



GAUTENG PROVINCE

PROVINCIAL TREASURY
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

FOR IMMEDIATE RELEASE

TO ALL MEDIA HOUSES

09 MAY 2018

Treasury terminates employment contract of the head of Gauteng Audit Services

Gauteng Provincial Treasury has dismissed Ms Lorraine Francois, Deputy Director-General responsible for Gauteng Audit Services (GAS) with immediate effect, due to a breakdown in the professional relationship between her, the Head of Provincial Treasury and the Provincial Audit Committee.

This decision was taken in order to urgently ensure effective functioning of the combined assurance model of the Gauteng Provincial Treasury; and strengthen internal control and the regulatory environment in line with good governance.

It followed a comprehensive independent investigation, which amongst other things, found that the assurance model of the Gauteng Provincial Treasury was at risk of being compromised as a result of a breakdown in trust between the three parties as assurance providers.

The report recommended that DDG: GAS be subjected to a disciplinary hearing headed by an independent chairperson as stipulated in Chapter 7 of the Senior Management Service Handbook.

In line with this, Gauteng Provincial Treasury instituted a disciplinary hearing led by an independent chairperson. The hearing began in January and ended in March 2018. It found that Ms Francois failed to carry out lawful orders and instructions, and further that there was a breakdown in the professional relationship between parties. The chairperson pronounced that Ms Francois be dismissed due to misconduct.

The protracted dispute

This protracted dispute began in March 2017 when the Provincial Audit Committee lodged a complaint against Ms Francois, raising concerns with her performance and conduct. Ms Francois lodged a counter grievance against the Provincial Audit Committee and the Head of Provincial Treasury alleging victimisation.

The MEC of Finance Barbara Creecy was concerned about the impact of this dispute on the combined assurance model. She appointed an independent investigation into

the allegations with the aim of speedily resolving the matter and ensuring that the combined assurance model worked effectively.

While that investigation was still continuing, Ms Francois lodged a third grievance, which was accordingly incorporated into the broader investigation that was ongoing at that time.

In October 2017, the investigation team provided a report to the MEC. This report essentially dismissed the allegations that Ms Francois had made against the Provincial Audit Committee and the Head of Provincial Treasury. It then recommended a disciplinary hearing which led to the dismissal of Ms Francois.

WHAT IS THE COMBINED ASSURANCE MODEL? This is an integrated approach to managing risk across provincial government where assurance providers – senior management, accounting officers, executive authorities, internal audit and the Audit Committee – work together to provide effective and independent assessments on risk management, control and governance processes. A situation where the Head of Gauteng Audit Services, the Head of Provincial Treasury and Audit Committees are involved in protracted disputes poses a risk to the model and to good governance within the province as a whole.

Ends

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