

## **Media Statement by the Public Service Sector Education and Training Authority (PSETA) on SIU Proclamation**

President Jacob Zuma had on 23 October 2017 in terms of section 2 (2) of the Special Investigating Unit and Special Tribunals Act, 1996, signed a Proclamation authorising the Special Investigating Unit (SIU) to investigate certain matters in respect to the affairs of the Public Service Sector Education and Training Authority (PSETA).

The SIU investigation relates to the Discretionary Grant (DG) process undertaken by the PSETA during the 2015/16 Financial Year. Background to this investigation is that on the 30<sup>th</sup> of January 2017, Management had in terms of Section 56 (1) and (2) of the Public Finance Management Act, 1999 as amended, conducted a desktop investigation based on suspicion that irregular expenditure may have been incurred out of the 2015/16 DG allocation process. The alleged irregular expenditure assessment related to the principles of transparency and fairness being transgressed.

Upon assessment of the Management's report, the Audit Committee advised the Accounting Authority to subject the report to a legal opinion. The legal opinion recommended that a forensic investigation be instituted by an independent service provider.

The Accounting Authority at its meeting held on the 10<sup>th</sup> of March 2017 guided by Section 52 (b) (ii) of the PFMA resolved to approach the Special Investigating Unit (SIU) to conduct an investigation on the alleged irregular expenditure. The SIU and PSETA signed a secondment agreement to have an employee dedicated to PSETA for a period of one month to conduct a preliminary investigation from the 1<sup>st</sup> till the 30<sup>th</sup> of April 2017.

The outcome of that preliminary investigation was presented to the PSETA Accounting Authority in the form of a Report on the 29<sup>th</sup> of May 2017. The AA endorsed the preliminary investigation report and resolved to refer it to the SIU for an in depth investigation and to serve as a motivation to apply for a Presidential Proclamation. A letter was sent to the former Minister of Higher Education and Training seeking his endorsement for this process.

The Accounting Authority believes that this process will bring finality to this matter.

**Issued by: Marks Thibela**

**Acting CEO**

**PSETA**