

KZN Provincial eProcurement Dialogue Paper

Practitioner Perspectives on Digital Procurement Reform, Integrity and Oversight

Pietermaritzburg | 2–3 September 2026

1. Introduction

The KwaZulu-Natal Provincial eProcurement Dialogue was convened as part of the EU–South Africa Dialogue Facility III project, Digital Governance, Ethical Procurement and Anti-Corruption for Inclusive Development, implemented by the Government Technical Advisory Centre (GTAC) in partnership with the Office of the Chief Procurement Officer (OCPO) and other project partners. The dialogue forms part of a broader process of evidence gathering, stakeholder engagement and policy validation intended to support South Africa’s evolving public procurement reform agenda and implementation of the Public Procurement Act, 2024. It provided a structured platform for testing emerging reform considerations against the practical experience of procurement practitioners and other stakeholders responsible for implementing procurement policy and processes.

The engagement brought together OCPO, GTAC, provincial departments, municipalities, public entities, academia and development partners. Rather than serving as a demonstration of a predetermined eProcurement solution, the dialogue focused on understanding operational bottlenecks, governance and integrity risks, institutional capability requirements and opportunities presented by digitalisation. The intention was to generate practice-based evidence that can inform the project’s technical workstreams, future policy dialogue and OCPO’s broader consideration of procurement reform and implementation priorities.

A central message emerging from the dialogue was that digitalisation should not be treated as an end in itself. Participants emphasised that effective digital procurement reform requires alignment between legislation and regulation, procurement processes, data, institutional capability, governance and integrity controls, and technology. Digital tools should therefore enable and strengthen sound procurement practice rather than merely replicate existing manual processes electronically. Beyond identifying common themes, the dialogue provided a platform for participants to test assumptions, challenge emerging reform approaches and share implementation experience from different institutional contexts. While significant convergence emerged on the need for an integrated digital procurement environment, participants also highlighted important questions regarding implementation sequencing, governance arrangements, capability requirements and data management. These issues remain subject to further analysis, validation and policy consideration as the reform process progresses.

2. Digitalisation as procurement reform

A central conclusion of the dialogue was that digital procurement is procurement reform enabled by technology, rather than a technology project in its own right. Participants cautioned against simply transferring existing manual processes onto electronic platforms where those processes remain fragmented, inefficient or overly compliance driven. Participants approached procurement reform from different institutional perspectives. Provincial departments generally emphasised operational practicality, system usability and integration with existing processes. Municipal representatives highlighted challenges associated with uneven capacity, resource constraints and system implementation. Oversight stakeholders focused on transparency, auditability and accountability, while development partners and academic participants emphasised innovation, data governance and international lessons. These perspectives enriched the discussion and highlighted the need for reform approaches that balance strategic ambition with implementation realities.

The emerging approach should therefore begin with the procurement process and the practitioner. Legislation, regulation, workflow, data, technology and governance should be aligned around the outcomes that procurement is expected to achieve. This includes value for money, fair competition, access, transparency, accountability and ultimately improved service delivery.



This issue was particularly relevant to demand management. Participants observed that significant weaknesses arise before the tendering process starts, including late requisitions, weak market research and inaccurate estimates. The dialogue reinforced the view that government has historically placed considerable emphasis on acquisition management while giving insufficient attention to demand management and market assessment.

3. The case for an end-to-end procurement environment

Although participants identified specific functions that could be prioritised for digitisation, the stronger message was that government should ultimately pursue an end-to-end procurement environment.

Practitioners expressed concern that partial digitisation can create additional fragmentation. An electronic requisition followed by manual evaluation, separate contract management and disconnected payment processing still leaves significant breaks in the control and evidence chain. An effective future environment should therefore progressively connect demand and requisition, budget availability, sourcing, tender submission, evaluation, award, contracting, delivery, performance management, payment and oversight.

Participants also emphasised the importance of linking procurement to broader financial management. Procurement decisions should not be made without confirming available budgets, while payment and contract-performance information should remain visible to procurement officials throughout the life of the contract.

4. Data as a procurement management asset

Both days highlighted the need to change the way procurement data is viewed. Data should not exist only to demonstrate compliance retrospectively. It should increasingly become an asset for planning, market analysis, risk management and decision-making. This requires improved data quality and stronger standardisation. Day 1 discussions identified practical concerns with supplier information on the CSD, including outdated contact details, addresses, commodity classifications and potentially inactive profiles. These weaknesses affect both procurement efficiency and the reliability of subsequent analysis.

