

COMMISSION OF INQUIRY  
INTO THE SOUTH AFRICAN COUNCIL OF CHURCHES

HELD AT PRETORIA

ON 6 SEPTEMBER 1982

CHAIRMAN:

THE HONOURABLE MR JUSTICE C F ELOFF

COMMISSIONERS:

MR S A PATTERSON

MR T L BLUNDEN

PROF P OOSTHUIZEN

MR F G BARRIE

CHIEF INVESTIGATING OFFICER:

ADV K P C O VON LIERES SC

INVESTIGATING OFFICER:

ADV ETIENNE DU TOIT

SECRETARY:

MR M L MARAIS

ON BEHALF OF COUNCIL FOR THE

S A C C:

ADV S W KENTRIDGE SC

ADV P A SOLOMON

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LUBBE RECORDINGS (PRETORIA)

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ON BEHALF OF COUNCIL

ADV. S.W. KENTRIDGE S.C.

FOR THE SACC:

ADV. P.A. SOLOMON

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THE COMMISSION RESUMES ON 6 SEPTEMBER 1982

EUGENE LESLEY ROELOFSE, still under oath:

MR VON LIERES: Mr Roelofse, at the adjournment on Friday, you were dealing with paragraph 112 on page 40 of your memorandum, and you just read to the Commission an extract out of the annual report of the General Secretary for the years 1979 and 1980 which was marked Annexure 93, on page 2, concerning the finances. --- Mr Chairman, if I may continue? At the end of my evidence on Friday, you will recall that I referred to the fact that the use of untrained ac- 10 countants by SACCAS was in fact in conformity with the policy of the finance committee of the SACC. In my evidence today I should like to draw attention to certain discrepancies or points which would demonstrate that the financial control of the SACC was in my opinion inadequate at the SACCAS level, at the finance committee level, at the level of the General Secretary, at the level of the auditors, and eventually at the level of Mr Potter himself, as far as his investigations were concerned. I have already said that in this particular report of the General Secretary, 20 he complained that the SACC had received its worst auditors' report as a result of a gross dereliction of duty in SACCAs, a company 75% owned by the SACC, and it was SACCAS that did not keep the proper books. I believe that this statement of his is open to attack on various grounds: (a) the auditors in their report dated 25 July 1980 had in regard to the 1979 accounts stated that certain branches of the dependents conference, which is part of the SACC itself, had not kept proper books, with the result that annual financial statements could not be prepared. This 30 situation/...

situation could not possibly be blamed on the SACCAS staff. The dereliction of duty here must have been within head office and within the finance committee, which continued to hand over moneys to persons who in the past had not adequately accounted for moneys received; (b) The auditors had stated that they could not audit the Asengeni expenditure as it was in the absolute discretion of the General Secretary, that is at the time Bishop Tutu. The SACCAS staff can hardly be blamed for this either. An interesting question is, who told the auditors that they were not allowed to audit the Asengeni Fund? Was it SACCAS staff, Bishop Tutu or somebody else? I believe it is vital to identify the source of this instruction, which is so directly in conflict with the normal accounting usage, and also in conflict with the evidence of Bishop Tutu during the trial of Bishop Mokoena. If I can refer to Annexure 17, page 25. On page 25, the first paragraph that starts there, the question:

"This Asengeni Relief Fund, is that subject to audit?"

Reply by Bishop Tutu:

"It is, yes, as all funds of the Council are subject to audit".

You will note, Sir, that in that reply he makes two points; the first one is that the fund itself is subject to audit, and the second one, that this fund is in fact SACC funds.

When we look at the auditors' report for 1980, which is Annexure 103, page 1 - yes, bearing in mind, Mr Chairman, if I could just add that this evidence by Bishop Tutu was given in January 1980. I think it is quite important. The auditors' report for the financial year 1980, the annexure I have referred to on page 1, says, on point 3:

"Included/...



"Included in the divisional funds is the Asengeni Discretionary Fund. Since the disbursements from this fund are in the absolute discretion of the General Secretary, we have not called for any records or documentation relating to such disbursements".

In other words, that for 1980 the rest of that financial year, this was not subject to audit. But if we refer to the auditors' report for 1979 of which I have a portion marked as Annexure 96N, on page 2 of that annexure, we have a comment, 2.3.2, Asengeni Relief Fund: 10

"Since the majority of disbursements are in the absolute discretion of the General Secretary, we have not called for any record or documentation relating to such disbursements. Consequently we do not express an opinion as to whether such disbursements had been made for the purposes for which the fund was created".

Now, I have a problem here, because here Bishop Tutu was on behalf of the South African Council of Churches in January 1980 stating categorically that this fund was subject to audit. He himself was in control of that fund, and 20 the auditors are saying that the funds were not being audited and had not been audited before. It appeared that this was a secret fund, and I still cannot understand, or come to a conclusion on the basis of what was said in the court record and in the auditors's reports, as to whether this fund was subject to audit, yes or no, and it would appear that Bishop Tutu, who had been giving evidence under oath, we must accept that he was speaking the truth, and if we accept that, it would appear that the auditors were perhaps not. I cannot reconcile the two statements. (c) The 30

fact that numerous payments had been made by means of uncrossed cheques, can hardly be blamed on the SACCAS staff. Cheque requisitions were specifically designed to allow a departmental head to indicate whether a cheque should be crossed or not, and an example of that is in Annexure 94, where I have appended a document headed "The South African Council of Churches, Cheque Payment Advice". It was one of those that we also stamp for the ombudsman office, and here we have a cheque to Bennett Matlazi, we made out a requisition and we were asked to indicate whether we wanted the crossing cancelled, yes or no. 10

Mr Roelofse, perhaps just for clarity sake, this document, Annexure 94, is that a sample of the type of document that you had to complete before you could draw funds from the financial - from the financial side of the Council? --- Yes, any expenditure that we embarked upon, we had these forms which had to be completed in duplicate; we had to produce them, send them through to SACCAS, and they would provide the cheque in accordance with the instructions here. But it was certainly within our decision as to whether such cheques should be crossed or not. 20 (d) Bishop Tutu did not disclose in his report, which is Annexure 93, that he himself - this is where he is blaming SACCAS now; he did not disclose that he himself was a director of SACCAS and that he may well have had certain specific responsibilities in relation to the "dereliction of duties in SACCAS" in terms of the Companies Act, because SACCAS was registered as a company. (e) It might also have been appropriate for Bishop Tutu to have mentioned that one of the other directors of SACCAS was Mrs Motlana, Vice-President of 30

the/....

the SACC, and that the Chairman of SACCAS was Mr Alan Wentzel, financial adviser to the SACC. (f) Of the SACCAS directors the following served on the finance committee of the SACC: Bishop Tutu, Mrs Motlana, The Reverend Fred Bell, Mr Alan Wentzel, Mr Matterson, who was Chairman of the finance committee, until December 31 1979. In addition Mr Chris Aitken, who was a member of the SACC finance committee might well be the same person as Mr Ian Christopher Aitken, who was a director of Transfer Administrators (Pty) Ltd, which owned the other 25% of the shares in SACCAS 10 (Pty) Ltd. The majority of SACCAS directors were therefore members of the finance committee of the SACC, and the majority of the members of the SACC finance committee served on the Board of SACCAS or had a direct interest in it. The finance committee and the SACCAS committee board were essentially the same people wearing different hats. Furthermore most of the SACCAS board were on the SACC executive, and two of them served on the praesidium. The statement by Bishop Tutu blaming SACCAS is only part of the truth, and his apportionment of blame unrealistic and possibly 20 misleading, especially as the church leaders to whom the report, that is Annexure 93, had been directed, could not reasonably have been expected to know these details of structure and committee membership, and might well have considered SACCAS a body so separate that Bishop Tutu and the finance committee of the SACC would be absolved from blame. To put it differently: Bishop Tutu says that the blame must belong to SACCAS and not the SACC. The Board of SACCAS, he said, accepted responsibility for this chaos in the record-keeping. So we have a position in fact that the Board 30

of SACCAS, which consists of Bishop Tutu, Mrs Motlana, Mr Matterson, The Reverend Bell and Mr Wentzel, says that the SACC finance committee, which consists of Bishop Tutu, Mrs Motlana, The Reverend Bell, Mr Matterson, Mr Wentzel, as financial adviser, is not to blame. In his report, Annexure 93 page 2, Bishop Tutu talks about SACCAS whom we paid R50 000,00, that was guilty of this dereliction of duty. For the finance committee to now be unhappy with what SACCAS is doing, is, I think, equivalent to Mr P W Botha being unhappy with what the Prime Minister is doing. And 10 yet the finance committee says, we are persisting in the employment of untrained people.

Was that the general trend or was it an isolated approach? --- I beg your pardon?

The employment of untrained people, was that a general trend or was it an isolated approach? --- I am not in a position to comment on that. There were some people that did not have perhaps formal qualifications, but they were doing a very good job in my opinion, and if I may be allowed to express an opinion, the staff at SACCAS, although they 20 lacked formal qualifications, were working extremely hard. That I saw. I knew that they were dedicated, Mr Chairman; I knew that they were trying to do everything, not only to do their jobs, but they walked the proverbial second mile in trying to do their work so well that the SACC would not be subject to public embarrassment and therefore draw the attention of the government. Mr Chairman, during the trial of Bishop Mokoena, Bishop Tutu said - Annexure 17 page 36, more or less in the centre of the page there, when they were talking about the dual roles of Bishop 30

Mokoena/...

Mokoena, Bishop Tutu said:

"Yes, he is also a member of RICA, but I hope you understand that a human being cannot have his life compartment-aligned".

It could have been 'compartmentalised', that there was a wrong name, and on the next page he says, at the top - that is page 37:

"No, but I can say that what you do in one of your particular jobs, does get repercussions on what you do in the other. I say it could have repercussions, exactly". 10

Now we have the situation that Bishop Tutu is a man of many responsibilities; he is SACC General Secretary, he is a member of the finance committee, he is a member of the SACCAS board and a member of the SATCIC board, and yet his various duties and responsibilities would appear to be so vastly unconnected that had he left one meeting to go to another, one is expected to believe that a cloud of amnesia would descend upon him, and I find this difficult to accept. In this context the statement by Bishop Tutu in the October 20 1981 issue of Ecunews, that is the - a magazine of the South African Council of Churches, which I would like to hand in at this stage please, because I do wish to refer to it again later on.

CHAIRMAN:      EXHIBIT ER 6.

MR VON LIERES:      Can you just give us the date of that Ecunews please? --- Yes, I will just find - it is Ecunews Volume 16 1981, it is the news service of the South African Council of Churches, and the edition is 16 October 1981. The importance, Mr Chairman, of this document, I hope, 30

will/...

will become clear later on in my evidence, but just at this stage I wanted to mention, on page 3, the second paragraph, end of the second paragraph, where Bishop Tutu said that the auditors could not be fobbed off with inadequate explanations. I think it has some significance, because there were undoubtedly by then attempts to fob people off. The question was, who was doing the fobbing off, and why? On 5 October 1981 the trial of Mr Elphas Mbatha started in the Johannesburg Regional Court. The allegations were made by Warrant Officer Mills, that Mr John Rees, a former 10 General Secretary of the SACC, had transferred about R250 000,00 from SACC funds into numerous private banking accounts under the latter's name. Mr Potter stated that he had not discovered this in his probe of the SACC books. It was immediately after Mr Potter had given his evidence that I met him for the first time. We were introduced by The Reverend Bell, who had also been called as a State witness. It was a strange experience. Mr Potter had been appointed to investigate evidence of irregularities outlined in my report dated November 1979, filed as Annexure 20 56. He has spent many months on this project and had produced two lengthy reports, but had never as much as picked up a 'phone to ask me for information, assistance or even an opinion. It seemed odd.

Do you mean odd from the point of view that you were the complainant and you were not consulted by the investigator? -- Yes, Mr Chairman, particularly it seemed odd because I had already by then received a letter from The Reverend Peter Storey, Vice-President; I have referred to that letter in the past, in which he said, "Do not go on 30 about/....



about this in public, do not let us go to the press about it; you will be given a proper opportunity to give evidence before Mr Potter". I saw Mr Potter again that day, and he was clearly agitated. He told me that he had looked up the law again, and found that he had not acted in the capacity of auditor when he did his investigation. This too I found strange, as he had on his original appointment implied that he would have the powers of an auditor in terms of Section 26(3)(b) of the Auditors Act. For a man of Mr Potter's standing to have been unsure about the Act, 10 I found inexplicable. A past president of the Society of Chartered Accountants could in my opinion reasonably be expected to know this Act like the back of his hand, for not only was this law his daily bread, but it had existed for years. Furthermore it was to me inexplicable that a professional man could undertake two different assignments of a most important nature, over a lengthy period and produce two reports, which he must have known could be used in judicial processes, without apparently getting it quite clear in his mind about what role he was going to play. 20 Defence counsel questioned me about irregularities I had found within the SACC. He had somehow obtained a copy of my memorandum dated 26 November 1979, Annexure 56, and he handed it in as an exhibit. I felt that I had done my duty, disclosures at the trial had in my opinion tarnished the image of the SACC to such an extent that I wanted no further association with them. I simply desired to be left in peace in order to concentrate on my work, which by then had mostly entailed the question of the farm labourer etcetera. Shortly after the trial I was approached 30

by/....

by a journalist who quoted to me notes she had made during an interview with Mr Potter. By then I had read in the press that according to Bishop Tutu Mr Potter had given the SACC a clean bill of health; Annexure 96B. That is a report from the Daily Mail on 13 October 1981. In my comments to the journalist I stated that Mr Potter's comments implied that my own findings had been inaccurate and that my memorandum was irresponsible; Annexure 96A. I refer to the first column, round about in the middle.

"I cannot for professional reasons allow this matter to stand. After all, part of my job is to prepared comprehensive reports for submission to no less than attorneys-general, and it is vital that the accuracy of my work be established beyond doubt".

The reason I reacted to it in that manner, Mr Chairman, was that already I had had a situation where my very own Vice-President had cast by implications doubts on the accuracy of my work at the National Conference, as has already been part of my evidence. So not only is that happening; it was well-known that I had produced a memorandum pointing out certain irregularities. Mr Potter says he could find nothing in this particular context, and Bishop Tutu says we have got a clean bill of health. I had by then been put in a very difficult position. I submitted a complaint to the Public Accountants and Auditors Board on 23 October 1981. That is Annexure 96. The document included several annexures and questioned the professional standard of the work carried out by the SACC auditors, Pim Whiteley & Close, and Mr Potter. The reply of the Board dated 3 November 1981, which is Annexure 97, I found confusing

and.../



and to some extent distressing. (a) They were unclear whether I was simply seeking advice or whether I wanted to lodge a complaint. Yet I had clearly told them that I suspected that Pim Whiteley & Close and/or Mr Potter had not complied with the requirements of the Board, and I had specifically asked the Board to investigate and to take appropriate action. (b) The Board made much of their requirement of an affidavit. The Board of course should have been well aware that an affidavit is not essential to their operations, especially when adequate proof is produced 10 by the complainant. (c) The Board referred me to TURNER v JOCKEY CLUB 1974(3) SA 633 (AD). Comment: as far as I could see, this case of TURNER v JOCKEY CLUB was largely, if not completely, irrelevant to the issues I had placed before the Board. It concerned a domestic tribunal and not a statutory body such as the Public Accountants Board. It further dealt with the denial of natural justice, and the question of good faith and impartiality. There was never any suggestion on my part that the Public Accountants Board would not be impartial. The Board wondered 20 whether I wanted them to investigate the existence of material irregularities in the affairs of the SACC. Now, at no stage had I requested or even implied this, Mr Chairman. My general reaction was one of dismay, that a lawyer writing on behalf of the Public Accountants Board could misunderstand my letter so completely. My reply to the Public Accountants and Auditors Board was formulated in more direct terms, on 13 November 1981; Annexure 98. It dealt primarily with Pim Whiteley & Close, and I hoped had removed any procedural doubts which might have inhibited 30

action/...

action by the Board. If we can refer to Annexure 98, Mr Chairman, what is written here is self-evident, but with your permission I should like to quote just two or three paragraphs:

"We repeat that we did not suggest that you 'establish whether or not material irregularity has occurred in the conduct of the affairs of the South African Council of Churches".

