

STATE INSTITUTION

Six axed trustees threaten legal action

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Six dismissed former trustees of the Independent Development Trust have threatened to take Public Works Minister Thulas Nxesi to court if the minister does not retract his decision to remove them.

The trust is a state-owned development institution that supports the government with the management and implementation of social infrastructure projects such as schools and hospitals.

Over the past five years it has moved from being publicly funded to being a largely self-funded institution. But it is said to have run out of cash.

City Press reported on Sunday that Nxesi removed board chairman Nhlanhla Ngubane and his deputy, Vukosi Baloyi, as well as Alex Zitha, Siyaduma Biniza, Cynthia Zulu-Kabanyane and Lulama Zitha.

The dismissals came after Nxesi requested that all board members explain why they should not be replaced.

Among the reasons cited was their failure to take action on the findings of a forensic investigation that recommended steps to recoup almost R100m in overpayments for a major project in KwaZulu-Natal.

In prior letters notifying them of their removal, Nxesi said he was not persuaded their continued stay on the board would improve the state of the trust.

The newspaper report said a letter was sent to Nxesi by Swardt Vögel Myambo Attorneys demanding that the minister give a written undertaking to halt his plans to remove the six as trustees. If he did not, the six former trustees threatened to launch an urgent application in the high court to interdict him from appointing new trustees.

Ministerial spokesman Sabelo Mali told Business Day that a response to queries about the report would be forthcoming later as legal processes had to be finalised first.

In October 2017, the trust suspended CEO Coceko Pakade. Coceko, who is contesting his suspension, faces three charges in a disciplinary process.