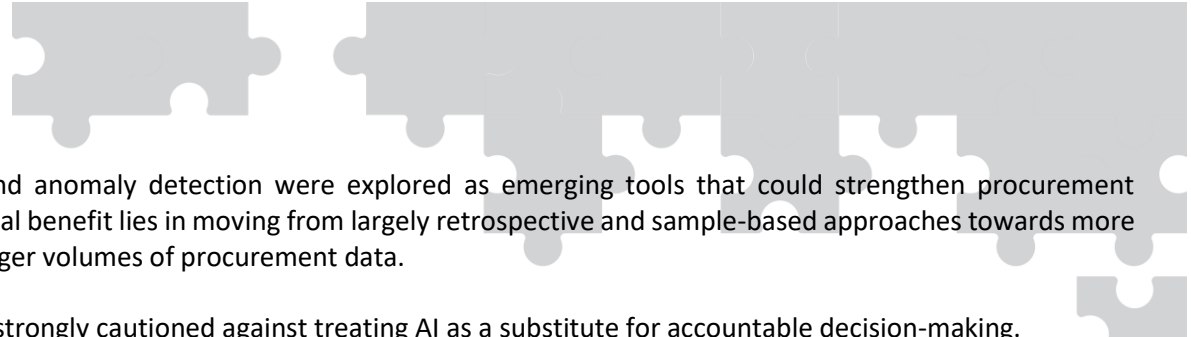
Day 2 extended the discussion by emphasising the importance of common classifications and structured data. Comparable data requires government to use a common language for commodities, suppliers, contracts and transactions. Once procurement data is structured consistently, it becomes possible to undertake meaningful price benchmarking, spend analysis, demand aggregation, supplier-concentration analysis and multi-year planning. Structured data also creates opportunities to identify patterns that may warrant closer scrutiny, such as repeated awards, concentration of procurement among particular suppliers, unusual pricing, beneficial ownership relationships or repeated deviations. Importantly, participants recognised that these are risk indicators rather than findings of wrongdoing. Their purpose is to direct attention and professional judgement to areas of elevated risk.

5. Integrity requires both systems and people

One of the most significant Day 2 discussions focused on whether procurement integrity should primarily be addressed through stronger systems or through people and organisational culture. The dialogue concluded that this is not an either/or question. Digital controls can reduce opportunities for manipulation, enforce workflow requirements and improve traceability, but systems are ultimately designed, operated and administered by people. Equally, relying entirely on individual integrity without adequate system controls leaves procurement vulnerable to manipulation and weak evidence preservation.

Participants therefore supported a combination of human controls and system controls, with each providing a check on the other. The discussion further highlighted the importance of organisational culture and social norms. Sophisticated digital systems can still be circumvented where unethical conduct is normalised or where there are insufficient consequences for manipulation. Digital transformation therefore needs to be accompanied by professionalisation, ethical leadership, change management and explicit attention to the behavioural environment in which procurement practitioners operate.

6. AI, analytics and human accountability



Artificial intelligence and anomaly detection were explored as emerging tools that could strengthen procurement monitoring. The potential benefit lies in moving from largely retrospective and sample-based approaches towards more proactive analysis of larger volumes of procurement data.

However, the dialogue strongly cautioned against treating AI as a substitute for accountable decision-making. Automated tools may help identify anomalies, score risks or flag unusual transactions, but they should not make procurement findings independently. Any scoring, ranking or risk-flagging methodology should be understandable, documented and capable of being explained by the officials and committees relying on it. The discussions repeatedly emphasised the importance of maintaining a human in the loop. Even where digital tools perform substantial analytical work, bid evaluation committees and accountable officials must understand the basis of the recommendation and remain responsible for the ultimate decision. The workshop also recognised the possibility of algorithmic bias. A system can reproduce or amplify biases contained in its training data or underlying design.

Explainability is therefore not simply a technical feature; it is an accountability requirement.

7. Security, privacy and digital sovereignty

The move towards integrated procurement systems also introduces new risks. Security needs to be embedded from the outset rather than added once a system has been developed. Access controls, privileges, system validation, event logs, database security and audit trails all form part of the procurement control environment. The dialogue also raised important questions about privacy. Greater access to open data and the ability to combine multiple government datasets create opportunities for more sophisticated analysis, but do not remove the obligation to use data proportionately and responsibly.

