

Lexis[®] SA Company

DIRECTOR REPORT

JANETTA HENDRINA MINNAAR
6708020146082



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MINNAAR JANETTA HENDRINA
6708020146082

Directorship Summary

COMPANY	REGISTRATION NUMBER	DIRECTOR TYPE	DIRECTOR STATUS
PROETHICS	K2020/072180/07	DIRECTOR	ACTIVE
MEERKATKOPPIES	M2002/002408/07	DIRECTOR	ACTIVE
JM CRIME FIGHTING INSTITUTE	B2007/177104/23	MEMBER	ACTIVE
FUTURENEERS B4I EMPOWERMENT (RF)	K2016/458843/07	DIRECTOR	RESIGNED
B4I BLACK EXECUTIVE DEVELOPMENT	K2018/588289/07	DIRECTOR	RESIGNED

Company: PROETHICS, K2020/072180/07

Company Status IN BUSINESS

Director Status ACTIVE

Director Type DIRECTOR

Appointment Date 07/02/2020

Resignation Date -

Executor -

Executor Appointment Date -

Trustee Name -

Estate -

Designation 0

Occupation -

Nature of Change -

Contribution Type -

Contribution Amount	R0,00
Contribution Percentage	0%
Status Date	-
Residential Address	28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081
Business Address	28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081
Postal Address	PO BOX 35362, MENLO PARK, PRETORIA, GAUTENG, 0102

Company: MEERKATKOPPIES, M2002/002408/07

Company Status	IN BUSINESS
Director Status	ACTIVE
Director Type	DIRECTOR
Appointment Date	28/06/2004
Resignation Date	-
Executor	-
Executor Appointment Date	-
Trustee Name	-
Estate	-
Designation	-
Occupation	-
Nature of Change	-
Contribution Type	-
Contribution Amount	R0,00
Contribution Percentage	0%
Status Date	-

Residential Address	NO 28 12TH STREET, MENLO PARK, MENLO PARK, GAUTENG, 0081
Business Address	NO 28 12TH STREET, MENLO PARK, MENLO PARK, GAUTENG, 0081
Postal Address	P O BOX 35362, MENLO PARK, MENLO PARK, GAUTENG, 0102

Company: JM CRIME FIGHTING INSTITUTE, B2007/177104/23

Company Status	Deregistration Final
Director Status	ACTIVE
Director Type	MEMBER
Appointment Date	07/09/2007
Resignation Date	-
Executor	-
Executor Appointment Date	-
Trustee Name	-
Estate	-
Designation	-
Occupation	-
Nature of Change	-
Contribution Type	-
Contribution Amount	R100,00
Contribution Percentage	100%
Status Date	-
Residential Address	28 12TH STREET, MENLO PARK, 0081
Business Address	-
Postal Address	P O BOX 35362, MENLO PARK, 0102

Company: FUTURENEERS B4I EMPOWERMENT (RF), K2016/458843/07

Company Status IN BUSINESS

Director Status RESIGNED

Director Type DIRECTOR

Appointment Date 27/11/2018

Resignation Date 15/12/2022

Executor -

Executor Appointment Date -

Trustee Name -

Estate -

Designation 0

Occupation -

Nature of Change -

Contribution Type -

Contribution Amount R0,00

Contribution Percentage 0%

Status Date 15/12/2022

Residential Address 28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081

Business Address 28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081

Postal Address PO BOX 35362, MENLO PARK, PRETORIA, GAUTENG, 0102

Company: B4I BLACK EXECUTIVE DEVELOPMENT, K2018/588289/07

Company Status IN BUSINESS

Director Status RESIGNED

Director Type	DIRECTOR
Appointment Date	12/11/2018
Resignation Date	30/05/2023
Executor	-
Executor Appointment Date	-
Trustee Name	-
Estate	-
Designation	-
Occupation	-
Nature of Change	-
Contribution Type	-
Contribution Amount	R0,00
Contribution Percentage	0%
Status Date	-
Residential Address	28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081
Business Address	28 12TH STREET, MENLO PARK, PRETORIA, GAUTENG, 0081
Postal Address	PO BOX 35362, MENLO PARK, PRETORIA, GAUTENG, 0102

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Promoting professional ethics

ProEthics (Pty) Ltd Reg no: 2020/072180/07

Walker Creek Three (2nd Floor) 90 Florence Ribeiro Avenue Nieuw Muckleneuk Pretoria 0181

CONFIDENTIAL

PROFILE OF DR JANETTE MINNAAR-VAN VEEREN



CURRENT POSITION:

Founding Director of ProEthics (Pty) Ltd

KNOWLEDGE AREAS OF EXPERTISE:

Anti-corruption compliance and legislation, prevention of corporate corruption and fraud, the legal duties and liabilities of members of governing bodies, ethics management, ethical leadership, organisational cultures, corporate governance, organisational training and course development.

PO Box 35362 Menlo Park 0102 Telephone: +27 12 452 3500 E-mail: info@proethics.co.za www.proethics.co.za

Director: JH Minnaar


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EDUCATIONAL QUALIFICATIONS:

- BLC (1988) – University of Pretoria
- LLB (1990) – University of Pretoria
- PhD in Criminal Law (LLD) (1998) – University of Pretoria

MEMBERSHIP OF PROFESSIONAL ASSOCIATIONS:

- The Ethics Institute (TEI)
- The Compliance Institute of Southern Africa

CAREER SUMMARY:

Janette started her professional career in 1991, at the Bank Supervision Department of the South African Reserve Bank. She was admitted as an advocate of the South African High Court in 1991. She lectured in Criminal Law at the University of Venda from 1994 to 1996 and continued her academic career at the University of Pretoria. After completing her doctoral degree in 1998, she decided to pursue a consulting career in the private sector.

After co-managing a private company as a director until mid-2007, Janette joined the Ethics Institute of South Africa as a part-time contractor and served on their board for two years. In August 2014, Janette founded ProEthics, a new venture positioned to promote professional ethics and responsible governance practices in the private and public sectors.

She was a member of the Institute of Directors and she served as a business-integrity mentor on behalf of Business Unity South Africa (BUSa). Janette was appointed as a trustee of the Forever Theron Trust of Dr Annique Theron, internationally acclaimed founder of Annique Skincare, from 2007 to 2015. She joined her advocate colleagues as part of Prof Tim Noakes's legal defence team against the Health Professions Council of South Africa. At present, Janette is serving as a member of a multi-stakeholder partnership to promote business integrity and combat corruption in South Africa.

Janette is a popular speaker at conferences and she was elected to give a talk as an expert knowledge partner at the 2021 OECD International Annual Anti-corruption and Integrity Forum.



Provider of CPD accredited training


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She has been privileged to present lectures with industry leaders such as Prof Mervyn King.

She specialises in the development and presentation of in-house training programmes for clients in both the private and the public sectors. Janette teaches short programmes on ethical leadership at Henley Business School and Wits Business School. She has presented courses to post-graduate students at the University of Stellenbosch Business School and lectured at Enterprises@UP for ten years. Apart from training at all levels of seniority, ProEthics performs ethics investigations and Janette designs stakeholder perception surveys for organisations.

Her client base includes not only large private companies, public entities, government departments, universities and NPOs in South Africa, but also in Ghana, Nigeria, Mauritius, Uganda, Malawi, Tanzania, Mozambique, Zimbabwe, Botswana, the Democratic Republic of the Congo, Uganda, Namibia and Mauritius.

OTHER APPLICABLE INFORMATION:

- Serves as a member of a multi-stakeholder partnership to promote business integrity
- Past director of Futureneers B4i Empowerment RF (Pty) Ltd
- Served on the Executive Team of Lifework Leadership South Africa
- Served as Head judge of the SA Professional Services Awards (SAPSA)
- Served as a director on the Board of the Ethics Institute (now called TEI)
- Served on the South African National Anti-corruption Forum and the Anti-corruption Working Group of Business Unity South Africa for ten years
- Proficient squash player

CONTACT INFORMATION:

Dr Janette Minnaar-van Veijeren | ProEthics

E: janette@proethics.co.za | W: www.proethics.co.za

T: +27 12 452 3500 | C: +27 82 337-7114



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What we do

Who we are

Our values

**Memberships and
accreditations**

Business associates

WHAT WE DO

At ProEthics we promote professional ethics and business integrity. We empower our clients to fight dishonest business practices and prevent losses resulting from crime and irregularities, by promoting an ethical culture and responsible organisational governance.

We are committed to combating economic crime and harmful business practices that could hurt the innocent, destroy profit and damage quality service delivery.

Anti-corruption compliance and an ethical business culture are imperative for sustainable success.

HOW DO WE ASSIST?

With ProEthics' joint academic background and practical business experience, our team is ideally equipped to give expert legal advice and develop tailor-made in-house training courses to enable our clients to comply with legal demands, make sustainable profits and satisfy stakeholder expectations.



As we are a micro-enterprise, our clients have the advantage of liaising with us in person. We strive to live up to the highest standards of ethical behaviour and professionalism in all we do. Our attention to detail and flexibility allows us to accommodate our clients' needs. Continued quality service has enabled us to build long-term partnerships and strong business ties with private and public sector organisations. Client testimonials can attest that our interventions have prevented losses and reputational damage. Their ethical leadership and improved employee morale have led to increased productivity, thus improving long-term sustainability, profit, and business success.

ProEthics is a BEE level 4 contributor. We are fully woman-owned!

WHO WE ARE

ProEthics was founded by Dr Janette Minnaar in 2014. She has more than thirty years of experience in the promotion of professional ethics. As a fully woman-owned organisation, they invest their passion for corporate ethics to the benefit of their clients.

PROFILE OF DR JANETTE MINNAAR-VAN VEIJEREN



Janette
Minnaar-Van
Veijeren

Dr Janette Minnaar founded ProEthics as a vehicle to promote professional ethics. She holds a doctorate in criminal law (LLD) from the University of Pretoria and has been practising as an advocate since 1991. Dr Minnaar trains and consults not only large corporations, municipalities, government departments and tertiary institutions in South Africa but also clients in other African countries. She performs ethics investigations and stakeholder perception surveys and specialises in the development and

presentation of in-house training programmes for clients. Her expertise lies in the legal and ethical duties of leaders, ethics management, prevention of corporate corruption and fraud, corporate governance, with particular reference to the King IV report, and compliance and risk management. She is regularly invited to address large audiences on ethics and the prevention of white-collar crime and has been privileged to present lectures with industry leaders such as Prof Mervyn King. She has published both nationally and internationally and has extensive teaching experience at the university level and is a popular speaker at conferences.

For a full profile [click here](#).



A handwritten signature in black ink, appearing to read 'Janette Minnaar'.

OUR VALUES

At ProEthics we strive to live up to the highest standards of ethical behaviour and professionalism. We will not compromise our core values of **integrity, excellence, and responsibility**. We do what we say and we keep our promises. Our personal and corporate integrity are our key drivers to deliver excellent service.



INTEGRITY

Keeping our promises

Integrity requires doing what we say and always acting in good faith. This builds trust among colleagues, clients, and stakeholders. To live up to this standard we commit to:

- Be truthful and honest in all our dealings and communications;
- honour our commitments and deliver on our promises;
- decline to deal in business that requires illegal or unethical behaviour;
- never compromise our core values;
- not offer, pay, or accept any form of a bribe to gain an unfair business advantage; and
- pay all our taxes and respect the laws of the countries in which we operate

EXCELLENCE

Upholding the highest professional standards

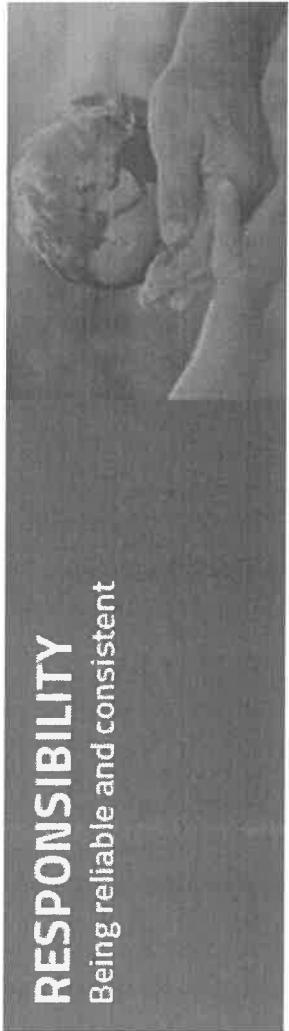


Excellence requires providing service of the highest professional and academic standards. To provide excellent service to our clients we commit to:

- Continually improve our services through research and personal development;
- deliver the best quality possible on time and within budget;
- go the extra mile to meet the requirements of the project and client;
- serve the best interests of our clients and not allow a personal conflict of interest to influence our objectivity and independence;
- uphold confidentiality at all times; and
- treat every person with fairness and respect.

RESPONSIBILITY

Being reliable and consistent



Responsibility requires taking ownership of and being accountable for our actions and decisions. To live up to this standard we commit to:

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- Be professional and effective in the way we do our work;
- exercise our duties with care, skill, diligence and in good faith;
- consider the interests of others where we do business.
- protect the good name and uphold the reputation of our company and our clients;
- promote good corporate citizenship by supporting and contributing to the social needs of the community and the less privileged with our resources and time; and
- conserve the environment and natural resources of the country.



MEMBERSHIPS AND ACCREDITATIONS

- The Compliance Institute Southern Africa – membership
- The Ethics Institute (TEI) – supporter

Professional accreditations include:

- The Compliance Institute Southern Africa: Continued Professional Development – Professional Ethics for Compliance Officers

BUSINESS ASSOCIATES


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Ethics Monitor



The Ethics Monitor is a web-based, mobile-friendly ethics survey that measures an organisation's ethical status. It assesses the degree of ethical performance and ethical behaviour within the organisation as practiced, experienced and perceived by all employees, including management and executives.

Riskwise offers quality psychometric and integrity testing products and in-depth assessments for employees to restrict counterproductive behaviour in the workplace.

Privacy Policy

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Public sector entities Our clients include among others:

Private sector entities

Tertiary institutions

Not-for-profit (NFP) entities PUBLIC SECTOR ENTITIES

Client	Financial Sector Conduct Authority	The Office of the Premier of Gauteng	Gautrain Management Agency
Auditor-General of South Africa			
The Office of the Ombud for Financial Services Providers (FAS)	The Public Investment Corporation (PIC)		

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Department of Agriculture, Land Reform and Rural Development	The National Lotteries Commission	SA Pharmacy Council	Railway Safety Regulator	Export Credit Insurance Corporation of South Africa (ECIC)	Gauteng Provincial Legislature	Companies and Intellectual Property Commission (CIPC)
Pension Funds Adjudicator	SA Parliament	Ithuba	The Government Pensions Administration Agency (GPAA)	The South African Council for the Architectural Profession (SACAP)	The Department of Economic Development	Government Medical Aid Scheme



The Department of Co-operative Governance and Traditional Affairs (COGTA)	South African Banking Risk Information Centre (SABRIC)	The Road Accident Fund
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PRIVATE SECTOR ENTITIES

Client		
Absa Bank	Nedbank	Momentum
Tarsus Technology Group	Toll Group	Rand Merchant Bank
SAFair		Barloworld Equipment
Sanlam	The Lewis Group	Investec

Bell Equipment	Siemens	Eqstra Corporation Limited
Group Five	Murray & Roberts	Sasol
Tsogosun Golden Horse Casino	GIBB Engineering	Fermel
Ampath	Chamberlains	IXEngineers
Shell	MTN	



TERTIAL INSTITUTIONS

Client	University of Stellenbosch Business School	University of the Witwatersrand's Business School
Henley Business School		


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UNISA	Enterprises@UP University of Pretoria: Department of Health Sciences
Tshwane University of Technology	University of Pretoria: Department of Agriculture



NOT-FOR-PROFIT (NFP) ENTITIES

Client	Compliance Institute Southern Africa	United Nations Global Compact Network	Association of Certified Fraud Examiners of South Africa (ACFE SA)	Institute of Internal Auditors of South Africa
Transparency, Integrity and Accountability Programme Deutsche Gesellschaft für		Compliance Institute Southern Africa		

Internationale Zusammenarbeit	 	The Ethics Institute (TEI)
Southern African Music Rights Organisation (SAMRO)	Lifework Leadership South Africa	
Ubunye Be Afrika Development Trust	Consulting Engineers of South Africa (CESA)	South African Professional Services Awards
National Business Initiative (NBI)	Namibia Institute of Democracy	Business Unity South Africa (BUSAF)
Futureneers B4i Empowerment Trust		

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Mail&Guardian

AFRICA'S BETTER FUTURE

Special Reports

1 April 2021

National Lotteries Commission

By Special Reports

National Lotteries Secretariat adv Nompumelelo Nene took part in the virtual conference on corruption in Pretoria on Thursday. On stage she was joined by Dr Janette Minnaar, former deputy public protector adv Kevin Malunga and radio and TV personality Aldrin Sampear. (Photos: MeloMotion Productions)

No place for corruption, conflict of interest in NLC, emphasises Nene

Greed and power are at the core of corruption and the National Lotteries Board is taking charge of dealing with the scourge in the organisation.

On Thursday, the National Lotteries Commission (NLC) in collaboration with an international-acclaimed intergovernmental economic policy organisation, the Organisation for Economic Co-operation and Development (OECD), hosted a virtual conference on anti-corruption and integrity.

The conference was held at Twin Rivers Estate in Centurion in Tshwane where guests were treated to the performance of Ndlovu Youth Choir and Omari Live.

The conference explored new integrity risks, challenges and opportunities that have arisen in the Covid-19 context, as well as identify innovative solutions required to govern and conduct business with integrity, including respect for responsible business conduct standards and tackling corruption in times of crisis.

The NLC was invited to participate in the conference, against the background of its huge responsibility as a government entity that deals with funding for struggling organisations across the country through its funding model, which assists non-governmental organisations to function and provide critical services to communities.

Radio and television personality Aldrin Sampear did a sterling job facilitating the conversation where the conference host, advocate Nompumelelo Nene, the Secretariat of the NLC, spoke boldly of how her organisation is dealing with corruption and focusing on good governance.



AtvR



National Lotteries Secretariat adv Nompumelelo Nene

The conversation was broadcast throughout the world via a streaming channel where Nene told the conference: "As a National Lotteries Commission, we're a global innovative regulator. As a regulator, our mission is to assist thousands of South Africans and [to become] the largest funder to the civil society.

"When we deal with corruption as the NLC, zero tolerance for us starts from the top, as we have to maintain good corporate governance practices. We set the tone on zero tolerance on fraud and corruption based on our work ethics.

"Our corporate governance is aligned to global organisations such as the OECD."

Nene also shared how the NLC has developed a method of measuring conflict of interest and fighting corruption in the organisation by holding itself to highest ethical standards.

"We fund rural and urban communities through our funding model, and through our transparent processes we take corruption activities seriously and act accordingly," she said.

"There is more to measure corruption and it is our aim to deal with such in order for us to have good governance and also to make sure that we deliver on our mandate, which is helping our communities to thrive through our funding model.

"We do not allow corruption to distract us on our quest to achieve our goal," she emphasised.

Based on how the NLC operates, the organisation said it acts swiftly to ensure that good governance and a culture of trust is instilled within the structure.



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“We have looked and monitored on how conflict of interest had dented our organisation, and through negativity, we have come to the point of conducting an independent forensic analysis in order for us to root out corruption.

“We conduct preliminary investigations and be part of the solution in order for us to assist our communities.”

Bright minds join forces to extinguish the curse of fraud

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Public tracking surveys are effective in delaying financial transfers and the leakage rates in public spending, says Dr Roxana Bratu

The National Lotteries Commission (NLC) brings to the fore various methods of clean and effective governance in its quest to help communities through its funding model. Dr Roxana Bratu, a lecturer in corruption analysis at the University of Sussex in England, was invited to


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address the virtual conference jointly organised by the Organisation for Economic Co-operation and Development (OECD) and the NLC.

Speaking from England, Bratu stated that it was important to have a discussion about corruption.

Bratu mentioned the importance of dealing with how to measure corruption, explaining that efforts should be made to make the world a better place for all.

“The abuse of the public office or any other institution for private gain is corruption,” Bratu told the conference.

“This is where corrupt people abuse public power, authority or office through bribery, embezzlement or extortion to enrich themselves. Such behaviour, which deviates from formal duties of a public role due to unduly personal gain, violates rules through misappropriation of funds.”

Bratu said when public officials start enforcing their authority by demanding favours from clients or those who should be assisted professionally on merit, that brings a bigger question on how corruption peddlers are making it difficult for any organisation to work ethically.

“Public tracking surveys [Pets] are effective in delaying financial and in kind transfers, leakage rates and general efficiencies in public spending. Pets trace cases in which public money has either not ended up where it should or cannot be accounted for at all,” she said.

Measuring the risks of corruption in various sectors can also be a good proxy indicator showing how fraud is committed, she added.

NLC secretary Advocate Nompumelelo Nene said the NLC had implemented measures on the experience of corruption and believes that the leadership of the organisation should hold high standards of ethics in order to be accountable at all times.

“The NLC had conducted an analysis of its stakeholder’s real level of interaction with corruption. The assessment was conducted through our whistle-blowing hotlines, where the NLC was able to gauge the public’s experience in relation to corrupt activities over the past three years. It is noteworthy that the NLC experienced a 2% loss on annual revenue due to fraud over the past three years, which was significantly less than the Association of Certified Fraud Examiners benchmark of 5% loss on annual revenue to fraud,” said Nene.

