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MEDIA STATEMENT / 10 MARCH 2021

Investigation clears CEO and COO of wrongdoing

The Nelson Mandela Foundation has concluded an investigation into complaints by an anonymous source against CEO Sello Hatang and COO Limpho Monyamane.

The independent investigation has found that there was no objective evidence to support the complaints, which related to alleged flouting of procurement policies and processes, improper use of the organisation's resources, bullying and intimidation, and abuse of donor relations.

The two executives, who voluntarily took special leave while the investigation was underway, will therefore return to work this week.

Arising from the investigation, however, it is clear that a number of financial and human resource policies and procedures need to be revised, strengthened and restated to ensure consistency and compliance.

The Board is committed to ensuring this happens.

Background

The investigation was initiated after an email was sent to the Chairman of the Board by an anonymous staff member on 14 December 2020.

One of the law firms on the Foundation's legal panel, Bowman Gilfillan Inc, was appointed to handle the investigation and conducted interviews with 21 staff members during January and February 2021. They clustered the complaints into four areas of investigation:

- Culture at the Foundation
- Procurement
- Improper use of resources
- Abuse of donor relations

The final Bowmans report was presented to the Board of Trustees on 8 March 2021 and, after detailed discussion, was accepted unanimously.

The findings

The findings, as set out in the Bowmans Report, are as follows:

Allegation	Merit
"Bullying, intimidation and harassment by both CEO	We found no objective evidence to support this allegation as set out in the complaint. However, there is



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and COO is the order of the day”	tension and hostility among a limited number of staff members
“Foul language used by CEO and other employees openly on staff leading to trauma and anxiety”	Foul language is used by staff members at the NMF including the CEO. However, the foul language has never been directed at an individual, has never been used in an offensive manner, nor has it led to trauma and anxiety
“Favouritism by the CEO (allowing those close to him to come to work intoxicated and smelling of alcohol, and benefits their children with jobs from partners)”	We found no objective evidence to support this allegation as set out in the complaint
“Fear of reprisal (we fear the heavy hand of the CEO – if you speak out you are intimidated or victimized)”	There is merit to the complaint to the extent that a tiny minority of employees indicated a fear of reprisal when speaking out. We found no objective evidence regarding an employee speaking out and thereafter being intimidated or victimized
“There is procurement interference by COO Limpho Monyamane (flouting of procurement procedures, no care for supply chain management systems)”	We found no objective evidence to support this allegation as set out in the complaint
“There is procurement interference by the COO (preference of certain service providers, over-reliance on consultants)”	There is no objective evidence to support the allegation insofar as it relates to the COO interfering with the procurement processes and preferring certain service providers Regarding over-reliance on consultants, the views of staff members differed. There were those staff members who were of the view that there is an over-reliance on consultants while others were of the view that a majority of the work is done internally, and consultants are used where there is a lack of capacity internally In the absence of objective evidence which indicates over-reliance, we are unable to progress this allegation further
“Interference with other people’s work roles and rendering them redundant (constructive dismissal)”	We found no objective evidence to support this allegation as set out in the complaint



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“Abuse and improper use of NMF resources (by CEO and COO)”	We found no objective evidence to support the allegation as set out in the complaint
“Abuse of donor relations for personal gain”	We found no objective evidence to support this allegation as set out in the complaint

Key issues

Some of the issues raised in the complaint relate to inter-personal dynamics and human resource management, and the Board is confident that these can be addressed internally.

Other complaints related to the improper use of resources such as motor vehicles, credit cards and Uber taxi services. The investigators found there is no objective evidence to support this complaint. However, they flagged the importance of ensuring that the policies on the use of resources are understood by all staff members and adhered to. The Board fully supports this.

A similar situation applies to the procurement of goods and services. The investigation found no evidence of interference or flouting of procedures, although there were shortcomings in the drafting of some of the contracts signed. As a result, the investigation team recommended that the role of the Foundation’s Procurement Officer be reinforced, and procurement policies updated. The Board fully supports this, too.

The Board will remain focused on addressing these issues over the coming months, to ensure that there is transparency and consistency, as well as ensuring full confidence in the way the Foundation receives and deploys funds to support Madiba’s legacy.

The Board can, however, reassure donors who contribute to the Foundation’s activities that there are control mechanisms in place to ensure accountability and good governance, and that funds are being used to maximum effect in support of its work in social justice, poverty alleviation, dialogue and advocacy.

Conclusion

Investigative processes of this nature, which expose the inner workings and look closely at internal and inter-personal dynamics, can be challenging for any organisation.

That has certainly been the case for the Foundation.

There can be no disputing that the initial complaint raised concerns inside and outside the organisation and caused some disruption within the Foundation as investigators tackled issues. We would like to thank staff for their cooperation and patience and are fully behind steps which are going to be introduced to build greater staff cohesion.



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The process has also taken longer than the Board would have liked, but that is because of the Board's commitment to a thorough, just and fair process.

Throughout the process, the Board has had interactions with the Foundation's stakeholders at home and around the world in various ways. The Board would like to thank all stakeholders for their ongoing support and their commitment to the Foundation's work. It is a commitment we share and hold dear.

As custodians of Madiba's legacy, the Board has been at pains to ensure that the Foundation has continued to function as effectively and as efficiently as possible during this period.

As soon as the Board received requests for special leave from the CEO and the COO, an Interim Leadership Team was put in place to oversee day-to-day activities of the Foundation. Trustees Kgalema Motlanthe, Alice Brown and Maya Makanjee were appointed members of the team. Throughout their six-week term they have given the Board valuable insight into some of the policy shortcomings that were beginning to emerge during the Bowmans process, which enabled us to begin addressing some of these even before the report was completed.

The Board would like to thank the interim leadership team for their commitment and dedication to ensuring stability and providing leadership during this difficult time.

Finally, the Board would like to thank the CEO and the COO for their request to take special leave while the investigation was underway, to ensure the integrity of the process, and for their cooperation throughout the investigation. We look forward to welcoming Sello and Limpho back to the office in the next day or so.

Njabulo S. Ndebele (Prof)

Chairman: Nelson Mandela Foundation