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Zondo Commission: GCIS's procurement processes were like a "mini VBS", says Manyi

Former head of the government communications and information system (GCIS) Mzwanele Manyi had his day at the commission of inquiry into state capture on Wednesday, and wasted no time in taking a swipe at his successor Phumla Williams, who testified in August. Williams had implicated Manyi in dubious structural changes that rendered GCIS hard to govern. According to her, Manyi had disbanded the GCIS bid adjudication committee, a key component of the procurement process within the organisation, and brought in his own people.

Manyi spent about an hour outlining his reasons for making changes to the committee. For one, he told the commission, there was glaring conflict of interest in that the people who sat on the committee also had oversight over the very decisions being made there. He also found "rot" in GCIS's procurement processes, which he likened to a "mini VBS". VBS Mutual is a private bank that came under fire for having been a vehicle for corruption and money laundering for several government entities, at the cost of over R2-billion to the state. The bank was recently put into liquidation.

Manyi cited one particular case of a service provider with dubious credentials, which was irregularly appointed. The only record of GCIS doing business with the supplier, he said, had Williams' signature, which makes one question her role in the irregularity. Furthermore, GCIS had engaged in the fraudulent practice of splitting invoices for amounts exceeding R1-million, so that National Treasury would not pick them up. Treasury regulations require that all transactions over R1-million, across the public service, be reported and scrutinised.

Next Manyi detailed the steps he took to rectify the procurement irregularities he found. "I told the internal auditor to report the matter to all authorities, including the Special Investigating Unit and the Auditor-General."

The report also reached the office of the Statistician-General, for whom one of the sub-contractors in the project was meant to produce artwork, and together the two entities elevated it to National Treasury. During the ensuing investigation some GCIS employees were interviewed and revealed that the said contract would have cost the organisation some R26-million if Manyi hadn't stopped it. Statistics SA had already lost around R64-million, he said, to the sub-contractor, who had not even done the work required.

All this he did, said Manyi, because in the end the buck stops with the accounting officer, and as this was his role as CEO of GCIS, he saw fit to make the changes and save the state money.

He is scheduled to return to the commission on 23 November to answer to several questions from the legal team, relating to his alleged role in facilitating the bankrolling of TNA Media, at the state's expense. The media house was owned by the Gupta family at the time Manyi joined GCIS.

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