Trust and accountability help cement honest professional relationships


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There is duty on persons holding the positions of authority, says Dr Janette Minnaar

Dr Janette Minnaar, the founder of Pro Ethics, an organisation that advocates for good governance and ethics in government and private sector, joined the conversation organised by the Organisation for Economic Co-operation and Development and the National Lotteries Commission (NLC) on Thursday.

The virtual conference in Pretoria focused on corruption and integrity. Speaking at the conference, Minnaar touched on issues aligned to professional standards and also focused on how trust is built when it comes to accountability.

“We build trust when there is congruence between our words and our actions. Trust requires a certain level of demonstrated honesty or integrity. Only when our own integrity and motives are trusted, will clients approach us or stay with us. We therefore have to be intellectually honest in order to earn the trust of others,” said Minnaar.

She highlighted five main steps to apply in the fight against corruption, explaining that it is crucial to understand how rogues can be dealt with when they get involved in illegal activities.

Minnaar said in fighting corruption, there should be prevention, detection, investigation, reporting and prosecution as key factors that can eradicate the rot that is consuming the country.

“There is a duty on persons who hold a position of authority or who knew or ought reasonably to have known or suspected that any person has committed offence in terms of the act or theft, fraud, extortion, forgery or uttering involving more than R100 000 to report it to the police,” she said.

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She added that the intellectual honesty requires that a professional demonstrates a high level of care, skill, diligence and good faith in the performance of his/her duties.

“Care means that I am carefully considering all available options and solutions best suited for the client. Good faith means that I will avoid all the conflicts of interest.”

She also focused on the final test for being professional and ethical, stating that in order to know that a person is living up to the highest standard of professionalism and ethical behaviour, such a person “needs to act in accordance with three main imperatives, namely: 1, to comply with all legal requirements; 2, upholding any other relevant rule, code or policy; 3, and to be ethical at all times by acting with intellectual honesty by exercising care, skill, diligence and good faith; and going beyond the demands of laws and rules by doing the right thing.”

Through her discussion, Minnaar also advised the NLC to tighten the screws on anti-corruption and gift policies.

“A well-formulated anti-corruption and anti-fraud policy is a minimum requirement to prevent corruption.

“This should be supplemented by a gift policy, where some guidelines in the gift policy should address issues of how often an employee or an official receives gifts, among others.”

NLC secretary advocate Nompumelelo Nene said the organisation is dealing with complaints by members of the public on issues relating to scams and fraud.

Nene said: “The National Lotteries Commission is also cautioning the public, stakeholders and applicants on a scam that affects the organisation.

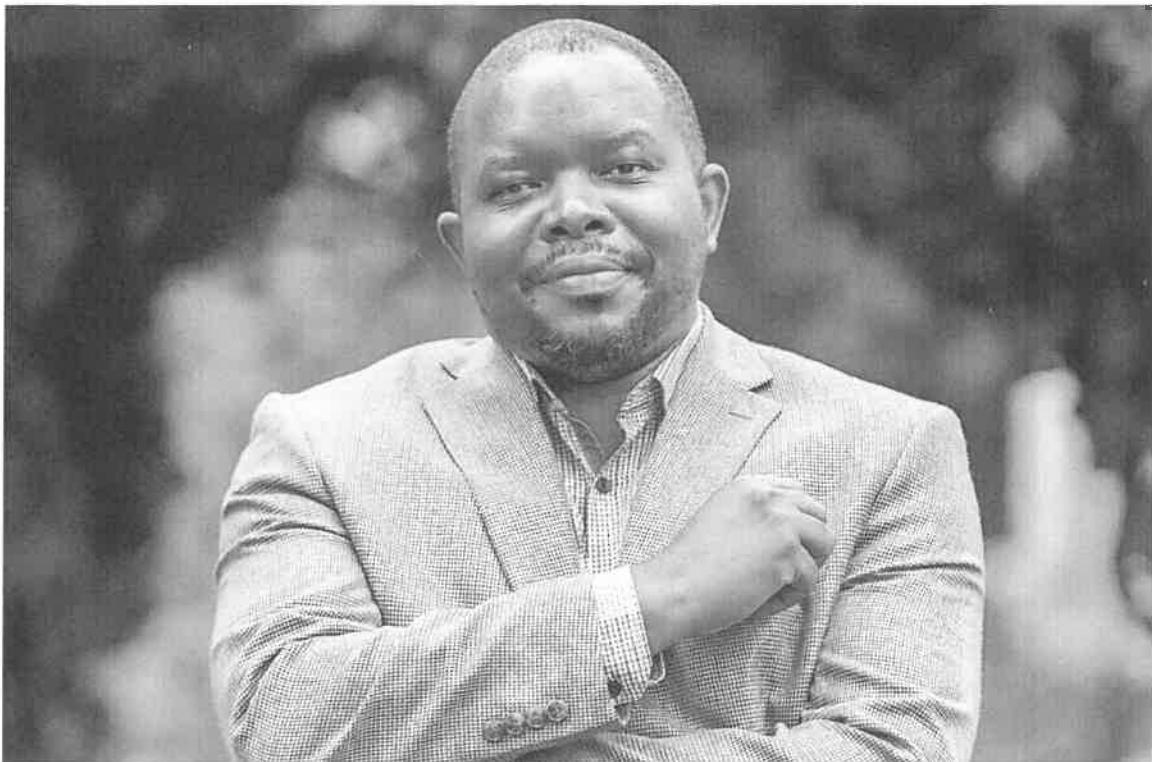
“The scam is currently operating in Gauteng and North West. At least 22 of the applicants and other members of the public have been affected by this scam across the provinces.”

She stated that a syndicate, pretending to be employees of the NLC, is targeting many organisations that have applied for funding and promising them many things in an effort to scam them.

She said the NLC is working hard to ensure that the organisation roots out fraud and corruption, which impact negatively on the organisation’s operations.

NLC receives the thumbs up

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Former deputy public protector adv Kevin Malunga told the conference that the country has its own successes and challenges in fighting corruption

South Africa has its own successes and weaknesses in the fight against corruption, according to former deputy public protector advocate Kevin Malunga.

Speaking at the virtual conference organised jointly by the Organisation for Economic Cooperation and Development (OECD) and the National Lotteries Commission (NLC) in Pretoria on Thursday, Malunga pointed out that the country has elements and good mechanisms to fight corruption, however, there is a lack of action and successful prosecutions.

“In South Africa, we have open government and internal mechanisms to monitor corruption. We have corruption watch organisations, state-owned anti-corruption units, as well as the media to safeguard our country to possible corruption activities,” said Malunga.

“In that regard, there are a lot of opportunities and implementations in place to deal with corruption.”

He added that the policy framework and implementing and coordinating mechanisms could assist in having a corrupt-free nation.

“I am glad that the NLC joined forces with the EOCD to have this dialogue as the organisation has been taking issues of conflict of interest head on in order for them to have strict measures on fighting corruption, and also to have a clear mandate on their quest to help communities.”

According to Malunga, the challenge facing South Africa is that some of the whistle blowers are also suspect.



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"We have whistle blowers but they are also not clean, and it has been proven through the Zondo Commission of Inquiry into allegations of State Capture that some [of the whistle blowers] are as dirty as those they testify against," he said.

He added that corruption is widespread, both in the public and private sectors, noting there are also many challenges in social development, housing and traffic department, among others.

"We need to look at how corruption cripples the country. I am glad that the NLC brought me in to speak about this and also to educate our people locally and internationally [about the pandemic that we're facing as a country]," said Malunga.

Anti-corruption, accountability and trust are at the heart of the NLC



Mabontle Mokwebo, NLC Senior Manager in Governance Communications

Many organisations and communities from disadvantaged, rural and urban areas across the country are reaping the rewards of success and sustainability through the funding they receive from the National Lotteries Commission.

Based on open policy funding, the NLC is has been stringent in placing strict measures to ensure that all good governance guidelines and fair processes are in place to allow various communities and nonprofit organisations to get a fair and transparent opportunity to receive adequate funding when they apply for a grant.

NLC Senior Manager in Governance Communications Mabontle Mokwebo, who was heading of the organising committee for the event, said that the NLC is proud to have reached and engaged stakeholders on a global stage, which sets a precedent for South African public offices to heed the call of ending corruption in their respective organisations. She also mentioned that the NLC is maintaining its support for NPOs, NGOs and NPCs by

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closely focusing on communities that are neglected, in urgent need of development and need to stay afloat during these Covid-19 times, by fairly distributing funds for good causes in rural areas.

"We are one of the biggest grant funders in South Africa and the only Lottery regulator in the country. Through our primary mandates, we thrive to continue being catalysts for change while maintaining good governance within the organisation.

"Being granted the opportunity to showcase the NLC's mandate internationally by The Organisation for Economic Co-operation and Development (OECD) has granted us an opportunity to showcase our governance framework and compare our governance strategies with thought leaders throughout the world."

Top entertainment



Gomora Dance Group entertains viewers and guests at the NLC virtual conference

World-acclaimed Ndlovu Youth Choir, pictured, Amari Live and Alex Dance Group mesmerized the audience during the Organisation for Economic Cooperation and Development virtual conference, which was held in partnership with the National Lotteries Commission (NLC).

Through song and dance, the groups celebrated the good cause of fighting corruption, sending out a message that South Africa will one day be free from the grip of corrupt officials.

Local and global viewers, who participated in the virtual conference, held in Centurion in Pretoria, were visibly enjoying the groups' performances.

The Ndlovu Youth Choir musical director, Ralf Schmitt, expressed the group's gratitude to be part of the event, which was held on Thursday.

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“We are happy to be associated with the NLC on its quest to fight corruption that is destroying our country. This shows that the NLC is seriously fighting this pandemic and this is a great initiative,” said Schmitt.

All stories written by Bongani Mdakane

Photos: MeloMotion Productions



A handwritten signature in black ink, appearing to read 'Bongani Mdakane'.



National Lotteries Commission (NLC)
P O Box 1556
Brooklyn Square 0083, Pretoria

Date: 23 May 2019

To whom it may concern

Ref: Professional services offered by Pro-Ethics

This letter serves as confirmation that the National Lotteries Commission undertook the process of standardizing and communicating internal the employer's expectation regarding conduct throughout the organisation. Pro-Ethics provided training to all our employees, senior management and board of directors and they continue to provide independent expert opinions.

We used the services of Pro-Ethics during the financial year ended March 2019 and continue to use their services in the current year.

We have derived numerous benefits subsequent to the training provided, these benefits include enhanced security in the form of confidentiality, and greater cost savings as internal stakeholder evaluate their decision-making against the NLC values.

We are confident about the services offered by the Pro-Ethics and we are delighted in recommending the Pro-Ethics services to anyone who is considering using their services.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Nwabisa Mabuto'.

Signature

Ms Nwabisa Mabuto

Ethics Officer

A row of silhouettes of people in various activities, including a person at a desk, children playing, and adults walking.

CHANGING LIVES

Board Members: Ms A. Brown (Minister's Representative) Ms. DLT Dondur Mr. YN Gordhan Adv. WE Huma
Ms TS Kekana Dr MA Madzivhandila Prof NA Ncube (Chairperson) Ms Nonpumelelo Nene (Company Secretary)

Established in terms of the Lotteries Act 57
of 1997, as amended

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Executive Summary

"NG 24"

Tel: +2711244321300
Info Centre: 086 0165867
web: www.nicra.org.za
National Crimes Commission (NCC)
P.O Box 1556
Brooklyn Square 00043, Pretoria



NATIONAL CRIMES COMMISSION

a member of the NICRA group



To: Non-prompted Name - Company Secretary

CC: Chief Financial Officer (Acting)

FORENSIC INVESTIGATION - PRO ETHICS

Please be advised that all services and payments to the above service provider should be
settled in full within 30 days.

Yours sincerely

Mr. Lionel October
Company Secretary (Acting)
Date: 01/02/2012


Mr. Lionel October

Payments to ProEthics

"NG 25"

21.231 The NLC made the following payments to ProEthics during the period February 2019 to August 2022: (Exhibit J4.1)

Date Invoice	Invoice Number	Description	Amount (INCL VAT)
28 February 2019	2019/02/1881	Training on ethical duties of NLC trustees	R35 850,00
12 November 2019	2019/11/718	Provisions of ethics intervention services to the NLC in quarter three	R174 800,00
04 February 2020	2020/02/723	NLC 4 th quarter organisation wide ethics intervention 21 February 2020	R1 177 802,88
11 February 2020	2020/02/724	Ethics and governance services for NLC 4 th quarter organisation wide ethics intervention 21 February 2021	R262 535,00

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Date Invoice	Invoice Number	Description	Amount (INCL. VAT)
19 February 2020	2020/02/725	NLC 4 th quarter organisation wide ethics intervention	R170 897,32
20 February 2020	2020/02/726	Services rendered, ethics risk assessment Phase 1	R690 000,00
03 March 2020	2020/03/729	NLC 4 th quarter organisation wide ethics intervention - Final	R99 138,59
31 March 2020	2020/03/731	Revision of the NLC Conflict of Interest Framework and Policy	R38 226,00
25 March 2020	2020/03/732	Ethics risk assessment for the NLC Phase 2	R295 550,00
01 June 2020	None	Quarter 1 Ethics Intervention – Disclosure of Interest	R327 002,50
01 June 2020	None	Final Phase – Ethics Risk Assessment	R731 729,18
16 July 2020	None	Quarter two – organisational wide intervention, conflict of interest	R652 550,25
19 August 2020	2020/08/763	Conflict of Interest Vetting	R2 280 832,05
01 September 2020	2020/09/767	Integrated report – Ethics Office Report	R332 581,02
01 September 2020	2020/09/766	Conflict of Interest Advocacy – Part two	R651 475,00
02 September 2020	2020/09/768	Second quarter organisational wide ethics intervention	R2 130 892,50
24 November 2020	2020/11/782	Hosting of virtual conference on 18 November 2020 in Sandton	R2 823 825,00
02 December 2020	2020/12/787	Third quarter organisational wide ethics intervention Focus Groups	R170 200,00
09 July 2021	2021/06/803	Stakeholder vetting services set up phase 1 Strategy alignment screening and integrity rating	R874 530,67
23 March 2021	2021/03/796	Fourth quarter ethics intervention – stakeholder perception survey phase 1	R937 335,00
26 March 2021	2021/03/800 Quotation	Fourth quarter ethics intervention – stakeholder perception survey phase 2	R382 290,00
31 March 2021	2021/03/799	Fourth quarter ethics intervention – ethics governance framework review and respectful work environment	R915 986,50
09 July 2021	2021/09/804	Monthly ethics media exposure analysis for July 2021 Additional work ethics activation campaign Quarterly media monitoring search and report Annual media monitoring report 2020/2021 Special requests and related ethics tasks	R1 053 365,50
18 November 2021	2021/11/810	Development of e-learning training material – using broadcasting as communication tool Professional support for internal ethics communication campaign	R2 443 425,93

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Date Invoice	Invoice Number	Description	Amount (INCL. VAT)
		Development of tailor made NLC ethics communication content for International Fraud Awareness Professional fee for presentation at International Fraud Awareness Week and panel discussion	
24 November 2021	2021/11/807	Development of e-learning training material – using broadcasting as communication tool Professional support for internal ethics communication campaign Development of tailor made NLC ethics communication content for Mental Health Day Conference Professional fee for presentation at Mental Health Day Conference inclusive of preparation	R2 903 980,89
25 November 2021	2021/11/813	Ethics communication campaign and training communication tools for NLC staff and other stakeholders Professional fee for development of tailor-made NLC content for ethics videos and e-learning training material	R1 092 787,50
20 December 2021	2021/12/808	Ethics Intervention Conflict of Interest Vetting	R996 453,15
16 February 2022	2022/02/818	Ethics communication campaign and training communication tools for NLC stakeholders	R1 548 491,02
29 April 2022	2022/04/820	Ethics communication campaign and training communication tools for NLC stakeholders in celebration of Freedom Day and Human Rights	R816 641,50
28 July 2022	2022/07/818A	Completed work for ethics quarterly media monitoring reports submitted in terms of RFP/2021 -079 Monthly ethics media monitoring reports in terms of RFP/2021 - 079	R364 193,50
15 August 2022	2022/08/819	Additional completed work for ethics quarterly media monitoring reports submitted in terms of RFP/2021 – 079 Monthly ethics media monitoring reports in terms of RFP/2021 - 079	R325 887,00
TOTAL			R28 498 856,15

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- 40.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 40.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 40.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 40.6 it is a misuse of the NLC's property and assets.

CHARGES 99 – 143: GROSS MISCONDUCT IN THE APPOINTMENT OF PRO ETHICS FOR SPECIFIC PROJECTS TO PERFORM VARIOUS SERVICES AND IRREGULAR PAYMENTS TO THIRD PARTY SERVICE PROVIDERS

Overview

- 41 Pro Ethics, a consultancy, was appointed as one of seven service provider entities on a panel to provide corporate governance assistance to the NLC. These services were to be provided on the basis of the expertise and specialization of the service provider. In terms of its appointment, Pro Ethics was entitled to charge an hourly rate of R6 371.25 (VAT Inclusive) for which it would be entitled to be paid after the performance of services and submission of detailed invoices. Further, the NLC is entitled in terms of the Service Level Agreement to reclaim any amount wrongly charged.
- 42 In the RFP - in terms of which interested parties were invited to submit proposals for inclusion on the Corporate Governance panel - it was estimated that there would be an expenditure of approximately R 7 million on Corporate Governance for advice from members of the panel over a three-year period.



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43 In the period from May 2019 and to August 2022, payments totaling R 28 million were made to Pro Ethics.

44 A significant portion of this amount, which exceeds R 10 000 000, consists of payments made to third party service providers chosen by yourself and or members of staff who reported to you or acted under your direction, in an irregular, non-compliant manner and without the requisite competition, and in respect of whom you instructed Pro Ethics to make payments on behalf of the NLC.

45 During this period, Pro Ethics submitted invoices to the NLC which covered both services performed by Pro Ethics, as well as containing narrations that covered the work performed by the third-party service providers who were selected by you, or officials of the NLC – who reported to you, or worked under your direction, supervision or control - but the third-party service providers were not identified therein. You recommended the approval of all of these invoices and authorised payments to Pro Ethics who in turn paid the third-party service providers that were appointed. The appointment of these third-party service providers were in contravention of the NLC SCM Policy.

46 Specific charges are brought in relation to the following services provided:

46.1 Ethics Risk Assessment (February – June 2020), and other payments to Ethics Monitor (December 2020 – November 2021);

46.2 Ethics Virtual Conference – (August – September 2020);

46.3 International Fraud Awareness Week (November 2020);

46.4 Fourth Quarter Ethics Intervention (January – March 2021);

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- 46.5 Stakeholder Perception Survey (January – February 2021);
- 46.6 OECD Global Anti-Corruption Forum (March 2021);
- 46.7 International Fraud Awareness Week (November 2021); and
- 46.8 Mental Health Awareness Week (November 2021).

ETHICS RISK ASSESSMENT, 2020

Charge 99: Ethics Risk Assessment, 2020

- 47 On 4 February 2020, Pro Ethics submitted a quotation to conduct an Ethics Risk Assessment for the NLC. Pro Ethics was duly appointed for this project.
- 48 Under your instruction and/or direction, Pro Ethics subcontracted Ethics Monitor to provide various services in respect of phases one, two and three of the Ethics Risk Assessment. Ethics Monitor was directly subcontracted by Pro Ethics, but the terms of their appointment were determined and negotiated by you. Ethics Monitor did not form part of the Corporate Governance panel appointed by the NLC following a compliant procurement process.
- 49 The customized content and timeframes of the survey were agreed directly between you and Ethics Monitor in the period between 7 April and 2 June 2020. However, on 2 June 2020, you instructed Ethics Monitor to alter the documentation to reflect that Pro Ethics had been appointed to conduct the Risk Assessment.
- 50 Pro Ethics paid the following amounts to Ethics Monitor as a third-party service provider: R145 000.00 on 2 June 2020; R160 900.00 on 3 June 2020;



Akw

R75 900.00 on 1 July 2020; and R75 900.00 on 6 August 2020. These amounts constitute irregular expenditure as Ethics Monitor, the third-party service provider, was not appointed in a fair, equitable, transparent, competitive and/or cost-effective manner, and in contravention with the NLC Supply Chain Management Policy.