A related theme was digital sovereignty. Participants questioned where procurement information is stored, who controls the technology on which critical government systems depend and what risks may arise from inappropriate reliance on external platforms. These issues point to a broader need to treat hosting, data location, security architecture and technical supply chains as governance questions rather than purely ICT decisions.

8. Auditability and “investigability by design”

Digitalisation creates an important opportunity to strengthen the procurement evidence trail. A future procurement environment should enable an auditor or investigator to reconstruct a transaction years after it occurred. The system should be capable of showing who initiated a transaction, who approved it, what was changed, when it was changed, the reasons for important decisions and the evidence that supported those decisions. This concept was described during the dialogue as “investigability by design.”

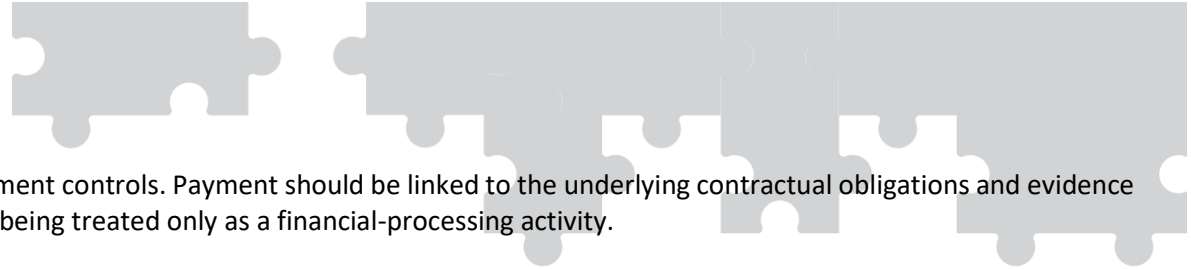
The principle is particularly relevant because missing or incomplete records are a recurring source of audit findings. A properly designed digital environment can address this by creating attributable and time-stamped records throughout the lifecycle rather than reconstructing evidence after a problem arises.

The dialogue also argued that lessons from investigations should be fed back into the procurement environment. Where repeated weaknesses are identified, those lessons should influence future controls, monitoring rules and risk indicators. In this way, oversight can increasingly shift from identifying failures after the event towards earlier detection and prevention.

9. Monitoring beyond contract award

Another important conclusion was that procurement oversight should not stop when a contract is awarded. Participants highlighted the post-award stage; contract implementation, variations, performance, invoicing and payment as an area requiring significantly greater attention. International examples presented during Day 2 reinforced the finding that mature electronic tendering does not automatically translate into strong contract management.

The future digital environment should therefore enable procurement officials and oversight bodies to compare what was planned, contracted, delivered and paid. Contract variations, delays, cost overruns and performance issues should be visible without requiring officials to manually reconcile multiple systems and files. This also points to a stronger role



for procurement in payment controls. Payment should be linked to the underlying contractual obligations and evidence of delivery, rather than being treated only as a financial-processing activity.

10. Contracting for digital systems and planning for exit

Day 2 also highlighted an issue that is often overlooked when government acquires technology: the end of the contract must be planned at the beginning. The discussion emphasised the importance of distinguishing between government data, supplier intellectual property, derived information, audit logs, software and system configurations. Contracts should clearly define ownership and access rights, data portability, interoperability, backup arrangements, migration obligations, continuity requirements and verified deletion.

The practical lesson was expressed simply as “exit is part of acquisition.” This has implications for total lifecycle costing. The cost and practical requirements of migrating away from a provider should be understood before the initial contract is awarded rather than negotiated only once government has become operationally dependent on a platform.

11. Inclusion and supplier access

The dialogue remained conscious that procurement reform must work for suppliers as well as government officials. Day 1 highlighted the need for continued support to rural and disadvantaged suppliers, particularly as electronic procurement becomes more prevalent. Training, supplier roadshows, accurate CSD registration and practical assistance during transition remain important.

At the same time, digital submission can itself reduce barriers to participation by reducing travel, printing and physical submission costs. The objective should therefore be to use digitalisation to broaden supplier access while providing appropriate transitional support to those with limited digital capability.

