800	0
	Total	22	22	1 684 865	3