Charges 100 – 108 Further Payments to Ethics Monitor

51 In the period from December 2020 to November 2021 you instructed Pro Ethics to make the following payments to Ethics Monitor, each one constituting a separate charge:

- 51.1 on 14/15 December 2020, payment to Ethics Monitor in the amount of R74 750.00 – **charge 100**;
- 51.2 on 24/25 March 2021, payment to Ethics Monitor in the amount of R17 250.00 – **charge 101**;
- 51.3 on 28 April 2021, payment to Ethics Monitor in the amount of R17 250.00 – **charge 102**;
- 51.4 in May 2021, payment to Ethics Monitor in the amount of R95 525.45 – **charge 103**;
- 51.5 in June 2021, payment to Ethics Monitor in the amount of R95 545.45 – **charge 104**;
- 51.6 on 9 July 2021, payment to Ethics Monitor in the amount of R43 500.00 – **charge 105**;

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51.7 on or about 12 July 2021, payment to Ethics Monitor in the amount of R47 773.30 – **charge 106**;

51.8 on 2/3 August 2021, payment to Ethics Monitor in the amount of R47 773.30 – **charge 107**;

51.9 on 8/9 November 2021, payment to Ethics Monitor in the amount of R15 525.00 – **charge 108**;

52 Your conduct as aforesaid, in respect of charges 99 – 108, constitutes gross misconduct for one or more of the following reasons:

52.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;

52.2 it is a failure to uphold and promote the interests of the NLC;

52.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;

52.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;

52.5 it occasioned irregular and/ or fruitless and wasteful expenditure;

52.6 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;

52.7 it is a misuse of the NLC's property and assets.

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LIVE STREAMING OF ETHICS VIRTUAL CONFERENCE

Charge 109: Live Streaming of Ethics Virtual Conference – September 2020

53 On or about 30 August 2020, you instructed Digital Dynasty to submit an invoice to Pro Ethics in respect of the live streaming of the internal virtual ethics conference. Pursuant to your instruction and on 7 September 2020, Digital Dynasty submitted an invoice dated 30 August 2020 in the amount of R1 242 000 for services to be rendered in respect of the event.

54 Consequently, and on 8 September 2020, Pro Ethics made payment of R1 242 000 to Digital Dynasty, and provided you with proof of the payment. Your conduct as aforesaid constitutes gross misconduct for one or more of the following reasons:

- 54.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 54.2 it is a failure to uphold and promote the interests of the NLC;
- 54.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 54.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 54.5 it occasioned irregular and/or fruitless and wasteful expenditure;
- 54.6 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;



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54.7 it is a misuse of the NLC's property and assets;

54.8 it amounts to dishonest conduct.

INTERNATIONAL FRAUD AWARENESS WEEK

Charges 110 – 113: International Fraud Awareness Week, 2020

55 In November 2020, you requested Digital Dynasty to provide a quotation to Pro Ethics for the hosting of a virtual conference in respect of International Fraud Awareness Week 2020 which was to be held on 18 November 2020.

56 On 10 November 2020, Digital Dynasty submitted a quotation in the amount of R 2 535 750 (VAT inclusive) to Pro Ethics.

57 On 24 November 2020, Pro Ethics submitted an invoice to the NLC for the hosting of a virtual conference on 18 November 2020 in the amount of R 2 823 825.00 (VAT inclusive). The invoice covered the costs of the quotation submitted by Digital Dynasty to Pro Ethics on your instruction plus an amount of R249 500.00 (VAT inclusive), which constitutes approximately 10% of the value of Digital Dynasty quote.

58 Pursuant to your instruction, Pro Ethics made payment to Digital Dynasty in the amount of R 2 535 750, and retained the balance of R 249 500.

59 Each of these events constitutes a separate charge of misconduct:

59.1 the appointment of Pro Ethics for a subversive or inappropriate purpose
– Charge 110;

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- 59.2 the indirect appointment of Digital Dynasty – **Charge 111**;
- 59.3 the payment to Digital Dynasty through Pro Ethics – **Charge 112**;
- 59.4 the payment to Pro Ethics – **Charge 113**.

60 Your conduct in the appointments of Pro Ethics and the indirect appointment of Digital Dynasty, as well as the payments to them constitutes gross misconduct, for one or more of the following reasons:

- 60.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 60.2 it is a failure to uphold and promote the interests of the NLC;
- 60.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 60.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 60.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 60.6 it amounts to corruption or fraud;
- 60.7 it constitutes irregular and/or fruitless and wasteful expenditure;
- 60.8 it is a misuse of the NLC's property and assets.



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STAKEHOLDER PERCEPTION SURVEY

Charge 114 : Stakeholder Perception Survey: evaluation of Pro Ethics proposal

61 On 29 January 2021, a request for quotations (RFQ) and Terms of Reference (ToR), was delivered to Pro Ethics and one other service provider on the NLC's corporate governance panel. The request related primarily to a stakeholder perception survey to be conducted in respect of perceptions of the NLC's efficacy, as well as a Fourth Quarter Ethics Intervention with a theme of a 'Respectful Work Environment'.

62 On 1 February 2021, Pro Ethics submitted a proposal in response to the request; but the other provider did not.

63 There was no justifiable reason that the RFQ was not submitted to the other members of the Corporate Governance panel.

64 In compliance with the ToR, the service providers were required to detail relevant company and team experience in conducting stakeholder perceptions surveys. Each of these elements constituted 20% of the overall score.

65 Pro Ethics –

65.1 did not provide any relevant experience, either in the company or team experience category in this regard;

65.2 had been appointed to a panel to provide corporate governance assistance to the NLC with particular reference to issues of ethics; thus, conducting stakeholder surveys, in particular on an issue related to efficacy, fell beyond the scope of its appointment and expertise.

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66 Despite the fact that Pro Ethics did not have the requisite experience for the purposes of conducting the stakeholder perception survey, and as a member of the Request for Proposals Evaluation Committee, you scored Pro Ethics 90% overall, on the basis of its experience and ability in conducting stakeholder surveys.

67 Your conduct as aforesaid constitutes gross misconduct because it was -

- 67.1 dishonest, reckless, irrational or inappropriate scoring;
- 67.2 conduct that is unbecoming of your post as Company Secretary of the NLC or your role in the Evaluations Committee;
- 67.3 conduct that undermined the principle of promoting and maintaining a high standard of professional ethics, and the efficient, economic and effective use of resources; and/or
- 67.4 conduct that was against the interests of the NLC.

Charge 115: irregular expenditure in respect of Stakeholder Perception Survey

68 Pursuant to the evaluation process, the NLC appointed Pro Ethics to conduct the stakeholder perception survey, at a cost of R874 575.00.

69 Your conduct in the consequential appointment of Pro Ethics and the expenditure incurred constitutes gross misconduct, for one or more of the following reasons:

- 69.1 the appointment of Pro Ethics was irregular, inappropriate and or in contravention of the SCM Policy;



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- 69.2 the amount of R937 335 constitutes irregular expenditure;
- 69.3 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 69.4 it is a failure to uphold and promote the interests of the NLC;
- 69.5 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 69.6 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 69.7 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 69.8 it is a misuse of the NLC's property and assets.

FOURTH QUARTER ETHICS INTERVENTION

Charges 116 – 118: Fourth quarter ethics intervention 2020 - payment in excess of the approved amount and irregular payment

- 70 The proposal in terms of which the Stakeholder Survey was conducted also provided for the provision of a Fourth Quarter Ethics Intervention. The total approved value of the contract awarded to Pro Ethics in respect of this project was R 1 319 625 of which R439 633.50 related to the the Fourth Quarter Ethics Intervention.



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71 Either you or employees who reported to you, or worked under your control or supervision engaged the services of the following third parties without a competitive process –

71.1 a celebrity to participate in the Fourth Quarter Ethics Intervention through an agency, Digital Dynasty, who also provided production services. Consequently, Digital Dynasty submitted an invoice for R536 486.50 to Pro Ethics. Employees – who reported to you or worked under your supervision or control - communicated with Pro Ethics in this regard, copying you in on the correspondence – **Charge 116**

71.2 Fundudzi Media who produced a full-colour double page spread for which they submitted an invoice in the amount of R333 030.80 to Pro Ethics – **Charge 117**

72 In addition, Pro Ethics submitted a further invoice to the NLC in respect of the Fourth Quarter Ethics Intervention in the amount of R536 486.50 and was subsequently paid that amount, which exceeded the approved amount of R 382 290.00 – **Charge 118**

73 In the circumstances, your conduct in the indirect appointment of Digital Dynasty and Fundudzi Media, and the consequent payment to Pro Ethics beyond the approved amount, and your instructions to pay these service providers, constitutes gross misconduct, each of these events constituting a separate charge of misconduct, for one or more of the following reasons:

73.1 it amounts to a failure to ensure that the system of financial management and internal control is carried out;

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- 73.2 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 73.3 it was in contravention of the NLC's SCM policy and procedures;
- 73.4 the third party service providers were not appointed in a fair, equitable, transparent, competitive and/or cost effective manner;
- 73.5 it occasioned irregular and/or fruitless and wasteful expenditure by the NLC;
- 73.6 it is a misuse of the NLC's property and assets.
- 73.7 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 73.8 it is a failure to uphold and promote the interests of the NLC.

Charges 119 – 124: 4th Quarter Ethics Intervention 20 February 2020

Charge 119 – Appointment of Pro Ethics

- 74 On or about 22 January 2020, the Ethics Officer, Nwabisa Mabuto, acting under your instruction or pursuant to your direction or control, requested Pro Ethics to organise the 4th Quarter Ethics Intervention, and to appoint third party service providers specified by you and / or employees acting under your instruction, direction or control.
- 74.1 On 23 January 2020, Pro Ethics provided a quotation which included the appointment of the third parties.



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74.2 Consequently, Pro Ethics was appointed, and its appointment in these circumstances was, amongst other things, in contravention of the NLC's SCM Policy and Procedure. This constitutes gross misconduct for one or more of the reasons set out below in paragraph 86.

Charge 120 – Pre-payment to Pro Ethics prior to appointment

75 In correspondence, Pro Ethics indicated that it had already received payment from the NLC in the amount of R64 000 in respect of the event, prior to the NLC's receipt of their quotation.

75.1 Your knowledge of, or acquiescence in, such pre-payment constitutes gross misconduct, because the applicable procurement prescripts, as well as the Service Level Agreement concluded between the NLC and Pro Ethics, do not permit payments in advance of work being performed in these circumstances.

Charge 121 – The appointment of third parties through Pro Ethics

76 You required Pro Ethics to subcontract various third-party service providers that you and / or officials of the NLC working under your supervision, direction or control had pre-selected, and on terms that you and / or such officials specified.

77 Consequently, and in the absence of any procurement process, Pro Ethics subcontracted the third-party service providers. This constitutes gross misconduct for one or more of the reasons set in paragraph 86.



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Charge 122 – Pre-payment to 3rd parties

78 The Pro Ethics quotation that the Ethics Officer requested and accepted provided for payments of 50 percent deposits to certain service providers and further payments after the Intervention. The identity of the subcontractors whose services were to be utilized for the intervention were subsequently changed. Consequently, and on 29 January, Pro Ethics was requested to submit a revised quotation for **R2 348 500,00** (including Vat) on the same day.

79 On 3 February 2020, the Ethics Officer who worked under your supervision, direction or control, in a communication which was copied to you, instructed Pro Ethics to request the various third-party service providers to confirm their participation in the Intervention and to –

79.1 provide invoices to Pro Ethics providing for a 50% deposit payment and a 50% payment on the day of the Intervention; and

79.2 meet with the NLC Company Secretariat Division on 10 February 2020 at the Kyalami Grand Prix Circuit.

80 Such instruction was contrary to the applicable procurement prescripts which do not permit payments in advance of work being performed in these circumstances.

81 Pursuant to this instruction, an amount of R 1 296 464.43 was paid by Pro Ethics to twelve of the third-party service providers as 50% deposit payments prior to the date of the Intervention.

82 These amounts constitute irregular and/or fruitless and wasteful expenditure, among other things. Your conduct constitutes gross misconduct for one or more of the reasons set out below in paragraph 86.

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Charges 123 – 124: Payments to Pro Ethics and 3rd party service providers

83 Pursuant to the irregular appointment of Pro Ethics and the indirect appointment of some 14 third-party service providers selected by yourself and/or officials of the NLC acting under your supervision, direction or control, a total amount of R 3 400 173.59 was paid to the third party service providers by Pro Ethics on behalf of the NLC. As stated above, the 14 third party service providers were contracted and paid in breach of the NLC's SCM Policy and procurement requirements of the NLC.

84 You recommended or approved payment of this amount to Pro Ethics, in terms of three purchase orders. Subsequent to the intervention, Pro Ethics paid a further amount of R 2 025 623.52 to fourteen service providers in respect of the Intervention.

85 In addition to the payments made to third party service providers, you recommended or authorised a payment of 10 percent of the total of these payments to be paid to Pro Ethics as an administration fee. This amounted to R 340 017,36.

86 Your conduct as aforesated constitutes gross misconduct, for one or more of the following reasons:

86.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;

86.2 it is a failure to uphold and promote the interests of the NLC;

86.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;



- 86.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 86.5 it constitutes irregular and/or fruitless and wasteful expenditure;
- 86.6 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 86.7 it is a misuse of the NLC's property and assets.

ENGAGEMENT OF KEY-NOTE SPEAKERS

Charge 125a: OECD Global Anti-Corruption Forum

- 87 In March 2021, you instructed presenters at the OECD Global Anti-Corruption Forum to submit their invoices to Pro Ethics. This included an invoice from Mr Kevin Malunga.
- 88 Consequently, Pro Ethics submitted an invoice for this amount without specifying the details, if any, of the services performed and reimbursed Kevin Malunga from the funds received from the NLC. Your conduct as aforesated constitutes gross misconduct for one or more of the following reasons:
 - 88.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
 - 88.2 it is a failure to uphold and promote the interests of the NLC;
 - 88.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;



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- 88.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 88.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 88.6 it constitutes irregular and/or fruitless and wasteful expenditure;
- 88.7 it is a misuse of the NLC's property and assets.

Charge 125b: Funding for Impact: Women in Leadership

- 89 In May 2021, you chose Julia Mashele to be a keynote speaker at the Funding for Impact: Women in Leadership event. When Ms Mashele submitted her invoice for R85 000.00 you forwarded it to Pro Ethics with an instruction to pay her.
- 90 Consequently, Pro Ethics submitted an invoice for this amount without specifying the details, if any, of the services performed and reimbursed Ms Mashele from the funds received from the NLC.
- 91 Your conduct as aforesaid constitutes gross misconduct for one or more of the following reasons:
 - 91.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
 - 91.2 it is a failure to uphold and promote the interests of the NLC;



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- 91.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 91.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 91.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 91.6 it constitutes irregular and/or fruitless and wasteful expenditure;
- 91.7 it is a misuse of the NLC's property and assets.

INTERNATIONAL FRAUD AWARENESS WEEK

Charges 126 – 134: International Fraud Awareness week event – 19 November 2021

- 92 On 3 November 2021, you submitted a proposal to the Commissioner to host an annual conversation on 19 November 2021 in support of the International Fraud Awareness Week 2021. You specifically sought approval for the appointment of MSG Africa Group (Power FM) as the broadcast platform.
- 93 This proposal was not approved. On 10 November 2021, an RFP was issued on behalf of the Company Secretariat to develop an effective and relevant internal ethics communication campaign with tailor-made NLC communication content in support of the International Fraud Awareness Week. The closing date for the RFP was 16 November 2021.



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94 The RFP ostensibly appears to have been issued to five service providers. However, only Pro Ethics submitted a proposal in the amount of R 2 435 425, 93 (VAT inclusive). The proposal provided minimal detail of how the project would be undertaken and no detailed costing. You, and other NLC employees, had been working with Pro Ethics on this event in the period prior to the adjudication of the RFP.

95 The proposal from Pro Ethics was approved on 17 November 2021.

96 On 18 November Pro Ethics sent you an invoice for R 2 435 425, 93 (VAT inclusive) itemised as follows –

96.1 development of e-learning ethics training material, using broadcast communication tools - **R 1 803 282.00**

96.2 professional support for internal ethics communication campaign –
R 180 328.00

96.3 professional fee for presentation at International Fraud Awareness Week (14 hours at R 6414 per hour) – **R 89 796.00.**

97 A purchase order was issued the same day and Pro Ethics was paid the full amount forthwith.

98 Consequently, Pro Ethics made payments to the master of ceremonies and speakers at the event, as well as other third parties for services ostensibly performed in respect of the event.

99 In addition to the conference speakers, the following payments were made by Pro Ethics in respect of the event –

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99.1 Elsiscope (production) R 1 145 457,50;

99.2 MSG Group (outside broadcast) R 345 000;

99.3 Ignition (T-shirts/ conference gifts) R 193 466.80.

100 All payments made pursuant to the RFP were irregular.

101 Your conduct in each of the following events constitutes a separate charge of gross misconduct:

101.1 the appointment of Pro Ethics – **charge 126**;

101.2 the appointment of each of the 3rd parties:

101.2.1 Elsiscope – **charge 127**;

101.2.2 MSG Group – **charge 128**;

101.2.3 Ignition - **charge 129**;

101.3 the payment to –

101.3.1 Pro Ethics – **charge 130**;

101.3.2 Elsiscope – **charge 131**;

101.3.3 MSG Group – **charge 132**;

101.3.4 Ignition – **charge 133**; and

101.3.5 the master of ceremonies and speakers – **charge 134**.

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and constitutes separate instances of gross misconduct for one or more of the following reasons:

- 101.4 it was a subterfuge for corrupt, fraudulent, irregular or non-compliant activities;
- 101.5 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 101.6 it is a failure to uphold and promote the interests of the NLC;
- 101.7 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 101.8 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 101.9 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 101.10 it constitutes wasteful, unauthorised and or irregular expenditure;
- 101.11 it is a misuse of the NLC's property and assets.

MENTAL HEALTH AWARENESS WEEK

Charges 135 – 142: Mental Health Awareness Week November 2021

- 102 In November 2021, you and Mabontle Mokwebo, Senior Specialist: Corporate Governance and Ethics Relations ("Mokwebo"), an employee who reported to you, instructed Pro Ethics to make payment of an invoice in the amount of R



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2 035 155 submitted by Elsiscope in respect of the Mental Health Awareness Week. In addition to this substantial payment to Elsiscope, Pro Ethics also made a payment of R437 500 to MSG (Power FM) on your and / or Mokwebo's instructions.

103 On 24 November 2021 Pro Ethics submitted an invoice for "Ethics Initiative – Mental Health Day" - for a total amount of R2 903 980,89. The description of services contained in the invoice was as follows:

103.1 Development of e-learning ethics training material – using broadcasting as communication tool - **R 2 149 700.00**

103.2 Professional Support for internal ethics communication campaign - **R 214 970,00**

103.3 Development of tailor-made NLC ethics communication content - **8 hours @ R 6414,00 p/h**

103.4 Professional fee for presentation at Mental Health Day conference – **15 hours @ R 6414,00 p/h**

103.5 Travel and accommodation - **R 13 008.77.**

104 You approved the requisition for the issuing of a purchase order in the amount of R2 903 980,89 to Pro Ethics knowing that the invoice was not a reflection of services performed by Pro Ethics; and that the major portion of funds that were paid in terms of this invoice were to be used to pay third party service providers, Elsiscope and MSG, who had not been appointed in terms of the SCM Policy.



Charge 135 - 139 : Irregular appointment of, and payments to, Elsiscope Digital Services

105 In particular, an entity known as Elsiscope Digital Services was instructed to perform a wide range of services in respect of these two events, and were paid via Pro Ethics. Their invoices were as follows, each payment constituting a separate charge –

105.1 18 November 2021 – R 150 000 (Fraud Awareness Week) – **charge 135;**

105.2 20 November 2021 – R 995 457.50 (Fraud Awareness Week) – **charge 136;**

105.3 25 November 2021 – R 2 000 000.00 (Mental Health Awareness) – **charge 137;** and

105.4 25 November 2021 – R 35 155 (Mental Health Awareness) – **charge 138.**

106 As stated in charge 94, MSG Sales was, in addition, instructed to pay an amount of R 1,5 million to Elsiscope for a “flashmob” in August 2021. In the circumstances, Elsiscope was paid in excess of R4,6 million rand through an illicit process or in the absence of a fair and competitive appointment process.

107 An employee of the NLC, Mokwebo, whose appointment you enabled to the position of Senior Specialist: Corporate Governance and Ethics Relations on 30 March 2021, on a fixed term contract for the period of two years was -

A handwritten signature in black ink, appearing to read 'Mokwebo', is located in the bottom right corner of the page.

- 107.1 a Director of Elsiscopic until she resigned on 5 April 2020;
- 107.2 a Director of Melomotion (Pty) Ltd, which had the same registered address as Elsiscopic, until she resigned on 6 May 2020.

108 In the circumstances, and as a separate charge, you enabled Mokwebo's contravention of section 2G(1) of the Lotteries Act, 1997 as amended – charge 139.

109 Your conduct as aforesaid, also constitutes gross misconduct for one or more of the following reasons:

- 109.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;
- 109.2 it is a failure to uphold and promote the interests of the NLC;
- 109.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;
- 109.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;
- 109.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;
- 109.6 it is a misuse of the NLC's property and assets.



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Charges 140 - 142: Irregular payments in respect of Media Purchases

110 Pro Ethics was further instructed to make substantial payments to media companies on behalf of the NLC in conflict with the SCM Policy in respect of these two events, each payment constituting a separate charge –

110.1 31 October 2021 - MSG Sales Power FM – R345 000 – **charge 140**;

110.2 24 November 2021 - MSG Sales Power FM – R 437 000 – **charge 141**;
and

110.3 26 April 2022 Fundudzi Media – R 1 372 373.20 – **charge 142**.