12. Compliance, audit and procurement outcomes

The discussions also raised a broader concern about the relationship between compliance and procurement outcomes. Participants supported strong controls and accountability but cautioned against allowing procurement to become primarily a tick-box exercise. The dialogue raised examples of potentially competitive bids being excluded because of administrative deficiencies and highlighted the opportunity for digital systems to prevent incomplete submissions before they enter evaluation.

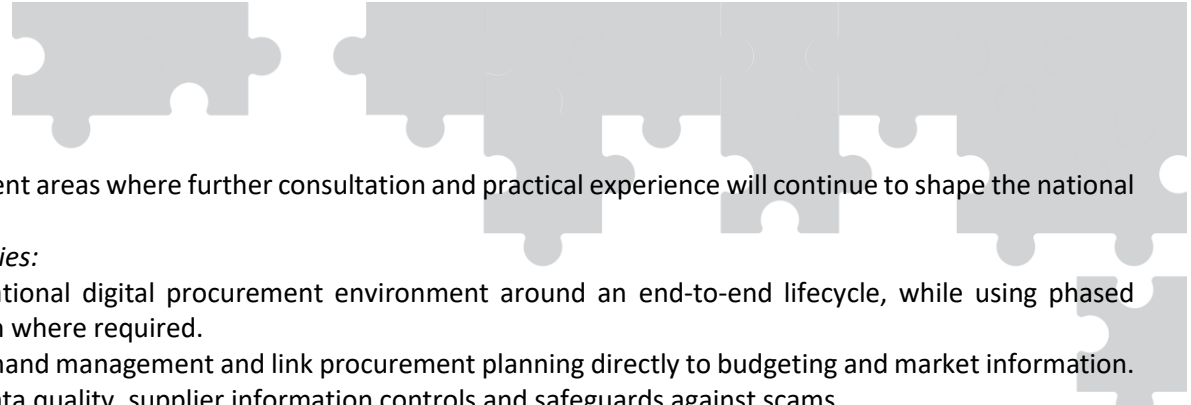
The underlying principle is that compliance should support the objectives of procurement rather than displace them. Audit and control should strengthen the procurement environment, improve decision-making and reduce risk while preserving the focus on competition, value for money and delivery. Several points of broad consensus emerged from the dialogue. Participants generally agreed that digital procurement should be treated as procurement reform enabled by technology, that integrated data is a strategic asset, and that accountability must remain with responsible officials even where advanced analytics are used.

At the same time, participants expressed differing views on several matters. These included the pace at which digitisation should be implemented, the balance between centralisation and institutional flexibility, the sequencing of advanced analytics relative to foundational data-quality improvements, and the governance arrangements required for integrated digital platforms. These discussions highlighted issues requiring continued engagement as reform progresses.

13. Emerging priorities and questions for further policy dialogue

The two-day engagement identified a number of practical priorities and strategic questions that should inform subsequent technical analysis, stakeholder validation and policy dialogue. *Questions requiring further policy dialogue and validation:*

- Which procurement functions should be prioritised during early implementation phases?
- How should accountability be maintained in AI-assisted environments?
- What governance arrangements are required for integrated procurement and financial-management systems?
- How should supplier inclusion be balanced with increasing digitalisation?
- What institutional capabilities are required to sustain long-term digital procurement reform?



These questions represent areas where further consultation and practical experience will continue to shape the national reform agenda.

Emerging reform priorities:

- Develop the national digital procurement environment around an end-to-end lifecycle, while using phased implementation where required.
- Strengthen demand management and link procurement planning directly to budgeting and market information.
- Improve CSD data quality, supplier information controls and safeguards against scams.
- Establish common procurement classifications, codification and data standards.
- Integrate procurement, contract, financial and payment information.
- Build security, privacy, access controls and attributable audit trails into system architecture from the outset.
- Require explainability and human approval for AI-assisted or automated procurement decisions.
- Strengthen contract-management and post-award monitoring.
- Incorporate supplier data, price benchmarking and risk analytics into routine procurement oversight.
- Define data ownership, portability, interoperability and exit requirements when procuring digital systems.
- Continue practitioner and supplier training, professionalisation and change management.
- Provide clearer communication to provinces and municipalities on the national eProcurement roadmap and implementation milestones.

