



MAGEZA HERITAGE
FOUNDATION

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Co. Reg: 2014/080771/08

12 September 2024

Honourable Mr. Parks Mpho Tau (MP)
Department of Trade, Industry and Competition
Pretoria
Gauteng
Republic of South Africa

Dear Hon. Minister Tau

RE: COMPLAINT REGARDING SATMA AWARDS' FRUSTRATION AND VICTIMISATION BY THE NATIONAL LOTTERIES COMMISSION (NLC)

We, the Mageza Heritage Foundation ("the Foundation") refer the Honourable Minister to the abovementioned complaint herein made pursuant to our dissatisfaction with the handling of our approved funding of the South African Traditional Music Achievement (SATMA) Awards but unreasonably and unjustifiably withheld by the NLC since November 2023.

The Foundation is humbly reaching out to you due to the frustration that we are experiencing with the NLC Management's refusal and/or delay in paying grant funds for its flagship programme the implementation of which occurred in December 2023 pursuant to and as informed by the NLC issued approval letter and subsequent signing of the grant agreement by both parties being the NLC and the Foundation prior thereto.

As the Foundation, we strongly feel that we are being unduly compromised relative to the commitments that we had made contractually with third parties on the strength of NLC's approval of our application for funding and consequently, persecuted for unfathomable and irrational reasons proffered to the Foundation upon making several follow ups post the implementation of the programme and related events in December 2023. We view the unreasonable and irrational withholding of funds for the approved funding as something that tantamount to serious abuse of power by the NLC Management.

Pursuit to our unsuccessful engagement and pursuit of payment with NLC, we thought it prudent and appropriate that we provide the Minister with a brief background that precipitated our escalation of this matter to you for your ease of reference and appreciation of the context of our complaint.

It is important to set out clearly for your benefit upfront Minister, that the Foundation had previously been approved for funding by the NLC before after meeting the requirements and successfully reported thereon to the satisfaction of the NLC. The approval of the Foundation's application in the year 2023 followed the same application process as did the previous ones. Similarly, the Foundation had also been declined funding for cogent reasons proffered by the NLC before the 2023 approval like any other entity which is not an anomaly as such hence no application for review of decision to decline funding had been instituted against NLC.

In 2023 during the call for proposals, the Foundation applied for funding and followed all due processes until the amount of R1,232,000 was approved under the project number M56881. To that end, a letter confirming funding approval was issued to the Foundation a copy of which is attached hereto and marked "MGF 1". Pursuant thereto, we accordingly signed the grant agreement a copy of which is attached hereto and marked "MGF 2". Consequent to

the signing of the grant agreement we then asked for funds to be paid to us as the Awards were to be held on the 15th of December 2023. NLC promised to pay on the 12th of December on the strength of which we procured services for the implementation of the Awards activities and committed to third parties that they would be paid their service fees and made arrangements to pay for other related services and necessary expenses related to the hosting thereof.

Regrettably, NLC has refused and continues to refuse and unjustifiably withholds payment of the approved grant funds to this day. As would necessarily be expected of us as the foundation given the undertakings made to third parties and expenses incurred with great difficulties and borrowings, we wrote the first letter inquiring about payment attached hereto and marked "MGF 3" to which no formal response has been received to date. It was only when we wrote the second letter attached hereto and marked "MGF 4" that the NLC informed the Foundation that they are still conducting an internal audit investigation. This goes against their own processes where due diligence ought and NLC would do, prior adjudication during their processes of consideration and assessment of the application.

We waited until February 2024 with no response, and we wrote to them again the attached letter marked "MGF 5" but no response came forth. We then asked our legal team to write to them as per the attached letter marked "MGF 6" upon which the Foundation received an email from the consulting company that we later learned, had been asked to investigate it and its already approved application in which alleged incongruent, and irregularities were made. This to the Foundation was a confusing stance adopted by the NLC Management given that the application had already been approved and a grant agreement signed.

We feel that we are treated like this because we are an African organisation promoting our culture and heritage negating the tract record, we have had of successful implementation and reporting on previous funding that had been approved by the NLC.

The SATMA Awards project which are 19 years now, and it being a black owned Non-Profit Company pursuing worthy causes in line with NLC Mandate and that promotes, develops and exposes traditional music from all ethnic groups since 2006, has played a significant role in promoting social cohesion and nation building in South Africa post the advent of democracy and deserves to be supported and not stifled. Why are we being treated like criminals or suspects for asking NLC to honour their agreement that has been signed, we respectfully dare ask?

Before any organisation gets approved for funding by the NLC, it conducts assessments on the previous projects hence it makes no sense to subject the Foundation to "witch-hunting" investigations after the fact. In our case, all due processes were done by the NLC but when we were putting pressure on them, we then got told that, we were being investigated, after approval and signing which seriously compromise the Foundation reputationally and financially. We have written to the Commissioner, Chair and Management but to no avail.

We understand the right of the NLC to investigate but it should not be followed by our request for our funding to be released. We had to lay off staff due to the lack of funding and sustainability. This is immensely regrettable and in our respective view, could have been avoided. As we write, we are failing to retrieve documents required by the investigation due to the laying off, of staff that were in the office in 2020 and 2021 which office had been since closed.

It is our respective view as the foundation that, paying the approved funds and conducting the investigation should be treated as separate matters. Mixing the two issues appears to be an irrational abuse of power by NLC Management.

We would like to Minister to intervene in this matter because of the precarious position the Foundation finds itself financially since the delivery of the Awards happened last year through borrowed funds that we need to pay. We made commitments to our suppliers which we cannot honour due to NLC reneging from their obligation hence the escalation to you. We believe that we need to be treated equally regardless of the colour of our skin.

We repeat and hasten to emphasise that we have no problem with the investigation, but we take issue seriously so with how this investigation came about.

We are looking forward to hearing from the Minister around this matter which consider dire and urgent as the

Foundation and are available to meet the Minister on an urgent basis should the Minister consider the seriousness with which we are already contractually and legally compromised which is unwarranted for the non-profit cause we have been championing nationally for 19 years.

Yours in Heritage

A handwritten signature in black ink, appearing to read 'Desmond Msomi', written over a faint circular stamp or watermark.

Desmond Msomi
Chairperson