

Taxman wants to catch tender cheats

The taxman is to check for unusual activity in the bank accounts of public representatives and senior government officials who are involved in the awarding of lucrative tenders.



The move comes as the government clamps down on state procurement to stamp out looting by unscrupulous officials and the awarding of tenders to pals for financial gain.

Finance Minister Pravin Gordhan announced in his budget last week that keeping tags on the accounts of "politically exposed persons" would be in line with international measures to combat corruption and money-laundering.

SA Revenue Service commissioner Oupa Magashula told the *Sunday Times* that once the practice was in place, those identified as politically exposed would be informed of the intention to probe their bank accounts and other personal financial information.

"Politically exposed people are those people who sit on a lot of resources that they control for the state. They are exposed to being influenced to allocate those resources to other people," Magashula said.

He said as SARS commissioner he would be identified as a politically exposed person, for example, and subjected to financial scrutiny.

"I sit and make decisions on many people's assessments. If I am not vetted, if I am not monitored to make sure that my decisions are consistent and they reflect the highest level of integrity and ethics, then we are not helping [decision-makers] to be less vulnerable to being corrupted."

Huge budgets to spend

Most notably, Magashula said, the director-general of the Department of Public Works would top the list of those whose bank accounts needed to be probed.

"The director-general of public works sits on a huge procurement budget and he is politically exposed. Some politician can come and say: 'This is a political instruction. I want you to direct the following resources to this cousin of mine or my wife.'"

Magashula said the scrutiny would be on a continuous basis and would include the purchasing of houses, cars and other

items to determine whether officials were living within their means.

Gordhan announced last year that the government had lost about R30-billion to tender fraud.

The minister said, however, that he was encountering resistance in his efforts to clean up state procurement from those who were possibly benefiting from the *status quo*.

"There are too many people who have a stake in keeping the system the way it is," he said.

Tighten up

The decision to tighten up the state's procurement system follows announcements by Lindiwe Sisulu, minister of public service and administration, that she plans to amend the Public Service Act to ban civil servants from doing business with the state.

Gordhan said he would also align the Public Finance Management Act and the Municipal Finance Management Act in line with the Public Service Act amendment to ban officials from contracting with the state.

Separately, the head of the Public Service Commission, Richard Levin, said the commission would recommend that all senior managers in the government be compelled to disclose not only their financial interests, but those of their spouses and family members.

He said the commission also wanted them to disclose cash loans, earned income and debts.

Levin said if the recommendation became policy, such disclosure would have to be done carefully to avoid resistance by senior managers.

"Obviously the manner in which those things would be done would have to be in a way that would give confidence. I do think there will be levels of resistance, but it's a proposal that needs to be discussed by policy-makers," Levin said.

Source: *Sunday Times* via I-Net Bridge

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