111 Your conduct as aforestated, constitutes gross misconduct for one or more of the following reasons:

111.1 it is a serious contravention of your duties and responsibilities as NLC Company Secretary;

111.2 it is a failure to uphold and promote the interests of the NLC;

111.3 it constitutes a blatant disregard of, or a recurrent failure to, comply with the SCM Policy and procurement requirements of the NLC;

111.4 it amounts to a failure to ensure that the system of financial management and internal control is carried out;

111.5 it constitutes a failure to ensure the effective, efficient, economical and transparent use of financial and other resources within the NLC;

111.6 it is a misuse of the NLC's property and assets.

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Mail&Guardian

AFRICA'S BETTER FUTURE

Special Reports

Partner Content

/ 21 November 2025

Turning the tide: How the NLC is strengthening integrity and accountability during fraud awareness week

By NLC



Molemo Mogolane NLC's Chief Risk Officer National Lotteries Commission

As South Africa marks Fraud Awareness Week, the National Lotteries Commission (NLC) is highlighting the significant progress it has made in strengthening governance, tightening controls, and rebuilding public trust. Through enhanced oversight, digital innovation and a renewed focus on ethics, the NLC is steadily transforming how it safeguards public funds.

At the centre of this effort are two critical functions: **Internal Audit**, led by **Chief Audit Executive, Vincent Jones**, and **Enterprise Risk Management**, overseen by **Chief Risk Officer, Molemo Mogolane**. Together, their work reflects a clear message: integrity is now embedded in the way the NLC operates.

A Stronger Governance Environment Internal Audit has become a key driver of accountability at the NLC. Operating independently and reporting directly to the Board, the

*M
Akele*

division provides assurance on governance processes, and internal controls. Jones emphasises that this independence is essential for transparency and objective reporting – and it is beginning to show results.

This year, the NLC achieved an **unqualified audit opinion**, signalling improving financial controls and credible governance. Stronger systems, better risk assessments and more consistent oversight are contributing to a healthier organisational environment.

Forensic Improvements and Reduced Irregularities

One of the biggest shifts has been the adoption of a strengthened **Forensic Framework**. The framework outlines how allegations of fraud and misconduct are handled, from detection to investigation and resolution. It aligns with legislation and ensures clear escalation paths, consistent processes, and better reporting.

Importantly, forensic insights are now feeding directly into Internal Audit plans and risk assessments. This integration has led to earlier identification of weaknesses and fewer irregularities compared to previous.

Digital Tools Reinforcing Transparency

A major part of the NLC's transformation is technology, particularly the **Thuthuka Online Grant Management System**. The platform digitises the entire grant lifecycle, creating automated compliance checks, digital audit trails, and real-time monitoring of milestones.

Thuthuka strengthens transparency by reducing manual handling and ensuring decisions are traceable. Combined with data analytics, it enables the NLC to detect risks earlier and improve oversight over every funded project.

Ethics and Fraud Prevention at the Centre

Complementing these systems is the NLC's **Fraud Prevention Plan**, led by Enterprise Risk Management. The plan sets out how fraud risks are identified, assessed and mitigated, and is aligned with PFMA requirements, National Treasury regulations and King IV principles.

To build an ethical culture, the NLC conducts regular ethics training in all provinces, runs lifestyle audits, maintains whistleblower channels, and embeds conflict-of-interest management into daily processes.

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Vincent Jones Chief Audit Executive National Lotteries Commission

Mogolane emphasises that ethics is not only a governance requirement, it is a daily practice. “Fraud prevention starts with behaviour. Technology and policies matter, but integrity begins with people,” he notes.

“Fraud prevention starts with behaviour. Technology and policies matter, but integrity begins with people.”

Strengthening Anti-Bribery Efforts The NLC has further reinforced its commitment to clean governance through its **Anti-Bribery and Corruption Policy**, which emphasises transparency, supplier vetting, and ethical leadership. This includes clear guidelines on declarations, potential conflicts, and decision-making processes.

Collaboration with external bodies, particularly the **SIU** and the **Hawks (DPCI)** – ensures that serious cases are escalated appropriately, and that consequence management extends beyond internal processes.

A Culture of Accountability

Across the organisation, a culture of integrity is being strengthened through awareness campaigns, training, leadership messaging, and consistent controls. Internal reforms such as Standard Operating Procedures (SOP) improvements; pre-funding verification and the revisiting of older projects all contribute to a more accountable environment.

A Message for Fraud Awareness Week

As Fraud Awareness Week is observed, the NLC’s message is clear: **fraud prevention is a shared responsibility**. Through stronger governance, digital tools like Thuthuka, independent oversight, and a culture of ethical leadership, the NLC is committed to protecting public funds and strengthening trust with South Africans.



ACVR

The organisation recognises that fraud risks evolve, and so must its systems, people and culture. Continuous improvement, ethical vigilance and transparent processes will remain central to its work in the years ahead.



Mark A. Walker



21.103 Ms Mabontle Mokwebo, Senior Specialist Media Liaison sent an email to Ms Mosima Tambani, Senior Specialist Legal & Forensic and Ms Gugulethu Yako, Legal Manager, on 17 November 2021, copying Advocate Mpumi Nene, CS. Attached to the email was the proposed program and final poster for the International Fraud Awareness Week, conference to be held on the Friday, 19 November 2021. (**Exhibit J7.5**)

21.104 As per the program the following individuals were hosts and/or speakers during the event: (**Exhibit J7.5**)

- i) Mr Aldrin Sampear – Unorthodox Media
- ii) Ms Gugulethu Yako – NLC Legal Manager
- iii) Mr Len Coetzee – ACFE Vice President
- iv) Masilo Mothepu
- v) Ms Rene Kenosi – Director Fraudsmiths
- vi) Dr Janette Minnaar – ProEthics
- vii) Advocate Lawrence Hodes – JHB Society of Advocates SC
- viii) Siswe Jonas – Risk Advisory Deloitte

21.105 Dr Janette Minnaar forwarded Advocate Mpumi Nene, CS an invoice, invoice number 2021/11/810, dated 18 November 2021. As per the invoice: (**Exhibit J7.11**)

Description	Rand
Development of e-learning ethics training material – using broadcasting communication tools	R1 803 282,00
Professional support for internal ethics communication campaign	R180 328,20
Development of tailor-made NLC ethics communication content for International Fraud Awareness Week hosted at Summer Place, Hyde Park – 8 hours @ R6 414,00 p/h	R51 312,00
Professional fee for presentation at International Fraud Awareness Week and panel discussion, inclusive of preparation and travel time – 14 hours @ R6 414,00 p/h	R89 796,00
Sub-Total	R2 124 718,20



Description	Rand
VAT at 15 per cent	R318 707,73
Total cost inclusive of VAT – payable upon delivery of invoice	R2 443 425,93

21.106 A purchase order, order number 12177 for R2 443 425,93 (including Vat) was issued on 18 November 2021, for the Ethics Communication campaign – Fraud Awareness. The purchase order was approved by Mr Philemon Letwaba, Chief Operating Officer. (**Exhibit J7.6**)

21.107 As per the third party payments provided by ProEthics, ProEthics made the following payments to the hosts and/or speakers: (**Exhibit J5**)

Name	Invoice Description	Amount (INCL. VAT)
Fraudsmiths	Fraud Awareness Conference Preparation – R8 000,00 Keynote address and panel discussion – R16 000,00	R24 000,00
Mosilo Mothebu	Ethics speaking event fee full day & time signing 350 books – R60 000,00 Uncaptured Book – R105 000,00	R165 000,00
Unorthodox Media – Aldrin Sampear	Facilitating and Moderating	R100 000,00
ACFE	Len Coetzee IFAW Presentation Travel & Accommodation	R4 501,95
	TOTAL	R293 501,95

21.108 As per the third party payments provided by ProEthics, ProEthics made the other payments in respect of the event: (**Exhibit J5**)

Name	Invoice Description	Amount (INCL. VAT)
Elsiscope	NLC Fraud Event Production Production: Production, sound, lighting and streaming – R587 500,00 Surround Display & Placement: Surround Branding screens for outdoors/entrance – R187 500,00	R1 145 457,50



Name	Invoice Description	Amount (INCL. VAT)
	Event Corporate Identity Development: Design and editing of content, Brochure and booklet development, Printing X booklets/brochures – R175 800,00 Décor & Arrangements: Venue Décor – R45 250,00	
MSG Group	NLC Outside Broadcast on PowerFM	R345 000,00
Ignition	Volkano Glacier Series Upright Notebook Cooling Stand with Dual Fans – R86 743,35 Navy Men's & Ladies Hydro Golf Shirt Embroidered with Logo – R106 723,45	R193 466,80
	TOTAL	R1 683 924,30

Instead of appointing MSG through the single source submission, ProEthics paid the MSG Group

21.109 The MSG Group submitted a report to provide an overview on the campaign. As per the report: (**Exhibit J7.7**)

The NLC entered into a partnership with Power 987 during International Fraud Week in November 2020 to spearhead conversations surrounding Fraud.

The objective was to educate our listeners on the different scams which exist in and around the work and social surroundings.

The Elements:

- *1 Hour Panel Discussion*
- *1 Interview*
- *Digital Promos*
- *Advertiser*
- *Social Media posts and leaflets*



- 10.53. The NLC must provide opportunity for all panel members to submit quotations to perform work relating to Corporate Governance to ensure competitiveness, fairness and transparency within the procurement process.
- 10.54. Supply chain management must ensure that service providers appointed on a panel be appointed to provide services in line with the services defined in the SLA.
- 10.55. Service providers should not be allowed to pay third parties on behalf of the NLC.
- 10.56. All service providers involved in the roll-out of an intervention must be appointed following due process as required in terms of the internal and external legislative framework.
- 10.57. Service providers should not be allowed to amend or submit their financial proposals after the closing date of the tender/proposal process.
- 10.58. Management must ensure that payments in relation to an approved project do not exceed the approved project value.
- 10.59. The project management fee paid to ProEthics must be recovered in terms of the SLA as ProEthics was not appointed as an event coordinator and was thus not entitled to the payment.

International Fraud Awareness Week

- 10.60. Advocate Mpumi Nene, CS should be disciplined for incurring irregular expenditure in her area of responsibility.



- 10.61. Comparison for the selection of a service provider should be based on accurate statistics or research data, to enable the decisionmakers to make an informed decision.
- 10.62. The NLC should refrain from requesting/allowing service providers to make third party payments, on behalf of the NLC.
- 10.63. Invoices should be submitted and paid after delivery of services.
- 10.64. Terms and conditions as defined in the SLA must be enforced i.e. payment clauses.
- 10.65. ProEthics was not entitled to receive a management fee in terms of the SLA concluded with the NLC and the amount of R207 377,43 should be recovered from ProEthics.
- 10.66. The difference of R96 348,05 between the payment ProEthics received for third party payments and the amount paid to the service providers, need to be recovered from ProEthics.

Ethics Risk Assessment

- 10.67. Advocate Mpumi Nene, CS should be disciplined for incurring irregular expenditure in her area of responsibility and for appointing a third party to perform the risk assessment, creating the impression that ProEthics rendered the services.
- 10.68. The NLC should not allow service providers appointed on a panel to appoint and pay third parties on behalf of the NLC.



- 10.78. NLC officials should not instruct service providers to amend their quotes to conceal the breakdown of the costs.
- 10.79. Invoices should be submitted and paid after delivery of the services in line with the approved quotation.
- 10.80. The terms and conditions defined in the SLA should be enforced, i.e. payment clauses.
- 10.81. The NLC should refrain from paying deposits to service providers.
- 10.82. ProEthics was not entitled to receive a management fee totalling R340 017,36 (including Vat) in terms of the SLA concluded with the NLC. The amount should be recovered from ProEthics.
- 10.83. ProEthics should provide proof that they gave the NLC a credit for the R64 000,00 paid in advance for corporate gifts, as per their undertaking. The amount should be recovered if proof cannot be provided.

Additional work

- 10.84. The following events/campaigns paid through ProEthics should be investigated to calculate the admin fee to be recovered from ProEthics:
 - i) Ethics Risk Assessment
 - ii) Conflict of Interest Vetting
 - iii) Second quarter organisational wide intervention 2020
 - iv) Stakeholder vetting
 - v) Hosting of virtual conference in Sandton
 - vi) Media monitoring



- 11.97. The following companies should also have been afforded the opportunity to respond to the RFP:
 - i) Institute of Directors of South Africa; and
 - ii) Price Waterhouse Coopers.
- 11.98. The main focus of the survey was on the regulatory function, grant making function and communication channels and engagement strategies with the purpose to obtain insight into the perceptions held by internal and external stakeholders regarding the effectiveness and efficiency of the NLC on the focus areas. The focus was not ethics, as per Advocate Mpumi Nene, CS.
- 11.99. The proposal submitted by ProEthics did not demonstrate experience in providing a comprehensive research service in conducting stakeholder surveys for public entities. Their reference letters did not relate to stakeholder surveys but ethics related services.
- 11.100. The explanation provided by Advocate Mpumi Nene, CS to request ProEthics to perform the stakeholder perception survey, in that the survey related to the ethical culture, is not supported in terms of the scope of work as defined in the terms of reference or the final reports.
- 11.101. The projects should have been split in two (2) separate projects namely the stakeholder perception survey and quarterly ethics intervention, as there is no relation between the two (2) projects.
- 11.102. ProEthics did not provide an invoice indicating the hours spent on the project as required in terms of the SLA. The invoice for the roadshow was also submitted before rendering the services in contravention of the terms and conditions of the



SLA. ProEthics also submitted an invoice for costs that they are not entitled to in terms of SLA, namely a project management fee of 10% totalling R42 410,50 (excluding Vat).

11.103. ProEthics appointed service providers and paid these service providers on behalf of the NLC. This is not in line with the legislative framework as due process was not followed in the appointment of the service providers. The amount can thus be deemed irregular.

11.104. The following legislative requirements were not adhered to by Advocate Mpumi Nene, CS:

Clauses	Quote from Legislation
Constitution of the Republic of South Africa: Section 217(1)	When organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a <u>system which is fair, equitable, transparent, competitive and cost-effective</u>
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	Responsibilities of other officials An official in a public entity – (a) must ensure that the system of financial management and <u>internal control</u> established for that public entity is <u>carried out within the area of responsibility of that official</u> ;
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	Responsibilities of other officials An official in a public entity – (b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	Responsibilities of other officials An official in a public entity – (c) must <u>take effective and appropriate steps to prevent</u> within that official's area of responsibility, any <u>irregular expenditure</u> and fruitless and wasteful expenditure and any under collection of revenue due
Treasury Regulations issued in terms of the PFMA, March 2005	16A3.2 A supply chain management system referred to in paragraph 16A.3.1 must- (a) be <u>fair, equitable, transparent, competitive and cost effective</u> ;
Treasury Regulations issued in terms of the PFMA, March 2005	16A6.1 Procurement of goods and services, either by way of quotations or through a bidding process, must be within the <u>threshold values</u> as determined by the National Treasury.



Act/Policy/Procedure/Regulation	Clause/Paragraph
PFMA SCM Instruction Note 2 of 2021/2022 (Effective 08 June 2021)	<p>3.2 WRITTEN PRICE QUOTATIONS ABOVE THE TRANSACTION VALUE OF R2 000 BUT NOT EXCEEDING R1 000 000 (INCLUSIVE OF ALL APPLICABLE TAXES)</p> <p>3.2.1 Accounting Officers/Authorities must invite written price quotations for requirements up to an estimated value of R1 000 000 (inclusive of all applicable taxes) from prospective suppliers who are registered on the Central Supplier Database subject to 3.2.3 below.</p>
PFMA SCM Instruction Note 2 of 2021/2022 (Effective 08 June 2021)	<p>3.3 ABOVE THE TRANSACTIONAL VALUE OF R1 000 000 (INCLUSIVE OF ALL APPLICABLE TAXES)</p> <p>3.3.1 Accounting Officers/Authorities must invite open competitive bids for all procurement above R1 000 000 (inclusive of all applicable taxes)</p>
Supply Chain Management Policy 7.2 Responsibility of officials	<p>7.2.2 Each official shall <u>take appropriate steps to prevent</u> any unauthorised, <u>irregular</u> and fruitless and wasteful expenditure in their areas of responsibility.</p>
Supply Chain Management Policy 7.10 System of Acquisition Management	<p>7.10.1.5 The principles of being <u>fair, equitable, transparent, competitive</u> and cost-effective through all the procurement processes should be promoted.</p>
Supply Chain Management Policy 7.10 System of Acquisition Management	<p>7.10.4 Procurement of goods, works and services above the value of R30 000 but not exceeding R500 000 (VAT inclusive)</p> <p>7.10.4.1 Goods, works and services above the value of R30 000 but not exceeding R500 000 (VAT inclusive) shall be procured by obtaining three (3) quotations from prospective suppliers.</p>
Supply Chain Management Policy 7.10 System of Acquisition Management	<p>7.10.5 Procurement of goods, works and services above the value of R500 000 (VAT inclusive)</p> <p>7.10.5.1 For all goods, work and services above the value of R500 000 (VAT inclusive), an open bid process shall be followed.</p>

Ethics Risk Assessment

11.109. ProEthics submitted a quotation on behalf of Ethics Monitor for an amount of R594 000 (including Vat). ProEthics however was paid R1 716 729,18 (including Vat). ProEthics thus received an amount of R1 122 729,18 (including Vat). There is no indication as per the evidence gathered as to the work performed by ProEthics.

11.110. The Company Secretariat created the impression that ProEthics were appointed to perform the ethics risk assessment whilst Ethics Monitor was the service provider.

11.111. ProEthics initially submitted a quotation for R1 058 731,68 (including Vat) for the final phase of the Risk Assessment, but subsequently submitted another quotation for R731 729,18 (including Vat). ProEthics reduced the costs within five (5) days with R327 002,50 thus 30%. The quotation was submitted as ProEthics had not yet paid Ethics Monitor although receiving payments from the NLC.

11.112. ProEthics did not submit invoices based on hours spend as required in terms of the SLA. ProEthics also submitted invoices for payment, before delivering the services, contravening the terms and conditions of the SLA.

11.113. ProEthics was not appointed to provide Ethics Risk Assessments in terms of the SLA.

11.114. Ethics Monitor was not paid in terms of the quotation they have submitted, as they received payment for both Phase 1 and Phase 2 before submission of an Interim Report (Phase 1) and Final Report (Phase 2).

11.115. Advocate Mpumi Nene contravened the following legislative requirements:

Act/Policy/Procedure/Regulation	Clause/Paragraph
Constitution of the Republic of South Africa: Section 217(1)	When organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, contracts for goods or services, it must do so in accordance with a <u>system which is fair, equitable, transparent, competitive and cost-effective</u>
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	Responsibilities of other officials An official in a public entity –



Act/Policy/Procedure/Regulation	Clause/Paragraph
	<p>(a) must ensure that the system of financial management and <u>internal control</u> established for that public entity is carried out within the area of responsibility of that official;</p>
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	<p>Responsibilities of other officials An official in a public entity –</p> <p>(b) is responsible for the effective, efficient, economical and transparent use of financial and other resources within that official's area of responsibility;</p>
Public Finance Management Act (PFMA) Act 1 of 1999 Section 57	<p>Responsibilities of other officials An official in a public entity –</p> <p>(c) must <u>take effective and appropriate steps to prevent</u> within that official's area of responsibility, any <u>irregular expenditure</u> and fruitless and wasteful expenditure and any under collection of revenue due</p>
Treasury Regulations issued in terms of the PFMA, March 2005	16A3.2 A supply chain management system referred to in paragraph 16A.3.1 must- (a) be <u>fair, equitable, transparent, competitive and cost effective</u> ;
Treasury Regulations issued in terms of the PFMA, March 2005	16A6.1 Procurement of goods and services, either by way of quotations or through a bidding process, must be within the <u>threshold values</u> as determined by the National Treasury.
National Treasury Practise Note 8 of 2007/2008 (replaced 08 June 2021)	<p>3.4 ABOVE THE TRANSACTION VALUE OF R500 000 (VAT INCLUDED)</p> <p>3.4.1 Accounting officers/authorities should invite competitive bids for all procurement above R500 000.</p>
Supply Chain Management Policy 7.2 Responsibility of officials	7.2.2 Each official shall <u>take appropriate steps to prevent</u> any unauthorised, <u>irregular</u> and fruitless and wasteful expenditure in their areas of responsibility.
Supply Chain Management Policy 7.2 Responsibility of officials	7.2.7 SCM Practitioners and other role players shall carry out their procurement activities within their line of responsibility and <u>take appropriate steps to prevent</u> unauthorised, <u>irregular</u> and fruitless and wasteful expenditure, and shall adhere to the provisions of this policy. All SCM personnel and other role players involved in any procurement activities shall conduct themselves in accordance with NLC Ethics and Conduct Policy and Treasury Code of Conduct for SCM Practitioners. Any breach of these codes shall lead to disciplinary action being taken against the respective official.
Supply Chain Management Policy 7.8 Ethics in Supply Chain Management	7.8.1.2 All SCM officials and role players in the SCM system are required to: i) Promote mutual trust and respect; ii) <u>Promote an environment where business can be conducted in a <u>fair, transparent and reasonable manner and with integrity</u></u> ; and iii) Ensure that they perform their duties efficiently and effectively, in accordance with the relevant legislation and regulations.



