



MEDIA STATEMENT

**For Immediate Release
All Media Houses
Date: 5 May 2025**

1. Thank you for honouring this media invitation for the much anticipated report into the Mpumalanga Department of Education's procurement of the 22 laptops.
2. I firstly want to assure the people of Mpumalanga and the country that this government is committed to clean, ethical and transparent governance. Hence my earlier commitment to release the findings of the investigation to the public.
3. Just to give you context, I was first alerted by a whistle blower on this matter, as early as the 15th of February 2025, I made inquiries to the department about this purchase, which to me was an anomaly.
4. After receiving unsatisfactory response from the department, I then instructed the Chief Directorate: Integrity, Forensic Investigation and Security

Management within the Office of the Premier to conduct an investigation into the procurement of the 22 (twenty-two) laptops by the Education Department at a cost of R91 482,50 each.

5. The Integrity, Forensic Investigations and Security Management in the OTP derives its mandate from the Constitution Chapter 10 Section 195 (1) as well as applicable prescripts, which enjoin the government to promote and maintain a high standard of professional ethics in public administration.
6. This investigation is in line with the 3 (three) priorities of the 7th Administration, with special attention to the priority of “Building a Capable, Ethical and Developmental State.

7. TERMS OF REFERENCE

In line with the terms of reference the investigation probed amongst others:

- Whether the procurement processes followed to procure the 22 laptops and a printer are in line with the applicable prescripts, such as, but not

limited to, the Public Finance Management Act (PFMA) and Supply Chain Management (SCM) Regulations.

- Assess whether there was a need to buy these high-spec laptops.
- The specifications provided to the Service Provider were correctly developed and approved by the Department's Specifications Bid Committee.
- Whether the Department tested the market to ascertain if there was value for money for the goods received.
- Confirmation of the delivery of goods was in line with the issued specifications.

8. Based on the information gathered, interviews conducted and supporting documentation, we therefore conclude that:

8.1 The procurement process of the 22 laptops and a printer was flawed in material, particular in that:

- ✓ The procurement does not comply with both Section 217 of the Constitution read with the provisions of Section 38 and 45 of the PFMA, as the process cannot be said to have been fair, equitable, transparent, competitive and cost-effective;
- ✓ The supplier did not comply with the terms of the purchase order and delivered laptops of a lesser quality than what was approved and paid for.
- ✓ The departmental officials irregularly specified the brand they required instead of the functionality, resulting in only specific suppliers responding to the issued request for quotations (RFQ).
- ✓ The departmental officials irregularly invited bids from a particular brand of suppliers and within the limited locality of Mbombela despite the fact that it was required

that they expand the scope to all suppliers of all brands provincially.

- ✓ The department accepted delivery of laptops not in accordance with the specification.
- ✓ The initial specifications were varied without a proper process and by an official not duly authorised.
- ✓ The conditions specified by the Bid Adjudication Committee to negotiate the price prior to the order being issued were not adhered to.
- ✓ Then the Department procured laptops of similar specifications, which could have been procured for a lesser amount had due diligence been applied.

8.2 The process involved misrepresentation and possible fraud in that:

- The supplier misrepresented to the department that it supplied the goods as per the award when it knew that the laptops supplied were not in accordance with the specification.

- Officials of the department misrepresented that a correct and proper procurement process was followed.
- Officials of the department misrepresented that the correct goods were delivered, when that was not the case.
- Officials of the department misrepresented that the amount paid was correct, due, and payable to the supplier, when in fact the amount paid was for laptops of inferior quality than those ordered.
- Officials misrepresented that the specification they developed was in accordance with user requirements when, in fact, they used a specification which was developed two years ago and not reviewed for the current procurement.

8.3 GROSS DISHONESTY IN RESPECT OF THE DEPARTMENTAL AND OFFICE OF THE PREMIER (OTP) INVESTIGATIONS.

Certain Officials acted in a grossly dishonest manner, in particular in that:

- They conducted a Departmental investigation into a matter in which they were implicated.
- They failed to make a full disclosure of their involvement and provided incorrect information during the Departmental investigation.
- They misled both the Premier and the MEC by providing inaccurate information during the Departmental investigation.
- The Service Provider acted in a grossly dishonest manner when attempting to cover up its failure to comply with the agreed specifications.
- It is important to remember that the Department appointed a Service Provider to supply 22 (twenty-two) Dell XPS 15 laptops at a rate of R91,482.50 each and 1 (one) HP printer at the cost of R8,269.45, for R2,020,883.45 inclusive of other accessories such as wireless mice and laptop bags.

