

## **Timeslive 13 April 2018**

Nathi Nhleko during a visit to the Eastern Cape provincial head office in King Williams Town.

Image: Eugene Coetzee / The Herald

Former Public Works minister Nathi Nhleko is being accused of having purged key personnel at the Independent Development Trust (IDT), a move insiders claim is threatening to collapse the state agency.

Former IDT board chairperson Somadoda Fikeni was removed unceremoniously toward the end of July 2017 together with his deputy, Nomvula Rakolote.

They were replaced with Nhlanhla Ngubane, who is believed to be related to former Eskom board chairperson Ben Ngubane, and Alan Baloyi, as deputy chairperson. Sources within the IDT told Times Select their removal was part of a move to install people who were closer to him.

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When Nhleko was the Police minister he appointed Ngubane as Private Security Industry Regulatory Authority council deputy chair. Another source said that before Nxesi was reappointed to the department, there was a move by some to get their hands on the multi-billion-rand IDT purse.

The IDT implements programmes that calculate into billions. During 2016 it delivered programmes to the value of R4.6 billion. The IDT assists in funding and implementing social infrastructure programmes on behalf of government.

It is unclear how Ngubane's appointment as board chairperson went ahead without questions being raised.

He was appointed to the board in terms of section 8(2) (1) of the IDT Deed of Trust. In the letter of his appointment, former minister Nhleko indicates that Ngubane was appointed member and chairperson of the board until November 2020.

Section 8(2) (1) of the IDT Deed of Trust stipulates that the minister can appoint two members of the board and that others can be appointed by a select committee.

But Section 14.5 of the Deed of Trust disqualifies the two trustees from being appointed as chairperson.

“The two trustees appointed by the Executive Authority (Minister) in terms of 8.2.1 shall not be eligible for appointment as Chairperson,” the section reads.

Asked how he was appointed to the position even though he was not eligible to serve as IDT chairperson, Ngubane said the clauses were subject to interpretation and that he did not appoint himself.

These changes were necessitated by under performance of the IDT as an organisation as well as the adverse disclaimer findings by the AG, spanning over three-year period.

Nhleko said: “The reconfiguration of the board was only in relation of the appointment of a new chair and deputy. The remainder of the board membership was unchanged. Changes to the IDT board membership were affected in accordance with the IDT Act, as well as the oversight responsibility that the minister has.

“These changes were necessitated by under-performance of the IDT as an organisation as well as the adverse disclaimer findings by the AG, spanning over three year period,” Nhleko said.

IDT spokesperson Lesego Mashigo said the appointment of the board chair and deputy chair was the prerogative of the minister.

“The appointment of the chairperson and deputy chairperson came up through the then minister of Public Works exercising his prerogative to remove and appoint two trustees to the board as empowered by the Trust Deed. Cabinet approval is not required for these appointments,” Mashigo said.

Newly appointed Public Works Minister Thulas Nxesi declined to comment.

His spokesperson, Sabelo Mali, said: “The appointment of the current chairperson was done during the tenure of the previous minister and as such we cannot comment on the conditions of his appointment.”

Further woes facing the trust include allegations of a purge against senior managers, including contracts said to have been terminated before they expired. These include the former CFO Nicki Mogorosi and CEO Coceka Pakade.

Pakade is currently under suspension after being accused of interfering with supply chain processes in the Eastern Cape and irregularities in the appointment of the COO.

The IDT currently has executive management that is either on an interim or acting basis. These include Yvonne Mbane as interim CEO, Hannelie Kruger as acting CFO, Barnabas Masekwameng as acting corporate services unit executive and Stephen Ntsandeni as programme management service unit acting executive.

“We are glad that Nxesi is back, because this institution was going to collapse under Nhleko. IDT has been receiving disclaimers even before Ngubane, so it needs someone that will overturn the fortunes of the trust for the better, not people that are not eligible to be there,” a source said.

Another insider said Nxesi would have to fix the “damage” already done – starting by rescinding the decision to appoint Ngubane as the board chair. “The purge was so obvious and direct everyone could see it’s deliberate,” the source said.

But IDT spokesman Mashigo said: “There are no senior officials targeted for removal/purging under the disguise of organisational restructuring.

“Fact is, informed by our current business realities in as far as revenue generation goes, the IDT has in the past three years experienced a decline. Through the organisational streamlining, the executive

committee has been reduced from six members (including the CEO) to four and regional management has been reduced from nine to five.”

He said that, based on these changes, the likelihood of some executives and senior managers losing their current roles exists.

Mali said Nxesi had not received any formal complaints in relation to the allegations of purging of staff at IDT since Nxesi returned.