

Prasa terminates acting CEO's secondment

The Passenger Rail Agency of South Africa's Board of Control has unanimously agreed to terminate the secondment of acting group CEO Collins Letsoalo with immediate effect.



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The dismissal comes after reports that the acting group CEO authorised a salary hike irregularly.

The *Sunday Times* reported during the weekend that Letsoalo demanded a salary increase from a pay package of R1.3 million to R5.9 million.

“The Prasa Board would like to place on record that no board resolution was adopted regarding such a salary increase nor payment of an annual salary package of R5.9 million.

“In fact, the agreed and official salary remains the R1.3 million annual package, which was approved by the Minister of Transport, as per the terms of the secondment package that was agreed to by Letsoalo,” Prasa said in a statement.

Prasa said that all matters pertaining to the alleged authorisation of the salary hike by the Chairperson of the Board in a letter was part of the considerations on the extent of Letsoalo’s added duties at Prasa during his secondment period.

“This letter did in no way give an automatic authorisation of a salary increase without following due process, as clearly stated in the letter from the Chairman of the Board.

“The Prasa Remuneration Policy on acting positions provides for an increase not exceeding 12% of the package on the acting position,” Prasa said.

According to Prasa’s Human Resource policy relating to group CEO salary packages, it is the prerogative of the Human Capital and Remunerations Committee, part of the Prasa Board Committee, to recommend such changes and communicate such to the Human Resource Executive concerned.

“In the case of Letsoalo, this was not done, subsequently flouting all procedures and protocols in this regard, leaving the board with no choice but to terminate his temporary tenure with immediate effect.

“The process of appointing a permanent PRASA group CEO is currently underway with advertisements already out in the relevant Sunday papers,” Prasa said.

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