- In this regard, a rough market scan of the prices of the 4 (four) laptops, namely, **Dell XPS 13, Dell XPS 14, Dell XPS 15 and Dell XPS 16**, indicates that the latter (Dell XPS 16) is the most expensive and the Dell XPS 13 is the least expensive. As illustrated in the table.

LAPTOPS MODEL	ESTIMATED RESALE PRICE @15% markup, inc. 15% VAT	DELIVERED LAPTOPS	COSTS PER LAPTOP (25% markup & 15% VAT)
Dell XPS 13-	R 59 200. 00	20 (twenty) Laptops, delivered in December 2024	R 91 482,50
Dell XPS 14	R 64 579.52	2 (two) laptops, delivered October 2024	R 91 482,50
Dell XPS 15	R 66 095.00	Not applicable	R 0
Dell XPS 16	R 73 189.68	Not applicable	R 0

8.4 NON-COMPLIANCE WITH APPLICABLE PRESCRIPTS

Departmental officials, including those who approved the procurement and those who are members of the committees which handled the procurement, failed to comply with:

- SITA RFB 740-2020 Engagement Model and Guidelines, which deal with the provisions of outright purchase for

personal computers, mobile devices and services and outright purchase of computer peripherals, consumables and services for the Government Departments.

- Sections 38 and 45 of the PFMA in that they failed to ensure that the system of financial management and internal control established for the department is carried out within their area of responsibility.
- Sections 5 (7) (a) and 7 of the Public Service Act requires among others *“(a) A functionary shall correct any action or omission purportedly made in terms of this Act by that functionary, if the action or omission was based on an error of fact or law or fraud and it is in the public interest to correct the action or omission.”*
- Section 21 of the Prevention and Combating of Corrupt Activities Act (PCCA) in that certain officials aided and/or abetted the Service Provider to defraud the Department.

9. RECOMMENDATIONS.

In terms of the recommendations we intend to:

- Immediately recover from the Service Provider any financial losses incurred by the Department regarding the procurement of these laptops
- We will commence with the process of blacklisting the Service Provider on the National/Provincial Treasury Register for Tender Defaulters, as well as reporting same to SITA.
- Institute disciplinary action against all implicated Officials, including the HOD, in line with the applicable prescripts, such as, but not limited to, the Public Service Act, 1994, the Public Service Regulations, 2016, the Public Finance Management Act, 1999 and the Senior Management Handbook.
- Conduct Lifestyle Reviews on all Officials of the Department implicated in the Report, which Review may lead to Lifestyle Audits, in line with the applicable prescripts.
- As a result of the investigation which raises questions regarding the governance of the Department it is necessary to conduct a governance review to establish the

state of the Department. To this end, a review will be conducted in terms of the following broad terms of Reference:

- ✓ Review the functionality of the Department, including its governance and accountability arrangements at all levels.
- ✓ Review the governance and accountability structures and processes, and identify how governance is exercised within the Department.
- ✓ Evaluate with reference to public service prescript compliance with and the effectiveness of governance arrangements within the Department.
- ✓ Evaluate the quality of reporting to all relevant structures, including the Executive Council, the Legislature and other Statutory Bodies.
- ✓ Evaluate the exercise of the specific powers and performance of the functions by any functionary at the executive level provided for in the applicable prescripts.

- ✓ Establishment of a Governance Structure of a Provincial Team, led by Senior Officials from the Provincial Treasury, which will be assigned with the responsibilities to, amongst others:
- ✓ Identify and enhance weak internal controls regarding the procurement of ICT equipment in the Department.
- ✓ Monitor compliance regarding the procurement of ICT equipment in the Department, for the 2024/2025 Financial Year, which will include but not limited to the procurement of laptops for School Principals and procurement of laptops for Circuit Managers.
- ✓ Ensure that specifications are aligned with relevant functions and responsibilities.
 - To report to South African Police Services (SAPS) any possible criminal acts, including, but not limited to, collusion, bribery, corruption, fraud, financial misconduct in terms of the Public Finance Management Act, of 1999, and the Prevention and Combating of Corrupt Activities Act, 2004, and any applicable prescripts.

- On 30 June 2025, a Progress Report will be made available regarding the implementation of all the recommendations flowing from this Investigation Report.