###### National Assembly

###### Question Number: 798

**798. Mr C D Matsepe (DA) to ask the Minister of Transport:**

(a) What were the reasons that the Passenger Rail Agency of South Africa suspended its Legal Panel, (b) how long has the specified panel been suspended and (c) what (i) legal provisions were used to justify the suspension, (ii) are the current interim arrangements in light of the legal panel’s suspension and (iii) are the costs associated with the interim arrangements?

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1. The reason for the suspension of the Legal Panel is based on the following Auditor General’s 2016/2017 FY Finding No 6 of the draft Management Letter, which reads:
* **Auditor’s conclusion**
	+ *Management comment is noted. This panel was compiled by SARCC and no SCM process was followed by PRASA in the set-up of the panel. Further, there is no SCM policy followed when selecting suppliers from this panel, it is done based on the preference of the user and not on a rotational basis to ensure, fair, equitable distribution of work and there are no technical proposals submitted every time services are required. Therefore, the method used to select the service providers is not fair, equitable, transparent, competitive and cost effective and does not comply with the requirements of S.51(1)(a)(iii) of the PFMA.*

(b) This panel had been in existence since 2005 and should have been re-advertised.

(c) PRASA Board of Control took a resolution on the 1st of December 2017 to suspend the use of this panel which had been cited on numerous audit reports over the years for its illegality and irregularity. This decision was also informed by the 2016/17 Annual Audit cited the audit finding number 6 on the legal panel matter. The decision to suspend the legal panel was effective only on the new matters and has no bearing on matters already in brief through the different lawyers.

(d) As an interim measure, SCM obtained permission for the use of the South African Civil Aviation Authority, (SACAA) Legal Panel whilst PRASA embarks on the process to procure its own legal panel.

(e) There are no costs associated with the interim arrangement.