

MEDIA RELEASE PSA welcomes suspension of PIC Chief Operating Officer

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The Public Servants Association (PSA) welcomes the suspension of the Chief Operating Officer of the Public Investment Corporation (PIC), pending an investigation into allegations of misconduct against him.

The PSA represents some 240 000 members of Government Employees Pension Fund (GEPF) that invests its money through the PIC. The PSA, therefore, on behalf of its members has a significant and direct interest in how GEPF assets are invested and thus in the PIC's governance structures, management, and performance. The PSA, as the second union representing members in the Public Service, has long been concerned about the PIC's governance and has on numerous occasions raised concerns regarding the manner in which investments are done.

The PSA regards the sudden resignation of the acting Executive Head of Developmental Investments and Private Equity and the Head of Research and Project Development as suspicious, with many unanswered questions. The PIC, as the biggest fund manager investing the funds on behalf of the GEPF, will be under scrutiny after announcing this suspension and the resignation of two executive members. The PSA calls for transparency in these matters and demands that a report be provided to the PSA regarding the alleged misconduct and the impact on investments and returns. The PSA maintains the view that an alternative fund manager should be considered by the GEPF to ensure that not eggs are in one basket. Such a decision will assist in alleviating the fears of members of the Fund.

Considering the outcome of the Mompoti Commission report and related recommendations, there are serious concerns regarding the PIC and its investment strategy. The sudden suspension and resignations serve as confirmation that there is reason for concern. The PSA thus calls for stringent measures to ensure good corporate governance by the PIC and for an urgent investigation into the reasons for resignation of the two executives.

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