Act/Policy/Procedure/Regulation	Clause/Paragraph
Supply Chain Management Policy 7.10 System of Acquisition Management	7.10.1.5 The principles of being <u>fair, equitable, transparent, competitive</u> and <u>cost-effective</u> through all the procurement processes should be promoted.
Supply Chain Management Policy 7.10 System of Acquisition Management	7.10.5 Procurement of goods, works and services above the value of R500 000 (VAT inclusive) 7.10.5.1 For all goods, work and services above the value of R500 000 (VAT inclusive), an open bid process shall be followed.

4th Quarter Ethics Intervention

- 11.116. ProEthics was paid in advance an amount of R64 000,00 for corporate gifts and undertook to give the NLC a credit when they invoiced. We could however not obtain any documentary proof that a credit was provided as per the undertaking.
- 11.117. ProEthics was not appointed as an event coordinator in terms of the SLA concluded with the service provider and was thus not entitled to a management fee.
- 11.118. ProEthics did not submit invoices calculated based on hours spent on the intervention in contravention of the terms and conditions of the SLA.
- 11.119. ProEthics were paid before rendering the required services, to enable them to pay third parties on behalf of the NLC. ProEthics paid some of the third parties a 50% deposit, which is highly irregular within the public sector.
- 11.120. Ms Nwabisa Mabuto, Ethics Officer managed the appointment and payment of the third parties by ProEthics. She also requested Dr Janette Minnaar to change the initial quotation submitted to conceal the breakdown of the costs. She did however kept Advocate Mpumi Nene, CS informed of her dealings with ProEthics.



- iv) The end-user must make sure that decisions taken by the BAC be implemented. Supply chain management will only facilitate implementation of the resolutions if it was a matter arising from a previous meeting.

PROETHICS

Competitive Bidding Process

9.283. On 21 February 2019, CFG approached the NLC enquiring whether they would automatically be disqualified if they do not submit audited financial statements, as they were not required to have audited financial statements in terms of the Companies Act.

9.284. Mr Mogoboya Matsebatilela, Senior Manager Supply Chain Management informed Advocate Mpumi Nene, CS, on 22 February 2019 that the audited financial statements are a pre-qualification requirement to the tender and that failure to meet the criteria would result in the bid being non-responsive.

9.285. Mr Sisanda Simoyi, Legal Officer responded to both Advocate Mpumi Nene, CS and Mr Mogoboya Matsebatilela, Senior Manager Supply Chain Management on 26 February 2019 advising them that to ensure that prospective bidders are not prejudiced the advertisement is to be recalled, be amended and re-advertised.

9.286. Mr Mogoboya Matsebatilela, Senior Manager Supply Chain Management recommended to Advocate Mpumi Nene, CS, on 27 February 2019 that the tender be cancelled, and that the **change to the terms of reference be addressed through the BSC and reissued thereafter.**

9.287. Advocate Mpumi Nene, CS compiled a submission, dated 05 March 2019, requesting the Commissioner, Ms Thabang Mampane to cancel and re-issue a

tender to establish a panel for Corporate Governance Advisors. The request was based *“on an enquiry on the exclusionary nature of the tender with the inclusion of a mandatory requirement for submission of audited Annual Financial Statements”* as it would exclude smaller role players in the market.

9.288. The submission was recommended by Mr Mogoboya Matsebatlela, Senior Manager Supply Chain Management and Ms Xolile Ntuli, CFO. Ms Thabang Mampane, Commissioner **approved the submission, on 05 March 2019.**

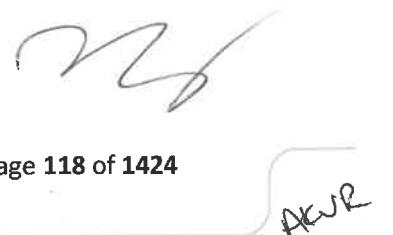
9.289. The **BSC met on 15 March 2019 to determine the mandatory requirements** and evaluation criteria for the tender to establish a panel for Corporate Governance Advisors.

9.290. The following mandatory requirements and evaluation criteria were decided upon:

Mandatory Requirements	Evaluation Criteria
<ul style="list-style-type: none"> i) Original signed standard documents (SBD Forms); ii) In the event of the bidder being a joint venture, joint venture agreement must be submitted; iii) Company registration certificate (CK); and iv) Proof of registration with the relevant professional body/bodies. 	<ul style="list-style-type: none"> i) Company Experience (20%) <ul style="list-style-type: none"> • Details of work of similar nature • Minimum of three (3) reference letters ii) Members Experience and team members (25%) <ul style="list-style-type: none"> • CVs of all key personnel iii) Project Plan/Methodology (40%) <ul style="list-style-type: none"> • Responsiveness to the ToR • Project timelines • Project deliverables iv) Capacity (15%) <ul style="list-style-type: none"> • Staff compliment • Equipment Capacity • Financial Position

Scores were allocated to criteria and sub-criteria

9.291. The minimum qualifying score for short-listing for Phase 3 (Financial/Price evaluation and B-BBEE points) was **75% in technical evaluation.**





9.292. The tender was **advertised on 29 March 2019** in the Government Tender Bulletin. According to the advertisement a compulsory briefing session was required, and the **closing date of the tender was 03 May 2019**.

9.293. Fifty-five (55) companies attended the compulsory **briefing session on 11 April 2019**.

9.294. As per the bid/closing/opening and screening report for a panel of corporate governance advisors addressed to the BEC, the following bidders responded to the request:

Items	NAME OF BIDDER
1	Ndzabandzaba Attorneys
2	Sygnia Corporate Services
3	Yellowstone & Letsoalo Consulting Pty Ltd
4	The Institute of Directors in South Africa
5	The Ethics Institute
6	Mazars
7	SS Mthethwa Accountant & Consulting
8	Isiqhingi Investment Holdings
9	Mafuyeka & Associates Inc
10	Bakamoso Basechaba Professional Solutions (BBP)
11	ProEthics
12	Mfoloe Attorneys Incorporated
13	TGR Attorneys
14	PJ Mathebula Attorneys
15	Outsourced Risk and Compliance Assessment
16	Paul Aucamp Strategic Advisors
17	Hewers
18	Atile Management Consulting Pty Ltd
19	Lumikizo Business Services
20	TPW Attorneys
21	CFG Research Institute
22	Nexia SAB&T
23	PWC
24	Boikano Accountant Inc
25	Malatji Kanyane Attorneys



9.295. The following bidders were disqualified for not meeting the mandatory requirements:

Items	NAME OF BIDDER	RESPONSIVE/NOT RESPONSIVE
1	Yellowstone & Letsoalo Consulting Pty Ltd	No proof of registration with professional bodies is attached
2	Mazars	No proof of registration with professional bodies is attached
3	Hewers	No proof of registration with professional bodies is attached
4	Lumikizo Business Services	No proof of registration with professional bodies is attached

9.296. The following companies complied with the mandatory requirements and were eligible for the technical evaluation:

Items	NAME OF BIDDER
1	Ndzabandzaba Attorneys
2	Sygnia Corporate Services
3	The Institute of Directors in South Africa
4	The Ethics Institute
5	SS Mthethwa Accountant & Consulting
6	Isiqhingi Investment Holdings
7	Mafuyeka & Associates Inc
8	Bakamoso Basechaba Professional Solutions (BBP)
9	ProEthics
10	Mfoloe Attorneys Incorporated
11	TGR Attorneys
12	PJ Mathebula Attorneys
13	Outsourced Risk and Compliance Assessment
14	Paul Aucamp Strategic Advisors
15	Atile Management Consulting Pty Ltd
16	TPW Attorneys
17	CFG Research Institute
18	Nexia SAB&T
19	PWC
20	Boikano Accountant Inc
21	Malatji Kanyane Attorneys

9.297. The BEC met on **30 May 2019 and 31 May 2019**, to evaluate the bids.

9.298. The following disparities were noted pertaining to the evaluation process i.e.:

Company	Evaluation Criteria	Comments and scoring
Mfoloe Attorneys	Project Plan / Methodology	Mzikayise Mani – (20%) – The project timelines and deliverables are well set. Sanele Dlamini – (10%) – Project deliverables not clearly outlined, and no timelines specified.
PJ Mathebula Attorneys	Capacity	Mzikayise Mani – (10%) – Equipment ok Sanele Dlamini – (5%) – No equipment capabilities reflected
Accountants	Project Plan / Methodology	Mzikayise Mani – (35%) – Project timelines have been well presented. Sanele Dlamini – (10%) - Deliverables listed but not timelines
SS Mtethwa Accountants	Project Plan / Methodology	Anashnee Maharaj-Domun – (30%) – Benefit given lack of alignment in TOR. Sarah Hugow – (30%) – Approach to the assignment/project well understood and outlined

9.299. As per the BEC report dated 10 June 2019, the following **bidders achieved the minimum qualifying criteria for functionality:**

No	Name of the Bidder	Score
1	The Institute of Directors in South Africa	89.00
2	ProEthics	89.00
3	Nexia SAB&T	88.00
4	PWC	88.00
5	CGF Research Institute	84.00
6	Outsourced Risk and Compliance Assessment	78.00
7	The Ethics Institute	75.00

9.300. As per the BEC report dated 10 June 2019, the following bidders were disqualified from the evaluation process for not achieving the minimum qualifying criteria for functionality:

No	Name of the Bidder	Score
1	SS Mtethwa Accountants & Consulting	70.00
2	TGR Attorneys	70.00



No	Name of the Bidder	Score
3	Malatji Kanyane Attorneys	69.00
4	Mfoloe Attorneys Incorporated	68.00
5	Paul Aucamp Strategic Advisors	67.00
6	Isiqhingi Investment Holdings	62.00
7	Mafuyeka & Associates Inc	61.00
8	Boikana Accountants Inc	60.00
9	PJ Mathebula Attorneys	56.00
10	Sygnia Corporate Services	42.00
11	Atile Management Consulting Pty Ltd	39.00
12	Bokamoso Basechaba Professional Solutions	38.00
13	Ndzabandzaba Attorneys	37.00
14	TPW Attorneys	35.00

9.301. The BEC evaluate the bidders who achieved the minimum score on price and B-BBEE status. As per the financial evaluation:

Name Of Bidder	Average Hourly Rate per Person (VAT Inclusive)	Points for Price	BEE Points	Total Points	BEE Level
SAB&T Chartered Accountants T/a Nexia SAB&T	R3 617.58	80.00	20	100.00	1
Outsourced Risk and Compliance Assessment	R4 270.00	70.52	20	90.52	1
CGF Research Institution	R5 525.00	44.22	12	56.22	4
The Institute of Directors South Africa	R5 692.50	40.71	18	58.71	2
Pro Ethics	R6 371,75	26.48	12	38.48	4
The Ethics Institute	R6 808.78	17.42	20	37.42	1
Price Waterhouse Coopers Inc	R9 270.22	-34.26	20	-14.26	1

9.302. The BEC **recommended that all the above bidders be appointed** as service providers to form part of the panel for Corporate Governance Advisors. As per the recommendation **services are to be provided from the panel based on expertise and specialisation of the service provider.**

9.303. The BAC met on **14 June 2019** and resolved that the BAC **supported and recommended the preferred bidders for approval**. The BAC addressed a



report, dated 14 June 2019, to the Commissioner, Ms Thabang Mampane, recommending the seven (7) service providers for appointment.

- 9.304. The appointment was recommended by Mr. Mogoboya Matsebatlela, Senior Manager Supply Chain Management and Ms Xolile Ntuli, BAC Chairperson, on 14 June 2019 and 19 June 2019, respectively. The Commissioner, Ms Thabang Mampane approved the appointment, on **19 June 2019**.
- 9.305. The service providers were informed of their appointment in a letter dated **14 June 2019**, thus **before being recommended by Ms Xolile Ntuli, CFO and the approval of their appointment** by the Commissioner, Ms Thabang Mampane. The letters of appointment were signed by Ms Thabang Mampane, on 14 June 2019.
- 9.306. The unsuccessful bidders were notified in a letter dated 28 June 2019, that their bids were not accepted.
- 9.307. The appointment of the service providers was published on 16 August 2019, in the Government Tender Bulletin.
- 9.308. ProEthics and the NLC entered into an SLA, during November 2019. According to the SLA, the NLC agreed with ProEthics to provide the following services:
 - i) Conduct **ethics** relating training;
 - ii) Develop organisational **ethics** plan;
 - iii) **Provide support for internal ethics communication campaigns by developing tailor made communication content;**
 - iv) Assist with developing **ethics** statement and codes of conduct;
 - v) Assist with developing customised **training** communication tools; and
 - vi) Assist with developing of e-learning **training** material.



9.309. ProEthics would be paid **R6 371,75 per hour** on **submission of an invoice**. According to the contract ProEthics shall **claim for work done indicating hours** and the invoice would only be delivered **after the services have been rendered**.

9.310. As per clause 9.5 of the SLA: "*If at any stage NLC makes payment to PROETHICS in an amount to which PROETHICS is not entitled to the NLC shall be entitled to claim a refund from PROETHICS of any such payments.*"

Stakeholder Perception Survey

9.311. ProEthics was appointed to provide services in line with **Principle 2 of King IV: Organisational Ethics: The governing body should govern the ethics of the organisation in a way that supports the establishment of an ethical culture.**

9.312. Mr Tshepiso Mahlake, Demand & Acquisition Officer **requested a quotation** from ProEthics and CGF, on **29 January 2021**, via email for conducting a stakeholder perception survey.

9.313. The purpose of the survey was to measure the level of satisfaction on organisational practices and allow stakeholders to voice their opinions regarding their experience in interacting with the Commission. The study should have:

- Established general perceptions;
- Established **stakeholder's expectations and requirements** and relative importance of each; and
- Determined how **stakeholders rate the NLC's performance** regarding their expectations.

9.314. The RFP included a roll-out of the **quarterly ethics intervention** under the theme "*Respectful Work Environment*".

9.315. The following companies were also appointed on the panel of Corporate Governance to **provide similar services as CGF** but were not afforded the opportunity to respond to the RFQ:

- i) The Institute of Directors in South Africa; and
- ii) Price Waterhouse Coopers.

9.316. Three (3) companies were appointed on the Corporate Governance panel to provide ethics related services namely: ProEthics, CGF and The Ethics Institute. The Ethics Institute however refused to provide any services to the NLC unless certain conditions were met by the Commission.

9.317. Mr Terry Booyens, Chief Executive Officer of CGF responded, on **29 January 2021**, stating that **they would not respond** to the request as the **RFP included the quarterly roll-out of the ethics intervention**.

9.318. ProEthics responded to the RFP and submitted a **proposal, dated 01 February 2021**.

9.319. As per the terms of reference the successful service provider should have had demonstrated experience and competence in **providing a comprehensive research service in conducting a stakeholder survey** for public entities. However, the proposal submitted by ProEthics **focus mainly on ethics** training, policies and procedures and governance practices.

9.320. The service provider was required under the criteria, **company experience**, to provide:

- i) **details of previous research work within the scope outlined in the RFP;**
and
- ii) specific details indicating the extent to which this **previous experience related to the work described in the RFP.**

9.321. ProEthics **did not provide any details of previous work within the scope outlined in the RFP** nor did they indicated how this previous experience related to the work in the RFP.

9.322. As per the previous work undertaken by ProEthics, the company has only performed the following two (2) surveys:

- i) The Department of Economic Development – Performance of an **ethics survey** and compliance of a Report of Recommendations (2017); and
- ii) City of Tshwane Metropolitan Municipality – Conducting of a **Legal Compliance survey** in cooperation with the Ethics Institute of South Africa.

9.323. The reference letters provided, related to training and workshops in **ethics**, and redrafting policies and procedures to reflect **ethics**. **Reference letters did not relate to any surveys performed by the company.**

9.324. As per the proposal the report would include recommendations for the NLC to consider improving its statutory functions. The recommendations would further focus on information on stakeholders, perceptions of and suggestions from stakeholders.

9.325. The cost of the project proposed by ProEthics **amounted to R1 319 625,00** (calculation error should be R1 319 050,00). The cost is broken down as follows:

- i) Quarterly ethics intervention – R387 000,00 (excluding Vat)
- ii) Stakeholder perception surveys – R760 000,00 (excluding Vat)

9.326. The RFP Evaluation Committee met on 01 February 2021 to evaluate the proposal as submitted by ProEthics. The evaluation team scored ProEthics as follows:

- i) Advocate Mpumi Nene 90%
- ii) Ms Sarah Hugow 75%
- iii) Mr Tlhalefang Rapoo 88%

9.327. As per the evaluation criteria the project plan had to include time frames. The project plan submitted by ProEthics **did not include any timeframes**. However, although the project plan lacked timeframes Advocate Mpumi Nene, CS scored ProEthics full points (40%).

9.328. Mr Tshepiso Mahlake, Demand & Acquisition Officer, drafted a final award report, dated 05 February 2021. The report was addressed to Ms Xolile Ntuli, CFO for approval. The report **recommended the appointment of ProEthics at a cost of R1 319 625,00**.

9.329. The methodology for the rollout of the fourth quarter ethics intervention included the **development and provision of training material, videos, podcasts and/or other teachings** and initiatives relating to the subject matter. The methodology did not include a roadshow.

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9.330. ProEthics drafted questions for the online stakeholder perception survey to deal with the effectiveness and efficiency of the:

- i) Mandated **regulatory functions** of the NLC;
- ii) Mandated **grant making function** of the NLC; and
- iii) **Communication channels** and engagement strategies that are utilised within the NLC.

9.331. The questions drafted by ProEthics for interviews focussed on the **regulatory function, grant making function and communication channels** and engagement strategies with the purpose to obtain insight into the perceptions held by internal and external stakeholders regarding the efficiency and effectiveness of the NLC on the focus areas.

9.332. The objective of the survey as per the feedback report make reference to the ethical framework but **key points uncovered and recommendations did not include any ethical points** or recommendations to be attended to enable the organisation to fulfil its regulatory and grant making mandates effectively and efficiently.

9.333. **Requisitions and purchase orders were** issued for the stakeholder perception survey and fourth quarter ethics intervention, during **March 2021**, totalling R1 319 625,00, in line with the approved proposal and invoices submitted by ProEthics.

9.334. However, ProEthics submitted a **third invoice**, invoice number 2021/03/799, for the **fourth quarter ethics intervention – Respectful work environment, dated 31 March 2021, for R915 986,50**. The requisition and purchase order issued in relation to the invoice refer to RFP/2021-053.

9.335. The purpose of RFP/2021-053 was to appoint a suitable qualified service provider to review the Ethics Office Corporate Governance Framework or Operating Model.

9.336. The **closing date** of RFP/2021-053 was **15 February 2021**. However, Ms Simone van Heisdingen **emailed the ProEthics financial proposal** to Mr Peter Mpuru, Administrator, **on 24 March 2021**. The proposal included a governance roadshow. The total cost of the proposal amounted to R915 986,50 (including Vat).

9.337. Dr Janette Minnaar sent Mr Peter Mpuru, Administrator an email copying Advocate Mpumi Nene, CS on **24 March 2021**. According to the email:

- i) **The roadshow** would take place on **29 March 2021**;
- ii) They have not yet received a purchase order;
- iii) She has taken out the cost of the review of the Ethics Office to enable the Secretariat to see the **budget needed to pay the service providers on 29 March 2021**.

9.338. Enclosed in the email was a **pro forma invoice**, invoice number 2021/03/799, dated **24 March 2021**, for **the fourth quarter ethics intervention** – Roadshow for Respective work environment totalling **R536 486,50** (including Vat). Included in the cost was a **10% Project Management fee totalling R42 410,00** (excluding Vat). This amounts to a **variance on the fourth quarter ethics intervention of 139%**. This is in contravention of National Treasury Instruction Note 3 of 2016/2017, paragraphs 9.1 and 9.2.

9.339. ProEthics paid Digital Dynasty for the roll-out of the ethics intervention – Respectful work environment, during the **roadshow**.

9.340. The amount of R536 486,50 can thus be deemed irregular expenditure.

9.341. Advocate Mpumi Nene, CS provided the following written response in relation to the stakeholder perception survey and fourth quarter ethics intervention – Respective work environment:

- i) The project **related to Principle 2 of King IV code**. The service providers on the panel for this principle was ProEthics, CGF and The Institute of South Africa;
- ii) The Ethics Institute of South Africa informed the NLC prior year, on a similar project that they would not provide the services if the NLC do not meet certain conditions. The dispute has not been resolved;
- iii) The inclusion of the perception survey as part of the organisational strategy (APP) for the financial year provided an efficiency opportunity to conduct a perception survey to **assess the culture of the organisation including its ethical culture amongst its stakeholders**;
- iv) Pursuant to their ethics programme and in **collaboration with Business Development Unit, who had not budgeted** or had a budget deficit and could therefore not fulfil their requirements in terms of the Annual Performance Plan target. The Company Secretariat collaborated to conduct the perception survey;
- v) The **perception survey was fundamentally a culture assessment** as contemplated in the Governance of Ethics Framework and required service providers with Ethics Management as contemplated in King IV code Principle 2;
- vi) It was deemed imperative for the Ethics Office to routinely conduct an Ethics Culture Survey. Through the periodic administration of such surveys on organisation can **effectively monitor perspectives of its stakeholders**, evaluate its overall performance and gauge the efficacy and efficiency of its operations overtime;

- vii) To optimise available resources and prevent redundant efforts the Ethics Office collaborates synergistically with the Business Development team, offering a more comprehensive integrated and cost-effective approach to comprehending and enhancing the organisation's ethics culture;
- viii) The survey facilitates a profound **understanding of stakeholders' perceptions regarding the ethical culture** and practices of the organisation's ethics culture;
- ix) By conducting the survey, the organisation is able to identify any gaps that may exist between its **intended ethical practices** and stakeholders' actual experience and perceptions;
- x) The survey provides a reliable means for evaluating the effectiveness and efficiency of the organisation's ethical practices; and
- xi) The survey serves as a valuable feedback mechanism for driving continuous improvement in the **organisation's ethical culture**.