MR VON LIERES: Page? --- This is page 3, Annexure 98, at the bottom.

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"What we do request is to establish whether or not accountants registered with your Board had themselves committed material irregularity by failing to meet the high standard set by your Board. To that end we tried to bring certain serious matters to your attention in the hope that you would launch an investigation without delay; a not unreasonable expectation in view of the fact that a perusal of the documentation I sent you would indicate that since January 1978 an amount of about R4,5 million has 20 apparently passed through the books of the SACC without having been audited. This is an intolerable situation, involving as it does public money, more particularly money raised from the poor in overseas countries by donors who in great Christian charity have loyally tried to support the struggle for justice in South Africa. These donors are almost totally dependent on the accuracy and clarity of these auditors' reports. As the ombudsman office has itself been funded by such donors, we feel a double 30

burden/...

burden of responsibility to see to it that their moneys are fully accounted for and that instances of maladministration or worse are spelt out in words of one syllable. We trust that this letter will remove any barriers of protocol which might possibly have existed and that the issues put before your Board are now crisp and clear".

On about that date, I received copies of the two reports on the finances of the SACC, which had been prepared by Mr Potter. The first report was dated 1 August 1980; 10 that forms Annexure 99, and the second 19 February 1981, which is Annexure 100. I did a critical analysis of Mr Potter's report, on the basis of which I sent a comprehensive complaint to the Public Accountants and Auditors Board on 19 November 1981; Annexure 101, requesting an investigation of Mr Potter's professional conduct. Now, Mr Chairman, this is a lengthy report; it unfortunately had to be lengthy in my opinion, because my previous request to the Public Accountants Board, had not perhaps resulted in the clarity of understanding that I had anticipated. So I was 20 a little more full. I think what is of importance, in my view, is that one of the main thrusts of my complaint against Mr Potter was his strange use of terminology. I had always been told that chartered accountants are very accurate people, and that they are notoriously precise in their use of language. I found Mr Potter's reports so contradictory to that standard that certain questions arose in my mind, and more particularly his use of semantics. Bearing in mind that these reports of Mr Potter had been commissioned not to go and put before some big expert 30

in the field of accountancy. It was churchmen that wanted to know what was going on in the books of the SACC, and it was churchmen who formed the general assembly of the Council to whom these people would eventually be reporting, and one would have expected clarity of language. Unfortunately I found instances where these were not so clear, and I would like to quote a few examples, with your permission. On page 4, the first quote, and whatever is in quotation marks there, comes straight out of Mr Potter's reports.

I quote:

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"In most cases there appears to be sufficient circumstantial evidence on file to suggest that in the absence of substantial collusion, there has not been any significant misuse of funds".

That is page 13 of the first report. In this clause of 30 words, 17 have been used to qualify it, rendering this vital paragraph absurd, coming as it does from a chartered accountant after an investigation into allegations of irregularities. Secondly, for Mr Potter to refer to that paragraph as a conclusion in my opinion stretches the English language to unendurable limits. Second quote:

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"In a large percentage of cases the payee could not be identified".

Page 6. In fact it was 81,9%. To describe this simply as 'large', I believed to be so insufficient as to be misleading. Quote:

"In many of the projects the auditors had not been able to satisfy themselves that the funds had been used for the specified purpose".

Page 7. Many means 45,8% of total grants, which is

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R710 000,00/...

R710 000,00. Surely it is the duty of an accountant to underline the financial implications of irregularities wherever relevant. One of the most disturbing quotes from Mr Potter's report, Mr Chairman, was the next one, that Mr Alan Wentzel, the financial adviser to the SACC, had satisfied himself in general terms that the moneys of the funds were being properly spent. I do not know how a chartered accountant acting as a financial adviser, can satisfy himself in general terms that money is being properly spent, in the absence of records, and where the recipients 10 may not be identified. I found this very, very disturbing, that particular quote, Mr Chairman, and I felt that I should look into the matter further. I will not take up the time of the Commission with this report much more, but I would like your permission to just quote two more. The one is on page 6; that is quote no 7:

"The Council has been somewhat lax in not obtaining formal accounting for grants made through ICA Development Fund to projects".

That is page 18 of his report. Now, I told the 20 Public Accountants Board that this was somewhat of an understatement. From 1974 to 1978 the ICA Development Fund totalled R1½ million. Of this sum R860 000,00 or 55,46% had been queried by the auditors; a major donor known as KED, had subsequently withheld about R142 000,00 in grants to the ICA Fund; there was an appeal from another overseas donor, Brôt de Welt, for audited statements. The ICA committee had even agreed that all equipment such as tractors supplied to projects, would be repossessed if little or no use was made of them. Now, this is in complete 30

alignment/...

alignment, this complaint, this threat of the ICA committee, with what I had observed myself. I have gone to one of these projects, namely the Daliso project near Ladysmith, and I have seen four tractors standing around in the open air, in various stages of dismemberment. I have seen expensive equipment littered about the place, without any overall plan of what these people were going to do to repair these things, to put them to work or what. To me this represented an enormous waste of money that had been funnelled through. My last quote, Mr Chairman, with your permission, is quote 11. I quote from Mr Potter's report:

"Books of prime entry had not been properly written up in respect of certain branches of the dependents conference. In addition the Council did not maintain a fixed assets register".

That is page 7. Now, apart from these two relatively minor matters, he continues on page 8. Now, the auditors' report for 1979 says that certain branches have not kept proper books and records, with the result that annual financial statements have not been prepared. Total grants made from this fund for 1979 appears to be in excess of R546 000,00. Fixed assets involved about R46 000,00. The auditors had repeatedly raised the need for a fixed asset register, to no avail, and I asked the Board, does your Board support the view of Mr Potter that these are 'relatively minor matters'? Arising from the reports of Mr Potter, and disclosures during and subsequent to the trial of Mr Mbatha, I resumed my investigations into the financial affairs of the SACC. One of my motivations was the fact that Mr Potter had spoken about - you know, a sum of

R500 000,00/...



R500 000,00 or whatever it was that I have just quoted here, as a relatively minor matter, and I recalled that a certain member of the Cabinet had once spoken about not dealing with details, when also rather large sums of money were involved. I felt that if in this structure of the SACC, or in its functionings, that even a man with the standing of Mr Potter, was thinking about sums of that nature as sort of relatively minor, then maybe as ombudsman I now had to start digging again. I noticed that all available auditors' reports had mentioned that - 10

"Due to the nature of grants and donations, these cannot be verified prior to recording in the books". Mr Potter in his report dated 1 August 1980, which is Annexure 99 page 4, stated that this qualification was done as a matter of course by many auditors, and that it was not a reflection on the administration; that is to say of the SACC, and therefore the administration of SACCAS presumably. Now, the following comments come to mind: the audited report for 1977 which is Annexure 96L, and 1978, which is Annexure 96M, page 2, did both of them contain this qualification, as Mr Potter said, a matter of course. The auditors' report for 1979, which is Annexure 96N page 2, departs from this procedure and lists it as item 3.2, which in item 4, the auditors described as a material irregularity, that is to say an issue which falls under Section 26(3)(a) of the Public Accountants and Auditors Act. The auditors took a similar course of action in preparing this statement for the 1980 financial year, which is Annexure 103. Despite Mr Potter's assurances that these qualifications were normally done as a matter of course/... 20 30

course, we are faced with the situation that in audits prior to my memorandum of 26 November 1979, the matter of course, as described by Mr Potter, was adopted, while subsequent to my memorandum it was now suddenly classified as a material irregularity, by the same auditors. Neither the auditors nor Mr Potter have explained what I call the nature of the grants and donations, which makes verification so difficult or why this nature became a material irregularity from 1979 onwards. To the best of my knowledge, the relevant provisions of the Public Accountants Act had remained un- 10 changed. There have been rumours that numerous clearing accounts were used for overseas grants, and this might well be relevant where one considers that less than 5% of total SACC income was derived from local sources. It is well-known that certain donors make out cheques directly to SACC office bearers, for subsequent transfer to official SACC accounts, and once again, Annexure 17 page 24, might be relevant. On page 24, Mr Chairman, about two-thirds down, there is discussion on the Asengeni Relief Fund, and evidence that certain donations were made to an official of the 20 SACC and that this money was handed over or should be handed over to SACC official funds. The principle of money being handed over to an official, perhaps even in cash, was not questioned; it was simply stated that if they got the money, obviously they had to hand this over, and it was well-known, and some of the donors overseas make a habit of giving sums in cash. Even to this day I personally was offered a cheque of several thousand rand recently, and it was obviously for official purposes, and I said no, to the bank; it goes straight in there, but this is a responsibility which 30

officials/...



officials had in handling some cash cheques or cheques made out in their personal names. A study of bank records should, however, confirm this, and indicate whether all such moneys were credited to the SACC as claimed by Bishop Tutu during the trial of Mr Mbatha. An inspection of SACC - of published SACC accounts revealed an extraordinary situation in regard to loans and provision for bad debts. I have in this memorandum a little table, and from this it will be seen that the provision for bad debts vis-à-vis the loans that were granted, varied from 38,2% to 68,9%, if my arithmetic 10 is correct here. It would appear that the average viability of a loan as far as repayments prospects were concerned, was about 50% over the five-year period that I have enumerated here. Now, there was a very big increase in the number of loans. It increased from 1976 to 1980 by about 190%, which is understandable; the SACC had more people that it had to look after. But what worries me, Mr Chairman, is that the bad debts increased twice as fast as the number of loans. I thought this rather odd. It was in September 1980 that Bishop Tutu reported on his attempts to raise 20 money from the local private sector. It was also the year in which both loans granted and bad debts reached record proportions. Two-thirds of loans were bad debts, or shall I say, the provision for bad debts represented two-thirds of the loans.

Mr Roelofse, these loans that you are talking about, what sort of loans were they? To whom were they made? --- I come to part of that a little later in my evidence, Mr Chairman. Now, neither the auditors nor Mr Potter nor, as far as I knew, the finance committee, appears to have 30 found/...

found this situation a cause for alarm. As far as I knew, no schedule of loan recipients, was ever published. I believe that such a schedule should have been made available at least in regard to those who received interest-free loans. In the face of this, Bishop Tutu boasts of a clean bill of health given to him by Mr Potter, and invited the public to inspect the SACC books while the executive committee in turn suggests that people should walk in the light, and that corruption results where money is dealt with in secret. That is Annexure 102. I think it is very important, because it is a policy statement of the SACC. It is a statement by the executive committee of the SACC, and it is dated 6 December 1978 and issued in Johannesburg. It says:

"The executive of the South African Council of Churches meeting in Johannesburg has noted with concern the disclosures of the Erasmus Commission. Because of our human inclination to failure and disobedience, the Bible clearly enjoins us to walk in the light, and reminds us that we will all one day have to account for our deeds. Because of human fallibility it is necessary that public officials be accountable for their actions, for if corruption results where money is dealt with in secret, how much more serious is the danger of abuse when human lives are dealt with in secret?"

CHAIRMAN: My copy is a little unclear. The heading is not clear. Could you just tell me what the heading of this annexure is? --- The heading is "Statement by the Executive of the South African Council of Churches".

Thank you. --- Mr Chairman, as far as that

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portion/...

portion of that statement and in fact the rest of the statement is concerned, I fully support it. I believe that things should be dealt with in open, and I believe that the Bible enjoins us to walk in the light, and not in the shadows. I believe with the SACC that corruption can result if money is dealt with in secret. I have no problems in accepting that statement at all. But now, the problem is that when one was dealing not with the Erasmus Commission but dealing with the SACC, we found a rather amended set of standards by which situations were being judged. 10  
In the note to the financial statements for the year 1980, which is Annexure 103, it is stated that staff housing loans are generally unsecure. That is 1980, Annexure 103. I just cannot put my finger on this now, but I do know that it is there. As I understand the SACC regulations in respect of staff housing, Annexure 104, .. (INTERVENTION)

MR VON LIERES: Sorry, 103, paragraph 7, on page 2, the previous quote you were looking for:

"Owing to the lack of supporting documentation in respect of staff housing loans, we were unable 20  
to satisfy ourselves on the allocation of receipts and payments between long-term loans of the Council and the staff housing trust fund".

Is that the one you were looking for? --- Yes, I believe there is another one as well, Mr Chairman, that - to identify this. Oh, I have it here; my apologies. On page 5, point 2, the qualifying paragraph at the bottom:

"Staff housing loans bear interest at the rate of 5% per annum, and are generally unsecure".

My apologies, Sir. As I understand SACC regulations 30  
in/....

In respect of staff housing, which is Annexure 104, provision was made for two categories, namely a subsidy on interest rates for loans arranged through the Natal Building Society for 99 year leases and loans - sorry, lease, and loans for deposits and home improvements. The former required life cover and pension contributions to be held by the SACC as security, and the latter specified a three-year repayment period. It is possible that these regulations were changed, or that they were not complied with. In either case one would have expected appropriate comment from the 10 auditors and the finance committee. (d) From 1979 to 1980, there was a reduction in staff housing loans from R114 364,00 to R106 657,00, i.e. R7 700,00 or about 7%. During the same period other long-term loans 'generally interest-free', increased from R273 568,00 to R321 553,00, that is to say an increase over that year of R47 985,00 or about 17,5%. I am concerned, Mr Chairman, about the provision of interest-free loans, because an interest-free loan unavoidably means a financial loss to the organisation that lent the money out, and it would appear that in some 20 cases not only the interest was free, but the loan was free because the capital also went down the drain. In this respect I think one should refer to evidence given before this Commission, that all the workings of the SACC are profoundly theological, because in Matthew 25:29 there is the parable of the talents, and it is stated that an employee was fired on the spot, in the middle of the night, for failing to account for the interest on loan money. What would have happened to him if he could not account for the capital, the Scripture does not tell us, but no doubt 30

action/...

action would have been taken. So in that respect at least I do not consider the functioning of the SACC to be as profoundly theological as some people might hold. The nature of other loans is not specified in these accounts, and once again one would have expected appropriate comment from the auditors, or Mr Potter, as even at a nominal rate of 10% interest, it represents a loss of income of about R32 000,00, almost three times the total interest of R11 898,00 received by the SACC during 1980. That is Annexure 103. It does not appear that Mr Potter explored the possibility 10 however remote, that interest-free loans may have been granted to committee members of the SACC itself. This could be relevant for three main reasons, Mr Chairman. Firstly, the disclosure that the Vice-President, Mrs Motlana, had received a grant of R7 000,00 from official funds; that is Annexure 105. There is this allegation, and an apparent admission by Mrs Motlana that she did receive certain funds. The second point is, why I believe this question of interest-free loans was concerned, should have been opened up, was the shortage of funds to care for the relatives of 20 detainees on an adequate basis. Why I am saying that is, if an organisation is prepared to forego a very considerable income voluntarily, because it is not charging a proper interest for money it is lending out, then it can hardly blame - shift blame from itself if it has not got enough funds in order to take care of very urgent projects. The care of detainees has often been stated to be one of the priorities of the SACC, one that has my complete support. I would like to come back to that issue a little later in my evidence. But now we have a situation where the 30

SACC says, we have not got enough funds to help you as much as we would like, and at the same time says, look, you can borrow money from us, we do not want any interest on it. To me this was a contradiction. Then, on top of that, this need to approach the private sector for funds and overseas donors for additional grants. In other words, not all readily available sources of income are tapped, but more money is poured into the organisation all the time. Now, I accept, Mr Chairman, that the work of the SACC is of such a nature that loans cannot be granted on the basis of commercial standards of creditworthiness. We must here consider the commitment of a church organisation to the ideals of compassion, and aid to people. This is its theological stance, and I do not think that can be faulted. However, the donation of R7 000,00 to a wealthy office bearer raises the question whether objective standards of relief have always been applied, and whether the poor have been fairly treated by the SACC, especially as released detainees were often expected to start new lives with a grant of R50,00 which by comparison to the R7 000,00, given to somebody who had also been detained, seems parsimonious. At that stage I was not aware that other relief of a rather high order, namely R14 000,00, had been given to Bishop Tutu, by another source, an anonymous donor, as was stated in the trial of Mr Mbatha. I have no objection to Bishop Tutu having been given support. He used it to buy a house. What I am trying to point out is that there seemed to be a disparity between the quantity of money made available to Joe and the quantity of money being made available to Peter or to Mary, whatever the case may be. Now, on this question/....

