



MINISTER

TRANSPORT

**REPUBLIC OF SOUTH AFRICA**

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**Dr. Popo Molefe**  
**Chairperson: Passenger Rail Agency of South Africa (PRASA)**  
Private Bag X 101  
Braamfontein  
2017

Dear Dr. Molefe,

**CONCERNS OVER PRASA'S INVESTIGATIONS LED BY WERKSMANS ATTORNEYS INTO SEVERAL IRREGULARITIES IDENTIFIED IN THE AUDITOR GENERAL (AG) REPORT**

As a shareholder, I hereby write to express my concern over the long and protracted investigation by Werksmans Attorneys into several irregularities identified in the AG's report and the ever-rising costs thereof.

Whilst your efforts to clean up the organization and enhance good corporate governance are commendable, I am however deeply concerned that this investigation seems endless and without a clear scope with a specific end objective. This situation has resulted in excessive spending, which is reported to be in the region of R80 million. Besides, the current financial challenges we are facing as an entity and the country at large requires that we manage our finances in a prudent and sustainable manner.

Exacerbating this is the fact that the money spent has not been budgeted for and can be regarded as an irregular expenditure. Focusing the scope of the investigation will allow us to have a budgeted investigative plan with clear timelines that can be monitored continuously.

Finally, I have already on numerous occasions expressed and directed the board to focus on the declining performance of PRASA in terms of the Annual Performance Plan (APP). The Board is therefore reminded to focus its efforts on delivering the core mandate of the organization.

I therefore, ask that you close off this investigation process and consider the results or report thereof. Furthermore, the board is requested to submit a detail report indicating the progress and the outcome of the investigation. A determination of any further investigation and a way forward will subsequently be made after studying the report in detail.

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It will be highly appreciated if the report can reach my office by end August 2016. Your office can liaise with Mr. Joe Mojapelo, my Special Advisor, for any clarification or further information at 082 490 3197 or alternatively at MojapeloL@dot.gov.za

Kind Regards



**Ms. Dipuo Peters, MP**  
**Minister of Transport**

DATE: 12/08/2016

**Cc. Acting Group CEO : PRASA – Collins Letsoalo**