




**APPLICATION FORM**

Please tick where applicable

√ Period

1. Ad hoc deviation:		
2. Standing deviation:		
2.1 Period requested		
3. Request for extension of contract:		
3.1 Period requested		
4. Deviation / Tender Extension:		
5. Request for appointment of Open Water Advanced Risk Solutions (Pty) Ltd to conduct an Independent Forensic Investigation into alleged irregularities within the school uniform project		5 months

Date of application: 12 March 2024

Sub-Programme Manager: 

Programme Manager: 

## **1. Aim of application**

To obtain approval to appoint Open Water Advanced Risk Solution to conduct an independent forensic investigation into alleged irregularities within the school uniform project 2023/24 for the Gauteng Department of Social Development.

## **2. Background**

The Department of Social Development has found itself significantly under capacitated and unable to undertake these investigations internally. Cases were referred to OOP Provincial Forensic Audit Services to investigate on behalf of the department. It has become apparent recently that capacity has not been available to investigate these matters at Provincial Forensic Audit Services.

During 2013, engagement was made with Provincial Forensic Audit Services (PFA) for assistance with all forensic services. We had partnered with PFA and have been assisted by them with cases being investigated. We have however to date reached saturation point with the PFA who not only services DSD but the entire GPG as well. Hence the need now to seek assistance from external service providers in the form of a forensic investigation panel to investigate newly reported cases, which are of a more sensitive and complex nature.

Due to the imminent risks which the department has been exposed to by the recent unfolding of the school uniform project, it was necessary to seek out the services for a forensic investigation speedily to ensure irregularities can be determined and possibly corrected proactively preventing any possible irregular expenditure and/or fruitless and wasteful expenditure that may arise from the school uniform project currently underway. In order to do so, the department had requested the National Treasury's permission to be able to participate in their transversal contract panel of investigators.

### **Supply Chain Management Process:**

## **3. RFQ Background**

An agreement was reached with National Treasury and permission was afforded to the department to be able to participate in their transversal contract with panel of investigation firms duly appointment. ***Refer to Annexure A and B.***

## EVALUATION

A proposal was requested to one (01) of the service providers on the panel Open Water Advanced Risk Solutions, based on the participation contract on the panel and was selected.

RECOMMENDATION	FINANCIAL IMPLICATIONS
Open Water Advanced Risk Solutions	<ul style="list-style-type: none"> <li>• Quoted value R 8 532 000.00 According to Spec Incl VAT)</li> <li>• Budgeted value: R8 532 000.00</li> </ul>

### 6. Administrative Evaluation

Company Name	Bid Price	Proposal submission	Qualification of professionals	Comments
Open Water Advanced Risk Solutions	YES	YES	YES Expires on 08/03/2023	IN

### 8. Financial Implications

Funds are available under the following allocation:

<b>Fund:</b>	Voted Funds (38957)
<b>Objective:</b>	Management (30155957)
<b>Responsibility:</b>	Dir: Legal Services (30107957)
<b>Region ID:</b>	GP: Whole Province (64957)
<b>Net Asset:</b>	Non Asset Related (22957)
<b>Infrastructure:</b>	No Project Stand Alone Cur (49957)
<b>Item:</b>	L/PVT Firm: Legal Advice Serv (51101422)
<b>Project:</b>	No Project (18957)

**10. Recommendation/s**

It is recommended that: -

- Obtain approval from the Head of Department to appoint Open Water Advanced Risk Solutions to conduct an independent forensic investigation on the alleged irregularities within the school uniform project at the total amount of R8 532 000.00 VAT inclusive.
- The contract will be for a period of five (05) months effective from 14 March 2024 ending 13 August 2024.
- The contract is based on the same terms and condition as per the contract NT 012/2020

**Recommended/ ~~not recommended/ recommended as amended.~~**



Mr O. Enele  
Director SCM:

12/03/2024

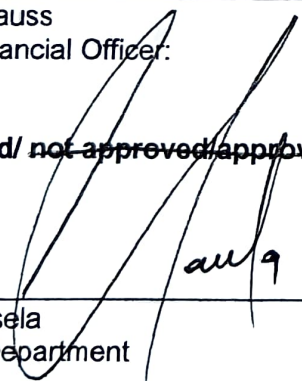
Date

**Funds available/ Funds not available**

\_\_\_\_\_  
Mr. J Strauss  
Chief Financial Officer:

\_\_\_\_\_  
Date

**Approved/ ~~not approved/ approved as amended.~~**

  
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Ms M Gasela  
Head of Department

12 March 2024  
Date

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## Introduction and Background

- 1 1 The Department of Social Development has found itself significantly under capacitated and unable to undertake these investigations internally. Cases were referred to OOP Provincial Forensic Audit Services to investigate on behalf of the department. It has become apparent recently that capacity has not been available to investigate these matters at Provincial Forensic Audit Services.
- 1 2 During 2013, engagement was made with Provincial Forensic Audit Services (PFA) for assistance with all forensic services. We had partnered with PFA and have been assisted by them with cases being investigated. We have however to date reached saturation point with the PFA who not only services DSD but the entire GPG as well. Hence the need now to seek assistance from external service providers in the form of a forensic investigation panel to investigate newly reported cases, which are of a more sensitive and complex nature.
- 1 3 Due to the imminent risks which the department has been exposed to by the recent unfolding of the school uniform project, it was necessary to seek out the services for a forensic investigation speedily to ensure irregularities can be determined and possibly corrected proactively preventing any possible irregular expenditure and/or fruitless and wasteful expenditure that may arise from the school uniform project currently underway. In order to do so, the department had requested the National Treasury permission to be able to participate in their transversal contract panel of investigators.
- 1 4 An agreement was reached with National Treasury and permission was afforded to the department to be able to participate in their transversal contract with panel of investigation firms duly appointment.

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## 2 Scope of work

- 2.1 The forensic investigation must cover the work performed at the Gauteng Department of Social Development in relation to the appointment and payment of funds to service providers:
- 2.2 Conduct forensic investigation into irregularities identified across the project life cycle to date.
- 2.3 Compilation of detailed investigation report detailing findings and recommendations as well as referenced evidence for all findings.
- 2.4 The investigation report should also include practical remedial measures to assist the Department correcting any irregularities identified as detailed below.
- Any contravention of procedures and internal control systems.
  - Practical corrective action to prevent the contravention from reoccurring.
  - Has the Department suffered any financial loss? If so, the loss should be quantified, and the responsible person should be identified.
  - Whether civil/criminal action and/or disciplinary processes is necessary.

## 6 The Budget

- 6.1 We confirm that rates are discounted when compared to fees prescribed by the Auditor-General for work conducted in respect of forensic investigations.
- 6.2 The project duration is five months, effective from the date of appointment.
- 6.3 Our fees to conduct a comprehensive forensic investigation is listed hereunder as follows:

Intervention	Name	Designation	Rate	Hours	Months	Total
	Peet Pieterse	Project Director	R 1 500,00	80	5	R 600 000,00
School Project	Fanie van der Berg	Legal Specialist	R 1 200,00	120	5	R 720 000,00
	Dave Naicker	Senior Investigator	R 900,00	120	5	R 540 000,00
	Cleone Carpenter	Senior Investigator	R 900,00	120	5	R 540 000,00
	Thabang Boikutso	Investigator	R 500,00	140	5	R 350 000,00
	Mac Tau	Investigator	R 500,00	160	5	R 400 000,00
	Piet Maiane	Investigator	R 500,00	160	5	R 400 000,00
	Norman Khumalo	Investigator	R 500,00	160	5	R 400 000,00
Irregular Expenditure	Felix Phiri	Investigation Manager / CA	R 1 200,00	80	5	R 480 000,00
	Ravik Singh	Senior Manager	R 1 200,00	80	5	R 480 000,00
	Johannes Nkosi	Manager	R 850,00	160	5	R 680 000,00
	Phumlani Maseko	Finance and Risk Management Specialist	R 800,00	160	5	R 640 000,00
	Teboho Moekoena	Investigator	R 500,00	160	5	R 400 000,00
	Lerato Malebyoe	Investigator	R 300,00	160	5	R 240 000,00
	Makgotso Maredi	Investigator	R 300,00	160	5	R 240 000,00
<b>Total</b>						<b>R 7 110 000,00</b>
VAT						R 1 066 500,00
<b>Total incl VAT</b>						<b>R 8 176 500,00</b>
Disbursements @ 5%						R 355 500,00
<b>TOTAL PRICE</b>						<b>R 8 532 000,00</b>