

'Peters has no power to derail Prasa probe' - Molefe

By [Andiswa Maqutu](#)

26 Aug 2016

Transport Minister Dipuo Peters's directive that the Passenger Rail Agency of SA (Prasa) halt a forensic investigation may come to naught.



Dipuo Peters (Image source: www.arrivealive.co.za)

Public Protector Thuli Madonsela's office clarified that nobody can interfere with the implementation of remedial action recommended by the protector without taking its reports on judicial review.

The instruction has also been met with resistance by Prasa board chairman Popo Molefe, who has cited the Constitutional Court judgment reaffirming the public protector's powers.

The extraordinary development comes against the backdrop of President Jacob Zuma announcing this week that he would exercise greater oversight of state-owned enterprises, which have been a theatre for corporate governance failures.

Peters issued the instruction to Molefe in a letter dated August 12. "Whilst your efforts to clean up the organisation and enhance good corporate governance are commendable, I am deeply concerned that this investigation seems endless and without a clear scope," Peters wrote.

Peters also wrote that this had resulted in excessive spending of about R80m paid to Werksmans Attorneys.

Public protector spokesman Oupa Segalwe said on Wednesday, 24 August, the office would look into the case as the facts were unclear.

"Generally, no person is allowed to interfere with the implementation of the public protector's remedial action, unless they take her report on judicial review," said Segalwe.

"However, because we do not have the facts, we will check with the minister's office," he said.

Molefe said Prasa would not stop the investigations. "The minister has no powers to stop the investigations.... Her instruction is a violation of ... the Constitution and ... the Public Finance Management Act."

Prasa had instituted the investigation after Madonsela's report, released in August 2015, found widespread tender irregularities at the rail parastatal.

The auditor-general had also raised the alarm about Prasa.

Titled "Derailed", Madonsela's report found that Prasa had awarded tenders improperly, contravening its supply chain management policy, the Public Finance Management Act and the Constitution. Madonsela ordered that the Treasury commission forensic investigations into contracts and tenders above R10m at Prasa.

The Treasury would work independently but she would set the terms of reference "so that they don't go too shallow".

By September 2015, five investigations were under way at Prasa, including a skills audit conducted at Peters' behest.

Department of Transport spokesman Ishmael Mnisi said: "The minister asked the Prasa board to close off the investigation as soon as possible and submit a detailed report."

DA MP Manny de Freitas on Wednesday said Peters had to give reasons for her "about-turn" on the investigations, and "avow that this latest move has nothing to do with President Jacob Zuma's and her relationship with the Guptas".

With Genevieve Quintal

Source: Business Day

For more, visit: <https://www.bizcommunity.com>