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question of detainees, former detainees, people approach me from - with all sorts of complaints. One tries to help as far as you can, but I have had the experience of being approached by former detainees, who claim that when they were released, they were each given R50,00, and my response to that was, you are lucky you got it; it is some gesture on the part of the ecumenical movement in South Africa, it is the church's responsibility to try and help you. Did anybody else try and help you? No, they said. I said, then you should be thankful for what you have got. But, 10 Mr Chairman, they pointed out to me that the amount of R50,00 was so inadequate that it was quickly used up for essential expenses, that they then approached the SACC for further aid, that they were then given a loan, and that when they read in the papers about what other people had been getting, they stopped repaying the loan; they had apparently made some effort to pay small amounts off, and that the SACC according to them, then sent them lawyer's letters. They said the lawyers on behalf of the SACC said, pay up or else, and my advice to them was to write back to 20 the lawyers saying, you want or else, and that if you were sued for the repayment of that money, we will defend you. Now, they did not come back, or half of them, to bring the documents, and I would have liked to have found out who this lawyer was, and perhaps had a chat to him. But this was the problem area where this question of disparity came in. Now, the SACC often complains that it is harrassed and attacked because of the financial aid it gives to detainees. This is a great complaint that the SACC often has, and it is a justified complaint, because many 30 people/...

people do attack the SACC because of the work that it does for detainees and former detainees and their families. However, one must also say that the SACC is just as often attacked by former detainees who claim that the grants provided are too small, and that the ones who reap benefit are the lawyers. I have myself received enquiries on this issue from overseas. When I was overseas, I was asked by certain people connected to a certain organisation, whether I was intending to do anything about the Golden Eagles.

Mr Chairman, I was nonplussed; I had never heard of (10

the expression Golden Eagles before, but it was apparently quite a colloquial expression, and when I asked them what they were talking about, they said, what we are talking about are the Golden Legal Eagles. Now, they are saying that too much of the available funds is being used for legal representations and so forth. I tried to explain to them, look, when people are accused of political offences in South Africa, it is essential to get them the best legal minds possible, and if you get a man who is a good lawyer, you must be prepared to pay him and compensate him ade- (20

quately, and that I knew - I had heard that some of these legal people were actually acting virtually on a - I cannot say a cut-rate basis, that would complicate the issue, but that they were perhaps entitled to far more than they were actually charging the Council. But this impression is amongst people involved and this - I have the impression that this is being probed. Now, while those persons who served on the finance committee were generally well-versed in matters of finance, and in fact two were qualified chartered accountants, and at least one a lawyer, many members of (30

the/...



the executive committee and a large proportion of the National Conference, who in terms of the constitution had to approve the accounts, that is Annexure 106 item :927, had no such knowledge. We look at Annexure 106 - I am sorry, that is not a - that is a reference to the auditor himself. But in terms of the constitution those various people came together once a year - oh no, that is quite correct, I am sorry, 927 does say that the accounts must be approved by the National Conference, and the people who made up the membership of the National Conference were often 10 people who were not well-educated, but very sincere and dedicated church leaders. They were the people that had to give the approval. Now, Mr Chairman, quite obviously one can only give approval or say yea or nay on the basis of what you know, and it is not difficult to understand that when accounts are intricate, people generally have a mental barrier and say, whatever anybody votes, I will agree, sort of thing. People do not like the difficulty of going there to approve annual accounts if they are not qualified, and in any case many times these accounts 20 were sort of tabled and people were asked to approve them. For this reason it is difficult to understand why no clear or concise statement was ever made drawing attention to the large proportion of SACC expenditure which was not audited. I am talking about a clear and concise statement in relation to the accountancy knowledge, and perhaps educational background of the type of people who had to approve the accounts at the National Conference.

THE COMMISSION IS ADJOURNED

ON RESUMPTION:

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EUGENE/...

EUGENE LESLEY ROELOFSE, still under oath:

Mr Chairman, I had closed the previous part of my evidence by drawing attention to what I considered to be difficulties that the people who had to approve the final accounts, namely the members of the National Conference, the difficulties they would be put to if information was not disclosed in clear and concise manner. For this reason it is difficult to understand why no clear or concise statement was ever made drawing attention to the large proportion of SACC expenditure which was not audited. 10

The situation appears to me to be as follows, and I have it tabled there, from which you will see that from 1977 to 1980, the percentage of unaudited expenditure varied, it was a high point at 49% in 1979, and a low point of 25% in 1980. But I do not think that 25% should be seen in isolation. If you, Mr Chairman, refer back to page 47 of my evidence, you will see that while in 1980 the percentage of unaudited expenditure appeared to reach an all-time low of 25%, the number of loans granted and the amount of bad debt provision reached an all-time high. So it would appear that 20

the situation was that what you save on the swings, you are losing on the roundabouts. When one looks at the total expenditure, 1977 to 1980 inclusive, it would appear that the SACC spent a total of over R14 million. It would appear that the unaudited expenditure for the same period was R5 915 000,00, almost R6 million, that it would further appear that the percentage unaudited averaged - or was 42%, and that the annual average unaudited expenditure was R1,478 million. On the basis of these figures, Mr Chairman, the repeated invitations of the SACC and of Bishop 30

Tutu/...

Tutu for people to come and inspect their books, that they had nothing to hide or fear, appears to be absurd. Firstly I must point out, in amplification of that statement, that some of the books were not even being kept, so how can you inspect books that are not being kept? That is my first difficulty.

MR VON LIERES: What books are you referring to? --- Well, there were - it was stated that certain branches of the dependents conference, for example, were not being kept. It was stated that the Asengeni Fund was not quite a 10 kept book, in the normal understanding of that term, etcetera. Secondly, it should be borne in mind that Bishop Tutu himself is quoted as having said that SACCAS whom we paid R50 000,00 failed to keep proper books. What the purpose is in asking people to come and inspect books that are not properly kept, escapes me too, Sir. Thirdly, the Board of SACCAS had acknowledged that SACCAS was responsible for the situation which had brought about this, - and I emphasise - serious state of affairs, and I refer you now again, Sir, to an annexure which is this Ecunews copy that was 20 handed in earlier, and if you would please refer to page 2, the third-last paragraph, I quote a portion of that paragraph:

"The Board of SACCAS acknowledged that SACCAS was responsible for the situation which had brought about this serious state of affairs".

MR VON LIERES: You are now reading from EXHIBIT ER 6? --- Yes. So now we have the further complication that people are invited to inspect books, where there is a serious state of affairs. Fourthly, the chaos as far as the books 30

and/...

and the bookkeeping procedures, was so great that SACCAS was closed down as a bookkeeping operation, and functions transferred to the SACC itself. Now, this chaos continued, Mr Chairman. If we refer to Annexure 101 page 1 - with allegations - I should really have taken that back to the original, these allegations about sums of money that had been transferred out of SACC funds to the private account of Mr Rees of which the SACC was unaware. The SACC also appointed a firm of computer accountants, computer consultants, and there were claims that the suspense account 10 was abused through the year, etcetera. Now, despite the good work of everybody who came to help the SACC in their distress about trying to get the books into a proper situation, we have an auditors' report of 1980, which is Annexure 103, and the auditors talk about several material irregularities on page 2 of that annexure, and say:

"We are not able to express an opinion on whether the income and expenditure account fairly represents the results of the Council's operations for the year ended 31 December 1980". 20

Furthermore, because of the possible misallocation between funds of the Council and trust funds, we are not able to verify that all assets have been properly recorded. I think, Mr Chairman, that that is a very, very serious state of affairs, that is now recorded by the auditors, and how against this sort of background of this sort of situation, people can keep on saying, you can come and inspect our books, I cannot fathom. The auditors' report, Annexure 103, I think it is worthy of note, that this auditors' report is dated 6 May 1981. I think this is material, because five 30 months/...

months later, on 16 October 1981, once again referring to Ecunews, there is a statement on page 3 in the official newsletter of the SACC, allegedly a statement released by Bishop Tutu personally.

MR VON LIERES: Are you now referring to the Ecunews that is already before the Commission, ER 6? --- Yes.

And that date of that again? -- It is 16 October 1981. If I may refer your attention, Mr Chairman, to the fifth paragraph, where he talks about an interesting argument with serious flaws, and then Bishop Tutu is saying: 10

"If the books of the Council were in as unsatisfactory a state as is alleged",

Mr Chairman, the auditors say it is awful; we have got to do something about it, and Bishop Tutu five months later says, "If the books were in such a serious state", no real admission that the books are in chaos, and I find this very difficult to understand, particularly as he again repeats his remark, on page 3 of that document which I have handed in, in which he says:

"I want to reiterate that despite what the magis- 20  
trate has said, we are not afraid of anyone examining our books".

Well now, with every respect, Mr Chairman, to Bishop Tutu as a person, because I do admire him in many, many ways, the Commission, I believe, should note that these were not the words and actions of an obscure clerical theorist, but of a man who is firstly General Secretary of the SACC; he is a man who is a member of the finance committee; he is a man who served on the board of SACCAS, he is the man who in the trial of Bishop Mokoena described himself as 30

follows/...

follows:

"I am the chief executive officer of the Council".

I read from Annexure 17 page 2.

"I co-ordinate the entire work of the Council with the senior staff and junior staff working under me. I am responsible for the total administration of the Council, including its financial affairs. I am responsible for raising funds for meeting the annual budget of the Council"

and he says further that everything that happens in 10  
the SACC goes through me, nothing should happen without my  
knowledge. To say that I am like the general manager of a  
big firm with a lot of branches, would be a good analogy.  
He says:

"I have an accounting division which reports to me.  
I see and sign the balance sheet",

he says. He says:

"I have meetings with the auditors",  
that his authority and standing and responsibility were un-  
questioned, is clear from an additional annexure 1 20  
would, with your permission, hand in, Sir.

Could you just describe the document please? --- If  
I can just lay my hands on it please. This document is  
headed "Proposed Memorandum from the Finance Committee to  
the Executive Committee". There is no date on it, but I  
presume that this was some - oh yes, there is a date on it,  
1977, at the back. I refer to page 3 of this document, the  
last paragraph. That is when the question of the finances  
of the SACC were being discussed, in relation to how - what  
sort of person should be in charge and how it should 30

exactly/...

exactly be done and the need to appoint somebody with some expertise on the subject, and it is stated here - they were talking about the possible use of the term 'financial administrator':

"The finance committee further recommends that the title 'Financial Administrator' be not used in view of the possibility that its connotation might be misinterpreted. It does seem to imply that the financial matters may not be under the control and jurisdiction of the General Secretary". 10

Now, Mr Chairman, I submit that this term of jurisdiction of the financial affairs of the SACC - jurisdiction of the General Secretary, is perhaps noteworthy.

Do you hand that in as EXHIBIT ER 7? -- I have tried to point out - may I continue?

CHAIRMAN: Yes, do? --- I have tried to point out, as I said, that this was now a top authority here. I am talking about examining the books, against the background - despite the background, may I say, of what had actually been taking place. I think it is also worthy of mention that 20 Bishop Tutu holds an honorary doctorate degree in Law, from Harvard. In short, as we - as I see him, and as I experienced him, if you will forgive the expression, he was "Baas van die plaas". Once again I must refer to Annexure 34, page 3, and trust that Bishop Tutu will not take this evidence as amiss or falling under the heading of vilifications and so on, because that is the last thing I want to do, where he says that we will stand by what we believe, that God wants us to do. I would support him in that, but I believe that the SACC must in terms of that commitment be responsible 30

for/....



for proper and good stewardship. I am not theologian, but I believe, and I say this with every respect, I believe that if God had to speak to the SACC today, He would ask them where His money is. The constitution of the SACC, which I have handed in as Annexure 106, lays down one of the functions of the finance committee, to appoint an auditor who shall prepare an audit, the annual accounts for the approval of the National Conference. It is submitted that this passage implies that all accounts, not just some of them, were to be prepared and audited, and that neither the finance 10 committee nor the auditors had the authority to depart from this position. Alternatively it is submitted that the constitution does not permit the existence of accounts which are not subject to audit. I believe that the auditors should have been aware of the situation, and that they should have reported to the National Conference in unmistakable terms, that only a part of the total financial turn-over of the SACC was being audited. There is some validity in the view that the National Conference itself has no authority to approve partially audited accounts, and that the approval 20 that was given by the National Conference during the years under review, was ultra vires, and that it was based on the erroneous belief that all accounts had been audited. In fact, Mr Chairman, I have already stated that Bishop Tutu himself declared under oath that all accounts of the SACC are subject to audit. In my report to the Public Accountants and Auditors Board dated 19 November 1981, which was Annexure 101, I had referred to misappropriation of funds, reported to the SACC executive. That is Annexure 107 page 2. It is a document headed "Directors' Report to the Division 30 of/....



of Inter-Church Aid of the South African Council of Churches to the Executive", 27 and 28 November 1979; Annexure 107.

On page 2 at the bottom, it is written:

"Misappropriation of Funds.

This mainly concerns projects that do not use the grant applied for according to the original budget, or projects which are rather voluminous with more than two programmes within the same project. During screening committee members were very strict on such projects and sent out evaluation teams and later recommended proper use of funds before any further funding". 10

And then on the next page there is a problem here, where it is talking about terminating certain people; I presume terminating their services, and some strange unexplained question about the salaries of these people, and the - this thing was going to be passed onto the finance committee.

11 But it looked as if there were something funny going on with these projects under that division. I had also mentioned the withholding of grants by overseas donors, as Annexure 107 page 4. If we look at the last page of that same 20 annexure, it is said here in the penultimate paragraph:

"It is however sad to mention that part of the grant has been released and the balance withheld, until such time that the donors have in-depth discussion on the issue of grants, reports, audited financial statements etc with the Director of Inter-Church Aid".

