

Prasa gets more than rap on the knuckles

With more than R500-million in irregular expenditure and a chief financial officer who has been away from her desk for six months, the Passenger Rail Agency of SA faced a serious grilling from parliament's watchdog committee, the Scopa.



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Last year, Prasa's executives were sent packing when they could not adequately respond to the MPs' questions about multimillion-rand contracts that had been marked irregular by the auditor-general.

Prasa a serial offender

Yesterday, ANC MP Vincent Smith accused the Prasa board of dereliction of its duties in ensuring that government funds were properly spent and threatened to use the Public Finance Management Act, which has penalties of five years in prison, to "make an example" of serial offenders, such as Prasa.

He said the agency had recorded R551-million in irregular expenditure - all due to noncompliance with government guidelines and laws on procurement. Making up that sum was the controversial R357-million locomotives contract which was awarded without all the proper bid documents, a R91-million unsolicited bid that had not been approved by the Treasury and multimillion-rand contracts that were extended without any approval.

On the R91-million contract, acting CEO Nathi Kena admitted that this was down to "simple negligence" and lack of due process.

A culture of lawlessness

Scopa also tore into Prasa because it could not produce an attendance register for the bid committee meetings at which a R59-billion tender for the agency's fleet renewal programme was decided.

Board chairman Popo Molefe told Scopa there had been "a culture of lawlessness, fraudulent behaviour, hiding things from and misleading the board".

Another issue related to chief financial officer Hunadi Manyatsa who was on sick leave for more than six months. Kena said management had received an apology from Manyatsa. She had returned to work about three weeks ago.

Source: The Times

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