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| **MINISTRY OF COMMUNICATIONSREPUBLIC OF SOUTH AFRICA**Private Bag X 745, Pretoria, 0001, Tel: +27 12 473 0164 Fax: +27 12 473 0585Tshedimosetso House,1035 Francis Baard Street, Tshedimosetso House, Pretoria, 1000 |

**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NO: 471**

**471. Mr M Bagraim (DA) to ask the Minister of Communications, Telecommunications and Postal Services:**

(1) Whether the board of the SA Broadcasting Corporation (SABC) has implemented the recommendation of Parliament’s Ad Hoc Committee on the SABC Board of Inquiry that the SABC Interim Board, or, if necessary, the new board should urgently engage the Auditor-General to address all its findings relating to irregular, fruitless and wasteful expenditure; if not, by what date does the board intend to implement the recommendation; if so, what was the outcome of the engagement with the Auditor-General;

(2) whether the board initiated any disciplinary steps as required by section 51(1)(e)(iii) of the Public Finance Management Act, Act 1 of 1999, against any officials who made and permitted irregular, fruitless and wasteful expenditure; if so, what form of disciplinary action has been taken against each official?NW535E

**REPLY**

I have been advised by the Department as follows:

1. Yes, the Board has implemented the recommendations of Parliament’s Ad Hoc Committee on the SABC Board Inquiry.

Of the twenty four (24) recommendations that ought to have been implemented, twelve have been successfully implemented by both the Interim and successive Boards. Twelve (12) of the recommendations are in progress due to:

* SIU investigations that are still ongoing;
* Pending civil litigation to declare irregularly awarded contracts unlawful and invalid;
* Recovery of monies due to the SABC; and
* Consultation between SABC management and organized labour on the review of policies and performance management.

The SABC is in constant contact with the Auditor General’s office to address all its findings relating to irregular, fruitless and wasteful expenditure.

1. The SIU and the SABC’s Internal Audit conducted forensic investigations into irregular, fruitless and wasteful expenditure incurred during the period 1 April 2012 to 31 March 2017.

As a result of these investigations, court proceedings on the following companies are underway:

Infornomix;

Mott McDonald;

Asante Sante;

Foxton Communications (Pty) Ltd; and

Lesaf Consulting.

The Board instituted legal action to recover monies from Messrs Motsoeneng and Aguma which they appear to have received irregularly, and recommended the consideration of the institution of criminal charges against these employees who allegedly participated in criminal activities. Both pension pay-outs of Messrs Motsoeneng and Aguma have been withheld pending the finalization of legal processes. Further, a number of legal proceedings have been instituted against companies whose contracts were irregularly awarded. These include:

Lorna Vision;

Sekela Xabiso;

Vision View;

Infornomix; and

Mott McDonald.

Legal proceedings have also been instituted against the following former employees who made and/or permitted irregular, fruitless and wasteful expenditure:

Mr Motsoeneng**:** The SABC withheld his pension pay-out while legal process is underway. Summons has been issued for R21 million against Mr Motsoeneng for damages and losses with regards to the success fee.

Ms B Tugwana:The SABC withheld her pension pay-out for her involvement in the Vision View irregular award of the contract. The matter is being prepared for court and draft papers are with Senior Counsel.

Ms A Raphela: The SIU and SABC instituted proceedings against her to recover the losses suffered by SABC in the approximate sum of R21 million (relating to the R5 million SARS penalty and other irregular contracts) and obtained a court order to freeze her pension.

**Ms. Stella Ndabeni-Abrahams, MP**

**Minister**