So it would appear that the question of audits was now beginning to attract, or had been attracting the attention of certain donors. After the trial of Mr Mbatha, several reports appeared in the press. The Star on 31 October 30

1981, which is Annexure 109, reported that the SACC had cleared Mr Rees. The heading of that report from The Star is "SACC cleared Rees of Theft and Fraud Allegations". It was stated that the SACC had asked Mr Rees to disclose, not to the SACC whose money it was, but to a privileged person, an attorney, as fully as he felt he could, what had happened to Asengeni funds. The attorney was instructed to report to the SACC whether in his view the funds had been properly used. The attorney duly reported that in his judgment this was the case. On the basis of this report and a report 10 of the subcommittee, the SACC had then decided that Mr Rees had acted with integrity. What the SACC did not disclose in this press interview, or at least not in the published version of that interview, was that the attorney concerned in advising the SACC on this matter, was Mr Oliver Barrett of Bowens,, who also was the attorney of Mr Rees, and that Mr Barrett's firm was according to Mr Potter's report, the second-biggest recipient of fees from the Asengeni Fund. That is Annexure 99 page 16. I read from the top of the page:

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"Nearly R1 million of the disbursements of the fund during the period under consideration was in respect of payments to attorneys for legal services. Half of this amount was paid to Chetty, who subsequently left the country. The other half was paid to a number of other firms, but mainly to Bowens".

On 20 February 1980 the Council's auditors completed a special investigation into the payments made to Shun Chetty from the Asengeni Relief Fund during the period ended 31 July 1979, and appeared to have satisfied themselves 30

generally/...

generally that these payments were supported by genuine billing for work done. This view was supported by Mr Oliver Barrett of Bowens who assisted the auditors with their investigations. Mr Barrett had according to Mr Potter, custody of the Asengeni records of expenditure; that is on page 15 of the same document. If I refer to paragraph 7.2, there is only one part that is really relevant here:

"On the other hand he made it clear that for his own protection (this is the claim of Mr Rees) that he had kept records of all grants made and he advised 10 me that these records had been lodged with the Council's attorneys, Bowens, for safe-keeping. To the extent that these records contained receipts from recipients, they might have provided some assistance to the auditors"

etcetera. Now, the auditors who according to their report for 1978, Annexure 96M, I refer to page 2 of that document:

"We have not been able to examine adequate supporting documentation for the majority of disbursements made by the Asengeni Relief Fund, as these disburse- 20 ments are at the discretion of the General Secretary. Consequently we are unable to express an opinion on such disbursements".

Now, I would suggest that there are only two reasons why an auditor cannot examine documents. The one is if they do not exist, and the other one is if they are not presented to the auditors. The auditors appeared to have been unaware that the records were, according to Mr Rees, lodged with Mr Barrett of Bowens. The issue is further complicated for me to understand, when I consider, Mr Chairman, that a 30

partner/....

partner of Mr Barrett in Bowens was Mr Matterson, Mr Neville Matterson, who as chairman of the finance committee gave approval of disbursements without documentation to be included in the audit records. That is Annexure 96M, page 2. Item 3 on that page, at the bottom:

"We have accepted the approval of members of the committee for such disbursements being included in the records".

Now, those financial records were amongst others signed by Mr Matterson. It would therefore seem that Mr Matterson was unaware that the records were with his partner, because if he was now chairman of the finance committee, I presume that he could have said to the auditors, now wait a minute, you know, you were saying that you could not find these things; come with me, I will go and show you where they are. On the face of it this seems strange, as Mr Matterson was made a trustee of the Asengeni Relief Fund by the executive of the SACC on 13 June 1978, and that was Annexure 110 page 4. I refer to item 16, Mr Chairman:

"It was reported that only the General Secretary was authorised to make payments from this fund, and he accounted to the donors. The burden of this responsibility is very great for one person to bear, and the finance committee proposed the setting-up of a trust for the protection of the General Secretary and the funds. In other for there to be flexibility, there would only be two trustees, the General Secretary and Mr Matterson. A draft had been drawn up; it was agreed that the General Secretary and Mr Matterson would administer the money, but that a separate trust/...

trust would not be drawn up".

So what I am trying to show here is that both from the point of view of Mr Matterson's service on the finance committee, as well as on the basis of this particular recommendation, he had perhaps a greater interest in seeing to it that the auditors had access to the records of the Asengeni Relief Fund than perhaps any other committee member might have felt themselves to have. Now, Bowens, a major recipient of Asengeni money, also supervised the work of other attorneys in regard to this fund. That is Annexure 99 page 16. I 10 refer to the second paragraph on page 16:

"Mr Barrett also explained to me (that is to Mr Potter) the control exercised by his firm over all the other legal work undertaken around the country on behalf of the Fund. From these discussions I am satisfied that all the payments made to Bowens and other legal firms can be substantiated and fully supported by documentation."

So we have a situation where the records as available. Bowens not only produced their own substantiation of their 20 accounts, but they see to it that the other attorneys do the same thing. There had been rumours that some of the attorneys around the countryside were a little naughty, but here was a trusted attorney acting on behalf of the South African Council of Churches in a supervisory capacity as well, so the records were there. After the audit of the 1978 books, that is during 1979, Mr Barrett handed over the official records of Asengeni to Mr Rees. That is Annexure 99 page 15, paragraph 7.2. We have the situation now where these records were being kept with Bowens; Mr Rees 30

comes/..

comes along, after the audit for 1978, when he was no longer an official of the SACC, and draws these records from Bowens, and then he said he destroyed them after the audit. But he did not say to the auditors apparently, look, if you want to look at it, it is here, or apparently he did not tell the auditors, look, if you are looking for those records, you cannot get them because I have destroyed them. To me this is a very, very complicated situation. During 1981, two years after the destruction of the records, Mr Barrett on the basis of what Mr Rees had told him, and possibly 10 also on the basis of his own memory, certified to the SACC that Mr Rees had used the Asengeni Fund correctly, and he did this despite disclosures that R250 000,00 had been transferred to private accounts controlled by Mr Rees. Now, I have difficulty here, Sir; if it was correct for Mr Rees to transfer Asengeni money to accounts over which he had private control, and of which the SACC executive was apparently unaware, then it would surely also be correct for Bishop Tutu to transfer money from Asengeni to accounts over which he had control. Furthermore, on the same line 20 of reasoning, it would then also be correct for any person who held the position of Acting General Secretary to do exactly the same thing. This I believe could in turn lead to an undesirable proliferation of private banking accounts, housing official money. The Council did not even ask Mr Rees to explain to the Council what had happened to the Council's own money. The Council did not entrust itself or its auditors with detailed information about Asengeni expenditure, all on the grounds that such expenditure was discretionary. This too appears an absurd situation. 30

Nobody/...



Nobody has yet on behalf of the South African Council of Churches given any indication on how the keeping of proper books of account for Asengeni could possibly restrict the discretion of the General Secretary in spending it. For example, the General Secretary presumably must account for his travelling expense, but he has never complained, to the best of my knowledge, that this accountability restricts his discretion in when, how or where he travels. While the Council would not even allow the executive, the finance committee or its own auditors to know the details of 10 Asengeni expenditure, it did entrust this information to the Director of the dependents conference, Miss Anne Hughes. We refer to Annexure 112; it is headed "Extract of Minutes of Closed Session of Executive Committee meeting 12 and 13 September 1979".

"Relief and distress Sub-committee:

It was agreed that a relief and distress sub-committee be set up by the executive in terms of Clause 10 of the new constitution to administer the Asengeni Relief Fund. The members appointed were: the General 20 Secretary and the two Vice-Presidents, Mrs Motlana and The Reverend Storey, with power to co-opt representatives from member churches. The Director of dependents conference was appointed to administer the Fund", to administer the fund,

".. and would receive all applications for assistance and then make recommendations to the committee. She would also scrutinise and approve accounts before authorising payment. It was agreed that additional staff could be allocated to her to assist her in the 30

extra work".

Now, this decision apparently did not in any way hamper the running of this fund. It is a decision that was taken in September 1979. I think that is quite important, Mr Chairman. We have the administration of this fund by a person now who was going to receive all applications for assistance, make recommendations to the committee, scrutinise the accounts, approve the accounts, and she was going to authorise payment. It did not in any way restrict the assistance to people. If we read this, in relation to the explanation given by Mr Wentzel in response to my original request for information about the Asengeni Relief Fund, we see that there was no question now of sudden purchases of coffins or artificial limbs that could not be accounted for; this was going to just plod along as a committee that is empowered to give assistance to people. Yet it would appear that despite all this information and accounts and scrutinising, that for 1979 and for 1980 the auditors were unable to see all the documentation that one would have thought would be generated if such a system was placed into operation. It seems odd. The situation becomes even more complicated when one reads in the report of the Deputy General Secretary Administration, Mr Stevenson, at Annexure 111 page 2:

"One significant point was that Bishop Tutu agreed with the concurrence of the finance committee to the division of the Asengeni Relief Fund into two parts: (a) Asengeni Legal and (b) Asengeni Discretionary. This allows for approximately 80% of Asengeni to be audited".

Now, Mr Chairman, I have difficulty in understanding

how/...

how this could have come about, because there had already been a decision that the whole thing would be done by this committee. In other words, what is being said here, is that 20% of Asengeni would not be audited. To put it another way: Bishop Tutu had agreed, according to this document that I have just read, that from the Asengeni Fund, which according to his testimony in the Mbatha trial, had to be audited, and according to this document, that we referred to a little while ago about the setting-up of this committee to administer Asengeni, also had to be - all the documents had to be 10 available, that out of that a 20% fund be created which was not going to be subjected to audit, as in fact the whole fund had not been subjected to audit historically. I would doubt that he, the finance committee or anybody else, had the legal right to give such authority. During 1980 ..

MR VON LIERES: Excuse me, is this split of the Asengeni Fund, is that reflected in Annexure 103 on page 10? --- Yes, Annexure 103, page 10.

How is it reflected there? -- It is shown that this new fund of the discretionary - the Asengeni Fund 20 Discretionary aspect, was R131 617,00.

You have got basically two Asengeni Funds listed there; the one is the Asengeni Fund for Legal Assistance, and the other one is the Asengeni Fund Discretionary? --- Yes.

Carry on please? --- Now, it is not clear to me from this Annexure page 10 whether the discretion of the General Secretary was now going to be limited to the R131 000,00 and whether that implied that he had no discretion about the giving of legal assistance to people, when it came through the legal fund. The division of the Asengeni Fund into 30 audited/...

audited and unaudited components, is in direct conflict with the resolution of the SACC executive, on 12 and 13 September 1979, when that Annexure 112, page 2, it is one we have already referred to, and at the bottom of the page is written:

"The Director of Administration who was to take up his duties on 1 October, was asked to undertake the following activities on behalf of the executive, in consultation with Dan Vaughan."

Now, there are a whole lot of activities, but on the next page we see, item 4 on page 2:

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"To examine all of the financial administration including the services provided by SACCAS (Pty) Ltd and the audit of the SACC books; check that all areas of our financial affairs are subject to scrutiny by the auditors; initiate necessary alterations".

I repeat that this particular instruction falls in two categories; the one is that everything has got to be subjected to scrutiny by auditors. The second thing is that a direct instruction has now been given to two officials, Mr Vaughan and Mr Stevenson, to initiate the necessary alterations.

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I do not know why that instructions was not given to the General Secretary, as he was the person in control of the fund. It should have been pretty simple to say, see that this is done, but be that as it may, this is what was decided. It would appear to be in conflict with what Bishop Tutu told the magistrate, that all funds of the Council are subject to audit. It appears that at this date it was now going to become subject to audit, in 1979. Well, we all know that during 1979, as has already been pointed out in evidence, the auditors were able to audit it, and in 1980 only

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part of it. A visitor at this meeting of the SACC when these decisions were taken, reflected in Annexure 112, was Dr C Krause of a German donor agency; Annexure 113. He is also important in respect of other donors in Germany. I do not know whether his presence and the resolution referred to were connected. In considering the Asengeni Fund, Mr Chairman, there are factors which are beyond doubt. Firstly, the Fund was established by the South African Council of Churches; we here refer to 114, Annexure, I think that makes it clear. That is a report from The Daily Mail of 10 Wednesday 5 May 1977, and John Mattison says:

"These are extracts from the reports of the relief fund set up by the South African Council of Churches", right on the first page of that. Now, although discretion in deciding how much would be given to whom, was given to the General Secretary, it was unquestionably SACC money, for how else would it be possible for the SACC to decide in whose discretion money was going to be spent, if it was not their money, to give that authority? Secondly, Bishop Tutu in his evidence during the trial of Bishop Mokoena, 20 Annexure 17 page 24, made it clear that the Asengeni Fund was part of the SACC. I refer here to the centre of the page, 24 of Annexure 17:

"As the Court pleases, Your Worship. Bishop Tutu, we are still busy - we were still busy with the finances .. and there is a specific relief fund in the SACC administered by you personally. What is the name of this relief fund?"

Reply: "Asengeni". "Asengeni?" "Asengeni Relief Fund, yes". Mr Potter in his second report makes it clear 30

that/...

that the Asengeni Fund was SACC money; if we look at Annexure 100 page 2; we refer to page 2, Mr Potter's report, section 2:

"Their comments relate to:

- (a) specific funds administered by the Council, namely..."

and Asengeni Relief Fund is in there. Thirdly, the Asengeni Fund was not placed under the control of an individual, but of an official, and throughout the minutes one will see repeatedly that it is talked of, not Mr Rees' discretion, 10 Bishop Tutu's discretion of Acting General Secretary's discretion; it was - or individuals, but the General Secretary. It is submitted, Mr Chairman, that a person who vacates the post of General Secretary, loses both the right to administer the fund and the responsibility to account for it. Lastly, the Asengeni Fund was contributed to by numerous donors, mostly church organisations, who themselves raised money from the public. It therefore represents public money and should be accounted for; not 80% of it, not 90% of it, but all of it, otherwise I believe it should have been de- 20 clared for income tax purposes. In expressing the view, the beliefs that I have complied with the terms of the subpoena issued by the Commission, I plead that action be taken only against those individuals who are guilty of criminal acts, or those who failed to comply with statutory requirements. I plead that if action is to be taken against the SACC itself, that such action be limited to requiring to comply with proper accounting procedures, and its obligations to account for the spending of public money, possibly by bringing the SACC within the ambit of the Fundraising 30



Act. I plead, Mr Chairman, to this Commission, that the acts and failures of the few, however unsavoury in the view of this Commission, be not visited on the heads of the innocent who in dedicated sincerity and often at great personal cost, have tried hard to uphold the principle of justice within the South African Council of Churches. I plead finally, Mr Chairman, that however unpopular the viewpoints of the SACC in the views of the government, the future existence of the SACC be left unprejudiced, as I believe that with certain changes to its hierarchy, the SACC could 10 act more responsibly in the spending of public money, and would more aptly accept its duties towards the hundreds of thousands who are without influence or voice and often look vainly to the South African Council of Churches for understanding, hope, leadership and meaningful financial relief in their distress.

MR VON LIERES: Mr Chairman, there are some general questions I wish to ask the witness now, after he has traversed his memorandum.

