MEDIA STATEMENT
ISSUED BY THE ROAD ACCIDENT FUND
DATE: 17 SEPTEMBER 2015

ROAD ACCIDENT FUND REJECTS DA’S LATEST OUTBURST ABOUT FRAUD UNIT

All information contained in these responses must be attributed to the Road Accident Fund (RAF) Chief Executive Officer, Dr Eugene Watson:

The Democratic Alliance has committed another misstep by issuing a patently inaccurate statement about the RAF, without establishing the veracity of its sources’ information.

Here are the facts:

The RAF-Forensic Investigating Task Team (FITT) was established over a decade ago by the RAF to co-ordinate its prosecution and investigation services. It comprises the National Prosecuting Authority (NPA) and South African Police Service (SAPS), and was established through a Memorandum of Understanding (MOU) dating back to 2005.

The latest MOU was signed in September 2012 for a period of three years ending September 2015, and continued to represent a meaningful partnership to root out fraud and corruption within the RAF.

During a review of the MOU, which is standard practice at the RAF, instances of suboptimal administration by the Task Team were uncovered. This process is done to determine the viability, feasibility and alignment to our strategy going forward.

An independent internal audit was also undertaken as part of the forensic department’s appraisal of the current MOU, resulting in concerns being raised about the sustainability of the MOU in its current form. The RAF has since taken a decision not to renew the agreement in keeping with its sound governance practices.
Meanwhile, the termination of this arrangement is by no means a discontinuation of the forensic work by the RAF; in fact more staff and tools have been allocated by the NPA and SAPS. Claims managed by the Task Team formed part of all forensic cases administered by the forensics department, and this will continue through our continued partnerships with SAPS and the NPA.

Integrated investigation and prosecution services will still be pursued through an Implementation Protocol in terms of Intergovernmental Relations Framework Act, Act 13 of 2005. Consultations with the NPA and SAPS are at an advanced stage to conclude this protocol, while both entities have already instituted measures for the redistribution of cases when the MOU lapses.

Our relationship with the NPA and SAPS will therefore remain intact outside of the MOU.

The unit forms one leg of a comprehensive fraud management strategy at the RAF, and therefore no case will be neglected. In total, the number of claims cases handled by the Task Team only made up a quarter of the entire number of fraudulent cases that were being investigated by the forensics department.

Allegations of equipment of being removed pertain to the Task Team’s own service provider contract, which the RAF is not a part of.

We remain committed to the smooth winding up of the unit’s operations in consultation with all role players. This is despite the 23 task staff members - comprising of eight prosecutors, six investigators and nine administrators - being all directly contracted to the FITT and not the RAF.

All staff was formally advised earlier this year that the MOU would come to an end, and further notifications were also given. Some of the prosecutors have already indicated that they will not be available to serve in the new structure post September 2015.

In conclusion, the MOU and Task Team represented a meaningful partnership with the NPA to root out fraud. Concerns over the administration of the MOU exist and we cannot sustain it in its current form. The relationship with NPA and SAPS remains intact and may take a different form.

We have and remain committed to rooting out fraud. Similarly, the RAF remains committed to exemplary levels of corporate governance, management and accountability as is reflected in the recent achievement of the Fund's third successive Clean Audit Award by the Auditor-General.
Issued by the Road Accident Fund’s Media and Public Relations Unit

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