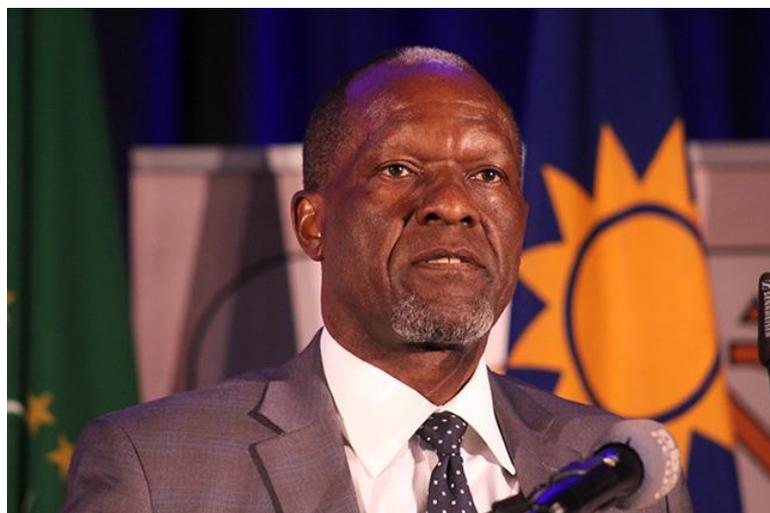


Kauta still answerable for loss

News - National | 2018-10-12Page no: 3

by Ndapewoshali Shapwanale



Tom Alweendo

ENERGY minister Tom Alweendo says Patrick Kauta cannot escape personal liability by resigning from the Namcor board if it is found that the board was negligent in making a decision that cost the entity N\$1,2 million.

“I’m not saying that is what he did – try to escape liability. I am still reviewing the board’s response to me on whether they should be held personally liable,” Alweendo said, adding that he had received the resignation letter.

Kauta resigned as the National Petroleum Corporation of Namibia (Namcor) board chairperson on Tuesday, three weeks after the minister asked the board to explain why they should not be held personally liable for a N\$1,2 million loss in a labour case.

Alweendo said while the liability question is not against Kauta personally, it is against the board – led by Kauta – whose decision led to the parastatal losing more than N\$1 million.

In December last year, the board terminated the contracts of 10 workers. Five of the workers successfully challenged the terminations, and were awarded a payout which amounted to a collective N\$1,2 million.

The board decided to terminate the contracts, despite the directors having been given legal advice against the terminations.

Public enterprises minister Leon Jooste yesterday told The Namibian that he

has approached the Office of the Attorney General for a legal opinion on Kauta's resignation from the Namcor board, amid claims of reckless actions by the board he chaired.

It was reported last month that Jooste agreed with Alweendo that the Namcor board must explain why they should not be held personally liable for the money lost as a result of the labour action against the company.

Jooste said in such cases, they will make use of provisions of the Companies Act, where "board members may be held personally liable for reckless actions during their tenure, even after their departure from such a board."

He further said instances of "jumping ship" will not nullify the situation in any way.

"Remember that public enterprises belong to the state on behalf of all Namibians, and the state as shareholder is responsible for every cent going in and out of any public enterprise," Jooste stressed.

Kauta said in his resignation letter that he did not want to subject himself to contravening the Anti-Corruption Act, and therefore resigned with immediate effect upon delivery of a report on a board-commissioned investigation by the Deloitte auditing firm into allegations of "impropriety and untoward conduct by the executive management team."

The investigation was about the awarding of a N\$2,2 million oil supply tender to a Malaysian company which Namcor managing director Immanuel Mulunga allegedly influenced.

The investigation, which cost the parastatal N\$3,2 million, had resulted in the board chair and Mulunga clashing on a number of occasions.

Mulunga rejected the investigation, and accused the board of not following the due procurement process when they appointed Deloitte for the investigation against him, adding that it was also not budgeted for.

It was also previously reported that the board had briefed Jooste and Alweendo about their plan to suspend and charge Mulunga, based on the findings of the Deloitte report. The two ministers, however, pulled the plug on this plan, and said the board should rather discipline the managing director while he was working.

Kauta could not be reached for comment.