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### **IDT SET TO HIRE AND FIRE TO STAY AFLOAT**

IDT SET TO HIRE AND FIRE TO LESETJA MALOPE Lesetia.malope@citypress.co.za STAY AFLOAT

Yvonne Mbane PHOTO: IDT State agency the Independent Development Trust IDT is bankrupt and to get its latest bailout it has to comply with Treasury conditions, including changing its mix of staff by cutting certain jobs and replacing them with other positions. The IDT is a stateowned entity that reports to Minister of Public Works Nkosinathi Nhleko. It is involved in infrastructure projects on behalf of state departments, including projects such as building courts and prisons. In the past two years the IDT had to request bailouts from Treasury to pay salaries and keep its offices across the country going. But these bailouts, the latest of which was R111 million in the current financial year, came with conditions that the agency had to implement to survive or face funds being withheld.

The changes, as proposed by Treasury, include restructuring the agency to have more technical people who are critical to its work. The IDT employs 361 people across nine offices in the country at a cost of R23 million a month. The proposed changes, which include retrenchments and offering voluntary severance packages, have been opposed by staff members and some union members who accuse management and the board of imposing the severance packages on certain staff and procuring the facilitating company irregularly, among other things. The agency's CEO, Coceko Pakade, has been on suspension since November and chief financial officer Nicki Mogorosi resigned in December.

Another executive for programme management services Cornelius Ruiters left less than a year after joining the agency. Current IDT chief operating officer Ayanda Wakaba intends doing away with his position. The changes came after a new board chairperson and deputy chairperson were appointed in August. The National, Education, Health and Allied Workers' Union Nehawu said it was not initially consulted and yet 80% of its 169 members were affected. "Before the employer began the retrenchments we were not consulted. The law stipulates that we should be consulted before such an action is taken. We wrote to the employer who has since agreed to halt the process and engage with Nehawu," the union's spokesperson Khaya Xaba said. In an interview this week IDT's acting CEO, Yvonne Mbane, said the restructuring process, which has been attempted several times in the past few years but failed, is meant to help the agency to become selfsustaining and that, because it was done by an outsource company, she was not involved in it.

Mbane said the IDT has 60% of its staff in noncore functions and 40% in the core areas of the business. It needed to change the scale to 70% and 30%, with the majority being project professionals instead of administrators. She admitted that the agency, which has received disclaimer of opinion for its audit for three consecutive financial years, was bankrupt. When an auditor makes a disclaimer of % OF TOTAL SALARY 2.96 18.01 60.90 M 18.13 109,M Graphics24 opinion, not expressing an opinion on the financial position of a firm, it is either because an examination of its accounts was not completed or the examination was not broad enough in scope to enable the auditor to form an opinion.

Mbane preferred to say the IDT had "liquidity challenges" and was owed more than R350 million from client departments for which it is facing lawsuits from project service providers. The organisation is considering discarding and merging some of the provincial offices, Mbane said. The department is meant to implement infrastructure projects on behalf of government departments and charge a 5% fee. But because it has more officebound administrators than construction

professionals it has not been able to sustain itself. "Even if we got a R10 billion portfolio, we could not deliver on it," she said, adding that the organisation did not have a single certified project manager. She said the SOE was stuck between a rock and hard place and the hard place was letting go of staff, some of whom had been with the IDT for more than a decade. "When you cut at the top you can save at the bottom," she said, adding that the organisation had a lot of employees brought in by labour brokers and on fixed term contracts, which would not be renewed. "Funny things have happened; we need to clean the system," she said, seemingly hinting at the way a lot of the staff were employed by countless renewals of short term contracts over several years. Last July Treasury placed a moratorium on further employment at the parastatal.

Mbane said it was complied with but there were already several people who had accepted job offers and were expected to start work. Mbane said the company needed R121 million and Treasury managed to bail it out with R111 million in the current year. "We've met all the conditions of Treasury so there was no stoppage of funds," she said. Illustrating her point, Mbane said the company had five executives and that number had been downscaled to three because some roles were duplicated. Mbane, who is the executive for corporate services but acting CEO, said managers too senior to fall under the union seem to be mobilising support from its members. She said: "At the macro level they are scaring the juniors to sow discontent because they [the seniors] are not part of that. When you cut here [the seniors] you can save the union without touching the bottom because that [senior positions] is the cost driver." Mbane said the organisation had previously undergone the same organisational development with Treasury bailing it out with more than R300 million at the time but the process was not successful. Mbane said the agency that was facilitating the process was appointed legitimately and had no links to any of the board members.

City Press has seen a confidential internal memo sent this week raising a red flag about payments to the company that might be irregular. IDT spokesperson Lesego Mashigo said no such information was received. \_11213=r7il AT T THE MOMENT THE IDT EMPLOYS 361 PEOPLE ACROSS NINE OFFICES HROUGHOUT THE COUNTRY AT A COST OF R23 MILLION A MONTH lis IjijA 1 MAJORITY UNION THE NATIONAL EDUCATION, HEALTH AND ALLIED WORKERS' UNION SAID 80% OF ITS 169 MEMBERS WERE AFFECTED AND IT WAS NOT INITIALLY CONSULTED Independent Development Trust

organogram in numbers	RANK	NUMBER OF EMPLOYEES	% OF TOTAL EMPLOYEES	SALARY BILL
Executive	3	0.85	6 309	396.42
Senior management	29	8.26	38 372	649.94
Junior management	187	53.28	129 722	610.57
Staff	132	37.61	38 614	076.34
Total	351	100	213 018	733.27

Source: Independent Development Trust

Dimensions: