

November 24, 2022

SAYM MEDIA RESPONSE

Your interest shown in the projects of the SAYM is received with thanks and is much appreciated.

The Board of the SAYM views Corporate Governance as a cornerstone of its operations; hence the organisation has been operating for over 20 years with unqualified audit outcomes and has met all mandatory requirements for funding received. The organisation has an average of R300 Million turnover per annum, as you may be aware through the annual public financial statements we publish.

The organisation has managed projects in excess of three billion rands over 20 years, and the funding includes Governments, International Funding Agencies, such as United Nations and private funding donors. This serves as a demonstration that SAYM has the capacity to undertake the projects that were funded, equally the prerogative to grant or not to grant any application lies not with SAYM at this stage but NLC and therefore it is unfortunate that the allegations criminalise SAYM's rights as a Non Profit entity to apply for funding. On the issue of R67 Million we do not know where you got it from, please give us more details.

Given the seriousness of the allegations based on your list of questions, the Board mandated me as the board chairperson of SAYM, with my full name as Dr L Mafisa, to draft the response on behalf of SAYM.

1 THABA NCHU OLD AGE HOME

We want to state the following for the record:

- 1.1 SAYM resolved to be involved in community infrastructure initiatives and skills development as a foundation of community development and has been involved in over 20 construction projects with a budget in excess of R100 million in various Municipalities; this is outside the funding of the NLC;
- 1.2 SAYM consulted broadly with various stakeholders, including DSD, before the facility's construction commenced. As a result, a letter from the Tribal Authority, in consultation with the local municipality, issued a letter allocating the land;
- 1.3 DSD provincially was equally consulted during the process, and they have supported the initiative; We have records in this regard.

- 1.4 The alleged dispute was not about the project itself; kindly double-check your sources. The debate was about land allocation for urban development by the Tribal Authority. The community members wanted their Chief to also allocate stands alongside the project, which the municipality refused and forcefully removed those illegally erecting shacks. During the community protests, the project was devastatingly vandalised and ransacked. Cases were opened against perpetrators. A decision was taken to relocate the project based on safety concerns.
- 1.5 The project was completed in early 2021 and has gone through periodic reviews concerning licencing conditions for operation. The facility has already obtained the registration certificate from DSD to operate and the municipality's occupational certificate. The service plans per the requirement have been finalised, and clinical staff interviews are scheduled for November 25, 2022. It is expected to receive service users during the last quarter of the financial year to cater training and induction of critical staff. The NHBRC also accredits us for construction work and supervision.
- 1.6 The total value of the grant was paid in tranches that were based in progress reports accompanied with fotos of progress from sites and were signed off by the NLC monitoring team before any payment was made and was also annually externally audited. To avoid conflict an independent Audit Firm was appointed specifically for this project as a separate independent project governed differently from other projects.
- 1.7 The final report with all its financial implications has been submitted to NLC, and once finalised, it will be shared with the public accordingly. It is worth mentioning that SAYM has invested millions in completing the project.

2 NELSPRUIT REHABILITATION CENTRE

Regarding the above, we would like to state on record, in summary, all the questions related to the project.

- 2.1 The Rehabilitation Centre is meant to be a provincial-wide service instead of a localised entity.
- 2.2 We engaged in a wide range of consultation processes concerning the construction of the rehabilitation centre, which led to the Mbombela Municipality council taking a resolution to support the project.

- 2.3 We believe that Mbombela Municipality represents its residents. Furthermore, there are Memorandums of Understanding between SAYM and the municipality on all the projects implemented in the city. The municipality had no objection to the construction and the plans submitted for approval.
- 2.4 We had various engagements with DSD at the HOD level and the Department's commitment to supporting the project. A letter in this regard was written to SAYM and is attached herein for reference. Final submission for licence was submitted to the DSD as per the minimum condition of the letter dated 12 September 2017. DSD is to conduct a final assessment of the building to issue the licence.
- 2.5 SAYM, concerning the re-zoning, appointed Umsebe, an Urban Planning company which facilitated consultations with all stakeholders deemed to be affected by the project. The project was advertised in the local newspaper to ascertain if there were any objections. After the advert, there were objections from community members, mainly on safety concerns and fear of service users as they classified them as "drug addicts". Objections were dealt with through the tribunal and the appeals tribunals. Complaints against the construction of a Substance Abuse Rehabilitation facility were deliberated and considered. Though the process took over two years to conclude, the outcome favoured the project. The complainants did not opt to challenge the process results any further.
- 2.6 The matter concerning approvals of the site development plan was an element of road and water servitude. Kindly refer to the appeals tribunal verdict, which we are sure you have. In addition, the approved fire plans required water for the fire hydrant, which was insufficient coming from the borehole.
- 2.7 The municipality facilitated support from the water authority to supply the bulk water, and this cost was to be covered through the operations budget. It is important to note the NLC, as a funder, participated in all hearings and is familiar with all its outcomes. It is however concerning that Mr Paul, the neighbour to the project confided to another neighbour that he has now a way to fight the project through assistance from yourself. Mr Paul is among those who participated in all the proceedings of all consultations. While some community members had legitimate objection the majority of other concerns were purely based on racial connotation that could not sustain in the hearings.

- 2.8 SAYM cooperates with all state organs sanctioned by the authorities to investigate projects. Unfortunately, it's on record that the NLC is under investigation and not SAYM. However, we have cooperated with all state organs and provided information to enable them to take whatever decision is in the interest of law and order.
- 2.9 We are under the impression that NEXUS SB&T did not make any material findings against the project. We cooperated with them, and they have indicated that there was no material finding against the project unless you have any information contrary to this; the SAYM board will greatly appreciate your submission thereof. They were given the information required and facilitated meetings with all stakeholders of their interest. Kindly share the NEXUS SB&T report so that we can study it in order to comment further.
- 2.10 The project, in terms of construction, was completed in October 2021. In April 2022, the National DSD undertook a site inspection to verify the compliance of the Regulations, especially compliance with Regulation 158 of the National Health Act and recommendations were made, which include, amongst others:
- 2.10.1 The construction of the lockable waste building;
 - 2.10.2 Changing the paint colours
 - 2.10.3 Paraplegic toilets and disability access
- 2.11 We have attached marked photos for the following buildings to show completeness, and we are willing to grant you access to the facility:
- 2.11.1 Photos of Detox Unit;
 - 2.11.2 Swimming Pool;
 - 2.11.3 Male and Female Dormitory;
 - 2.11.4 The kitchen;
 - 2.11.5 Admin block;
 - 2.11.6 Guardhouse; and
 - 2.11.7 Sport and Skills Centre
- 2.12 Take note that landscaping and stormwater are not originally part of the scope, as well as the swimming pool and the waste building. These were considered with finishings, and they were done at SAYM's own cost as per licence requirements.

- 2.13 SAYM comply with its Conflict of Interest Policy to manage associated risks. We wish to confirm that in all declarations submitted by the Executive Director, there is no relationship between him, Rebotile Malomane and Philemon Ledwaba. We have no record of any conflict that arose from this. It is also on record that when Ms Malomane joined Siza Thina, the Executive Director and other members had no prior knowledge of her being related to the COO of NLC. When this information was discovered in a media publication, to avoid associated risks even if the association was private and had nothing to do with the SAYM, Ms Malomane was requested to resign, which she did not protest to do. The company in question did not work with SAYM or any entities directly or indirectly linked to the NLC, Ms Malomane, or Mr Ledwaba.
- 2.14 Our final report and supporting documents, together with an audited financial statement, are being finalised and will be submitted to the NLC. Our audited financial statement will be available for public consumption in due course. We also know that the NLC is conducting due diligence to complete the project, and they have already visited our projects.

3 TAKE BACK THE FUTURE

We want to state the following on record:

- 3.1 SAYM applied for the Take Back the Future Project in late 2013 and waited for the matter to be finalised. We have been making follow-ups on the application for three years without any response until we acquired the services of Mgomzulu Attorneys to compel NLC to decide concerning our application. The engagement between NLC and SAYM emanated from the letter of demand and the papers served on them. To prove that SAYM was never favoured by any person to be granted this project. We have attached two letters from our lawyers, CHSM Attorneys dated 03 November 2015 and 04 July 2016. This clearly shows that SAYM has a favourable case against the NLC.
- 3.2 The Take Back the future musical was conducted and finalised as per the grant agreement.
- 3.3 Take Back the Future beneficiary was SAYM, not the Presley Chweneyagae Foundation. Additionally, the foundation did not receive any money from the project to avoid a conflict of interest because the foundation was a related party to SAYM.

- 3.4 As a Board, we did not approve this. A letter dated August 28, 2014, to the Chief Risk Officer was written before the award that the foundation would not receive any funding and SAYM was to follow supply chain processes in acquiring services for the initiative. Therefore, SAYM spent all the money per the grant agreement and accounted for all the allocated amounts. The final report was submitted to the NLC, audited accordingly, and finalised. Mr Chweneyagae followed up with NLC to ensure that the report was indeed submitted and acceptable in his capacity as a Brand Ambassador a role he has played for the last 18 years
- 3.5 Mr Chweneyagae is a Brand Ambassador of SAYM in his capacity as the Chairperson of his foundation. The two organisations mutually co-exist and support projects in various communities. However, because of Mr Chweneyagae's hectic schedule, he has not participated with other entities or parties related to SAYM. Furthermore, the Executive Director and Mr Chweneyagae have no business interest together beyond charity work and have enjoyed cordial social relations for over 20 years.
- 3.6 As per the grant agreement, every piece of equipment purchased for the project is owned by SAYM for community benefits. Therefore, the asset register is duly recorded as part of the audited financial statements. However, some of the equipment has reached its lifespan and has been removed from the asset register since the project was conducted Six years ago

4 SAYM's ROLE IN MOTIVATING CHANGES IN THE LOTTERIES ACT

The questions concerning the subject above are problematic in that it depicts an intra-conflict in the organisation, and SAYM, unfortunately, becomes collateral damage. Therefore, we want to put the following on record:

- 4.1 SAYM was never appointed as a service provider by the NLB/NLC. However, SAYM applied for civil society capacity-building projects, including research. The NLB at the time granted R150,000 for the research project, project number 59900. The amount was accounted for, and the research report was submitted to the NLC.
- 4.2 This research report was widely discussed in many fora across the country, and the research had nothing to do with the legislative amendments. Therefore, we have attached the research report to prove that it had nothing to do with the legislative amendments regulating the NLB as you are alleging.

- 4.3 SAYM has not received any money or has been appointed to render any service to the Indaba; please feel free to share any evidence of this.
- 4.4 SAYM met all mandatory requirements and has never failed to report on the only grant of R150,000 paid to it. Therefore, there would not be any other reason why the Board would not approve funding. Even so, the policy of the NLC makes provision for an appeal should you not be satisfied with the outcome of its decision.
- 4.5 SAYM has not previously met any board member of NLC besides the Chief Risk Officer. The only meeting on our records was the meeting convened by the Chief Risk Officer on August 27, 2014, in which the Chief Risk Officer indicated support for the project and was going to engage the Board. The minutes of this meeting were shared with all who participated in the meeting, including the Chief Risk Officer.

5 PRESENTATION TO PARLIAMENT

- 5.1 SAYM, as an organisation, has no capacity to convince the entire Parliament of South Africa to change the laws to favour itself. It is impossible. SAYM formed part of a group of organisations that presented to parliament changes that many organisations wanted to see in the legislation. Many of the matters SAYM had advocated for were not part of what parliament decided.
- 5.2 The custodian of the amendments was not NLB, but it was the Department of Trade and Industry, and all submissions were made to the Department and not NLB. Therefore it is not logical how SAYM could have been helpful to the NLB leadership in terms of these amendments.

Finally, we were never privy to any information or discussions of the Board, nor had we had any personal contact with the members of the Board or senior management. SAYM subscribes to ethical business practices and has on no occasion acted immorally towards any person in the NLC using its social standing of being among a few organisations that existed over many years within civil society organisations. We donot have to the baile reports, kindly share to enable us comment further.

SAYM hopes that you will cover this story in a fair and balanced manner in which you have been conducting your previous work

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