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14 April 2023

Minister of Public Works and Infrastructure
Private Bag X65
Pretoria
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ATTENTION: MINISTER SIHLE ZIKALALA

Dear Minister Zikalala,

RE: ALLEGED IRREGULARITIES AT IDT

Congratulations on your appointment as Minister of Public Works and Infrastructure. I have no doubt you will find it a fascinating and diverse portfolio. I am also without doubt that you will discover that the Department and its entities are riddled with fraud and corruption which runs deep and is difficult to both identify and eradicate.

That being said, one of the entities that has had a long a chequered past is the Independent Development Trust. The former Minister tried to shut it down, but when I advised her that there was a Trust Deed that required a quorate Board to resolve to dissolve the Trust, she was forced to reinstate the Board.

The new Board began with a renewed sense of purpose and appeared to have the will to turn the IDT around and work toward a sustainable entity. However, over the past few months, I have been receiving reports from several current and former employees that there are grave issues in the entity that need to be exposed and addressed. As a result, I am now asking that you launch a forensic audit into the IDT, with specific focus on the following areas:

1. The ongoing “acting” of Ms Tebogo Malaka who is listed as both the Chairperson of the Board and the Acting CEO. It is my understanding that after 18 months in this position, Ms Malaka has been recommended to be appointed on permanent basis and that such recommendation is with Cabinet. Why was this position not opened to an application process, both internally and externally? Why has it taken so long to make a decision with respect to the appointment of a permanent CEO? Is this in line with Public Service and Administration prescripts?


Please also note that should Ms Malaka be appointed on this basis, we will oppose it.

2. In line with the above, I have been advised that Ms Malaka has a security detail who are in permanent attendance. It has been alleged that they are armed. Please could you establish (and provide evidence) whether or not a risk assessment was done on Ms Malaka, whether that assessment was provided to the Board and whether or not that was the basis for determining that she required a security detail. Furthermore, questions have been raised about the supply chain management process (or lack thereof) that was followed to appoint the company that provide the security detail.
3. I was advised that a tender process was followed to appoint an organisation to draft an organisational design for the IDT in 2018. According to information I have, the service provider was appointed irregularly as they did not comply with the specifications, in particular, they were not tax-compliant at the time. The AFS for that period refer to the payments to Meso Human Capital (the service provider) as irregular. It is further contended that the project was never completed. After questions were asked by myself and Hon. Hicklin in this regard, a new tender for an organisational design was withdrawn in March 2021. The tender was for the same work ostensibly undertaken in 2018.
4. In terms of the HR practices of the organisation, it has been alleged that the IDT is seconding individuals from private organisations for specific projects and is then appointing them to permanent positions in the IDT without following any of the correct appointment processes.
5. I am in possession of a number of allegations regarding existing employees. These include individuals who were previously employed by the IDT but left due to allegations of misconduct, sexual harassment and fraud. They have since been reappointed. In addition, it seems that some of these people are now earning salaries way in excess of what is deemed appropriate for their positions, despite the entity budgeting for a R65million loss in the coming financial year.
6. Allegations have been made that the supply chain process, especially with respect to bid adjudication processes are compromised. Furthermore, it has been alleged that the CFO of the organisation is completely excluded from supply chain processes which appears to be irregular.
7. The IDT further appears to be covering up the issue around the proposed new head office lease. Despite my having asked both Parliamentary and Oral Questions to the former Minister, there is still no clarity on the proposed relocation, lease and sale of the existing building by the IDT. However, an amount of R21million has been budgeted which includes an amount for the new building at around R700 000 per month. This lease needs further investigation as there appear to be a number of irregularities around it.

These are some of the allegations that have been made to me by several people and I have undertaken to follow through with them. I wanted to give you an opportunity to attempt to ascertain how many of these are true and to make a determination in this regard. I will also be submitting further written questions on this in order to reach further conclusions. I would be grateful if you could please provide me with an update on your investigation and feedback with respect to information you have received in this regard.

If you wish to discuss anything further, please do not hesitate to contact me.

Kind regards,

A handwritten signature in black ink, appearing to read 'Samantha Maré', written in a cursive style.

SAMANTHA GRAHAM-MARÉ, MP

SHADOW MINISTER: PUBLIC WORKS AND INFRASTRUCTURE