Mr Roelofse, could you in a nutshell summarise 20 the main thrust of your views on the aspects of financial control in respect of the South African Council of Churches? -- Mr Chairman, I believe that the financial control was inadequate. I believe it was inadequate at the level where the actual bookkeeping was done. I believe that it was inadequate at that level because of lack of qualifications of the people who were responsible for these duties, but only up to a point. I believe that the rest of it is that the bookkeepers despite their own efforts to exert control, were labouring under this disadvantage that they had 30

to/...

to comply with certain policy of the SACCAS board, and the finance committee, which made control more difficult. An instance there is that anybody could decide who wants an unsigned cheque - or at least an uncrossed cheque and who not and whether there is going to be vouchers or not. I believe that it is also relevant to point out that at that particular level these bookkeepers who I believe were doing their best, constantly had to face the embarrassment of public pronouncements by the auditors, by the finance committee, that always brought in the fact that these 10 people were Black. Mr Chairman, I believe it was irrelevant that they were Black; they could have been green or pink, but every time there is that little dig, and this was an embarrassment to them, and when you are embarrassed in that stage, I do not believe you can do your duties properly. At the next level we now had a situation in SACCAS where their Chairman was a chartered accountant who was a top official of a certain bank at the same time, in the same building, and there was this running up and down whenever there was a query. So he would give rulings on this. 20 This I saw myself, so this is first-hand evidence. So there was now a problem area. Then we had the SACCAS Board, who, according to the evidence I presented, showed that they were not exerting adequate control. At the next level we have the SACC finance committee, that, as I pointed out, in one instance was asked to again produce certain reports, to give more comprehensive reports and so forth; I think the failure with the finance committee was that it did not spell out in words of one syllable the troubles that they had; words of one syllable that were adequate enough 30

for/...

for the executive to fully understand, and of course eventually for the National Conference. I believe that the General Secretary could have exerted more adequate control than he in fact did, because his various explanations of the situations in the financial control sections, appeared to be conflicting at certain times. Now, if explanations are sort of straightforward, it is sometimes easier to initiate corrective action, and then at the executive committee, I believe that however sympathetic the executive committee was towards the problems of financial control, 10 and we must bear in mind that we had a growing organisation with a budget doubling over a very short period, that the executive committee, I believe, could have put its foot down. I mention an instance here where there was a problem with certain financial reports that had been put before the executive committee by Mr Chris Aitken, who is a chartered accountant; it was then discovered that the figures on which he based his report, were not quite accurate because of the information he had been given. I am not suggesting his work was inadequate, but the sources were inaccurate, 20 and I well remember a very considerable row in the Council as to whether he should present his report or withdraw his report or what, and in fact the President at the time, The Reverend Sam Buti, threatened to resign over this issue. But these were events that took place; it was not a question of somebody being at the top saying, I will no longer tolerate this chaos. At the next level of financial control, I think it is fair to include the auditors, because the auditors themselves, I believe, that while they were - I am prepared to accept that they were acting strictly 30

in accordance with the Public Accountants and Auditors Act and the normal procedures of auditors etcetera; I believe they should have borne in mind that they were dealing with people who were not accountants, who were not professionals in this field, and who were looking to them for guidance. Now, they knew that these auditors' reports were presented at the National Conference; it was sometimes a thing that took place very quickly and I do not think all the time was devoted to it that perhaps could have been devoted to it. The auditors should have been, I believe, far more 10 direct in setting out what was wrong, and secondly, that if they did not get the proper response, I believe that some of the issues that the auditors either came across or should have come across, should have been properly reported to the Public Accountants Board. Then at the final level of control, because now we had a situation where the whole question of the SACC's finances were being questioned, we now had the appearance on the scene of a top-level accountant by the name of Mr Potter, and I believe that he might also have helped to have delineated the problems with 20 greater clarity than he has done in his two reports, and in fact it is my own impression that if Mr Potter had been more forthright in condemning certain practices and doing certain things to get things back on even keel, I really do not believe that we, with respect, would have been sitting here this morning. I believe this is a problem that could have been sorted out, could have been done internally, it was my objective to get it done internally, it did not materialise. There is of course the other aspect too, that when you have a situation of a general secretary of an 30 organisation/..

organisation such as this walking around with a brief case full of cash ..

MR KENTRIDGE: Who are you referring to? I am sorry, I think the witness should say who he is referring to. We have had enough of these nameless insinuations.

MR ROELOFSE: Mr Chairman, I was just going to say who it was. When we have a situation where a general secretary of an organisation like this, walks around not once, but on many occasions, with a brief case full of cash notes, containing very considerable sums, as I on more than 10 one occasion saw in the possession of Mr John Rees, then one can conclude on the one side that this was money just received from some collection or another, and there has not been a chance to bank it yet; on the other hand it could be that in dealing with certain things on a cash basis, it is difficult to maintain control over such expenditure. I know that many of the people to whom assistance had to be given, did not have bank accounts; many of them were illiterate, many of them were far away, and they had to be held in cash and some of the assistance, quite ob- 20 viously, had to be given by the SACC for urgent cases, right on the spot. There was no - it would have been impractical to give them a cheque. On the other hand there are many other organisations that also deal on a cash basis, and such cash is generally kept in a more secure manner than carrying it around in a brief case. That I hope replies to the question.

MR VON LIERES: Now, I would like to ask you a few questions about the source and origin of your annexures that you have referred to. You have referred the Commission to some 30

114 annexures and then you handed in another 6 or 7 other documents. It appears to me from perusing the annexures that they are made up of official minutes, such as St Ansgars committee, SATCIC executive committee minutes, financial committee minutes, the minutes of the Vice-President, and some reports by Mr Wentzel, then there appears to be a second category, auditors' reports, then there appears to be a third category, letters that you had written, and there appears to be a fourth category, documentation you found in connection with Mokoena's investigation; there are 10 a number of newspaper clippings, and then you have handed in the Ecunews. Is that more or less a summary? --- Yes.

Now, let us just hear from you in connection with the official minutes that you have referred to. These are now the documents relating to St Ansgars, SATCIC, executive committee, financial committee, Reverend Storey's documentation, Mr Wentzel's reports and so forth. How did they come into your possession? --- Mr Chairman, these are documents that, I was looked upon as half-member of the staff and the ombudsman office was on the circulation list 20 of the SACC. I had to attend these executive committee meetings as a member of the staff; you will see that my name appears on the minutes as a staff member, and these were sent to me in the normal course of my duties. Now, there are certain of these things which continued to be sent to me after I had rather lost interest in the SACC, but the mailing system of the SACC or distribution system, was not always all that ..

Now, when did you sever your links finally with the SACC? --- Well, in a sense, I supposed legally on 1 30

October/...



October 1980, but in actual fact my links were only really severed with them at the time that they refunded me my pension money and other outstanding things.

Well, did your office receive - remain on the distribution list until 1 October 1980? --- Mr Chairman, we used - it used to come and go. Officially we should have stopped then, but a lot of these things came in afterwards, and even now and again I - after that I still got odd things which people had thrown into a collection or into an envelope and sent to me. So these were housed in our 10 official premises, as ombudsman office, and these things, as I say, we threw them into a pile. Quite frankly we were at that stage now trying to get rid of some of our office space in order to save money, I have already mentioned this to the Commission.

Now, Mr Roelofse, I see, if you wish to turn to Annexure 16, I see you are listed as being in attendance at the minutes of a meeting of the Board of St Ansgars held on 16 November 1978. Present, The Reverend Tutu, Dr Berglund, in attendance, Mr Roelofse and Miss S Matterson. Is 20 that you, this Mr Roelofse? --- Yes.

Similarly, if you would like to turn to Annexure 19, which is another minute of the meeting of the Board and management of St Ansgars, on 7 December, I see you are listed as being in attendance there? --- Yes.

Annexure 20, which is a meeting of a commission appointed by the General Secretary of the SACC to investigate the affairs of St Ansgars, I see present, Reverend Storey, Mr Matterson, Mr Roelofse, ombudsman, Bishop Mokoena and Dr Berglund and Dr Kistner. Annexure 24 is a minute of 30

an extraordinary meeting of the board of management of St Ansgars held on 30 January 1979 in the office of Bishop Tutu; I see in attendance, again your name is listed? Have you got that? -- Yes.

Annexure 26, this is a minute of a meeting of the executive committee of the South African Council of Churches held on 7 and 8 March 1979, I see amongst the staff your name is listed? -- Yes.

Then just a few further examples; Annexure 63, which is another executive committee minute, 5 and 6 December 1978, amongst the staff you are listed as being present? --- Annexure 63? Yes, that is correct.

110 is another example? -- Yes.

There is another executive committee minute, meeting, 110, held on 13 and 14 June? -- Yes.

And 113 is another example? --- Yes.

Minutes of the executive committee on 12 and 13 September 1979, and you were also present there. Now, as far as you are concerned, do these minutes in which you are listed as being present, did those meetings actually take place? --- That is correct.

And the contents of these minutes? --- To the best of my recollection they are correct.

Now, you have earlier referred us to a minute of a closed session of the executive committee meeting, 12 and 13 September, Annexure 112, and 113, Annexure 113 then appears to me the open meeting of the executive committee? --- Yes.

Did these closed meetings take place often or seldom or what? --- There were from time to time, there were closed meetings. This was the only time in which a copy of

the closed meeting minute had actually been sent to me with the other minutes.

Now, was it expected of you in the normal course of your business to attend executive committee meetings? -- Yes, it was part of my duties.

Which other committees did you have to attend? --- Well, there were - the executive committee, there was the senior staff committee, at one stage there was the St Ansgars committee, and then of course we could be called in by any committee that thought that we could make a contribu- 10  
tion to it.

In such a case, would you automatically receive a copy of the minutes? -- Yes, and we also had the situation that minutes and reports and so forth from departmental heads were circulated to other departmental heads although they did not have a direct interest in it. The idea was that there was a striving to a sort of unity of approach, and because the organisation was becoming large, it became necessary that one departmental head had some idea of what the other departmental heads were doing, and the easiest 20  
way of transmitting this, was often minutes. I personally never liked the idea of minutes being distributed; we used to rather distribute a report.

So you used to get minutes from other divisions? --- Yes.

And you sent minutes to other divisions, or reports? --- We sent reports mostly.

Now, you say, Annexure 112 is the only minute of a closed session that you had ever received? --- Yes.

Were many other closed - well, you have already 30  
said/...

said that closed sessions were held from time to time. You never received any other copies? --- No.

Now, Mr Roelofse, the Pim Whiteley documents that you attached, such as for example Annexure 49 and 50, 52, how did these come into your possession? --- Mr Chairman, these were tabled, 49 and 50 were tabled at an executive meeting that I was present at, and this was the normal thing; they were held in a hall where they had a platform, and these documents would be put in there and everybody would come along, because very often there was a tremendous amount of confusion, because the administrative staff were under a lot of pressure, and very often they did not get - were not able to get their minutes and reports and so on out to the members of the Board, in time, and in fact it often happened that some of these reports were still being typed at the very time when the executive was sitting, and they would come in as they were finished, and they would be distributed across the table. 10

Just in order to avoid any confusion; I have not given you an exhaustive list of minutes in which your name appeared? --- That is correct. 20

Now, did you obtain these reports of Pim Whiteley - as you have explained to us now? -- Yes.

And the report by Mr Potter, Annexure 100 and Annexure 99, they were addressed to the Chairman of the executive committee, both of them? --- The two Potter reports were sent to me by mail.

Now, Mr Roelofse, the newspaper clippings, in so far as the newspaper clippings purport to quote you or what you were alleged to have said, is that a correct 30

reflection/...

reflection of what you were alleged to have said? --- Yes, with - may I just ask which clippings are now being referred to?

Well, the newspaper reports that you have attached to your memorandum in so far as they relate to you? --- Yes, reasonably correct.

Now, when you finally separated from the Council, did this documentation move with you? --- Well, the position was that we did not move. We were always in a separate building. We were never in the SACC premises, and the 10 documents stayed there.

Could you perhaps just clear up the relationship, St Ansgars, SATCIC, Wilgerspruit, SACC to the Commission? --- I will do my best there, Sir. The property of St Ansgars, generally referred to as St Ansgars, is an old mission station built on a smallholding in Roodepoort, bordering the main Roodepoort/Johannesburg/Krugersdorp road. On that - now, this property is shown in the books of the South African Council of Churches, as per my previous evidence, as an asset of the Council; the Council holds 20 certain rights to it. SATCIC was for a considerable period one of the tenants but not the only tenant of the SACC on the St Ansgars property. Wilgerspruit was rather different; I think I might have a note on it. If I can refer to Annexure 63 page 5, item 12. It was reported that the registration deed of the fellowship trust had been given to a young Black lawyer; the General Secretary was authorised to sign all documents which may be necessary to create the fellowship trust and for the appointment of the trustees. The General Secretary was also authorised to sign all 30 documents/...

documents which may be necessary to effect the donation and transfer of the properties held by the SACC in trust for the use of the - of Wilgespruit Fellowship Centre to the fellowship trust, and then it says here, it identifies the area, and talks about the trustees appointed by the SACC to the fellowship trust, are Mrs Motlana, Bishop Tutu and Mrs Kinghorn.

Now, you have mentioned SATCIC being a tenant at St Ansgars. Was SATCIC as such the South African Theological College for Independent Churches, was that regarded as 10 a project of the South African Council of Churches? -- Yes, it was regarded as one of the brain-children of the South African Council of Churches; it was so regarded by many people, whether that is technically correct, I cannot say, but that was the general impression. The SACC was very closely connected to it, because it is a fact that the SACC froze the funds, or attempted to freeze the funds of SATCIC at one particular stage, that the SACC was represented on the SATCIC Board, that the SACC received minutes, so there was a sort of an interest of the SACC in it, and then 20 of course furthermore, what was happening at SATCIC was as far as the education of the students and so on was concerned, was a matter frequently that figured in the report of the director of church development, and these reports were received by the SACC.

I would like to take you now to Annexure 26, page 2, paragraph 5, in the middle of paragraph 5, paragraph 5 is the report of the General Secretary, and it says, Bishop Tutu presents his report, and then more or less in the middle of that paragraph it says that he reported that 30

he/...



he would be appointing a personal assistant, Charles Yeates in April; Charles has a B Comm and he is presently studying for an MBA degree. Have you got that? -- Yes.

Now, have you ever met up with Mr Yeates or met him? -- I recall that he - I have a vague recollection that he addressed the morning assembly once, and that it was in connection with conscientious objection; I cannot remember the details of it, and quite frankly, if I saw him today, I would not recognise him. It was just a fleeting recollection I have. 10

All you know about this is that you were introduced at some morning service? --- Yes.

And what in connection with conscientious objection was the concern? --- Well, the concern was that people were finding it difficult - some people were finding it difficult to participate in military activities, and the stance was that people should, when it becomes a question of conscience, be permitted to take certain decisions on such matters as a matter of conscience.

And where was the announcement made that Mr Yeates was to be a personal assistant? --- I beg your pardon, was the question where or when? 20

Both, where and when? --- I cannot recall whether that was before he was introduced to us or afterwards, but it was actually in the assembly place of the SACC.

Now, in another annexure, Annexure 113, which is the minutes of the executive committee on 12 and 13 September 1979, also on page 2, we find that it recorded under paragraph 4, report of the Acting General Secretary, the 8th line from the top it says: 30

"Dr Kistner had written to church leaders asking them to phrase the Peter Moll conscientious objection case that is taking place".

Have you ever met Mr Moll? -- Yes, I recollect, I remember two people being introduced to the assembly; I think the one was Mr Moll, but I could not swear to that.

CHAIRMAN: Mr Kentridge, you may cross-examine?

MR KENTRIDGE: M'Lord, as Your Lordship will understand, we have got a great deal of material from Mr Roelofse; some of it which came today, has been extremely important 10 from our point of view, and unfortunately, as you will hear, I will have to challenge a good deal of what Mr Roelofse has to say, and in the circumstances I have to take instructions on a number of things, and I wondered whether it would be possible for us to adjourn this until tomorrow morning.

CHAIRMAN: Can you not use the time - I do not want to - I realise the problems you have, but we have another 2½ hours available. Could you not cover the ground on which you have instructions? You had the memorandum?