9.342. During an interview with Advocate Mpumi Nene, CS, she provided the following information regarding the stakeholder perception survey:

- i) Ms Sarah Hugow in Research Business Development was the project manager;
- ii) A perception survey was conducted **to understand how stakeholders view the grant funding and ethical aspects of fulfilling the mandate**;
- iii) The survey aimed to capture the perspectives of employees and stakeholders concerning the operational environment, grant integrity and the credibility of lottery results;
- iv) The **focus was on the impact of an ethical culture** as perceived, by internal and external stakeholders on the effectiveness of mandate delivery; and



- v) The Company Secretariat took on the responsibility of conducting an ethics survey. They decided against concluding both an ethical culture survey and perception survey separately, as they had similar objectives.

9.343. Mr Mogoboya Matsebatilela, Senior Manager Supply Chain Management provided the following written and verbal response on the appointment of ProEthics to perform the stakeholder perception survey:

- i) The panel of service providers have rates which were pre-determined during the competitive bidding process;
- ii) Supply Chain Management will receive a request and then source the quotations from the panel; and
- iii) **Third party payments were not disclosed.** It would not be a transparent process or open transaction as they need to know who your service providers are. You cannot create the impression that you deliver the entire service. If third party payments are paid by panel members, **supply chain management processes are circumvented. This can be seen as irregular expenditure.**

International Fraud Awareness Week

9.344. Advocate Mpumi Nene, CS drafted a submission, dated 03 November 2021, for an **education and awareness campaign** to be embarked on by the Legal Department.

9.345. As per the submission the conversation consists of published media and talk radio. The aim of the campaign was to **reach the maximum number of people**, predominantly black who are decision makers and engage in conversations of national importance. The **reach had to be wide-spread** in terms of provincial reach, high listenership and extensive social media profile and engagement.



9.346. The submission included a comparison of the following radio's and listenership. The estimated listenership as per the **comparison is factually incorrect**, based on the RAMS figures for 2021:

Radio Station	Listenership as per submission	Listenership: RAMS 2021
PowerFM	922 000	297 000
702	257 000	747 000
Cape Talk	52 000	132 000
SAFM	192 000	762 000

9.347. Advocate Mpumi Nene, CS **recommended the approval of MSG (PowerFM)** as the identified media platform to achieve the desired outcome for the Educational and Awareness International Fraud Awareness Week Programme, in line with NLC approved sourcing processes. The submission was not signed by the Commissioner, Ms Thabang Mampane.

9.348. Dr Janette Minnaar was already selected as a speaker at the conference as per the brief sent to Advocate Mpumi Nene, CS, on **05 November 2021**.

9.349. The Company Secretariat still await the approval of the terms of reference, on 10 November 2021.

9.350. A terms of reference was issued and the following service providers were engaged, ProEthics, CGF, PWC, ORCA and Nexia-SABT. **The closing date of the RFP process was 16 November 2021.**

9.351. ProEthics submitted a technical and financial proposal dated **15 November 2021 and 16 November 2021**, respectively.

9.352. As per the financial proposal:

- i) ProEthics would **develop an effective and relevant internal ethics communication campaign** with tailored-made NLC communication content in support of the International Fraud Awareness Week;
- ii) The pricing structure **included all the cost elements** to deliver on NLC customised ethics communication campaign with effective training and e-learning communication tools;
- iii) They **quoted for the full basket of professional services** to provide a successful campaign and content; and
- iv) The cost amounted to **R2 443 425,93** (Including Vat).

9.353. Ms Penelope Soyingwa, Demand & Acquisition Officer compiled a submission for the final award, dated **17 November 2021**, requesting the CFO, Ms Xolile Ntuli, to **approve ProEthics as the successful service provider** to produce ethics training videos. The **campaign took place on 19 November 2021**. According to the submission only ProEthics responded to the RFP.

9.354. Dr Janette Minnaar sent Advocate Mpumi Nene, CS an invoice dated 18 November 2021 for R2 443 425,93 (including Vat). The costs were broken down as follows: a

Description	Rand
Development of e-learning ethics training material – using broadcasting communication tools	R1 803 282,00
Professional support for internal ethics communication campaign	R180 328,20
Development of tailor-made NLC ethics communication content for International Fraud Awareness Week hosted at Summer Place, Hyde Park – 8 hours @ R6 414,00 p/h	R51 312,00
Professional fee for presentation at International Fraud Awareness Week and panel discussion, inclusive of preparation and travel time – 14 hours @ R6 414,00 p/h	R89 796,00
Sub-Total	R2 124 718,20
VAT at 15 per cent	R318 707,73
Total cost inclusive of VAT – payable upon delivery of invoice	R2 443 425,93

10% handling fee payable to ProEthics



9.355. A purchase order (12177) was issued, dated **18 November 2021** for R2 443 425,93 (Including Vat).

9.356. ProEthics made the following payments to the hosts and/or speakers at the intervention:

Host/Speaker	Company	Amount
Ms Rene Kenosi	Fraudsmiths - Director	R24 000,00
Mosilo Motheputu	Private Individual	R165 000,00
Mr Aldrin Sampear	Unorthodox Media	R100 000,00
Mr Len Coetzee	ACFE	R4 501,95
	TOTAL	R293 501,95

9.357. According to Advocate Mpumi Nene, CS, the **NLC identified the speakers** but as they were considered integral to the intervention, their fees would be covered by the duly appointed service provider.

9.358. ProEthics made the following payments to third parties involved in the campaign:

Company	Services Provided	Amount
Elsiscope	Production	R1 145 457,50
MSG Group	Outside Broadcast	R345 000,00
Ignition	T-Shirts/Conference gifts	R193 466,80
	TOTAL	R1 683 924,30

9.359. The third party payments amounted to R1 977 426,25 (including Vat). The third party payments included in the ProEthics proposal amounted to R2 073 774,30 (including Vat). There is thus a **difference of R96 348,05** (including Vat) **between the payment made to third parties and the amount paid to ProEthics.**

9.360. The amount of **R2 281 151,73** (including Vat) can be deemed **irregular** as the service providers were not appointed following due process. The professional support fee paid to ProEthics can be deemed irregular.

Ethics Risk Assessment

9.361. Advocate Mpumi Nene, CS requested a quotation from The Ethics Institute on 20 January 2020, for an organisational wide Ethics Risk Assessment, as they wanted to issue a purchase order the following day.

9.362. Ms Lizette Hattingh, from The Ethics Institute informed Advocate Mpumi Nene, CS, on 21 January 2020 that it would be impossible to submit a quotation on such short notice and requested additional information to enable them to submit a quotation.

9.363. Ms Nwabisa Mabuto, Ethics Officer sent Ms Lizette Hattingh a terms of reference for the Ethics Risk Assessment, on 22 January 2020.

9.364. Professor Leon van Vuuren from The Ethics Institute sent Advocate Mpumi Nene, CS and Ms Nwabisa Mabuto, Ethics Officer an email on 28 January 2020, stating that they were of the opinion that the **NLC had suffered significant ethical reputational damage**.

9.365. Professor Leon van Vuuren informed them that they have required from organisations that suffer similar harm to:

- i) The leadership of the organisation to admit in a public statement that the organisation has acted unethical and that they intend to prevent reoccurrence. They should demonstrate that they have taken assertive action against those guilty of ethics transgression; and

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- ii) The leadership of the organisation should issue a statement of Ethical intent, in which they commit the organisation to investing in cultivating an ethical culture in the organisation.

9.366. Professor Leon van Vuuren stated that they were of the opinion that the Board and executive of the NLC did not have sufficient credibility to be taken seriously should they issue such statements. **The Ethics Institute was of the view that an immediate relationship as a supplier to the NLC would not be in the best interest of both parties.**

9.367. Advocate Mpumi Nene, CS sent the email received from Professor Leon van Vuuren to Mr Tsietsi Maselwa, Legal, Mr Mogoboya Matsebatiela, Senior Manager Supply Chain Management and Ms Xolile Ntuli, CFO **requesting advise as to how to go about to terminate the universal agreement concluded with The Ethics Institute**, to be on the panel, in line with the correspondence received from Professor Leon van Vuuren.

9.368. Dr Janette Minnaar submitted a **quotation from Ethics Monitor** to Ms Nwasiba Mabuto, Ethics Officer, on **04 February 2020**.

9.369. Ms Nwasiba Mabuto responded to Dr Janette Minnaar on 05 February 2020, requesting that they amend the commencement date towards the end of March 2020, as she would want to issue the purchase order in April 2020. She informed Dr Janette Minnaar that **she would inform the Commission that ProEthics was identified as the suitable service provider**.

9.370. Dr Janette Minnaar submitted the **revised quotation of Ethics Monitor**, on 07 February 2020, to Ms Nwasiba Mabuto, Ethics Officer. Ms Nwasiba Mabuto

forwarded the revised quotation to Advocate Mpumi Nene, CS, on 12 February 2020.

- 9.371. As per the quotation from Ethics Monitor, the risk assessment was broken down in two (2) phases:
 - i) Phase 1: R299 000,00 (including Vat), payable on delivery of an interim report; and
 - ii) Phase 2: R295 000,00 (including Vat), payable on delivery of the final report.
- 9.372. Advocate Mpumi Nene, CS sent an email to Ms Xolile Ntuli, CFO, Mr Mogoboya Matsebatlela, Senior Manager Supply Chain Management and Mr Tsietsei Maselwa, Legal, on **19 February 2020** stating that they had to look for another service provider on the panel, to conduct the Ethics Risk Assessment and that a **purchase order should be issued for commencement of the assessment**.
- 9.373. Dr Janette Minnaar submitted an **invoice on 20 February 2020 for R690 000,00** (including Vat) for services rendered under **Phase I of the Ethics Risk Assessment**.
- 9.374. Ethics Monitor submitted a **project plan** to Ms Nwabisa Mabuto, on **13 March 2020**, requesting a review to establish whether any dates may be a problem. The project plan was **forwarded to Advocate Mpumi Nene, CS**, on the same day.
- 9.375. Advocate Mpumi Nene, CS **requested** Dr Janette Minnaar to assist with the **Phase 2 invoice on 25 March 2020**, as she **still had to get budget transfers** to enable payment on 25 March 2020.

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9.376. Dr Janette Minnaar **submitted an invoice for R295 000,00** (including Vat), dated 25 March 2020, in line with the quotation from Ethics Monitor (Phase 2).

9.377. On 02 June 2020, Ms Cynthia Schoeman from Ethics Monitor requested Advocate Mpumi Nene, CS to obtain approval from the Commissioner of the customised criteria for the ethics survey. Advocate Mpumi Nene responded on 02 June 2020 informing her that the criteria has been approved. Advocate Mpumi Nene **requested her to amend the survey to reflect ProEthics as the appointed company in line with the Procurement process.**

9.378. Dr Janette Minnaar informed Advocate Mpumi Nene, CS on **14 May 2020**, that they **have not yet made any payments to Ethics Monitor** and enquired whether she should **include their full quotation amount** to determine what it amounts to in terms of getting a purchase order. Advocate Mpumi Nene responded informing Dr Janette Minnaar that the **quotation would be for the Final Phase – Ethics Risk Assessment.**

9.379. Dr Janette Minnaar sent Advocate Mpumi Nene, CS a **quotation dated 15 May 2020 for R1 058 731,68** (including Vat) for the final phase of the Ethics Risk Assessment.

9.380. Dr Janette Minnaar sent Advocate Mpumi Nene, CS a **second quotation for the final phase of the Ethics Risk Assessment dated 20 May 2020 for R731 729,18** (including Vat).

9.381. Ethics Monitor submitted an invoice addressed to Dr Janette Minnaar, dated 01 June 2020, for Phase 1 (80%) and Phase 2 (30%) totalling **R305 900,00** (including Vat). ProEthics paid Ethics Monitor R145 000,00 and R160 900,00, on 02 June 2020 and 03 June 2020, respectively.



- 9.382. Ethics Monitor sent Dr Janette Minnaar another invoice, dated 30 June 2020 for 30% of the work performed on Phase 2, for **R75 900,00** (including Vat). ProEthics paid Ethics Monitor on 01 July 2020. Dr Janette Minnaar sent the proof of payment to Advocate Mpumi Nene, CS.
- 9.383. Ms Cynthia Schoeman sent Dr Janette Minnaar the **Interim Final Report** dated 23 July 2020, **on 03 August 2020** copying Advocate Mpumi Nene, CS.
- 9.384. Ms Cynthia Schoeman sent both Advocate Mpumi Nene, CS and Dr Janette Minnaar the **Final Report** dated 03 August 2020, **on 04 August 2020**.
- 9.385. Ms Cynthia Schoeman submitted an invoice dated 05 August 2020 for R75 900,00 (including Vat) (final payment of Phase 1 (30%) – R50 000,00 and 5% for work performed on Phase 2 – R11 000,00)
- 9.386. NLC paid the following invoices submitted by ProEthics:

Date of Invoice	Description	Amount
20 March 2020	Service rendered, Ethics Risk Assessment Phase 1	R690 000,00
25 March 2020	Ethics Risk Assessment for the NLC Phase 2	R295 000,00
01 June 2020	Final Phase – Ethics Risk Assessment	R731 729,18
	TOTAL	R1 716 729,18

- 9.387. The amount paid to Ethic Monitor in line with their quotation, dated 07 February 2020 totalling **R594 000** (including Vat) can be deemed **irregular**.

4th Quarter Ethics Intervention

- 9.388. Ms Nwabisa Mabuto, Ethics Officer requested Dr Janette Minnaar to submit a quotation, on 22 January. Ms Nwabisa Mabuto **provided her with the estimated costs** for the following service providers, for inclusion in the quotation:



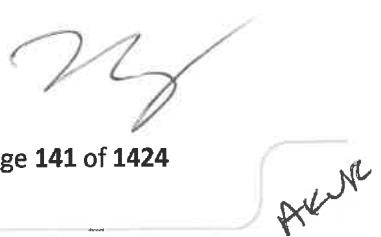
Service Provider	Amount
PowerFM	R300 000,00
Anele Mdoda	R100 000,00
Ndlovu Youth Choir	R125 000,00
Mercedes Benz	R100 000,00
FNB Innovation Hub	R100 000,00
HCM	R100 000,00
ProEthics	R778 500,00
IT Production & Dethaga Events	R353 000,00
Hybridity	R165 000,00
Marketing & Comms	R606 176,50
Experience Mecedes	R250 000,00
Total	R2 977 676,50

9.389. Advocate Mpumi Nene, CS sent Mr Owen Swanson, the agent of Anele Mdoda an email on 23 January 2020 **confirming the booking of “Anele”** for 21 February 2020. She informed him that they will send out confirmation letters.

9.390. Dr Janette Minnaar sent Ms Nwabisa Mabuto, Ethics Officer the **quotation on 23 January 2020**. Dr Janette Minnaar informed Ms Nwabisa Mabuto that the NLC has **already paid them R64 000,00 for corporate gifts** and that they will give them a credit when they invoice. As per the quotation:

Description	Amount (Including VAT)
Estimated cost of the NLC Ethics Indaba to be held on 21 February 2020, Quarter 4 initiative	R2 977 676,50
ProEthics Management Fee of 10 per cent	R297 767,65
ProEthics Consulting/reviewing fee	R191 130,00
Attendance of Indaba by two ProEthics Professionals	R101 936,00
Two ethics sessions for executives and board members @ R19 000 per session	R43 700,00
Grant Total Payable on Receipt of invoice	R3 612 210,15

Estimated costs as provided by Ms Nwabisa Mabuto, Ethics Officer

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9.391. Ms Nwabisa Mabuto, Ethics Officer responded to Dr Janette Minnaar on 24 January 2020 **requesting her to amend the quotation** as follows and to limit the quotation to the amount to R3 466 574,15:

NLC 4 th Quarter Organisation wide Ethics Intervention, 21 February 2020	R3 014 412,30
VAT	R452 161,85
Total inclusive of VAT	R3 466 574,15
Payment Terms	
50% upfront by 31 January 2020	
50% on delivery date 21 February 2020	

9.392. Ms Nwabisa Mabuto, Ethics Officer informed Dr Janette Minnaar that: *“Due to the various payments required by our service providers, kindly state explicitly on the quotation the payment term of 50% by 31 January 2020 and 50% on 21 February 2020”.*

9.393. Dr Janette Minnaar **submitted the quotation**, on 24 January 2020, in line with the request of Ms Nwabisa Mabuto, Ethics Officer. The correspondence and quotation were forwarded to Advocate Mpumi Nene, CS, on 24 January 2020.

9.394. Mr Owen Swanson sent Advocate Mpumi Nene, CS the contract of *“Anele”*, on 28 January 2020.

9.395. Ms Nwabisa Mabuto, Ethics Officer requested Dr Janette Minnaar, on 29 January 2020, to **amend the quotation, reducing the total amount of the quotation to R2 348 500,00** (including Vat). Dr Janette Minnaar amended the quotation accordingly and **submitted it on 29 January 2020** to Ms Nwabisa Mabuto. Ms Nwabisa Mabuto **forwarded the revised quote** to Advocate Mpumi Nene, CS, on 29 January 2020.



9.396. Ms Nwabisa Mabuto, Ethics Officer **requested** Dr Janette Minnaar, on 31 January 2020, to send the following **service providers letters to confirm and secure their availability:**

- i) Owen for Anele Mdoda;
- ii) Natalie for Ndlovu Youth Choir;
- iii) Corrie for ProEthics;
- iv) Theo for Dithage Events; and
- v) Alex for Hybridity

9.397. Dr Janette Minnaar responded to Ms Nwabisa Mabuto, Ethics Officer, on 31 January 2020, requesting guidance on the wording of the letters to the service providers. Ms Nwabisa Mabuto responded, copying Advocate Mpumi Nene, CS, providing the following wording for the letters:

"It gives us pleasure to confirm on behalf of the National Lotteries Commission that your proposal and quotation to take part in the NLC 4th Quarter Ethics Intervention to be hosted on the 21st of February 2020 has been successful.

*In order to facilitate payment kindly **provide an invoice indicating the terms of payment as discussed, 50% upfront payment** on receipt of the invoice and **50% on the day of the event***

Kindly avail yourself to meet with the NLC Company Secretariat Division on 10 February 2020 at the Kayalami Grand Prix Circuit..."

9.398. Mr Owen Swanson sent Advocate Mpumi Nene, CS a revised agreement, on 03 February 2020 for "Anele" requesting her to look at the agreement so that they can send an invoice for the 50% deposit.



9.399. Ms Nwabisa Maputo, Ethics Officer **forwarded the agreement to Dr Janette Minnaar**, on 03 February 2020, **requesting her to complete the agreement**. As per the agreement Anele Mdoda would be paid a total fee of R96 425,00.

9.400. Dr Janette Minnaar confirmed on 04 February 2020 their **admin fee of 10%** split in two (2) payments, 50% in quarter 4 and 50% in quarter 1 of 2020.

9.401. Ms Nwabisa Mabuto sent Dr Janette Minnaar an **updated payment schedule**, on 04 February 2020, which included the admin fee, **requesting her to submit an invoice for R1 177 602,68**. The email was forwarded to Advocate Mpumi Nene, CS. As per the payment schedule:

Company	Deposit to be Paid	Total Due
Dithakga Events	R316 250,00	R632 500,00
Hybridy	R82 584,38	R165 168,75
Ndlovu Youth Choir	R62 500,00	R125 000,00
Corrie	R279 858,25	R559 716,50
ProEthics	R50 000,00	R100 000,00
Anele Mdoda	R48 212,50	R96 425,00
Andre	R5 000,00	R10 000,00
Mercedes Experience	R30 109,30	R60 218,60
Evening Programme	R218 787,50	R437 575,00
Videography – Melo Motion	R84 300,75	R168 601,50
Total	R1 177 602,68	R2 355 205,35
Total Admin fee @ 10%		R235 520,54
Total Cost for Job 1		R2 590 725,89
PO issued total amount		(R2 348 500,00)

Ms Mabontle Mokwebo was still a Director of the company during this period

9.402. Box Boutique and Karma Clothing submitted invoices on 04 February 2020 for R8 800,00 and R144 785,00, respectively. The invoices were addressed to Ms Refiloe Nthebe.

9.403. Mr Andre van der Zee was requested on 05 February 2020, by the office of the Company Secretariat to **address his invoice to ProEthics** as they are the partner assisting the Ethics Office to manage payments for the event.



9.404. Ms Natali Hinds from the Ndlovu Youth Choir informed Ms Nwabisa Mabuto, Ethics Officer on 05 February 2020 of the cost of 350 CD's. The cost amounted to R29 750,00 (including Vat).

