MEDIA STATEMENT ON THE FORENSIC AUDIT REPORT INTO THE FINANCIAL MANAGEMENT OF THE LAND BANK

The Forensic Audit Report into the financial management of the Land Bank has been completed and submitted to Cabinet on the 7 November 2007 for consideration and Cabinet has approved and recommended as follows:

- the report be referred to the South African Police Service (SAPS) and the National Directorate of Public Prosecutions (NDPP) for further investigation,
- Department of Agriculture and the National Treasury cooperate closely in the process of turning the Bank around,
- the Minister for Agriculture and Land Affairs maintains governance oversight over the Bank in order to stabilize the Bank and to provide guidance in the restructuring process,
- that the Bank takes appropriate action to address any issues emanating from the Report in directing and controlling its operations and business,
- that criminal proceedings against all those who were identified as having personal interest, acted inappropriately and negligently in the forensic report be instituted,
- possible remedies for recovering undue benefits derived by third parties, as a result of the actions of the Land Bank’s management, should be investigated,
- internal disciplinary measures be taken against members who failed to act within the confines of their duties,
- a review of all the loans that have been written-off,
- a major review of the Land Bank’s executive and non-executive management including the composition and restructuring of the Board, and
- evaluate whether the Board had acted with the necessary care required and fiduciary responsibility, as would be required of a financial institution.

STATEMENT ISSUED BY THE MINISTRY

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