MR KENTRIDGE: Yes, I certainly do have instructions, 20 but there is another aspect which does worry me rather. A great deal of what I have to say will deal with what Mr Roelofse has said about accountants and accounting. Furthermore I will be, I am afraid, asking the Commission to make a finding on his credibility, and I very respectfully submit that when dealing with these matters, particularly the accounting matters, it would be highly desirable to have the accountant member of the Commission present.

CHAIRMAN: Am I to understand that you are not in a position to cover at least part of the terrain? 30

MR KENTRIDGE: Not at all. What I am submitting is that I would rather, as I am going to ask for a finding on the credibility of this witness, I would rather cross-examine in the presence of the whole Commission.

CHAIRMAN: That would not be possible at all stages. We will just have to accept that at times certain members of my Commission will not be able to attend, but that there will be a running transcript and they will read that when they return.

MR KENTRIDGE: May I ask whether Mr Patterson will be present tomorrow? May I ask when he will be present? 10

CHAIRMAN: I have not got the record with me. But it is not going to be possible to arrange for our sittings in such a way that Mr Patterson will be here at all stages, but he will have the running transcript.

MR KENTRIDGE: Yes, but Mr Patterson is going to be asked, like other members of the Commission, to make a finding on the credibility of the witness.

CHAIRMAN: That is a practical difficulty, but we will deal with it as best we can. We cannot have all the Commissioners present at all stages. It just is not possible. Mr Patterson will be here on the 8th, but I do not want to - I do not want us to start off on the sort of arrangement that only when all the Commissioners are present, will matters be dealt with, otherwise we are going to have to go to the - we will have to sit at so many awkward dates, it is not going to be possible to continue and complete the work in good time. 20

MR KENTRIDGE: Yes, well, I do not know whether I would still be cross-examining the witness on the 8th, Mr 30

Chairman/...

Chairman.

CHAIRMAN: Well, that is a practical difficulty, and we will have to deal with it as best we can.

MR KENTRIDGE: I do not know how I can deal with it at all. At any rate, M'Lord, I am in Your Lordship's hands; I have made an application and if Your Lordship - if the members of the Commission require me to start this afternoon, I will start this afternoon and go as far as I can.

CHAIRMAN: I am not going to require you to start off unless you are in a position to do so. That is why 10  
I enquire, are you in a position to cover at least part of the terrain? You have had the memorandum since last week?

MR KENTRIDGE: Yes, I certainly am. I do not suggest for a moment that I am not, but I thought it might be - I must say, I must admit, I was very much influenced by the hope that Mr Patterson would be here. I wonder if I could - would you allow me a moment?

THE COMMISSION IS ADJOURNED

THE COURT RESUMES AT 14h00 - 6 SEPTEMBER 1982

C12

EUGENE LESLEY ROELOFSE, still under oath

CROSS-EXAMINATION BY MR KENTRIDGE: Mr Roelofse, I would like to say at the outset the South African Council of Churches retains its admiration for the work you have done as ombudsman and if I may say so, so do I and nothing that I am going to put to you in the course of cross-examination detracts from that. Nonetheless, having said that I must make it clear that I propose to challenge a good deal of what you have said. Again let me make it clear, we do (10 not for a moment suggest that some of your criticisms of the administration of the South African Council of Churches is not justified, some of it is justified. But I am going to put it to you and submit to the Commission that a great deal of your evidence is a mixture of morbid suspicion, insinuation and half-truths. Now Mr Roelofse, when you began your evidence last week, you said at the outset that you were here under subpoena, is that correct? -- That is correct.

Could I see your subpoena, please? -- I have not got (20 my subpoena with me, Mr Chairman, but the subpoena was issued by the Commission, it is an official document of the Commission and I accepted it as such because it had the Commission's official stamp on it. Oh, I am told it will be sent for.

The first subpoena that you got directed you to produce documents concerning the South African Council of Churches to this Commission, is that correct? -- It did not just say documents relating to this, it was quite a wide - it had wide terms in it. (30

Yes. And on 9 January 1982 you gave an interview to  
the / ..

the Rand Daily Mail about that subpoena and your response to it. Do you remember that? -- That is correct, Sir.

You may even have a copy with you? -- It is possible, Mr Chairman.

Could I have a copy, Mr Roelofse? If you can find your own - it is headed "Probe to get SACC papers" - Rand Daily Mail, 9 January 1982. Well, let me read it to you:

Mr Eugene Roelofse, the former South African Council of Churches ombudsman, is to hand over documents to the Government appointed Commission of Enquiry into the SACC next week. Mr Roelofse obtained a week's extension, the documents were due to be handed over on January 11th, because the task of collating the papers was more massive than anticipated." (10

Do you recall saying that? -- Yes.

And then it goes on:

"I will hand over a heavy memorandum with an even heavier heart, Mr Roelofse said yesterday."

Were you correctly reported? -- I am, Mr Chairman. (20

Was your heart heavy because **you were compelled** to give evidence which may be damaging to **the SACC**? -- My heart was heavy, Mr Chairman, because **the evidence** that I was now compelled to hand over concerned people with whom I had had a good working relationship for a long time.

Yes. In other words, you were doing this reluctantly?

-- I was.

And the report in the Rand Daily Mail goes on:

"Mr Roelofse, who has conducted his own investigation into the alleged misuse of SACC finances, refused (30 to voluntarily co-operate with the Government-created



Judicial Inquiry."

Is that true? -- That is true.

That is still your attitude? -- Yes..

You are only here under subpoena because you have to be?

-- I am under subpoena.

Why did you refuse voluntarily to co-operate with the Commission? -- The situation was that as far as I was concerned I had done my duty, possibly more, by the time that I had laid certain complaints with the Public Accountants' Board.

(10)

Yes. -- I with every respect to this Commission, did not think that it was the function of the Prime Minister to appoint such an investigation. The difficulties that I had had, arising largely from the reports of Mr Potter, I felt that I could handle that.

Yes. -- Myself.

I see. So at any rate you refused voluntarily to co-operate and you had to react, however, to a subpoena?

-- That is correct.

Yes well, we will see if it is correct. You have produced before this Commission a 57 page memorandum with some 100 or more supporting documents. -- That is true.

(20)

How long did it take you to write that memorandum? -- The time I spent on this - it was a blur in my mind because this was a night and day operation.

Yes, night and day - for how many days roughly? -- It was a long time.

Yes, can you tell me anything in the subpoena which compelled you to work night and day on a 57 page memorandum?

-- No, there is nothing in the subpoena that said that. (30)

No. -- On the other hand, Mr Chairman, in view of the

type of duties that I perform, already facing criticism about my work from the then vice president of the SACC and subsequently the inference to be drawn from Mr Potter's report, could hardly have just got the stuff together, thrown it into a box and delivered it to the offices of the commission.

Mr Roelofse, please listen to my question. All that the subpoena required you to do was exactly that, to put the documents in a box and hand it over to the secretary.

-- Mr Chairman, I..

(10)

Is that right or wrong? -- It is right that this..

(intervenes)

Very well. Then what do you mean when you say that you would not voluntarily co-operate? Is writing a 57 page memorandum on which you worked night and day not voluntary co-operation or was it involuntary co-operation? -- The term "voluntary co-operation" in so far as the terms of my subpoena was concerned is one thing, but I am also faced with the situation that I cannot and have never ever just jumbled up things into a box and submitted them. The (20 issues were complicated and I felt it was my duty, although I did not like - once again with respect, Sir - the appointment of the Commission, not to simply say to the Commission here is a box full of goods.

Mr Roelofse, you are fully entitled to assist this Commission. I have no criticism whatsoever of your assisting the Commission; I am referring to your public statement that you refused voluntarily to co-operate and were assisting only under subpoena. What I am suggesting to you and what I will submit to the Commission is that that is the (30 sheepest humbug. -- I can only repeat what I have said. We

try / ..

try and preserve a certain measure of efficiency in this tiny little organisation for which I am responsible. This to me was the proper way to do something.

Yes. Before you gave evidence here to which members of the press did you hand your memorandum? -- I handed no copies of my memorandum to the press.

To which members of the press did you show it? Can I write a name for you on a piece of paper? -- I have shown certain documents that were incorporated in the memorandum; I have shown the size of the memorandum, but at no stage (10 did I allow a member of the press to actually inspect the memorandum.

Yes. And the documents that went with it? -- The documents - most of those documents, Mr Chairman, were documents that had already circulated backwards and forwards for example my original complaint about the funds of the SACC.

Yes. Before you gave your evidence here did you have a consultation with anybody? -- Yes, I had a consultation.

With whom? -- I had a consultation with an official (20 of the commission.

For how long? Some hours? -- Yes.

I see. -- A lengthy consultation.

Under duress or voluntarily? -- This arose from a memorandum which I had submitted. There were certain points that were not clear and had to be clarified.

I asked you a simple question. Did you have that consultation voluntarily or under duress? -- I understood that if the Commission now, or a representative of the Commission wanted me to explain certain features of this memorandum; (30 it was my duty to do so.

I am going to ask the question for the last time. Did you do it voluntarily or under duress? -- I repeat my reply, Mr Chairman.

Very well. Is there any reason why you do not want to answer that question? -- I have answered the question to the best of my ability.

Was that the best of your ability? -- That was the accurate situation, Mr Chairman.

The other morning you took it upon yourself to correct a report of your evidence as given in the Rand Daily Mail. (10 -- That is true.

Did you see reports of your evidence in the Sunday newspapers yesterday? -- I have been working this week-end.

Did you see reports of your evidence in the Sunday newspapers yesterday? -- No, Mr Chairman.

Well, then you will be interested if I show you the report in yesterday's Sunday Express by Wilma Utting. Would you like to have a glance at the page and the headline? -- I see the headline, Mr Chairman.

Yes. Would you like to read out that top headline? (20 -- "The SACC enquiry told of hatred and hymns, piety and drugs and devout fingers in the till."

Yes. Now two of those phrases, hatred and hymns or hymns and hatred and devout fingers in the till, those were your phrases in the course of your evidence, weren't they? -- Yes, Mr Chairman.

Do you propose to ask the Sunday Express to correct that headline? -- In what respect?

In any respect? Or do those headlines reflect what you intended the press to pick up? -- As far as I am aware (30 I had told the enquiry about the hatred and hymns.

Yes/...

Yes. -- The piety and drugs - I cannot remember using in exactly that manner, and the devout fingers in the till is an expression I have used on many, many occasions.

Yes. So you are happy with that headline? -- I do not like the headline, coming as it does, on the top of a photograph of Bishop Tutu.

Yes. What did you expect? How did you expect that your picturesque statements would be understood by the ladies and gentlemen of the press? -- I accept responsibility for what I tell the press. I cannot accept responsibility for (10 what they print. Well, if they print something which obviously is incorrect and is offensive to people then I do try and do my best to have it corrected.

Take this phrase of which you are apparently so proud, "devout fingers in the till" that you say you have often used, what do you think that means? -- This means that clerics and other people who are devout are not necessarily honest.

Do not beat about the bush! Fingers in the till means they are stealing money, doesn't it? -- That is correct. (20

Yes. In the course of your memorandum, did you allege that any clergymen or other devout person in the SACC was stealing the money of the SACC? -- I was referring, Mr Chairman (intervenes)

Please, you can make an explanation. My question was, is one of those which can be answered yes or no. In the course of your memorandum did you allege that any clergymen or other religious person in the SACC was stealing the money of the SACC? -- Mr Chairman, I had referred in my memorandum to certain cheques that had been forged by a bishop. (30

Is that what you were referring to when you spoke of

devout / ..



devout hands in the till? -- That is what I am referring to.

Is that all you were referring to? -- That is what I was referring to.

Is that all you were referring to? -- Yes.

Right. Did Bishop Mokoena steal that money as you allege from the SACC or from SATCIC? -- I have already in my evidence tried to show that there was no real clarity as to whether SATCIC was SATCIC and SACC was SACC or whether there was a going together of their interests.

So then, Mr Roelofse, you had spoken at length about (10 Bishop Mokoena and made your allegations about him. Why was it necessary to throw in a general statement about devout hands in the till? -- If I can just refer to an annexure which I have and will hand in, Sir, to illustrate the point.

You may illustrate the point at any length you like as far as I am concerned, but first answer the question. The question was a simple one. If your only allegation was against Bishop Mokoena why was it necessary to make a general remark about pious hands in the till? -- The answer I am now wishing to give, if I can refer to an additional annex- (20 ure which I will hand in - I apparently do not have an extra copy of it but I can hand this in.

CHAIRMAN: You can hand this in and copies will be prepared. -- I beg your pardon, Sir?

Hand this in and copies will be prepared. -- Yes, Sir.

But first of all identify that for purposes of the record. -- Yes, the report of the ombudsman on the St Ansgars conference centre. It is unfortunately undated but it does refer to my activities as manager of the St Ansgars conference centre, and I refer to paragraph 6,\* item 12 of this report (30 and this is my report to the executive of the SACC:



"We must face the regrettable fact that Christians can steal with just as much initiative and enterprise as agnostics. Two wrist watches and three water jugs over a single week-end stolen by a group of women receiving training in Christian leadership, is the most recent "score"."

So that is what you were referring to? Do you think the reporter of the Sunday Express thought you were referring to 3 watches stolen several years ago at a girls' conference in Roodepoort? -- Mr Chairman.. (10

Please say yes or no for once, Mr Roelofse. -- Mr Chairman, I am sorry (simultaneously)

You can then explain all you like. -- I am trying to respond to the questions properly. I cannot say what any journalist has in his or her mind at the time that a report is being written.

Right. Well, let us leave it at this. When, although you spoke about devout hands in the till - now let us get this clear - the only allegation in your memorandum of any theft was by Bishop Mokoena in relation to his forged cheques? -- Mr Chairman, my memoranda which I submitted to this commission as well as - including the ones prepared by the Reverend Peter Storey - makes allegations of theft on the part of other senior office bearers, senior officials of the division of church development and you will recall that there was an investigation; that there were allegations of fraud, that there were other allegations as well - I cannot think at the moment of what annexure it appears in, but it was submitted to this Commission, you will recall, (30 so it was not a question of simply talking about some dear

old ladies at St Ansgars, and talking about Bishop Mokoena.

Yes well, we will see what (intervenes) -- The fact is that these were devout people.

Mr Roelofse, I am going to ask you in due course to name the devout people whom you say stole from the SACC. You are not going to get away with this sort of vague allegation - I will come to that in my own good time. Let me refer to another of those headlines about piety and dagga. You had a lot to say in your memorandum about dagga, didn't you? -- I had (simultaneously) on dagga, Mr Chairman. (10

Yes, yes. In your memorandum do you allege that any official of the South African Council of Churches had anything to do with dagga, whether by use, possession or otherwise? -- What is clear from the evidence that I have submitted is that at the main house in the absence, the temporary absence of the manager of St Ansgars who was Mr Collins, when the door was opened for me and when I was eventually permitted to do an inspection of the house to look at electrical connections and other things, there was as I put it, that pervasive smell of dagga. (20

CHAIRMAN: Excuse me interrupting. Mr Roelofse, we will get through this much quicker if you were to answer a little more directly. -- Yes, Sir.

To questions which are put to you. If there is anything which you would like to add by way of explanation, that opportunity will be afforded to you. -- Yes.

But note the question carefully and it will facilitate our task if you were to answer that a little more directly.

MR KENTRIDGE: Yes. I am going to put it again then, Mr Roelofse. Do you allege that any official or officer (30 of the South African Council of Churches had anything to do

with / ..

with dagga? -- No.

No. Are you prepared to make that clear to the Sunday Express and other newspapers? -- I will make that clear.

