Parliament welcomes investigation into allegations of fraud and corruption within National Lotteries Commission

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Trade and Industry portfolio committee welcomes investigation into allegations of fraud and corruption within the National Lotteries Commission

At its meeting held with the National Lotteries Commission (NLC) on Tuesday, 10 March 2020, the Portfolio Committee on Trade and Industry welcomed the decision by the NLC to initiate a thorough investigation into the allegations of nepotism, fraud and corruption in relation to its proactive funding.

Mr Duma Nkosi, Committee Chairperson, said fraud must be eradicated in all its forms, adding that “whether there is fraud to the value of R10 or R1 million it is still fraud”.

This followed an engagement with the NLC that provided an update on the distribution of funds from the National Lotteries Distribution Trust Fund, particularly in terms of so-called proactive funding. The NLC also reported on its third-quarter financial and non-financial performance for the 2019/20 financial year.

“Most of the allegations of nepotism, fraud and corruption appeared to be in relation to proactive funding. The NLC committed itself to provide the committee with the terms of reference given to the audit firm investigating the allegations, and that it would report to the committee on its findings and on any measures to be taken,” said Mr Nkosi.

Furthermore, the committee welcomed the improvement of the process to consider and approve the allocation of proactive funding. It was of the view that this could assist in eradicating loopholes and improving accountability.

With respect to its third-quarter financial and non-financial performance for the 2019/20 financial year, the committee welcomed the NLC’s achievement of all its performance targets.