

## **Matjila effectively instructed by the board to do a security assessment at the asset manager, PIC Inquiry hears**

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Matjila effectively instructed by the board to do a security assessment at the asset manager, PIC Inquiry hears July 3, 2019 0 10 PIC chief executive Dan Matjila. Picture: PIC CAPE TOWN – The erstwhile chief executive of the Public Investment Corporation (PIC), Dr Dan Matjila, was effectively instructed by the board to do a security assessment at the asset manager after the explosive emails by whistle-blower James Nogu came to light. This has been revealed by various testimonies – including that of the former chairperson, deputy finance minister Mondli Gungubele – that were submitted before the Commission of Inquiry into improprieties at the PIC under retired Judge Lex Mpati. Gungubele told the commission earlier this year that Matjila approached the board to express concern about the possible leakage in the information technology system. “Then the board left it in the hands of the CEO (chief executive) to investigate how this could have happened. This step emerges, incidentally, upon the allegations of the CEO. The CEO then moves to actually deal with what he believes was a leakage in the system. Now if I follow the chronology of the events, the first thing they wanted was to find the source of the emails,” he said. The PIC’s former head of risk and compliance, Paul Magula, also told the Mpati Commission that the board did not see any conflict with regard to delegating the appointment of an investigator by both the chief executive and chief financial officer, and incidentally, the executive head of human resources, who were all implicated parties in the Nogu allegations. “It is in line with good governance of matters such as these, to be handled by an independent person who is not an affected party. I feel then that the board was complicit in this regard,” said Magula. The submission made by the PIC’s former executive head of information technology (IT), Vuyokazi Menye, also corroborates that Matjila was under board instructions. Menye said when they met with the chief executive in his office, he advised them that the security assessment was an instruction from the board. “We asked him whether the procurement process was followed to identify the service provider, and his response was that the assessment was a PIC board instruction. In the same meeting, Dr Dan indicated to us that we must refrain from communicating with him through emails and advised us to communicate with him verbally, either in a meeting set-up or telephonically,” she said. Assistant commissioner Gill Marcus requested evidence leader advocate Jannie Lubbe to obtain a copy of the minutes confirming the investigation was an instruction from the board of the PIC. Matjila has been acknowledged as having been key in putting the PIC among the top asset managers globally, over the last decade, growing its investment portfolio from R600 billion to more than R2 trillion. This growth has resulted in a high return for its investors, including the Government Employees Pension Fund. Despite its growth success, the PIC has also reportedly lost billions of rand in investments, consequently diminishing shareholder value. These failed investments include household names such as Standard Bank’s investment in Russia; Old Mutual’s investment in Skandia; Investec’s investment in the UK; Woolworths’ investment in Australia, among others. This loss in value excludes the hefty R200bn destruction of Steinhoff. The Public Servants’ Association recently stated that it was not at all pleased by the focus on just a few black-owned companies by the Mpati-led PIC Commission of Inquiry. The union questioned why only a few minor investee companies had been called to account before the commission, while other major players had not yet been asked to respond to questions before the commission. The commission has not made its witness list public, so it remains to be seen whether or not it still has the time and the desire to call other companies who made the headlines during the period cited by the terms of reference of the inquiry. The commission is expected to present a report to President Cyril Ramaphosa at the end of this month. This story first appeared in

the Business Report Online TAGSDan MatjilaDr Dan MatjilaFormer PIC Chief Executive Dr Dan  
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