Yes, your other phrase "hatred and hymns". Who expressed hatred of you? -- It was an undercurrent, Mr Chairman.

Yes, I suggest in your own imagination. -- No, Mr Chairman.

You see unfortunately I am going to suggest that you were the prey of morbid suspicions about those about you, suspicions which had little or no foundation. Are you suspicious by nature? -- No, Mr Chairman. (10

You are not. Are you censorious by nature? -- No, Mr Chairman.

Do you think well of your fellowmen? -- I think well of many of them.

I am going to ask you to think about your memorandum. You see, I want to put it to you that in your memorandum you have attempted to discredit or cast suspicion on virtually every senior official of the South African Council of Churches, and what is more, on every professional man (20 with any connection with the Council of Churches. Now thinking about your memorandum is that not a fair comment? -- No.

Now let us go through it one by one. Tutu. Throughout you say that he temporised, that he was vague, that you suspected that he wanted a cover-up, that he was not impartial, that what he said was full of contradictions; you say that sort of thing about him time and again, don't you? -- I point to contradictions, Sir.

Yes. The Reverend Peter Storey, one of the vice (30 chairmen of the South African Council of Churches. You

remember / ..

remember you said you lost confidence in him. -- That is correct.

And that you were suspicious of him. Is that right? -- That is correct.

Yes. Mrs Mosala, you have attributed to her the statement in connection with Bishop Mokoena that he was just unlucky, that he was the one found out. Remember that? -- I quoted her as saying so.

Yes well, I am instructed by Mrs Mosala and others that she said nothing of the sort, but anyway, you put that into your evidence. Let us take Mrs Motlana, you explained how you lost confidence in her because you thought that her attitude to those students was heartless. -- That is correct.

Yes. Then there is Mr Berglund, you were suspicious of him. -- Yes, Sir.

Then you made a report to Dr Kistner, the deputy general secretary at the time. -- That is correct.

You were very dissatisfied with his response. -- I do not recall that I was dissatisfied with Dr Kistner's response.

Perhaps he is lucky. Let us go on. Mr Wentzel, when he replied to your letter Mr Wentzel - you found Mr Wentzel's response to your letter contradictory, vague, not what you would expect from a qualified accountant? -- That is exactly correct, Sir.

Then look at your criticism of the finance committee. Your memorandum is full of criticism of the finance committee. -- Yes, Sir.

On the finance committee, among others whom you criticise was Mr Neville Matterson, correct? -- Correct.

Do you know that Mr Neville Matterson is one of the most senior and respected attorneys in Johannesburg? -- Yes,

I was not - if I may explain - criticising Mr Matterson as an attorney in this sense, I was criticising him, although he was an attorney and I knew it, in his functioning as chairman of the finance committee.

Another member of the finance committee who is caught up in your criticism as a member is Mrs Jennifer Kinghorn. Do you know her? -- I know Mrs Kinghorn. I cannot recall any criticism of her at all.

Except as a member of the finance committee. -- Yes.

Do you know that Mrs Kinghorn is also a respected attorney in Johannesburg? -- Yes, and I also respect her. (10

Yes. Your criticism of the finance committee includes Mr Chris Aitken, correct? -- Yes, he was on the committee.

Do you know that Mr Chris Aitken is the general secretary of the Presbyterian Church of South Africa? -- I am aware of that.

And you are also aware that he happens to be a qualified chartered accountant. -- That is correct.

But none of these people escape your censure, do they? -- It is a question of pointing out things which appear in (20 documentation, of submitting the evidence as documentation and drawing certain inferences from it.

Oh, but the list is not yet finished. Mr Matt Stevenson who was brought in as deputy general secretary for administration, you discussed with him the question of the audits and you were very dissatisfied with his response to you, weren't you? -- I was.

Yes. Then when we come to other professional men you were very dissatisfied with Mr Barrett, the attorney of the South African Council of Churches. -- I was satisfied (30 with him in many respects. I put forward certain things in



my memorandum arising from this press report also about Mr Barrett.

Yes, very critical things. -- There were also nice things.

Critical things about his professional conduct. -- This is evidence which I have submitted to his board.

Yes. The auditors of the Council of Churches, Pim Whiteley, a very respected firm, not so? -- That is correct.

But they do very little right in your view. -- They have in my view made errors and I have taken action accordingly.

Yes, and then Mr Tim Potter. You know Mr Tim Potter (10 is a senior partner of Aiken & Carter? -- I know that.

Yes, also a very respected firm of auditors. -- That is correct.

Do you know that before he did these reports, Mr Potter had no connection whatsoever with the South African Council of Churches? -- That is possible.

That he was personally unknown to either Bishop Tutu or Mr Storey? -- I will accept that if it is said.

But he does not escape your censure, he also has done wrong according to your memorandum. -- Yes, Sir. (20

In fact, as I understand it you have laid four complaints with the Public Accountants' and Auditors' Board, haven't you?

-- That is correct.

You have reported Pim Whiteley to them, haven't you? -- That is correct.

And Mr Potter. -- That is correct.

And Mr Wentzel. -- That is correct.

And even Mr Aitken, who has not practised as an accountant for 12 years. -- Mr Chairman, that is correct.

Mr Roelofse, excuse me asking, but is this rational (30 or do you have some persecution complex? -- No, if one looks

at / ..



at the supporting documents which I submitted in every single case, I think if I may say so myself, it is eminently rational. but I can only say that subject to the findings of this commission and the findings of the Public Accountants' and Auditors' Board.

Well, the Public Accountants' and Auditors' Board also comes in for a beating from you, if you look at page 44 of your memorandum. -- That is correct.

The Board replied to your first complaint against Pim, Whiteley, to say that they did not know what you were getting at and you say in paragraph 120 that you find the reply from the Board confusing and to some extent distressing. -- That is exactly correct. (10

And on page 45 you even criticise the lawyer of the unfortunate Board. You say that you didn't see how a lawyer writing on behalf of the Board could misunderstand your letter so completely. -- I said that.

Yes. Well, My Lord, in the interest of the commission I can only hope that you do not fall foul of Mr Roelofse's pen. And Mr Roelofse, I cannot say I have completed the list but there is someone called the Reverend Dale White who as far as I can make out has really nothing at all to do with what is before this commission. Do you remember Mr Dale White? -- I do. (20

He does not seem to have anything at all to do with what is before this commission, does he? -- On the contrary, Mr Chairman. What is before this commission is the disposal of assets etcetera of the South African Council of Churches. The South African Council of Churches owns St Ansgars and there was this confusion, as I reported and it is before the commission in an annexure somewhere, that nobody knew what (30

equipment / ..

equipment belonged to Wilgespruit and what belonged to the St Ansgars property and it was in an attempt to unscramble the egg there that the Reverend Dale White's name crops up.

Well look, it crops up in paragraph 26 of your memorandum and he is also unfortunate. I was saying that the Reverend Dale White, whoever he may be, is also unfortunate. You say in 26:

"By this time I had encountered problems with the Reverend Dale White.."

and you complained to the SACC about his interference. You (10 had problems with virtually everyone, didn't you? -- No, I had a lot of problems with a lot of people and a lot of people had a lot of problems with me.

Yes. You see, just to sum it up then, apart from all your criticisms of all of the officials in the South African Council of Churches, you have reported four different sets of accountants to the Public Accountants' and Auditors' Board, you were dissatisfied with the way that Board handled your complaint; you have criticised the attorney of that Board and you have criticised the attorneys of the South African (20 Council of Churches. Isn't this somewhat obsessive behaviour? -- I do not think so at all.

You see, on reading through your report, your memorandum here and your various reports, what I am going to suggest to the Commission and what I put to you is that you regarded no investigation as adequate unless it was undertaken by yourself. -- On the contrary, Mr Chairman. You will recall that in my submissions I mentioned that I had said to Bishop Tutu that I was quite prepared to stand back if he got a Black man to investigate it, providing the investigation (30

was / ..

was carried through properly. On another occasion I actually asked the Reverend Peter Storey to be released from my activities of investigation due to the conditions he had set and I myself investigated an outside party. Now in the South African Council of Churches' context nothing could have been more outside than that of the police.

Yes, I was saying that you trusted nobody but yourself to do a thorough and proper investigation. -- On the contrary, I would have been quite happy and completely trustworthy of an investigation into the matters that I had discussed with the praesidium, had it been undertaken by the South African Police.

Yes. Well, we will come to the South African Police investigations and why you wanted police investigations. Would you also regard it unfair if I suggested that you assumed that everyone was guilty, in your mind, until they proved their innocence? -- Not is not a correct supposition.

Alright. Well, we will come to this. This morning my Learned Friend Mr Von Lieres was asking you about where you got the documents of the SACC and you explained how some (20 were copied to you and some were simply tabled. That is not the whole truth, is it? -- Yes, to the best of my knowledge it is.

You mentioned Mr Potter's reports. -- Yes.

Those were not sent - you said you got them through the mail. Not from the South African Council of Churches? -- I got those copies from - I got those copies of Mr Potter's reports through the mail.

Not from the South African Council of Churches. -- I did not get it from the South African Council of Churches. (30

No, who did you get it from? -- I got it through the mail

From whom? -- I do not know.

Did you get it anonymously? -- There was no note with it, so it was anonymous.

You see, when you told the commission that you got it through the mail, if one had not asked anymore questions one would have thought it was the same as these minutes which you got through the mail even though you had left the SACC. -- The thing is that some of these things were sent to us by hand from the SACC long after or considerably after we had become independent. In the case of the operations of (10 the ombudsman and this is where I would categorise the Potter reports, we frequently get information anonymously, we get unsigned letters tipping us off about certain things. We get in this investigatory work of ours, for example into assaults, we get a lot of anonymous telephone tip-offs. We get the sort of message: I will meet you under the bridge, which does sound a little melodramatic but I picked up quite a lot of information in that way.

Yes. -- So we are recipients of a lot of information for our investigatory work, it comes from all sorts of (20 sources and we look at and try and evaluate the information itself, irrespective of the source.

Well, let us have a look at some of these. Would you mind having a look at document 103. That is the financial statement for 31 December 1980. -- Yes, Sir.

Where did you get that? -- I got this from a member of the press. This document had been tabled at some meeting and it is a public document, Sir.

Is it a public document? -- To the best of my knowledge this was tabled at a conference. Always these (intervenes) (30

Were you at that conference? -- No, Sir.

You say you got it from a member of the press? -- Yes.

From whom? -- I cannot even recall the name. These people continually are bringing me various documentation, notes and all sorts of things like that.

Well, I regret to have to suggest that your reply here is simply false. Do you know what this is that you have put in? It is Mr Matt Stevenson's personal copy of this report. -- I cannot say whether it is or whether it is not.

Would you mind having a look at page 18 of it? -- Yes? (10

Do you see that there is a note on it, a manuscript note? -- Yes.

If you turn back to page 14, at the top of the page you will see another manuscript note. -- Yes, there are several manuscript notes.

Those are Mr Matt Stephenson's notes on his personal copy which he kept on his desk. Now are you prepared to explain to the Commission how you came into possession of this? -- I have explained to the Commission that I got this copy from a member of the press. I think it was somebody (20 from the Sunday Times, but I am not - a man or a woman, I am not sure.

Oh, you are not sure whether..you think it was someone from the Sunday Times? What makes you think it was someone from the Sunday Times? -- Well, I tried to assist the commission by saying that this is what I think. I cannot say that I swear that it is somebody from the Sunday Times. But I got this copy from a member of the press.

How do you think a member of the press got Mr Matt Stevenson's personal copy? -- I have no idea how members of the (30



press get things. I know that there is a good relationship between our office and that of various press people, they often give me things and that is it.

Would you have a look at your Annexure 46. That is a memorandum dated 8 October 1976 from Mr John Rees to Dr Axel-Ivar Berglund. -- That is right.

How did you get this? -- This was amongst the documents that were given to my during my investigation of the Mokoena affair.

By whom? -- This came out of a file with documentation(10 on the division of church development which was in the files of the foyer of Bishop Tutu's office.

Exactly, quite right. This came out of a file in the foyer of Bishop Tutu's office. Now my question is: who gave it to you? -- Bishop Tutu's secretary. We were doing an investigation into this thing, where I just got the carte blanche from Mr..sorry, from the Reverend Peter Storey and all files appertaining to this situation regarding Bishop Mokoena were made available to me.

You see I am going to suggest you took carte blanche. (20 You were never given permission to rifle through the files. -- I was actually handed the files by a member of the staff of the SACC.

At your request? -- In order to do my investigation.

At your request? -- I said yes, I would like to have everything to do with this. I have now been told by the Reverend Peter Storey to go ahead. If the Commission would permit me just to find that particular instruction from the Reverend Peter Storey..

We know that instruction and you may read it. -- As (30



far as I understood this instruction which is Annexure 41, he says:

"If that is unhappily the case, they would have to be followed up (this is my suspicions) until all suspicions of corruption are dealt with. I will amend my request accordingly."

and the whole context of the letter..

Well, do not talk about it..(simultaneously).. -- .. to me was a green light to go ahead with the investigation.

Will you show me or the Commission any piece of paper (10 in which Mr Storey gave you permission to rifle the files? -- No, the matter never cropped up because no files were ever rifled.

Did he give you carte - show me any document in which he gave you carte blanche to look into files, desks? -- I was given, as I understood it, a clear instruction by the Reverend Peter Storey to go ahead with my investigation until all suspicions of corruption are dealt with.

Do you remember a letter from Pim Whiteley to the executive committee of the SACC of 17 August 1979? -- 17 (20 August?

That was the Pim Whiteley report on the SATCIC. -- Yes?

Where did you get this document? -- This was tabled at a meeting, to the best of my recollection this was one of the documents that was tabled at a meeting of the SACC executive.

Yes. -- You will recall - if I can just explain, that I referred to the facts contained in these letters, in this particular letter; I referred to those facts when I produced my original memorandum to Bishop Tutu which was a confidential one and quoted some of these statistics to him. (30

Yes, you quoted some of the statistics to him. Now I am asking / ..

asking you where you got this document. -- To the best of my recollection I got it at an executive meeting of the SACC.

You see there is certainly no objection, I make no comment on you having this information. Do you see a handwritten note at the top? Can you read it out? -- For executive meeting, 12/13 September.

Yes. Do you know whose writing that is? -- No, Sir.

Well, I will tell you. It is Bishop Tutu's writing. This happened to be his personal copy. -- It could well be.

How did you get his personal copy, Mr Roelofse? -- When(10 you look at these executive meetings, there is a rush, people pick up papers, put them down and some of the times we did not even have half the papers we were supposed to have; sometimes we ended up with duplicates and triplicates.

How did you happen to (intervenes) -- This was a document which was tabled at that meeting, it was available to every member of the senior staff as well as to the members of the executive that were there.

Let us for the moment accept that. My question is how did you get Bishop Tutu's personal copy into your file? -- No (20 idea, Mr Chairman. This was a document which was either given to me or I picked up at that executive committee meeting, because as I have already explained in many cases we were given the documents, in other cases we had to find them.

Is that all you want to say about that, that is your only explanation? -- Yes, Mr Chairman.

Do you think that is an explanation? -- It is the explanation.

In the course of your evidence you dealt at great length with the case of Bishop Mokoena and SATCIC as I think you (30 called / ..

called it. -- Yes, Sir?

That covers 18 pages of your memorandum, very nearly a third of it. -- I did not count it, Sir.

I did. And it covers between 35 and 40 of the annexures which you have put before the Commission. -- That is possible.

One of those in fact - well, I think there are annexures dealing with Bishop Mokoena and SATCIC that amount to some 200 pages in all. -- It is possible.

