



transport

Department:
Transport
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

DATE: 24 August 2016

TO: All Media

ATTENTION: News Editors / Transport Reporters

For immediate use

MINISTER OF TRANSPORT STATEMENT REGARDING PRASA'S INVESTIGATIONS LED BY WERKSMANS ATTORNEYS INTO SEVERAL IRREGULARITIES IDENTIFIED IN THE AUDITOR GENERAL (AG) REPORT

The Minister of Transport commissioned an investigation into Prasa following several irregularities identified in the AG's report and the over-rising costs. As a result, the Minister wrote a letter as Prasa's shareholder to express her concern over the long and protracted investigation by Werksmans Attorneys. To this end, the Minister has not received any report into this investigation which has been ongoing for months.

The Minister's concern is that the investigation seems endless and without a clear scope and a specific end objective. This situation has resulted in excessive spending, which is reported to be in the region of R80 million. This spending is besides the current financial challenges Prasa is facing as an entity and the country at large. Exacerbating this is the fact that the money spent has not been budgeted for and can be regarded as irregular expenditure.

The Minister asked the Prasa Board to close off the investigation process as soon as possible and submit a detailed report indicating the progress and the outcome of the investigation. On the basis of the report to be submitted by Prasa, a determination of any further investigation and a way forward will subsequently be made after studying the report in detail. To this end, the Minister has not received such a report by the Board.

In the letter to the Board, the Minister directed Prasa to focus the scope of the investigation which will allow Prasa to have a budgeted investigative plan with clear timelines that can be monitored continuously.

In this regard, the Minister of Transport shareholder mandate is derived from the Legal Succession Act of the South African Transport Service Act of 1989 as amended in November 2008.

Ends -

ISSUED by:
Department of Transport
159 Forum Building
Pretoria
0001

<http://www.transport.gov.za>

Enquiries: Ishmael Mnisi 072 566 0827