

SAP - EXECUTIVE SUMMARY

INVESTIGATION RESULTS - GENERAL BACKGROUND REGARDING SAP IN PRASA	
SUMMARY OF MAJOR FINDINGS & CONCLUSIONS	RECOMMENDATIONS
<ul style="list-style-type: none">✘ PRASA went out on tender in 1999 for an ERP solution to integrate all software systems at PRASA following the Metrorail merger.✘ PRASA received seven responses from SAP and Oracle and the final award went to SAP.✘ They entered into an Initial Agreement in 1999, which governs all other software services and implementation in PRASA.✘ The first level of implementation commenced in the finance, human resources and procurement departments.✘ There was a need for further implementation in operations, which commenced in 2013.✘ SAP will enable all applications to secure a strong integration of all key processes.	

INVESTIGATION RESULTS - BACKGROUND SEARCHES

SUMMARY OF MAJOR FINDINGS & CONCLUSIONS

- ✘ SAP offers a variety of software solutions to various business lines and industries across South Africa.
- ✘ SAP is VAT registered and has been in good standing with SARS for the past couple of years.
- ✘ We were unable to verify SAP's BEE status.
- ✘ SAP has a BEE teaming agreement with Hages Infosystems.
- ✘ NT's restricted supplier database does not list SAP or its directors.
- ✘ SAP and its directors did not declare any interests as per the Parliamentary Register.

RECOMMENDATIONS

- ✘ No recommendations are made.

INVESTIGATION RESULTS - PROCUREMENT PROCESSES

SUMMARY OF MAJOR FINDINGS & CONCLUSIONS

RECOMMENDATIONS

- ✘ SAP and PRASA entered into an Initial Agreement regarding software services and implementation, which states that SAP must provide proposals to PRASA to extend the SAP implementation in PRASA.
- ✘ The three contracts represent further phases of implementation of SAP within PRASA, therefore normal tender regulations and procedures were not applicable to the award.
- ✘ Software Maintenance Order Forms are available as agreed upon in the MOU.
- ✘ SoW's were entered into regarding REM and EAM as agreed upon in the Initial Agreement.
- ✘ Single sourcing was justified in terms of the award of the three contracts.
- ✘ There is a lack of proper record keeping in SCM.

- ✘ It was not within our scope to investigate where documentation is, or who is directly responsible for the delay in providing the documentation and data, or for misplacing / destroying / losing the documentation / data. The PRASA Board should investigate the root causes for the delay or omission in providing the required data / documentation; and act accordingly.

INVESTIGATION RESULTS - PAYMENT VERIFICATION

SUMMARY OF MAJOR FINDINGS & CONCLUSIONS

- ✘ SAP invoiced according to the correct payment process concerning all three contracts.
- ✘ There is a lack of proper record keeping in the finance department.

RECOMMENDATIONS

- ✘ It was not within our scope to investigate where documentation is, or who is directly responsible for the delay in providing the documentation and data, or for misplacing / destroying / losing the documentation / data. The PRASA Board should investigate the root causes for the delay or omission in providing the required data / documentation; and act accordingly.
- ✘ PRASA to implement and enforce a document retention and archiving policy relating to payment information, which is in line with NT Regulations prescripts.
- ✘ SAP contracts to be attached to all SAP invoices.
- ✘ PRASA to implement a payment process policy.