9.405. The Office of the Company Secretariat requested Dr Janette Minnaar, on 07 February 2020 to **provide a quotation for promotional material as per the quotes, they have sources** from Karma Clothing, (Business Shirts with NLC Logo), Box Boutique (personalised boxes) and Ndlovu Youth Choir (CDs). Advocate Mpumi Nene, CS was copied in the email.

9.406. Dr Janette Minnaar sent Ms Nwabisa Mabuto, a **revised invoice** totalling **R1 170 897,32** (including Vat), on 19 February 2020. For payment on 20 February 2020. As per the email the **payment would enable ProEthics to pay all vendors except for Videography.**

9.407. Ms Monique Witten from Primedia sent Advocate Mpumi Nene, CS a final document, on 19 February 2020 which included the live read and recorded schedule for sign off. The costs amounted to R301 113,94 excluding Vat and the production fee. Advocate Mpumi Nene **sent the document to Dr Janette Minnaar requesting her to sign off the document.** Dr Janette Minnaar **signed the document on behalf of the NLC and sent it to Primedia on 20 February 2020.** Dr Janette Minnaar also signed the Production quotation on behalf of the NLC. The production cost amounted to R12 024,40.

9.408. In terms of the SLA, clause 7: **"ProEthics shall not present the NLC in any capacity whatsoever nor bind the NLC orally or in writing to any legal obligation."**

9.409. Dr Janette Minnaar requested Ms Refiloe Nthebe on 02 March 2020, to assist with the invoice they had to provide for:

- i) Primedia shortfall – R46 735,49;
- ii) Dithakga additional costs – R14 559,00;
- iii) Karma Clothing – await invoice; and
- iv) ProEthics the amount owed in terms of the first 50% of the 10% admin fee.

9.410. Ms Refiloe Nthebe responded on 02 March 2020, enclosing the quotation from Karma Clothing for R6 603,30. As per the response the amount owed to ProEthics in terms of the first 50% of the **10% admin fee amounted to R21 052,95.**

9.411. Dr Janette Minnaar **submitted an invoice dated 03 March 2020 for R99 138,59** (including Vat). The invoice included the additional costs of Karma Clothing.

9.412. Itumeleng Ndlozi from Isiqhingi Communications sent Advocate Mpumi Nene, CS a quotation on 05 March 2020, for the NLC Staff Indaba 2020 totalling R148 873,25 (including Vat). Isiqhingi Communications submitted an invoice for wristbands totalling R69 908,50 (including Vat).

9.413. Dr Janette Minnaar sent Advocate Mpumi Nene, CS an email on 26 March 2020 regarding the Indaba payments. Advocate Mpumi Nene responded on 12 May 2020. Attached to the email was a **payment spreadsheet**. Advocate Mpumi Nene requested Dr Janette Minnaar to **confirm whether she agreed with costs** as per the schedule and to submit an invoice for the outstanding amount. As per the payment spreadsheet:

Company	Deposito	Actual Invoice Amount	Shortfall on Budget	Amount due on 19 Feb	Outstanding after Indaba	Amount due on 21 Feb
Dithakga Events	316 250	632 500,00			14 559,00	316 250,00



Company	Deposito	Actual Invoice Amount	Shortfall on Budget	Amount due on 19 Feb	Outstanding after Indaba	Amount due on 21 Feb
Hybridity	82 584,38	165 168,75				82 584,37
Ndlovu Youth Choir	62 500,00	143 750,00	18 750,00			81 250,00
Corrie (Lesoba)	279 858,25	559 716,50				279 858,25
ProEthics	50 000,00	124 930,00	24 930,00			74 930,00
Anele Mdoda OSM	48 212,50	96 425,00				48 212,50
Andre VDZ	5 250,00	10 500,00	500,00			5 250,00
Mercedes Experience	30 109,30	71 718,60	11 500,00			41 509,30
Moshabi Comms Evening Programme	218 787,50	437 575,00				218 787,50
Videography		280 000,00	112 408,50			281 010,00
Alliance Safety		20 506,51	20 506,51			20 506,51
Ndlovu Choir CD's	14 875,00	29 750,00		14 875,00		14 875,00
Box Boutique	44 000,00	88 000,00		44 000,00		44 000,00
Karma clothing	144 037,50	144 037,50			16 791,15	
Primedia		358 305,43			46 735,49	358 305,43
TOTAL	1 296 464,43	3 163 893,29	188 595,01	58 875,00	78 085,64	1 867 428,86

ProEthics Admin Fee @ 10% of actual invoice amount	
PO 1 (9604)	2 348 500,00
PO 2 (9686)	262 535,00
PO 3 (9778)	690 000,00
Total paid to ProEthics into PO1	1 177 602,68
Total paid to ProEthics into PO2	262 535,00
Total paid to ProEthics into the rest of PO1	1 170 897,32
Total paid to ProEthics into PO3	690 000,00
Total received by ProEthics AT 20 FEB	3 301 035,00
Actual deposits paid before 20 Feb	1 296 464,43
Amount to be paid on 20 and 21 Feb	2 025 623,52
TOTAL OF INVOICES AS AT 21 FEB	3 322 087,95
CURRENT SHORTFALL ProEthics Q4 10% admin fee	21 052,95
Total of outstanding to service providers as at 23 March (including ProEthics portion of 10%)	99 138,59
New total for calculation of 10% admin fee	3 400 173,59
10% admin fee	340 017,36
Portion of admin fee already paid	158 194,66
Outstanding ProEthics 10% admin fee	181 822,69
PO4 – quote to be issued on 31 March for ethics assessment and remaining 50% of ProEthics admin fee	

9.414. The amount of **R3 275 243,59** (including Vat, excluding ProEthics costs) can be deemed **irregular expenditure**.



Third Party Payments

9.415. Dr Janette Minnaar provided the following information pertaining to the payment of third parties:

- i) Projects and initiatives run by the NLC Ethics Office consisted of several components and various service providers had to contribute to successfully deliver these projects;
- ii) ProEthics assisted with some of the components of work related to these projects;
- iii) **The vast majority of the work falls outside the scope of ProEthics' expertise;**
- iv) **Service providers were sourced by the NLC** and directly contracted to perform such services and deliver the required products;
- v) ProEthics **never contracted with these service providers**, but worked with them in direct instruction of the NLC; and
- vi) Occasionally, ProEthics was instructed by the NLC Ethics Office to pay a service provider that was part of the same ethics project/initiative they were involved with.

9.416. Dr Janette Minnaar provided copies of invoices of service providers paid by ProEthics. The following companies/service providers were paid by ProEthics during the period **December 2020 to November 2021:**

Company/Service Provider	Amount (Including Vat)
Ethics Monitor	R445 912,50
Ruan van den Berg	R200 000,00
Digital Dynasty	R571 950,00
Elsiscope	R3 181 612,50
Fraudsmith	R24 000,00
Mosilo Mothepu	R165 000,00
MSG Group Sales	R782 000,00
Unorthodox Media	R100 000,00
Ignition	R193 466,80
ACFE	R4 501,95

Company/Service Provider	Amount (Including Vat)
Fundudzi	R1 372 373,20
African Governance Solutions	R350 000,00
Dream Team Foundation	R80 000,00
Brave Digital	R980 490,00
TOTAL	R8 451 306,90

9.417. Dr Janette Minnaar provided the following response on ProEthics been appointed to host an event, identifying service providers and negotiating price with service providers:

- i) Apart from Ethics Monitor she **had not met or had a relationship with any of the other service providers;**
- ii) She told Advocate Mpumi Nene, CS about Media Monitoring after she enquired from her, if she knew a service provider who could do media monitoring work for the NLC;
- iii) All Media Monitoring reports were sent directly to the NLC;
- iv) **She did not have a mandate to negotiate prices with service providers;**
- v) The NLC would find service providers and in some cases refer them to ProEthics for project related payments; and
- vi) **She was paid a small percentage of the overall costs for work she had done on instruction of Advocate Mpumi Nene, CS.**

9.418. Advocate Mpumi Nene, CS provided the following clarity on the third party payments made by ProEthics:

- i) **ProEthics has been appointed to provide various services;**
- ii) **As per the agreement** or contract between ProEthics and the NLC, **ProEthics was responsible for paying the costs related to those activities based on the agreed terms;**
- iii) The scope of work was defined in the terms of reference;

- iv) ProEthics did not make payments on behalf of the NLC but rather **payments were made for expenses incurred by the duly appointed service provider;**
- v) The NLC provides the terms of reference to the appropriate service providers for them to submit their quotes;
- vi) Once a service provider was appointed, **they are responsible for managing and overseeing the activity's delivery** within the agreed-upon budget as determined during the RFQ process or outlined in the submission;
- vii) The **specific vendors sourced by the service provider may vary depending on the nature of the intervention/activity;**
- viii) The service provider is primarily responsible for **ensuring that both quantity and quality of the services provided meet the specific requirements;**
- ix) The appointed **service provider remains accountable for sourcing the vendor**, regardless of any input provided by the NLC; and
- x) ProEthics was able to respond to the requirements by delivering a comprehensive service that included specialised elements, thereby ensuring efficiency of time and cost.

9.419. As per the approved submission to establish a panel of Corporate Governance Advisors the cost would not have exceeded R7 000 000,00 over the three (3) year period. However, ProEthics was paid R28 498 856,15 over the three (3) year period.

WORKFORCE HEALTHCARE

9.420. Ms Khau Moloko, Senior Manager Human Capital prepared a submission, dated **19 April 2018**, to request approval, from the Commissioner, to embark on a competitive bidding process to appoint an Employee Wellness service provider,

15/12/2025, 14:38 - Raymond Joseph: Good day Ms. Minnaar. GroundUp intends to publish a story about TSU's investigations into ProEthics and its recommendations relating to your company. As you are probably aware, ProEthics was included in an amendment to the 2020 Presidential Proclamation mandating the NLC to investigate the NLC and several other entities.

The story will be published on Thursday, December 19. Please respond to the attached questions by 12 pm on Thursday, December 19, so that your responses can be included in the story. I sent the same questions to your work email, but got an out-of-office until January response. Therefore, I am sending it again via your WhatsApp.

Thanks, Raymond Joseph,

GroundUp

15/12/2025

Questions relating to ProEthics and the NLC from Raymond Joseph, GroundUp

A forensic investigation conducted by TSU Investigations that was commissioned by the NLC made several findings that included management fee commissions charged by ProEthics, to which it was not entitled in terms of the SLA it signed with the NLC. The NLC had already briefed attorneys with an instruction that they recover funds running into hundreds of thousands of rands, which the NLC says your company was not entitled to. This instruction was withdrawn when a 2020 Presidential Proclamation was amended to include procurement. In the amended proclamation, ProEthics was named among 21 entities that the SIU is mandated to investigate.

1) Were you aware that the NLC had briefed lawyers and was about to launch civil legal action to recover funds paid to ProEthics?

2) If so, did ProEthics receive any communications from the NLC lawyers about this?

3) Has the SIU yet contacted ProEthics in connection with their investigation into NLC procurement issues?

4) What comment does ProEthics have on their inclusion in the amended proclamation and the SIU's investigation?

5) Will ProEthics cooperate with the SIU's investigation?

In its report, TSU recommended that the NLC recover some fees paid to ProEthics. They are:

6) A R207,377 management fee for the "International Fraud Awareness Week", which TSU said ProEthics was not entitled to receive in terms of its Service Level Agreement (SLA) with the NLC.



Will ProEthics repay this money if the NLC requests it to do so? If not, what are the reasons for refusing to repay these funds?

7) A difference of R96,348 between the payment ProEthics received from the NLC for third-party payments and the actual amount paid to these service providers. (These third-party payments to ProEthics from the NLC amounted to R2,073,774, including VAT. Of this, ProEthics paid out R1,977 426 (giving the R96,348 difference). It included a payment of over R193,000 for “T-shirts/conference gifts”?

Will ProEthics repay this money if the NLC requests it to do so? If not, what are the reasons for refusing to repay the funds?

8) A management fee totalling R340,017 for “4th Quarter Ethics Intervention”, which TSU said ProEthics was not entitled to receive in terms of its SLA.

Will ProEthics repay this money if the NLC requests it to do so? If not, what are the reasons for refusing to repay the funds?

9) TSU also highlighted a R42,410.50 project management fee related to a “Stakeholder Perception Survey” because ProEthics was not appointed as an event coordinator and was not entitled to this payment in terms of its SLA, but did not specifically recommend that it should be recovered by the NLC.

Do you have any comment on this, considering the fact that TSU highlights the payment as being contrary to your SLA with the NLC, will ProEthics consider refunding this money?

10) TSU also said ProEthics should provide proof that it credited the NLC for R64 000,00 paid in advance for corporate gifts. It was recommended that this amount should be recovered from ProEthics if proof cannot be provided. The report says that ProEthics director Dr Janette Minnaar informed the NLC that it had “already paid them R64 000 for corporate gifts and that they will give them a credit when they invoice”

Why did ProEthics invoice the NLC for money it had already received, and has ProEthics credited the NLC for this payment?

11) TSU also highlighted a payment of R594,000 by ProEthics to Ethics Monitor for “Ethics Risk Assessment”. It is recommended that any management fee for the assessment should be recovered from ProEthics, while stating that the precise fee was not stated.

Was a management fee paid to ProEthics for Ethics Monitor’s assessment and, and if so, how much was it and will ProEthics repay this fee to the NLC?

12) TSU also recommended that other “events and campaigns” paid for via ProEthics should be investigated to calculate any other administration fees that were not allowed that could be recovered. These included: Conflict of Interest Vetting,” “Second quarter organisational wide intervention 2020,” “Stakeholder vetting,” “Hosting of virtual conference in Sandton,” “Media monitoring,” “Mental Health Day Conference,” and “Ethics communication campaign and training communication tools”.

Was ProEthics paid administration fees for any of the above, and, if so, how much and will it repay these funds to the NLC?

13) TSU was critical of the NLC using ProEthics to make third-party payments on its behalf and recommended that the practice be stopped.

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Why did ProEthics make these payments, and does it, in hindsight, believe that the NLC might have used your company to circumvent its own procurement processes?

14) How much of the R28.5-million the NLC paid to ProEthics was retained for work it delivered, and how much was paid to third-party suppliers of the NLC?

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From: **Kayla Loots** <Kayla@dyason.co.za>
Date: Tue, 16 Dec 2025, 19:26
Subject: [info] PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH
To: info@groundup.org.za <info@groundup.org.za>
Cc: Johan Gous <Gous@dyason.co.za>

Good day,

We refer to the above matter and herewith confirm that we act in this matter on behalf of the Applicant, **PROETHICS (PTY) LTD**.

Find enclosed hereto the following documentation for your immediate attention:

1. Unissued Notice of Motion

Take note that we have uploaded same onto Courtonline and await confirmation of the Case Number, same of which will be made available to you when received.

Urgently acknowledge receipt hereof and revert.

Kind Regards,

Kayla Loots

Jnr Litigation Typist



- ⌚ 012 452 3500 x 3592
- ✉️ kayla@dyason.co.za
- 🌐 <http://www.dyason.co.za>



Walker
Creek Office
Park,

A handwritten signature in black ink that appears to read 'Walker'. Below the signature, the name 'AKER' is handwritten in a smaller, cursive font.

Building 3,
2nd Floor,
90 Florence
Ribeiro Ave.
Nieuw
Muckleneuk,
Pretoria,
0181



*Our office will close for the festive season on the 23rd of December 2025
and will reopen on the 6th of January 2026*

M
AKR

IN THE HIGH COURT OF SOUTH AFRICA
GAUTENG DIVISION, PRETORIA

Case no: _____

In the matter between:

PROETHICS (PTY) LTD

Applicant

and

GROUNDUP

First Respondent

and

RAYMOND JOSEPH

Second Respondent

NOTICE OF MOTION – URGENT APPLICATION

TAKE NOTICE that the Applicant applies to this Honourable Court on an urgent basis in terms of Rule 6(12) , on **18 December 2025 at 10:00** or so soon as Counsel can be heard for an order in the following terms:

1. That the non-compliance with the forms, service requirements and time periods prescribed in the Uniform Rules of Court be condoned, and that this application be heard as one of urgency in terms of Rule 6(12).
2. That the First and Second Respondents are interdicted and restrained from publishing, disseminating, uploading, releasing, or otherwise making public any



A handwritten signature in black ink, appearing to read 'N' or 'NG', with the initials 'PKUR' written below it.

form of article, report, story, commentary, or statement concerning the Applicant relating to:

- 2.1 the TSU investigation and findings;
- 2.2 allegations of irregular management fees or unauthorised payments;
- 2.3 any purported recovery proceedings by the NLC against the Applicant;
- 2.4 any purported involvement of the Applicant in procurement irregularities or SIU-mandated investigations; and
- 2.5 any assertions or allegations contained in the written questions sent to the Applicant by the Second Respondent on 15 December 2025.

3. The first and second respondents are directed to pay the Costs of the application on an attorney and client scale;
4. Further and alternative relief.

FURTHER TAKE NOTICE that the Founding Affidavit of **Dr Janette Minnar** shall be used in support of this application.

FURTHER TAKE NOTICE that the Applicant has appointed **DYASON INCORPORATED** at the address set out hereunder, at which it will accept Notice and serve of all process in these proceedings.

FURTHER TAKE NOTICE that if you intend to oppose this application, you are required to:

- a. Notify the Applicant's attorneys in writing of their intention to oppose, by email at gous@dyason.co.za, by no later than 12h00 on Wednesday, 18 December 2025, and in such notice to appoint an address as contemplated in Uniform Rule 6(5)(b) at which they will accept service of all documents in these proceedings.

A handwritten signature in black ink, appearing to read 'Akwile', is located in the bottom right corner of the page.

- b. Deliver any answering affidavit, if so advised, by no later than 18h00 on Wednesday, 18 December 2025.
- c. The Applicant shall be entitled, if necessary, to deliver a replying affidavit by no later than 09h00 on Thursday, 19 December 2025, and to seek that the matter be heard on even date.

DATED AT PRETORIA ON THIS THE 16 DECEMBER 2025.



DYASON INCORPORATED
ATTORNEYS FOR APPLICANTS
WALKER CREEK OFFICE PARK
BUILDING 3, 2ND FLOOR
90 FLORENCE RIBEIRO AVE
NIEUW MUCKLENEUK
PRETORIA
TEL: 012 – 452 3500
EMAIL: gous@dyason.co.za
REF: WD GOUS/KL

To: **THE REGISTRAR OF THE HIGH COURT,**
GAUTENG DIVISION, PRETORIA

And to: **GROUNDUP**
THE FIRST RESPONDENT
Suite 08, 1ST Floor, South Block, Tannery Park
23A Belmont Road
Rondebosch
Cape Town, 7700
Tel: 021 788 9163
Email: info@groundup.org.za

And to: **RAYMOND JOSEPH**
THE SECOND RESPONDENT
EMAIL: rayjoe@iafrica.com



From: Jacques Louw <jflou@iafrica.com>
Sent: Wednesday, 17 December 2025 09:01
To: 'Kayla@dyason.co.za' <Kayla@dyason.co.za>; 'Gouws@dyason.co.za' <Gouws@dyason.co.za>
Subject: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH

Dear Mr Gouws

We hereby place on record that we act on behalf of GroundUp News NPC, the owner and publisher of GroundUp, as well as Mr Joseph.

We confirm that we received, last night, the email and unissued notice of motion in the above matter. We have not received a founding affidavit.

We would like to raise one further issue: Your firm acted as our correspondents on behalf of GroundUp in a matter in the High Court in the matter of Lesley Ramulifho v Raymond Joseph and GroundUp. The matter was in court in April 2019, was struck for lack of urgency and is ongoing. In that pending matter, the subject matter of fraud at the National Lotteries Commission was central to the issues before the court. Our instructions are that your firm appears to have a serious conflict of interest in now acting against our clients.

Yours faithfully

Jacques Louw



Cell: +27 82 565 4714

Office: +27 21 424 8960

Fax: +27 21 424 3592

2nd Floor, 42 Burg Street, Cape Town 8001
P.O Box 4612, Cape Town, 8000

www.lgmurray.co.za

This e-mail and any files transmitted with it are confidential and intended solely for the use of the addressee (s). Access to this e-mail by anyone other than the addressee(s) is unauthorized.

A handwritten signature in black ink, appearing to read 'AKJR'. The signature is fluid and cursive, with 'AKJR' written in a larger, more distinct style at the end.

If you have received this e-mail in error, please send a reply to that effect or contact the above sender and do not disclose, copy distribute or retain this message or any part thereof. Thank you.



ACSR

From: Johan Gous <Gous@dyason.co.za>
Sent: Wednesday, 17 December 2025 10:05
To: Jacques Louw <jflou@iafrica.com>; Kayla Loots <Kayla@dyason.co.za>
Subject: RE: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH

Dear Sir,

The writer has no knowledge of the matter to which you refer. The writer was never involved and denies in conflict either as alleged or at all. We can not trace an active matter where we are acting as your correspondents .

We will proceed as instructed by client.

Our rights are reserved.

Regards

Johan Gous

Director



012 452 3500

086 673 8684

gous@dyason.co.za

<http://www.dyason.co.za>

Walker Creek Office
Park,

Building 3, 2nd Floor,

90 Florence Ribeiro Ave,

**Nieuw Muckleneuk,
Pretoria, 0181**

A handwritten signature in black ink, appearing to read 'JG'.

