



MEDIA STATEMENT

SABC BOARD CONDEMNS LEAKING OF MEMORANDUM AUTHORED BY TWO NON-EXECUTIVE DIRECTORS

Johannesburg-Saturday, 21 September 2019-It has come to the attention of the SABC Board that a memorandum authored by two non-executive Directors containing untested allegations has been widely distributed to the media. On 13 September 2019 a memorandum by Deputy Chairperson Ms. Mamodupi Mohlala-Mulaudzi and Dr Marcia Socikwa was submitted for Board consideration. It alleged improper conduct by the SABC's Group Chief Executive Officer (GCEO), Mr Madoda Mxakwe, and the Chief Financial Officer (CFO), Ms Yolande van Biljon. The memorandum was not discussed by the Board as the document was distributed shortly before the meeting was set to commence.

Consequently, the Board decided that the memorandum and matters relating to complaints against Ms Mohlala-Mulaudzi and Dr Socikwa would be discussed at the next meeting.

The SABC Board believes that the leaking of the memorandum is highly prejudicial to the SABC GCEO and CFO as it contains allegations that have not been tested. It is the view of the Board that the leaking of the memorandum before its discussion is intended to bring the SABC, the Board, and the two Executive Directors into disrepute. Until the allegations contained in the memorandum are tested and found to be factually correct, they should be treated as allegations.

Because of the prejudicial nature of the untested allegations, Mr Mxakwe's preliminary response is as follows:

"The allegations contained in the memorandum are wholly unfounded, baseless, and defamatory to me and the CFO in particular, and we are consulting our legal advisors in this regard. The issues dealt with in the memorandum are operational matters within the domain of the Executives and are being attended to in various legitimate and legal forums created to deal with such cases. All the names mentioned are of

employees that are either going through disciplinary processes or have been dismissed, having followed due processes.

Former SABC employees are exercising their rights by challenging the outcomes of disciplinary processes at the CCMA, Labour Court and the Labour Appeal Court. These cases are pending, and we urge everyone to respect the processes by refraining from pre-empting the outcomes, interfering or creating parallel processes.

In pursuing matters of fraud, mismanagement, sexual harassment, irregular salary increases or irregular appointments, the SABC is doing so to ensure that it instils proper governance and a culture of accountability. The SABC has had a sustained systematic collapse of governance and financial systems and the current leadership team is committed to a process of rehabilitating and renewing the SABC. Disciplinary hearings are aimed at ensuring appropriate consequence management, where applicable, and following due processes at all times.

It is clear that there is an intense 'fight back' campaign waged against both the Board and the Executive Management team responsible for consequence management at the Corporation. This campaign entails the unlawful accessing of official SABC documents for leaking to certain media houses in a deliberate attempt to undermine the independence and effective functioning of the SABC and to create the impression of a divided leadership of the Corporation. We shall not be deterred".

The Board reaffirms its support for the excellent work performed by the current Executive Management team under the leadership of Mr. Mxakwe. The Board is pleased to announce that the following successes were achieved by the current leadership under challenging circumstances:

- SABC News was rated as having the best and most successful coverage of the May 2019 National and Provincial general elections;
- On 10 September 2019 the Board approved a Turnaround Plan, meeting National Treasury pre-conditions for a R3.2 billion bailout for the SABC;
- For the financial year 2018/19 the SABC received a qualified audit opinion from the Auditor-General of South Africa. This saw an improvement from a disclaimer opinion during the financial year 2017/18;
- Irregular expenditure has been significantly reduced by 65% in the financial year 2018/19;
- The organisation recorded a solid 33% reduction in losses in the past fiscal;
- The team continued to drive revenue generation in a very tough economic environment;
- Significant progress has been achieved in addressing Internal Audit findings;

- Successful acquisition of sports broadcast rights at prices that are commercially viable for the Corporation; and
- Ensuring sound governance by driving consequence management and putting internal controls in place.

As the Board we are fully behind the Executives who - acting within the confines of law - will ensure that the Corporation will rid itself of all its legacy issues.

The Board made a commitment in Parliament that it would not be defocused by the unfortunate events emanating from its commitment to consequence management. South Africans have entrusted the SABC Board with the responsibility of rehabilitating and renewing this national asset and the Board will continue to act in the public interest.

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Issued By: SABC Board

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