

IDT ALLEGEDLY 'CANNED' FORENSIC REPORT TO RECOUP R100 MILLION

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Bankrupt state-owned entity the Independent Development Trust (IDT) has been sitting on a forensic investigation report that recommends that it recoup almost R100 million in overpayments that were made for a major project in KwaZulu-Natal.

The investigation was conducted by Gobodo Forensic Investigative Accounting and commissioned by the accountant-general at Treasury following tipoffs about alleged corruption in an electrification project in the Msunduzi Municipality.

According to the 281-page report, the project was worth R290 972 967. The money was raised from the Development Bank of SA, a municipal infrastructure grant and the departments of energy and cooperative governance and traditional affairs.

Gobodo found that the project was riddled with irregularities and that IDT officials and TNT Projects - the company appointed as the main project manager - were central to these.

However, according to a highly placed IDT source, the report would have had undesirable

political consequences. When Nkosinathi Nhleko was appointed public works minister in March 2017 and subsequently made changes to the IDT board, the report was canned.

It was tabled before the IDT's board, but no action was taken.

IDT board chairperson Nhlanhla Ngubane denied this. However, he said they were waiting for final recommendations from the risk committee.

In its report, Gobodo advises the IDT to take disciplinary action against a long list of officials. Some of them have since left the organisation. One of these implicated was current acting executive for the programme management service unit Stephen Ntsandeni. He allegedly irregularly signed agreements between the IDT and the municipality and with TNT Projects. These stipulate that the service provider be paid a 3% business generation fee of the project management value for soliciting work.

Chipo Mthombeni, a senior official at the IDT, allegedly signed off on approval for appointing TNT Projects and misrepresented facts when she said the decision was taken in consultation with the department of energy.

The department had denied this.

Gobodo recommends that civil action be instituted to recoup almost R100 million from TNT Projects: R71 032 327 for work not done and R28 723 584 for overcharges on management and business generation fees.

"We recommend that the IDT institute criminal charges against TNT Projects and associated entities and individuals," reads the last recommendation of the report.

According to a company search, TNT Projects had Kwazokuhle Zulu as its sole director. He could not be reached for comment.

Somadoda Fikeni was IDT chairperson when the investigation was conducted. He said they asked Treasury to probe the issue, but that the final report was not tabled during his tenure. He referred further questions to the IDT.

IDT spokesperson Lesego Mashigo said he could not comment on a leaked document.

Ngubane said the report was tabled before the board in the middle of last year and referred to the risk committee, chaired by Enoch Motswaledi. He said the board could not overrule the committee.

Motswaledi told City Press: "I do have the report, but I am not sure if the rest of the members have it."

He said the committee was recently reconfigured and that the new structure had not dealt with it.

According to its website, the IDT manages the implementation and delivery of critically needed social infrastructure programmes on behalf of government.

It had indicated that it is cash-strapped and undergoing a staff restructuring process as a result.

Last week, City Press reported on alleged irregularities involving the company the IDT had appointed to help it restructure. Interim CEO Yvonne Mbane denied that there had been any wrongdoing. However, one official was handed a letter of intention to suspend shortly after raising concerns about suspected payment irregularities.

Mashigo did not reply to questions regarding this matter.

Efforts to get comment from the public works department were unsuccessful.

Treasury didn't respond to requests for comment.