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GAUTENG PROVINCIAL LEGISLATURE

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

Thursday, 12 July 2012

ANNOUNCEMENTS

none

TABLINGS

none

COMMITTEE REPORTS

1. The Chairperson for Privileges & Ethics Standing Committee, Mr S Ngwenya, tabled the Committee's report on the Office of the Integrity Commissioner's report on investigations into allegations of improprieties by the Speaker of the Gauteng Provincial Legislature: Hon. L M Maseko, as attached:



PRIVILEGES AND ETHICS STANDING COMMITTEE

REPORT ON THE OFFICE OF THE INTEGRITY COMMISSIONER'S REPORT ON INVESTIGATIONS INTO ALLEGATIONS OF IMPROPRIETIES BY THE SPEAKER OF THE GAUTENG PROVINCIAL LEGISLATURE

12 JULY 2012

TABLE OF CONTENTS

PAGE No:

1. INTRODUCTION	4
2. PROCESS FOLLOWED	4
3. ALLEGATIONS AND INVESTIGATIONS FROM THE IC	5
4. COMMITTEE CONCLUSIONS	8
5. COMMITTEE RECOMMENDATIONS	8
6. ACKNOWLEDGEMENTS	8
7. ADOPTION	9

ACRONYMS/ACCRONYMS

CIPIC	Companies and Intellectual Property Commission
DDC	Delmont Caldow Caterers
IC	Integrity Commissioner
FNB	First National Bank
MEC	Member of the Executive Council
MPL	Member of the Provincial Legislature
COCE	Code of Conduct and Ethics
GPL	Gauteng Provincial Legislature
SCM	Supply Chain Management

The Chairperson of the Privileges and Ethics Standing Committee, Honourable S. Ngwenya, tables the Committee's Report on the Investigation into Allegations of Improprieties by the Speaker of the Gauteng Provincial Legislature (GPL), Hon. LM Maseko as follows:

1. INTRODUCTION

This report is in terms of Rule 281 of the Standing Rules of the GPL, Version 5, Revision 1. The report outlines the process of the Standing Committee in considering the Integrity Commissioner (IC), Dr R Mgijima's report on the investigation that was undertaken in terms of Rule 285(1) which reads as follows:

"The Integrity Commissioner:

(1) may of his/her own accord, investigate any alleged violation of the Code of Conduct and Ethics".

Furthermore, the purpose of this report is to provide an overview on an investigation into whether the Speaker of the GPL had breached the Code of Conduct and Ethics (COCE) for Members on matters raised in the media during the months of February/March 2012.

2. PROCESS FOLLOWED

On Wednesday, 11 July 2012 the IC presented the report to the Privileges and Ethics Standing Committee of the investigation into the alleged improprieties by the Speaker, Hon. L M Maseko. The Committee deliberated, noted and accepted the IC's report and the recommendations made therein

On Thursday, 12 July 2012, the Committee deliberated and subsequently adopted its Report on the Investigation into the Allegations of Improprieties by the Speaker.

3. ALLEGATIONS AND INVESTIGATIONS

3.1. Catering for the Gala Dinner at the Dome

After the opening of the GPL, there were media reports alleging that the Speaker had not declared some of the companies in which she is a Director, as required by the Register of Members' Interest, as stated in the Code of Conduct and Ethics for Members.

Furthermore, the GPL hosted a Gala dinner at the Coca Cola Dome whose catering company i.e. DCC is partly owned by the Speaker's daughter.

Originally, the venue for the Gala dinner was planned to be held at the Irene Country Lodge in Tshwane. At a later stage, it was discovered that, the venue could not accommodate more than 500 people. As a result, a decision was taken by the Project Team to abandon Irene Country Lodge for a bigger one i.e. the Coca Cola Dome which could accommodate more than the required 600 people. This was necessitated by a request from FNB, for the GPL to extend an invite to their (FNB) guests as they had made a substantial contribution towards the total costs of hosting the Gala dinner.

With regards to the insinuation that, the Speaker might had in any way influenced the decision by the officials to opt for the Coca Cola Dome, this could not be qualified. The Committee noted that a Project Team (PT) was appointed by the Secretary to the Legislature and chaired by the Executive Director - Core Business, which was composed of officials only from the GPL and was responsible for procuring all venues, goods and services for the opening of the GPL.

3.1.1 Committee Findings on Catering for the Gala Dinner at the Dome

The following are the Committee's findings:

- Delmont Caldwell Caterers (DCC) rents a dedicated portion of the banqueting space at the Dome and hence catered for the Gala dinner of the opening of the Legislature.

- DCC was listed in the data base of the Dome amongst many catering companies and was not the sole provider of catering services at the venue.
- The Project Team did brief the Speaker from time to time of the progress being made on all aspects of the arrangements for the opening of the GPL.
- The Speaker was not part of the selection or any decision-making process on the acquisition of the venue by the GPL.

3.2. Non-Declaration of Directorship

It was alleged in the media reports that, the Speaker of the GPL had not declared some of the companies in which she is/was a Director. The media had reported that "she is a Director of at least 17 companies". The following companies were alleged by the Star newspaper not to have being declared by the Speaker:

- I. Autumn Star Trading 898 (shelf company).
- II. Ditholwana Mining and Exploration (in a process of deregistration).
- III. Dyambu Holdings.
- IV. Katlego Investment Holdings.
- V. West Side Trading 570 (in a process of deregistration).
- VI. Tissella Investment Holdings.
- VII. Palesa ya Sechaba Properties (shelf).
- VIII. Xiluva Xa Rixhaka Properties (shelf company).

3.2.1. Committee Findings on Non-Declaration of Directorship

The records of the Companies and Intellectual Property Commission (CIPIC) revealed that indeed the name of the Speaker, as a Director appears on all the additional 8 companies which were listed by the Star newspaper of the 28th as

undeclared in the Register of Members' Interest which comes to a total of 16 companies and not 17 as claimed in the article. However, CIPIC hastened to note that all, but one of these companies which have not been declared by the Speaker had been deregistered prior to the date of the declaration. The company that has not been deregistered is Imvelopark which is recorded as "not for profit". It is not clear how the newspaper arrived at the figure of 17 being the total number of companies in which the Speaker has directorships.

3.3. Alleged Exorbitant and Frivolous Groceries

On the 2nd March 2012, it was alleged in the media that the Speaker had requested her office to purchase office groceries amounting to R10 998,00 which included alcoholic beverages, articles of a personal nature and medicine.

The IC's report highlights the reasons provided for a decision to purchase the articles of a personal nature and medicines to the effect that such a decision would have been necessitated by the GPL not having a resident nurse. Accordingly, the IC's report notes a decision by the GPL to the effect that in future such items will not be purchased as the services of a resident nurse have been acquired.

3.3.1. Committee Findings on Alleged Exorbitant and Frivolous Groceries

The following are the Committee's findings:

- The alcoholic beverages remained on the original list, which was sent to procurement (and in the possession of the media). However, the alcoholic beverages do not form part of any invoice from any dealer including the Spar where the rest of the groceries were bought. Initially, the Speaker was the one who had challenged the inclusion of the alcoholic beverages on the list, as being extravagant expenditure and this assertion was further, confirmed by the Finance and Procurement Units that had advised that payments for the said beverages was not permissible.
- The requisition listed in the media, to the tune of some R10 000,00 (which amount excludes alcoholic beverages) was intended for a period of six months worth of groceries. However, it was an unusual occurrence, occasioned by a

crisis in the finance department which foresaw non-unavailability of monthly petty cash allocation for sometime in the future.

- The order for groceries was approved by the Finance and Procurement officials (except alcoholic beverages) on the basis that, it was budgeted for and was made up of items that were regarded as essential for the Office of the Speaker.

4. COMMITTEE CONCLUSION

The Committee therefore, concludes that in all 3 matters, the Speaker has in no way contravened the COCE for Members of the GPL.

5. COMMITTEE RECOMMENDATIONS

In light of the conclusion as stated above, the Committee makes the following recommendations in respect of administrative policies and procedures of the GPL and further recommends that the affected parties monitor the implementation thereof:

5.1 Record Keeping

Minutes and or decisions made by the project teams during requisition processes should be recorded in all instances especially in those instances where deviations have been applied. It is in instances where deviations have occurred where there is likelihood for it to come under scrutiny at a later stage.

5.2 Supply Chain management (SCM) Policy and Procedure Manual

The SCM Policy and Procedures Manual documents are in need of revision to ensure that they in turn are more specific, unambiguous and clear.

5.3 Declaration of Members Interest Forms

The Declaration of Members Interest Forms should be urgently revised to bring them more in line with the requirements of the COCE.

6. ACKNOWLEDGEMENTS

The Committee would like to thank the Integrity Commissioner, Dr R Mjijima, for his dedication and veracity in dealing with this case.

I would like to thank the following Honourable Members for their diligence in consideration of this report: BT Hlongwa, RS Letwaba, GJ Steyn, M Mayekiso, RE Gudlhuza, and BW Dlamini.

Lastly but not least, the Committee would like to express its hearty gratitude to the following Support Staff for their sterling work during this process: Mr. R Chiloane, Acting Director Parliamentary Business; Mr. M L G Mashifane, Personal Advisor to the Deputy Speaker; Ms. J Singh, Acting Manager Proceedings Unit; Ms. N Montisi, Senior Committee Coordinator; Ms. E Sass, Committee Administrator; Mr. J Moloji, Hansard Recorder and Mr. B Modise, Service Officer.

7. ADOPTION

After due deliberations the Privileges and Ethics Standing Committee adopted the report unanimously. In accordance with Rule 168, the Committee tables the report and recommendations made herein for consideration and adoption by the House.