AKUR

Please note that our office will never change or adapt our trust / business banking details via email or other electronic forum. Please contact our office for formal verification should you receive any correspondence of such nature.

Due to the substantial increase in Cyber-Crime through Business E-Mail Compromise which carries inherent risks of e-mail and pdf manipulation, Dyason Attorneys is registered as a public recipient with ABSA, FNB and STANDARD BANK.

For your protection when making payment to DYASON please ensure that you utilize the public beneficiary/recipient option with your bank if you are paying from one of the aforementioned banking institutions. Alternatively, you must

ensure Dyason's account details are verified before any payment is made.

E-mail Disclaimer: This email and any attachments thereto may contain confidential and proprietary information and is intended for the recipient only. If you are not the intended recipient, kindly delete the entire communication

and notify the sender thereof immediately as the information contained in this communication is protected by law and may be privileged. You are further reminded that copying, distribution or disclosure of the contents of this email

may be unlawful and result in legal action against you, in the case of you not being the intended recipient. As information sent by email is corruptible, Dyason does not accept responsibility for such corruption, destruction, loss or

interference of whatsoever kind and howsoever caused.



Akwule

From: Jacques Louw <jflou@iafrica.com>
Sent: Wednesday, 17 December 2025 10:50
To: 'Johan Gous' <Gous@dyason.co.za>; 'Kayla Loots' <Kayla@dyason.co.za>
Subject: RE: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH

Dear Johan

The last reference that I have from my file is Lana Hammond, email lana@dyason.co.za. I also dealt with Adele Richards.

Regards,

Jacques Louw



Cell: +27 82 565 4714

Office: +27 21 424 8960

Fax: +27 21 424 3592

2nd Floor, 42 Burg Street, Cape Town 8001
P.O Box 4612, Cape Town, 8000

www.lgmurray.co.za

This e-mail and any files transmitted with it are confidential and intended solely for the use of the addressee (s). Access to this e-mail by anyone other than the addressee(s) is unauthorized. If you have received this e-mail in error, please send a reply to that effect or contact the above sender and do not disclose, copy, distribute or retain this message or any part thereof. Thank you.

A handwritten signature in black ink, appearing to read 'Akur', is positioned in the bottom right corner of the page.

LIONEL MURRAY
SCHWORMSTEDT
& LOUW



Second Floor
General Building

42 Burg Street
Cape Town, 8001

P O Box 4612
Cape Town, 8000

Docex No. 97

Tel: 021 - 424 8960
Fax: 021 - 424 3592
Mobile: - 0825654714
Email: jflou@iafrica.com
Web: www.lgmurray.co.za

Your reference: J Gous
Our reference: JFL/ca/W16477

17 December 2025

Building 3 Floor 2,
Walker Creek Office Park,
90 Florence Ribeiro Ave,
Bailey's Muckleneuk,
Pretoria,
0181

Attention: Johan Gous

By Email:

Dear Sir/Madam

GROUNDUP NEWS NPC AND RAYMOND JOSEPH//PROETHICS PROPRIETARY LIMITED

As we informed you previously, we act on behalf of GroundUp News NPC and Raymond Joseph.

We received instructions at 20:23 last night, based on an email with an unissued notice of motion that was received at our GroundUp's general information email address at 19:26, citing the above clients as Respondents. There was no founding affidavit attached to the notice of motion.

We communicated with you this morning regarding a possible conflict of interest, relating to a matter wherein your firm represents our clients in the Pretoria High Court as our correspondent. For the record this matter is filed under case number Case Number: 23291/19. The matter is still ongoing, and your involvement has been active and not simply as a "post box".

At 11:19 we received your unissued notice of motion with the signed founding affidavit, as well as an unissued notice of set down. We note that the matter is set down for 10:00 tomorrow.

Our instructions are as follows:

1. Our clients have instructed us to oppose the application.

Partners: Jacques F. Louw BA LLB, Pieter Van Der Riet BA (Hons) LLB and Leroy Villet BCom LLB
Assisted By: Laura Nicholson BSocSci LLB and Russel Manuel BTh LLB
& Myelo Nzimande BCom LLB

A handwritten signature in black ink, appearing to read 'JF Louw', is positioned at the bottom right of the page. Below the signature, the initials 'AKR' are handwritten.

2. However, at the time of writing this letter there is no article relating to your client produced for publication and no article will be published on 19 or 20 December 2025. In fact, whilst investigations into the subject matter relating to your client continue, the editor of GroundUp does not envisage that an article will be finalised this year.
3. Based on the above, without addressing the merits of your client's grounds for urgency in this letter, there is no need to burden the court in this matter on the truncated timeline imposed by your client.
4. In the circumstances we propose that, by agreement, the matter be postponed tomorrow subject to the following:
 - 4.1. The application be postponed by agreement to 20 January 2026.
 - 4.2. Pending the hearing of the matter, the Respondents shall not publish any information in respect of the Applicant's relationship with the National Lotteries Commission and the Applicant shall not publish any press releases in respect thereof.
 - 4.3. The Respondents shall file their answering affidavit by 6 January 2026.
 - 4.4. The Applicant shall file its replying affidavit by 12 January 2026.
 - 4.5. The parties shall file their heads of argument by 16 January 2026.
 - 4.6. The costs of the postponement are to be costs in the cause.

The proposal will be brought to the attention of the judge if not accepted.

We await your response.

Yours faithfully

**Lionel Murray Schwormstedt
& Louw**

Per:

JF LOUW

This letter has been sent electronically
and is not signed by the writer



A handwritten signature in black ink, appearing to read 'JF Louw', with the name 'Akur' written vertically below it.

From: Kayla Loots <Kayla@dyason.co.za>
Sent: Wednesday, 17 December 2025 14:28
To: Jacques Louw <jflou@iafrica.com>
Cc: Johan Gous <Gous@dyason.co.za>
Subject: RE: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH
Importance: High

Good day,

We refer to the above matter and herewith confirm that we will agree to the postponement under the specific terms as is set out in your letter of even date.

We will immediately proceed to amend the date on the Notice of Motion and upload same accordingly.

Kindly acknowledge receipt hereof and revert.

We trust that you find the above in order.

Kind Regards,

Kayla Loots

Jnr Litigation Typist



- ⌚ 012 452 3500 x 3592
- ✉ kayla@dyason.co.za
- 🌐 <http://www.dyason.co.za>
- 📍 Walker Creek Office Park,
Building 3, 2nd Floor,
90 Florence Ribeiro Ave,

A handwritten signature in black ink, appearing to read 'Akwile'.

Nieuw Muckleneuk,
Pretoria, 0181

AKR

From: Jacques Louw <jflou@iafrica.com>
Sent: Wednesday, 17 December 2025 15:10
To: 'Kayla Loots' <Kayla@dyason.co.za>
Cc: 'Johan Gous' <Gous@dyason.co.za>
Subject: RE: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH

Dear Kayla

I do not believe it is the correct procedure to amend a notice of motion after service thereof (unissued or not) to record an agreement. The correct procedure would be to obtain an order from the urgent judge tomorrow incorporating the terms of the agreement with the amended timetable.

Nevertheless, our clients are not *dominus litis* in this matter and we shall leave the process to your client.

Please provide us with the case number at your earliest convenience.

Regards,

Jacques Louw



Cell: +27 82 565 4714

Office: +27 21 424 8960

Fax: +27 21 424 3592

2nd Floor, 42 Burg Street, Cape Town 8001
P.O Box 4612, Cape Town, 8000

www.lgmurray.co.za

A handwritten signature in black ink, appearing to read 'JL', is positioned above a handwritten signature that includes the letters 'ACUR'.

LIONEL MURRAY
SCHWORMSTEDT
& LOUW



Second Floor
General Building

42 Burg Street
Cape Town, 8001

P O Box 4612
Cape Town, 8000

Docex No. 97

Tel: 021 - 424 8960

Fax: 021 - 424 3592

Mobile: - 0825654714

Email: jflou@iafrica.com

Web: www.lgmurray.co.za

Your reference: J Gous

Our reference: JFL/ca/W16477

18 December 2025

Building 3 Floor 2,
Walker Creek Office Park,
90 Florence Ribeiro Ave,
Bailey's Muckleneuk,
Pretoria,
0181

Attention: Johan Gous

By Email:

Dear Sir/Madam

GROUNDUP NEWS NPC AND RAYMOND JOSEPH//PROETHICS PROPRIETARY LIMITED

We refer to our letter of 17 December 2025.

As of 10:00 today, no issued application has been served on our clients or on us. The only documents we have in our possession relating to the above matter are an unissued notice of motion, a founding affidavit of Janette Minnaar, and an unissued notice of set down. According to the draft notice of motion and notice of set down, the matter was to be heard on an urgent basis at 10:00 this morning.

Yesterday, in light of the fact that there is no imminent publication relating to the subject matter of the purported application, we proposed an agreed time table for the application and an interim agreement not to publish pending the hearing of the matter on 20 January 2026. The proposal was accepted by your client according to an email we received at 14:28 yesterday. In the email you stated: "*We will immediately proceed to amend the date on the Notice of Motion and upload same accordingly*". In our email, in reply, we informed you that we found the suggested procedure highly unusual, if not irregular.

The above leaves our clients in an untenable position. They have frantically commenced preparation of their opposition to an application that was purportedly on the roll at 10:00 today. However, as matters presently stand, there is no application.

Partners: Jacques F. Louw BA LLB, Pieter Van Der Riet BA (Hons) LLB and Leroy Villet BCom LLB

Assisted By: Laura Nicholson BSocSci LLB and Russel Manuel BTh LLB

& Mvelo Nzimande BCom LLB

A handwritten signature in black ink, appearing to read 'Pieter Van Der Riet', is positioned in the bottom right corner of the page.

Unless the status of the purported application is provided by 11:00 this morning, our clients shall assume that there is no application and they will act accordingly.

Our clients' rights regarding the costs incurred to date are reserved.

Yours faithfully

**Lionel Murray Schwormstedt
& Louw**

Per:

JF LOUW

This letter has been sent electronically
and is not signed by the writer



A handwritten signature in black ink, appearing to read 'JF Louw', is positioned in the bottom right corner of the page. To the right of the signature, the initials 'AKVR' are handwritten in a smaller, cursive font.

Head Office: WALKER CREEK 3, 2ND FLOOR, 90 FLORENCE RIBEIRO AVE
NIEUW MUCKLENEUK, PRETORIA, 0181.
Postal Address: PRIVATE BAG X15, BROOKLYN SQUARE, 0075.
Docex: 54, Pretoria
Tel: (012) 452 3500
E-mail: gous@dyason.co.za • Web: www.dyason.co.za
Directors: WD Gous, SM Singh, TT Bopape.
Consultant: CJB Laubscher, Z Walele, W Cilliers.



FOR ATTENTION:

Lionel Murray Schwormstedt & Louw
C/O: Jacques Louw

Our Reference:
WD Gous/KL/M96188

BY EMAIL:

jflou@iafrica.com

Date:
18/12/2025

Dear Sir,

RE: PROETHICS (PTY) LTD // GROUNDUP & RAYMOND JOSEPH

1. We refer to the above matter and more specifically to your letter received on even date.
2. The writer hereof would like to confirm that our office had sent your offices the signed Founding Affidavit with annexures that had not yet been issued. The Affidavit was sent to Mr Jacques Louw at jflou@iafrica.com on Wednesday, 17 December 2025.
3. The parties agreed that the matter be postponed to next year, i.e. 2026, and therefore there is no urgency between the parties.
4. The writer further confirms that we have sent the signed and issued Application under case number: 2025-247443 to your offices on even date, for your consideration.
5. In light of the above we anticipate the matter to proceed in 2026 as per agreement between the parties.
6. Kindly acknowledge receipt hereof.
7. Our client's rights are reserved.

Yours faithfully
DYASON

Per: Mrs Thato Bopape

Our office will close for the festive season on the 23rd of December 2025 and open on the 6th of January 2026.

B-BBEE LEVEL 1: PROOF AVAILABLE ON REQUEST

Associates: K Tsopo, M Nosilela, M Jansen van Vuuren. Finance: W Nel. Human Resources: JS Nel. IT: JH Phillips.

DYASON INC. No. 1992/001060/21 • VAT REG. No. 4070147865

[Handwritten signature]
AK-12

IRREGULAR EXPENDITURE -

NLC - Main Report

27 November 2023



TRUTH REVEALED

Tel: +27(0) 12 653 4976 | Email: investigation.services@tsuint.com | www.tsuafrica.com

M



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SECTION I - INTRODUCTION

1. PREFACE

- 1.1. We are pleased to submit our final investigation report in relation to possible irregular expenditure incurred as identified and reported by the Auditor General of South Africa ("AGSA") and Management.

2. BACKGROUND

- 2.1. TSU Investigation Services (Pty) Ltd ("TSU") was appointed on 03 October 2022, by the dtic to investigate irregular expenditure incurred by the National Lottery Commission ("NLC").
- 2.2. Following the audit findings of irregular expenditure by the AGSA, the NLC commissioned a review of possible irregular expenditure in terms of the Public Finance Management Act 1 of 1999 ("PFMA") and the NLC's own Supply Chain Management and Disciplinary Policies, for the financial years 2016/2017 to 2020/2021.
- 2.3. The NLC initially appointed Maphosa Attorneys ("Maphosa"), on 26 April 2022, to conduct the review, investigation and assessment of the irregular expenditure. Maphosa Attorneys submitted two (2) reports dated 23 June 2022 and 18 August 2022.
- 2.4. TSU was appointed to identify any other officials that may have been involved in the activities surrounding the appointment of the following companies that lead to the irregular expenditure identified by the AGSA and Management:
 - i) Fundudzi Media;
 - ii) Arena Holdings;
 - iii) Media24;



- iv) Independent Media House;
- v) Diligent Software, BoardEffect;
- vi) MSG Group Sales;
- vii) Regency Apartment Hotel;
- viii) Ndila Transfers;
- ix) NEO Solutions;
- x) Edge Consulting;
- xi) ProEthics;
- xii) Workforce;
- xiii) SRSQS Quantity Surveyors; and
- xiv) Maluks Attorneys.

2.5. Our investigation will consider the findings in the report of the AGSA, and the Maphosa reports.

3. OBJECTIVES AND SCOPE OF WORK

3.1. The objectives of the investigation were to:

- i.) establish whether the NLC incurred irregular expenditure in relation to the contracts concluded with the various service providers;
- ii.) quantify the irregular expenditure incurred by the NLC in terms of the contract concluded and any extensions of the initial contract;
- iii.) identify any other officials involved in the irregularities and recommend appropriate action; and .
- iv.) provide a detailed forensic report with clear and substantiated findings, supporting exhibits and recommendations.



4. PROCEDURES

4.1. To fulfil our mandate, the following procedures were performed:

- i.) obtained and reviewed the reports applicable to the NLC and supporting evidence of Maphosa;
- ii.) identified and obtained outstanding documentation based on the assessment of the Maphosa report dated 23 June 2022;
- iii.) obtained and reviewed the internal and external legislative framework pertaining to irregular expenditure;
- iv.) evaluated the documents against the legislative framework;
- v.) obtained access to Mimecast to identify any communications and outstanding documentation in relation to the contracts concluded and services delivered by the companies in question;
- vi.) profiled the companies linked to the irregular expenditure;
- vii.) interviewed officials linked to the transaction under investigation to obtain their version of events;
- viii.) scribed and confirmed the interview notes to ensure accuracy and completeness thereof;
- ix.) established whether the NLC suffered any losses;
- x.) identified the officials responsible for the losses and/or irregular expenditure;
- xi.) identified control breakdowns and recommend corrective action to prevent recurrence; and
- xii.) drafted a detailed report with evidence substantiating the findings.



5. DISTRIBUTION, INVESTIGATION PROCESS AND SCOPE LIMITATIONS

DISTRIBUTION

5.1. The report is solely for the purpose as set out in the background and objectives of this report and for your attention. It is not to be used for any other purpose, **nor to be distributed to any other parties** without our prior written consent.

INVESTIGATION PROCESS

5.2. The process followed in this assignment does not constitute an audit in accordance with the International Financial Reporting Standards and/or General Accepted Accounting Practises.

SCOPE LIMITATIONS

5.3. Interviews could not be conducted with the following main role players, as they have either left the services of the NLC:

- i) Ms Thabang Mampane, Commissioner;
- ii) Ms Xolile Ntuli, Chief Financial Officer ("CFO");
- iii) Mr Shiluva Ntukwane, Legal Officer;
- iv) Ms Patience Mashele;
- v) Mr Thulani Sikonela, Human Resource Management;
- vi) Ms. Phologue Soyingwa, Senior Legal Officer;
- vii) Ms. Nwabiso Mabuto, Ethics Officer; and
- viii) Ms Mabontle Mokwebo, Senior Specialist Media Liaison.

5.4. Reports submitted by Ms Thabang Mampane, Commissioner to National Treasury and the Auditor General, for the acquisition of media services in terms of Treasury Regulation 16A6.4 with a value exceeding R1 million, as required in



terms of National Treasury Practice Note 8 of 2007/2008 and PFMA SCM Instruction Note 2 of 2021/2022.

5.5 The following documentation could not be provided for NEO Solutions:

- i) Appointment letter to assist with Company Secretariat Knowledge Hub Strategy; and
- ii) The final report of NEO Solutions on the BoardEffect incident.

5.6 The following documentation could not be provided for Edge Consulting:

- i) All bids submitted by the closing date of the tender could not be provided (a re-evaluation of the mandatory and technical requirements could thus not be performed).

5.7 The following documentation could not be provided for ProEthics:

- i) All bids submitted by the closing date of the tender could not be provided (a re-evaluation of the mandatory and technical requirements could thus not be performed).

5.8 The following documentation could not be provided for Workforce Healthcare:

- i) All bids submitted by the closing date of the tender could not be provided (a re-evaluation of the mandatory and technical requirements could thus not be performed).

5.9 The following documentation could not be provided for SRSQS Quantity Surveyors:

Initial Contract

- i) Advertisement for tender to appoint a panel of technical construction services – 20 November 2015;
- ii) Attendance Register Compulsory briefing session 02 December 2015;



- iii) SCM Screening Report (mandatory requirements);
- iv) BEC Minutes and attendance registers – January/February 2016;
- v) BEC Evaluation sheets; and
- vi) Expansion of the scope of work to include all engineering services for NLC infrastructure.

Professional opinion on NLC Head Office Renovations

- i) Communiques between Mr Marito Mabunda, Director SRSQS and Ms Patience Mashele/Mr Thulani Sikonele during the period 16 August 2016 and 22 Augustus 2016.

Professional services in Project Managing the Acquisition of Provincial Office space.

- i) RFQ/02/2018
- ii) Invitation sent to prospective bidders to respond to the RFQ;
- iii) Quotations received from prospective bidders; and'
- iv) Communications between Mr Marito Mabunda, Director SRSQS and Ms Sthembile Modiba, Office Administrator, on 19 January 2018.

Supply and installation of a Borehole – Jabulile Day Care Centre

- i) Request for quotations;
- ii) Quotations received;
- iii) Appointment letter;
- iv) Final quote received from SRSQS; and
- v) Submission for approval of the appointment.

Vandalism Jabulile Pre-School - Security

- i) Documentation pertaining to the appointment of a service provider to provide security services.



Specifications for development of the Solar System for Jabulile Pre-School

- i) Quotation submitted by SRSQS to develop the specifications;
- ii) Acceptance of the quotation;
- iii) Submission for approval;
- iv) Final specifications submitted by SRSQS;
- v) RFQ to install solar system;
- vi) Quotations received;
- vii) Evaluation of quotations; and
- viii) Letter of award.

Professional Services in construction of a disability school in Umzinto KwaZulu

Natal

- i) Request for quotations sent to prospective bidders;
- ii) List of bidders who were requested to quote;
- iii) Quotations received on request;
- iv) Evaluation of quotations; and
- v) Submission for approval of service provider.

Post implementation assessment of fire damage and costing for refurbishment

for Nelson Mandela Museum in Eastern Cape

- i) List of service providers requested to quote;
- ii) Quotes received;
- iii) Evaluation of quotations; and
- iv) Submission to approve service provider.

Assessment on electrical fence and closed-circuit television - Limpopo

- i) List of service providers requested to submit quotations;
- ii) Quotations submitted;



- iii) Evaluation of quotations; and
- iv) Letters to inform successful bidders of appointment.

6. LEGAL ADVICE

- 6.1. Although the work performed incorporates our understanding of the law as it stands, we do not express a legal opinion on the issue, but merely state the facts as brought to our attention.

7. STATUS OF RECORDS

- 7.1. We have verbatim quoted from documents and reports obtained during the investigation. Grammar and spelling mistakes have not been corrected.

8. APPRECIATION AND FUTURE ASSISTANCE

- 8.1. We would like to take this opportunity to express our appreciation to the management and various members of staff for the assistance and courtesy afforded to us during the course of this investigation.
- 8.2. We would be pleased to provide you with further assistance and request that you do not hesitate to contact Ms. Elsje Oosthuizen on (012) 653 8955 or 083 286 0896.

Kind regards

A handwritten signature in black ink, appearing to read 'Elsje Oosthuizen'.

Elsje Oosthuizen
Operations Director
TSU Investigation Services (Pty) Ltd