

**MEDIA RELEASE:** PSA welcomes commissioned inquiry to probe governance at PIC

**DATE:** 17 August 2018

**EMBARGO:** None

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The Public Servants Association (PSA) welcomes the announcement by President Cyril Ramaphosa to institute an inquiry into the governance of Public Investment Corporation (PIC).

According to the National Treasury, the commission's terms of reference will include a review of the PIC's governance and operating model, possible changes to the PIC's founding legislation and its Memorandum of Incorporation and investment decision-making framework.

"Recent resignations by non-executive board members are welcomed by the PSA as the PSA is of the view that the appointment of the PIC board, as it stands, is irregular. In fact, the PSA wants the PIC board to be dissolved and a new board should be appointed that includes labour representatives. Transparency on the process and criteria in PIC investments on behalf of the Government Employees Pension Fund (GEPF) is also a concern. The inclusion of labour on the board will assist as labour's main interest is public servants," said PSA General Manager, Ivan Fredericks.

The PSA also expressed concerns about details revealed in a resignation letter by non-executive director, Ms Tantaswa Fubu. Ms Fabu, in her letter to the Minister of Finance, stated that some of her reasons for stepping down from the PIC board include unclear agendas by the board, allegations and counter allegations against each other in the board, the Deputy Minister of Finance who is chairperson of the PIC board not following proper procedures in meetings and using one-side information and minutes not board approved to conduct meetings

"Political interference erodes the integrity of the PIC board and should be eliminated. The PSA represents more than 240 000 public-service employees who belong to the GEPF that invests its money via the PIC. The PSA has continuously raised its concern on, amongst others, the formation of the PIC board and the *carte blanche* given to the PIC by the GEPF with public servants' pension investments," said Mr Fredericks.

The lack of meaningful action by the Finance Ministry, the PIC and the GEPF about concerns raised by the PSA has since resulted in the Union to file an application for notice of motion at the Pretoria High Court to address its concerns.

"The PSA hopes that the commissioned inquiry by the President, owing to the seriousness of the matter, will make haste with this matter to ensure that taxpayers' money is not wasted on a protracted process without meaningful results. The PSA also calls upon for non-political influenced inquiry by a team of persons of high integrity as a lot is at stake should the ill-governance of this institution not be addressed urgently," said Mr Fredericks.

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