

27 September 2019

To : The Chief Executive Officer  
Ms. Amanda Buzo-Gqoboka  
**Services SETA**

Per Email: [CEO@serviceseta.org.za](mailto:CEO@serviceseta.org.za)

Dear Sir / Madam,

**OUTA ENQUIRY – BLAMS AND LEARNER STIPEND PAYMENT PROCESS**

1. We refer to the above as well as your communication dated 5 September 2019 (“your notice”), attached hereto for ease of reference and marked “**OUTA1**”.
2. It is noted with interest that the payment of learner stipends has been moved away from service providers such as Grayson Reed Consulting (“Grayson Reed”), to be performed inhouse by Services SETA (“SSETA”). The Organisation Undoing Tax Abuse (“OUTA”) welcomes this decision as it would seem that SSETA considered our concerns as highlighted in the media statement dated 18 November 2018. The media statement can be found at <https://www.ouata.co.za/services-seta-corruption-hits-jobless-youth>.
3. We trust that this decision by SSETA will attempt to eradicate the unfair treatment of disadvantaged learners who have often not received their stipends.
4. OUTA submits that the termination of the agreement as referred to above is a move in the right direction. However, SSETA cannot seek termination alone, as the consequences of ill governance and peculiar procurement practices are far reaching. In this regard, OUTA wishes to emphasise SSETA’s duty as stipulated in section 51(1)(b) of the Public Finance Management Act, 1999 (“PFMA”), whereby the SSETA:

- “(b) *must take effective and appropriate steps to-*
- (i) *collect all revenue due to the public entity concerned; and*
  - (ii) *prevent irregular expenditure, fruitless and wasteful expenditure, losses resulting from criminal conduct, and expenditure not complying with the operational policies of the public entity; and*

**ORGANISATION UNDOING TAX ABUSE NPC**

Reg No.: 2012/064213/08

**Directors:** W Duvenage (CEO), Adv. S Fick, G Gulston, Dr H Volmink

**Non-Executive Directors:** F Adam (Chair), P Majozi, W Modisapodi, LP Pauwen, T Pillay Van Graan

**Address:** O’Keeffe & Swartz Building, 318 Oak Avenue, Randburg, Gauteng

**Contacts:** 087 170 0639 • [info@ouata.co.za](mailto:info@ouata.co.za) • [www.ouata.co.za](http://www.ouata.co.za)

(iii) *manage available working capital efficiently and economically*"

5. It goes without saying that SSETA has suffered financial and reputational harm due to the lack of performance by Grayson Reed. In this regard and considering the SSETA's fiduciary duties as enshrined in national legislation, we request that you indicate the form of remedial action SSETA plans to take against Grayson Reed and other relevant stakeholders.
6. OUTA wishes to remind you that any omission by SSETA to take the appropriate action, whilst having reasonably been aware of any procurement irregularities or noncompliance with relevant policies, is considered financial misconduct as contemplated in section 83 of the PFMA.
7. As you may be aware, OUTA submitted a request for access to information in terms of the Promotion for Access to Information Act, 2000 ("PAIA") on 23 January 2019, but to no avail.
8. Having not received a favourable outcome to our request, we lodged an internal appeal on 9 April 2019, the outcome of which also failed to yield the desired outcome.
9. In this regard, OUTA grants the SSETA a final opportunity to reconsider our internal appeal. Should you fail to adhere to this request by 11 October 2019, we reserve our rights to approach the court by means of a formal application.
10. We trust that you find the above in order and look forward to receiving your response.

Yours Sincerely,



Dominique Msibi

Portfolio Manager Special Projects

dominique.msibi@outa.co.za

082 389 3202