

Prasa names stand-in while it seeks CEO

The Passenger Rail Agency of SA (Prasa) board has appointed its company secretary as acting CEO following the abrupt firing of Collins Letsoalo over his pay hike fiasco.

By [Karl Gemetzky](#) 1 Mar 2017



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Prasa board chairman Popo Molefe said on Tuesday, 28 February 2017, that the rail authority would ask the Department of Transport for a refund of all the extra money Letsoalo had been paid.

Company secretary Lindikaye Zide would be acting CEO as Prasa intensified its search for a permanent appointee by April, said Molefe.

But Prasa has not been in touch with the Department of Transport about the decision to fire Letsoalo, who was seconded to the rail agency by Transport Minister Dipuo Peters to help beef up internal governance.

Letsoalo is accused of having pushed for a salary adjustment that resulted in a total package of R5.9m, the same as that of his predecessor, Lucky Montana.

Letsoalo denied wrongdoing at a briefing on Monday and did not respond to requests for comment on Tuesday.

At the briefing, Letsoalo read out a letter from the board as evidence that he was entitled to the increase, but it later emerged that no resolution had been passed authorising his increase.

Letsoalo has apparently not returned to the department.

Department spokesman Ishmael Mnisi has said that under public service legislation the costs of an employee seconded to another entity would be borne by that entity.

Mnisi said on Monday that, as far as the department was aware, Letsoalo's salary, benefits and rank remained unchanged.

Prasa is an important parastatal because it is in the process of a multibillion-rand rolling stock procurement process aimed at modernising SA's commuter rail network and associated infrastructure. The process has been mired in controversy, with Montana leaving Prasa in 2015 under a cloud after the release of the public protector report titled *Derailed*.

That report revealed the depth of governance lapses at Prasa, including that there was widespread fraud and corruption in the awards of its tenders.

A few high-profile staff, including Daniel Mtimkulu, Prasa's lead engineer, were found to have faked their qualifications, leading to a companywide process to verify its employees' qualifications.

The public protector ordered a review of all contracts above R10m in a process led by the Treasury while multiple parallel investigations are being conducted at Prasa.

Mtimkulu was fired.

The delivery in 2015 of Spanish-made Afro 4,000 locomotives, which were found to be too tall and unsuitable for SA rail infrastructure, crystallised the extent of the mess at Prasa.

Prasa incurred R13bn in irregular expenditure, making it one of the biggest contributors to the overall state total in 2015-16.

It was against that backdrop that Letsoalo was seconded from the transport department.

The South African Transport and Allied Workers' Union, the second-biggest union at the rail agency, said it wanted to meet Peters to discuss the "deteriorating circumstances" at Prasa.

Source: Business Day

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