



MEDIA STATEMENT BY THE 2017 INTERIM BOARD OF THE SOUTH AFRICAN BROADCASTING CORPORATION SOC LTD IN RELATION TO AN INVESTIGATION BY THE SPECIAL INVESTIGATING UNIT: PROCLAMATION NO R19 OF 2018 (GG NO 41754 DATED 06 JULY 2018, AN AMENDMENT TO PROCLAMATION NO R29 OF 2017

Johannesburg – Thursday 06 December 2018- It is public knowledge that the SABC has been beset by governance challenges and thus rendered dysfunctional for several years now. As a direct result of this dysfunction, and in terms of section 15A(3) of the Broadcasting Act, an interim Board of the SABC was appointed by the then President of the Republic of South Africa with effect from 27 March 2017. The board members were:

Ms. Khanyisile Kweyama (Chairperson);
Mr Mathatha Tsedu (Deputy Chairperson);
Ms Febe Potgieter-Gqubule;
Mr John Matisonn; and
Mr Krish Naidoo.

Part of the Interim Board's mandate was to resolve the challenges at the SABC, effectively to clean up the SABC. Most notably, the interim Board was required to implement the findings of the report of the Parliamentary Ad-Hoc Committee on the SABC Board Inquiry as well as those contained in the Public Protector's report on the SABC titled "*When governance and ethics fail*". Both reports required the interim Board to carefully consider potential fruitless, wasteful, irregular and fraudulent contracts concluded by the then and/or previous SABC executives.

The Interim Board is satisfied that it has conducted this task effectively, reducing the corporation's losses by more than R 400 million in its six months' term of office. The Interim Board utilised an SABC Internal Forensic Audit team to conduct several investigations that led to disciplinary action being taken against the relevant staff members. Furthermore, at the request of the Interim Board, the President issued Proclamation No R.29 of 2017 for an investigation to be conducted by the SIU on various matters relating to procurement of, or contracting for goods, works and/or services at the SABC.

During the interim Board's tenure, they uncovered multiple procurement irregularities which led to the award of various contracts. The interim Board was responsible for setting aside

such contracts, some of which became litigious, and were successfully defended by the SABC.

One of the contracts which came to the interim Board's attention is that of the provision of security services at the SABC Auckland Park Offices and TV Outside Broadcasts ("TVOBs"), with tender number: RFP/LOG/2017/3 ("the Tender").

On becoming aware of allegations relating to the Tender, the Chairperson amongst others, disclosed the information to the interim Board members. Based on the allegations and other objective factors, including consulting extensively with the Supply Chain Management team and the Legal team, the Interim Board resolved unanimously to appoint Mafoko. The interim Board simultaneously referred the whistle-blower allegations to the SIU. It is on this basis that the SIU was issued with the amendment proclamation No 19 of 2018, to include the Tender in the procurement matters to be investigated.

The interim Board has provided extensive documents and information to the SIU including written responses to inquiries directed by the SIU in writing. The SIU has since advised that it is investigating the Interim Board which was appointed to correct matters plaguing the SABC. Obviously, all five members of the Interim Board find this attitude by the SIU curious, but have nevertheless assured the SIU of their complete cooperation. To this end, the SIU has advised that it will take into account the Interim Board members' written representations in reply to several matters relating to the Mafoko contract before making final recommendations to the President, currently expected to be on or before 30 April 2019.

We trust that the SIU will complete all the extensive investigations the Interim Board has passed on to them as speedily as possible.

END

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