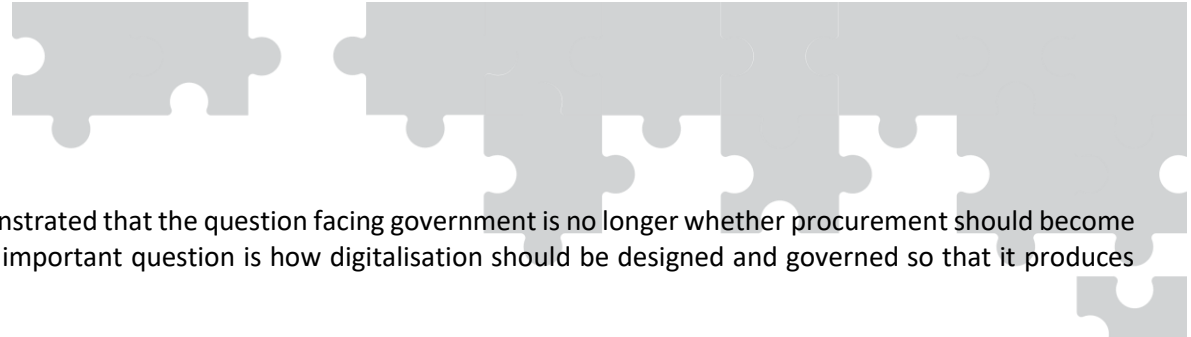
Participants identified several matters requiring continued collaboration and follow-up. These included further engagement on procurement data standards, stronger coordination on integration requirements, continued engagement with oversight institutions, communication of implementation milestones, and ongoing practitioner and supplier support initiatives. These actions provide an opportunity to translate dialogue outcomes into practical implementation activities while maintaining stakeholder engagement throughout the reform process. These priorities build directly on the practical actions identified during Day 1, which included clearer roadmap communication, CSD data-quality improvements, supplier support, stronger MFMA guidance, further integration, engagement with AGSA and continued development of codification and price-benchmarking capabilities.

14. Policy implications and contribution to the broader EU–South Africa Dialogue

The KZN dialogue provides practitioner-based evidence that can inform the project’s broader technical and policy work. The findings reinforce the need to approach digital procurement reform as an integrated institutional reform process encompassing procurement processes, data, governance, integrity, accountability, professional capability and technology.

The findings should not be interpreted as predetermined policy positions or system-design decisions. Rather, they identify areas requiring further analysis, validation and policy consideration as South Africa advances implementation of the Public Procurement Act, 2024 and the broader procurement reform agenda. In particular, the dialogue provides evidence relevant to the project’s work on procurement process mapping and digital transformation; procurement integrity and red-flag identification; ethics, accountability and professionalisation; and knowledge sharing and policy learning. The findings will be considered alongside evidence emerging from other provincial dialogues, technical workstreams, civil society and stakeholder engagements, and relevant international experience.

This cumulative evidence will contribute to the project’s Learning Synthesis Report, policy and knowledge products, and the Anchor Dialogue, through which emerging findings and recommendations can be further tested and consolidated with OCPO and other stakeholders. In this way, the provincial dialogue process creates a feedback loop between implementation experience and national policy consideration.



15. Conclusion

The KZN dialogue demonstrated that the question facing government is no longer whether procurement should become more digital. The more important question is how digitalisation should be designed and governed so that it produces better procurement.

Technology offers significant opportunities to improve efficiency, accessibility, traceability, data quality and oversight. It can help government identify risks earlier, reduce administrative errors and preserve a much stronger evidence trail. However, digital systems can also reproduce weak processes, create new concentrations of technical power and introduce new security, privacy and accountability risks. The central lesson from the two days is therefore that effective digital procurement requires the simultaneous alignment of people, process, policy, technology, data and accountability. The success of the reform programme should ultimately not be measured by whether a new platform has been implemented. It should be measured by whether the resulting procurement environment is easier for legitimate suppliers to access, simpler for practitioners to operate, more difficult to manipulate, more transparent and auditable, better able to identify risks, and more effective at achieving value for money and public-service outcomes.

The KZN dialogue demonstrates the value of bringing together practitioners, policymakers, oversight stakeholders, technical specialists and development partners to examine procurement reform from multiple perspectives. While broad agreement emerged on many priorities, the discussions also highlighted important questions concerning sequencing, governance, accountability and institutional capability that warrant continued engagement. The dialogue therefore provides practitioner-based evidence and practical reform insights that will be tested alongside findings from other project activities as South Africa advances its digital procurement reform agenda.