**QUESTION FOR WRITTEN REPLY**

**NATIONAL ASSEMBLY**

**“2649. Mr R W T Chance (DA) to ask the Minister of Small Business Development:**

**(1) What are the total monthly running costs of the office of the eThekwini’s Small Enterprise Development Agency (SEDA);**

**(2) whether he has found that the allegations of nonpayment of staff salaries are true; if not, what steps are being taken by her department to discipline a certain person (name furnished) for alleged irresponsible public statements claiming that lack of funding of the specified SEDA office led to the specified person taking a personal loan to pay staff; if so, what steps are being taken by her department to regularise payments to the office?”**

**NW2955E**

**REPLY:**

1. The Small Enterprise Development Agency (SEDA) does not readily have the breakdown of actual total monthly costs of the office of the SEDA eThekwini.

As an explanation to the above, SEDA eThekwini is non-profit entity separate from the SEDA network under the Department of Small Business Development (DSBD). SEDA eThekwini is owned by eThekwini Municipality where it possibly submits monthly management accounts. SEDA’s Memorandum of Agreement with SEDA eThekwini is to a maximum of R936 250 per quarter, totalling R3 745 000 per annum and this is primarily a client services performance based with quarterly and annual performance reviews. SEDA’s funding does not make up total funding to Seda EThekwini.

1. As explained above, SEDA’s relationship with SEDA eThekwini is limited to that of a funder, therefore cannot effect disciplinary processes over SEDA eThekwini personnel. Having been informed through media reports on allegations of non-payment of staff and funding of SEDA EThekwini’s office through personal loans, SEDA sought clarity on the matter from eThekwini’s Board of Directors. Following from these engagements, a report is expected from SEDA eThekwini Board. An agreement has already been reached with SEDA eThekwini Board for a due diligence audit to be conducted as part of the current financial year conditional funding agreement.