**MEDIA STATEMENT**

**SCOPA TO DEVELOP A FRAMEWORK THAT WILL GUIDE INVESTIGATIONS INTO ALLEGATIONS OF CORRUPTION AT DBSA**

**Parliament, Wednesday, 18 November 2020**– The Standing Committee on Public Accounts (Scopa) met today to consider the matter of the letter it received from the President of the United Democratic Movement (UDM), Mr Bantu Holomisa, and to be briefed by the Eastern Cape Provincial Government’s MEC for Cooperative Governance and Traditional Affairs (Cogta), Mr Xolile Nqatha, on municipal investigations.

Scopa was briefed by Mr Holomisa on allegations of maladministration, mismanagement, and corruption at the Development Bank of Southern Africa (DBSA). Following the receipt of the letter from Mr Holomisa, Scopa sought legal advice from the Parliamentary Legal Services on whether it may conduct an inquiry into these allegations.

Scopa received a legal opinion that states that the allegations contained in the letter are varied but the central theme relates to allegations of financial irregularities in respect of loans made by the DBSA. The allegations relating to the victimisation of board members are not in any way concerned with financial matters, but these are issues consequential to the allegations of corruption and financial mismanagement. Therefore, Scopa is within its legal powers to initiate an investigation into these matters. The request for Scopa to determine whether there is a basis to hold a judicial inquiry into the affairs of the DBSA falls outside of the powers of Scopa.

The committee will therefore begin a process of giving the parties that are cited in these allegations an opportunity to respond. Scopa will develop a proposal and an operational framework that will guide the direction of this process. The committee will also listen to all role players who can assist in this process.

Scopa was also briefed by Mr Nqatha on consequence management with regard to investigations currently taking place in municipalities. The committee commends the initiative by the MEC to ensure that employees that are implicated in cases of corruption and maladministration are flagged and blacklisted. Scopa has asked the provincial Cogta to provide detailed reports, which includes dates on when these investigation reports were tabled to Council.

The state of health and functionality of municipalities in the Eastern Cape remains of particular concern to Scopa. It is in this regard that Scopa has resolved to undertake an oversight visit to municipalities in the Eastern Cape before the end of the year. This will enable the committee to begin a process of ensuring that these matters are receiving the necessary consequence management and are being finalised.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF SCOPA, MR MKHULEKO HLENGWA.**