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Zondo commission – R50m payment to SA Express not my responsibility, says premier Mokgoro

North West Premier Job Mokgoro has defended his authorisation of a 2015 payment of R50-million to subsidise SA Express (SAX) for airline operations relating to new flight services between Mahikeng and Johannesburg. Under the provincial transport department's five-year contract with SAX, the funding was in respect of a proposal presented by the airline that required a R110-million subsidy in the first year.

Mokgoro appeared before the commission of inquiry into state capture on Thursday. He told the commission that the SAX project had not been budgeted for, but the provincial executive council had committed to a long-term programme for Mahikeng's revitalisation. For this to happen, each department was to put funds in the care of the premier's office, for which Mokgoro was the acting director-general, and these would be spent as and when programme deliverables required.

Although he signed off on the payment, Mokgoro was adamant that this did not make him accountable for the move, given that the accounting officer for the task was the then head of the transport department. He was merely the co-ordinator of all funding relating to the Mahikeng programme. The R50-million came out of R132-million already collected from the different departments.

He conceded that the executive committee's decision to go with SAX made no sense, as the cost was higher than other proposals received, the second highest of which was just under R5-million.

"Maybe in hindsight I should have gone back to exco and told them that their decision was uninformed, but that was not my place," said Mokgoro.

But he was pressed on his authorisation predating the contract, since one of exco's directives was to wait until the contract had been signed before releasing payment. Mokgoro cited pressure from an expectation for SAX to start operating immediately as his reason, when asked by evidence leader Advocate Kate Hofmeyr.

"The airline had to start operating – I would have to check the records – on a particular date. I think that must have been one consideration why this thing had to be processed," he said.

Even though it was his signature on the document, he said, that did not mean he was the accounting officer for the transaction as his was a mere processing role, in light of a decision that had already been made. A procurement process had already begun within the transport department, which was to implement the project, for which the head was responsible. For this reason, Mokgoro argued, it was the transport HOD who would account for the expenditure.

But Hofmeyr challenged Mokgoro on the Public Finance Management Act's (PFMA) definition of an accounting officer, which is a senior administrative official who oversees expenditure for his department and satisfies himself of its regularity.

Mokgoro's response was that the PFMA had a linear scope, and did not consider inter-departmental functions as what happened in this case.

"The PFMA, in a sense, contradicts the concept of government working together, because what the PFMA prescribes is a vertical approach of accountability. You have an accountability officer, you have a political principal whose responsibility is to account to the people who have elected him or her. You have an accounting officer who amongst others has to oversee the expenditure of funds in terms of the rules in the Act."

Mokgoro is expected to return on a later date for re-examination by his legal representative.

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