Including a 42 page extract from the evidence of Bishop Tutu at the trial of Bishop Mokoena. -- No, Sir - oh, ja, (10 Bishop Mokoena, that is right.

And in the course of your memorandum you say a great deal about your discovery of the forgeries. -- Yes, Sir.

And of your attempt to get the South African Council of Churches to take action. -- Yes.

There seems to be one thing missing from your lengthy account of Bishop Mokoena and SATCIC. Can you think what it is? -- No, Sir.

Can't you really? -- No, Sir,

Well, I will tell you. Bishop Mokoena was tried and (20 acquitted of all charges. -- Oh, that is so.

Why didn't you bother to mention that in your memorandum? Did you think that the members of the Commission would not be interested in that? Or did you think that the press would not be interested in it? -- It is true that Bishop Mokoena was acquitted. It is equally true that he confessed to these forgeries and that this is substantiated by this memorandum.

Yes. -- Which I think is Annexure 42, of the Reverend Peter Storey, entitled "Memorandum of Events".

Correct. As you say, it is true that he was acquitted (30

and / ..

and it is equally true that he had confessed to forgeries. If these two things were equally true why did you only mention one of them in your evidence? -- I should have mentioned the fact that he was acquitted.

Of course you did, if you wanted to be fair that is.

-- Ja.

Of course you should. -- That is something that has slipped. It is a fact, it is well-known that he was acquitted.

Yes. -- It is so, and it should have been in my memorandum. (10

Of course it should, if your memorandum were going to be a fair and equitable one and not one which is slanted against the Council of Churches. Mr. Roelofse, were you present at the trial of Bishop Mokoena? -- There were two trials.

Were you present at either? -- Yes.

So you were actually present at those trials. Why were you present? -- I was subpoenaed in both cases.

Did you give evidence? -- Yes.

In both cases? -- Yes. (20

Later on in this memorandum you also mention, incidentally the trial of Mr Mbatha, at which you were also present and gave evidence. -- That is correct, yes.

He was also acquitted, wasn't he? -- He was.

You did not mention that either, did you? -- No, we did not deal extensively with the trials.

No, no. You see, you had a great deal to say about investigations by the South African Police and your contentment with such investigations. In both the Mbatha case and the two Mokoena cases the accused was acquitted. -- That (30

is so.

Yes. -- I must explain with the permission of the Chairman, that in one of the trials, the one concerning the forgeries held at Roodepoort, of Bishop Mokoena, I complained to the Attorney-General about this trial. I pointed out that it would appear that the confession signed by Bishop Mokoena had not been made available to the police.

Well, they had not been made available to the prosecutor, Mr Roelofse, had they? -- I was told by the police that it had not been made available to them. It could be that they(10 did not speak the truth, Sir.

Well, Mr Roelofse, at all events you have put into your evidence here this 40 odd page extract from the evidence of Bishop Tutu at the Johannesburg trial. -- That is right.

Of Mr Mokoena. Now at various times in your memorandum you say that there were certain things which you learnt from Bishop Tutu's evidence in the Mokoena trial. Now when you gave evidence there, were you in court when Bishop Tutu gave evidence? -- No, no.

No, you were not. So where did you get the record of (20 his evidence? -- I asked for the record subsequently.

When? I want the exact date. -- Well, I cannot give an exact date.

Right, can you give me the year? -- Ja, it would have been in that same year.

1980? -- Yes.

When, what month? -- I cannot tell you that, Sir.

Well, give us a rough idea. How long after the trial?  
-- It could have been 3, 4 months. I really cannot say with more exactitude than that.

(30

Were / ..

Were you still in the SACC's ombudsman office or had you severed relations at that stage? -- I think I was still in the ombudsman's office at the time because we only severed connections - this trial was in January if I remember correctly. And we only severed relationships on 1 October 1980.

Why did you get it? -- I wanted to study this record because to me there had been certain features about this trial that I did not like.

That is all very well, you did not like it. I did not like it, lots of people did not like it. We did not go round getting copies of the record. I am asking for what purpose you got the copy of the record - let us accept you did not like the trial, let us accept you did not like what had happened. Why did you take it upon yourself to order a copy of the record? -- I wanted to study this and find out what had been going on, because the acquittal of the Reverend Mokoena was in my view so contrary to the evidence which I had collected on the subject. Secondly, it is not an unusual thing for the ombudsman office to have records of trials. (20 We have many of them.

Come, Mr Roelofse! This was not just the record of the trial, you were getting the evidence of Bishop Tutu, that is what you were getting, wasn't it? -- I was getting the evidence that was put in connection with the Reverend Mokoena. I was unable to get the full record.

Why? -- Because I did not..this was not done through the normal recording services, I asked members of the press if they could find a copy of this record for me. We did not have a fund to pay for this type of thing at the time -(30



we subsequently have, which is why we have got many more court records, and I was able to get a copy.

But how do you suggest a member of the press got a copy of the record of the magistrate's court case? -- It could be that the press got hold of a copy from the Reverend Mokoena's attorney or wherever they got it, it is part of the understanding in journalism that a pressman does not disclose the source of his information, and I was very grateful that they gave us that particular portion of the court record. I found it useful, I think it is factual and that it is (10 relevant to the proceedings of this committee.

Why didn't you get a full copy of the record? -- I asked for a full copy and I got promises and promises.

Why should anyone on the press or otherwise just have the 40 pages of Bishop Tutu's evidence? -- No idea, Mr Chairman. Of course you must bear in mind that the evidence given by Bishop Tutu at the time the press regarded as quite sensational.

Yes, and they reported it at the time, didn't they? -- That is correct. (20

You see, we know how these records are obtained. You have got to order one and pay for it, and it is not cheap. You must know that now. -- Oh yes.

Yes.--We have to pay very substantial sums for these records.

Which member of the press gave it to you? -- I think this was somebody on the Mail...

Who? -- .. who gave it to me.

Who? -- They have been changing backwards and forwards, it could be that it was Mr Sterling, it could be that it (30

was / ..

was one of the others.

Is Mr Sterling on the Rand Daily Mail? -- At the time I think he was, yes.

Do you know why Mr Sterling should have given you this? -- We get information from the press in the same way as the press gets information from the ombudsman office.

I see. One of the difficulties you have, Mr Roelofse, is that this record which you have put in, does not deal with the trial on the forgery counts. -- Yes, that is true.

Did you get the record of the Roodepoort forgery trial? (10 -- I tried to get that and we have had to pay for it and we did not have the funds at the time.

How much you have had to pay for it? -- I do not know but it was a substantial amount because the trial lasted quite some time. There was quite a lot of documentation that was handed in.

Did the press not have it? -- No, Sir. I tried, I asked for them.

Yes, have you not tried since? -- No, the..he was acquitted. I complained to the Attorney-General about it and got a (20 reply that he agreed that there were certain unsatisfactory features about that trial and that he had no power to re-open the case.

Mr Roelofse, do you accept the acquittal of Bishop Mokoena? -- I accept it as a fact.

You accept his innocence? -- Bishop Mokoena was acquitted and one has to accept the findings of the magistrate in a case like this, but it does not imply that I was happy with it. In fact on the contrary, Mr Chairman, I was unhappy with this acquittal in the face of the evidence and I took what (30

I considered to be the appropriate steps of drawing the attention of the Attorney-General to this issue.

Well, you have gone further. As I have said, hundreds of pages of your evidence here are devoted to showing that there was a guilty man in the SACC, namely Bishop Mokoena and that the SACC did not react vigorously enough to the evidence of it. -- I did make the point that they did not react vigorously to it.

Yes, in other words you do not accept the acquittal as proof of his innocence, do you? -- What I do not accept, is (10 that the SACC was not committed to investigating the thing properly at the time when these issues were brought to their attention.

CHAIRMAN: We will take a very short adjournment now.

THE COURT ADJOURNS / THE COURT RESUMES

EUGENE LESLEY ROELOFSE, still under oath

FURTHER CROSS-EXAMINATION BY MR KENTRIDGE: Mr Roelofse, I was putting to you that notwithstanding the acquittal of Mr Mokoena you, as you said today when I was talking to you about devout fingers in the till, you had given Bishop Mokoena as an example of a devout gentleman with his fingers in the (20 till. -- On the basis of his confession, yes.

Do you know what has happened to Bishop Mokoena? You must be interested in him? -- As far as I am aware he is running some other theological college or he transferred the one at SATCIC to another venue.

Well yes, and he still is the principal of SATCIC but that has been taken over by a body called The Christian League hasn't it? -- I have no idea.

No idea? You have not followed it up? Do you know (30

what / ..

what the Christian League is? -- The Christian League as far as I could gather from the newspapers and from discussions within the South African Council of Churches, was a body that was adverse to the South African Council of Churches and might well have received State money in the process.

Yes, yes. I have here a document which you may know, a magazine called Encounter which is apparently published by the Christian League, April 1982. That is not one of the documents that reaches your office? -- No, Mr Chairman.

It has a photograph here of Bishop I P B Mokoena, (10 principal of SATCIC and a member of the Council of the Christian League of South Africa, with the Prime Minister of South Africa, the Hon. P W Botha. Perhaps you would look at the photograph and see if you can identify Bishop Mokoena? -- Yes, Bishop Mokoena and I can identify the Prime Minister, Sir.

Yes. But you have taken, since you have left the Council of Churches you have taken no steps to try and warn SATCIC under its new dispensation of the dangers of Bishop Mokoena? -- My function was to protect the interests, as I (20 saw it, of the South African Council of Churches.

Yes. I see. I wonder if you would look at your Annexure 17 which is this extract from the record in the case of Isaac Mokoena. Do you have it in front of you? Would you turn to page 10? -- Yes, Sir.

Do you see there an manuscript notes in the margin? -- No, Sir.

Hm? -- Not on my copy here.

Page 10? -- No, Sir, here is my page 10.

Page 11? Page 12, page 13? -- No, Sir. (30

Well / ..

Well, I will do a temporary swop with you if you do not mind, Mr Roelofse. Would you show me your copy and I will show you mine? -- Yes, Sir.

Perhaps you had better show me - I will give you mine, perhaps you had better give me the whole extract. Just have a look at those notes in the margin. I do not know whether Your Lordship's has notes?

CHAIRMAN: Not all my co-Commissioners have notes. Mine are not very distinct.

MR KENTRIDGE: Well now, Mr Roelofse, in the copy which you(10 have there is some underlining in yellow which I assume is for your own purposes. -- Yes.

You also have certain ink underlining. -- Yes, Sir.

Who is that by? -- No idea.

You do not know who has done the ink underlining and you are not responsible for the marginal notes? -- No, Sir.

In the copies which have gone before the Commission? -- No, Sir.

Well, can we now have each other's back? Let us just try and work this out. When you answered to that subpoena (20 you gave the Commission Annexure 17, it is this extract from the record. -- Yes, Sir.

When you gave it to them can we take it that they did not have the manuscript notes? -- I got one copy, Mr Chairman. As far as I know they did not.

What is in front of you, is that your original copy? -- Well, I cannot say this is an original copy because we made a lot of copies of this document.

Why did you make a lot of copies of it? -- Because we had to submit copies for the record of the Commission. (30

How many copies did you submit to the commission then?

-- We produced a total of about - I would say about 20 maybe.

Of what, of all the annexures? -- Yes.

I cannot - Mr Roelofse, I am terribly sorry to have to say it to you, but last week when we asked Mr Von Lieres if we could have your memorandum and the annexures somewhat in advance, we were told that that was not possible because your annexures were still being copied. So are you telling the truth? -- I still have volumes of the complete evidence in my possession. (10

How many copies of your memorandum and annexures did you give to the Commission? -- I think I gave 8 or 9 or possibly 10, I am not sure.

Then can you explain why we were told that they were still being copied and that is why we could not get it until the morning on which you were giving evidence? -- What happened that morning is that there was a request from Counsel for these copies. I did not have spare copies with me, this is a voluminous thing and it was copied here.

Well, we will - but it does not quite follow because (20 there would have been many spare copies for us. -- Mr Chairman this document was produced ..

Well, I am sorry (simultaneously).. -- .. in our office if I can just explain and we produced about 15, maybe 20 copies. I am not sure of the exact quantity of them. They were all bound, I delivered a certain number of copies to the Commission and the rest I have in my possession.

Yes. Well, I am sure this at least - this was not your fault, but can you not recognise the handwriting in the margin? -- No, Sir, because my copy does not have it. (30

Well / ..



Well then, that must mean that it got on there between the time that you handed it in and the time it was given to us. -- I do not know.

Well, My Learned Friend, Mr Von Lieres, says that he is not responsible for any of the markings. -- Well, this is the copy I have been working on, Mr Chairman, in front of me.

You see, if these were the markings of Mr Von Lieres or his staff he would have told me so. He has just told me it is not. You see, I suggest that what happened is that there was someone who was working on this when it was in (10 your possession and when you were making copies you inadvertently gave the Commission some copies with this person's notes on it. Now to whom did you give copies of this record? -- I gave copies of this record to the Commission.

And no one else? -- Not to the best of my knowledge.

Clearly someone else has been working on this with you. -- Nobody has been working on it with me.

So who put in this underlining? -- I have no idea.

No, Mr von Lieres tells me he has never seen them before. You see, Mr Roelofse, it was not for nothing that I was asking you at the outset to whom you had shown your memorandum and (20 annexures. I submit it is perfectly clear that there was someone working on this with you. -- Nobody gets around to giving the ombudsman any assistance when it comes to doing this type of donkey work and going through records.

There are quite a number.. -- We do that on our own.

There are quite a number of other people who have an interest in discrediting the South African Council of Churches. -- The object of producing this memorandum is to put evidence before this Commission. The object is not to discredit any (30 person / ..

person or to discredit any organisation at all.

Well, I am afraid I have got to put it to you that you have taken every possible opportunity in your evidence to discredit the Council of Churches and its senior officers, and I am going to demonstrate it to you. -- That is not my view, Sir.

Very well. Well then, let us see what you said about dagga. When you went to St Ansgars College you told us you found signs of it, of dagga. -- Yes.

Now I am not disputing that at all, because at the time (10 you mentioned it to the people at the Council of Churches, but your suggestion then was that it was ascribable to some of the vagrants who had been using the property. -- We must differentiate between two aspects of this. The one was the dagga that I smelled at the main home, the other one is the evidence of dagga which is shown in the photographs which I submitted. Now this dagga den if you like, Sir, was in amongst trees right at the foot of the property. Whether it was SATCIC students, whether it was anybody else I have no idea who was responsible for it. My evidence I put before (20 this Commission was photographic. I explained that some of these pipes could fit into each other, that there were signs of some substance having been burnt. That there were ashtrays with some substance having been burnt in it and it looked rather strange to find ashtrays in a forest.

CHAIRMAN: Mr Roelofse, I am sorry interrupting you but you are wandering rather far afield from the questions.

MR KENTRIDGE : Yes, sorry, Mr Roelofse, let us say this.

In your - let us come to your memorandum. In paragraphs (30 15 and 19 of your memorandum you said your suspicions were aroused / ..

aroused by the pervasive smell of dagga, you said you found certain capsules in the roof of a rondavel and that there were dagga pipes and syringes among the trees. Right? -- Yes, Sir.

And you went further. You actually produced to the Court photographs you had taken of dagga pipes, not so? -- Yes.

And as one would expect, and I criticise no one for it, there was extensive reporting in the press of your references to dagga. -- It is possible. (10

Well, you know it is so, don't you? You know it, do not say it is possible, you know it.--There was a report in the press but I do not know how extensive.

You see, my suggestion when I say that you set out to discredit people is borne out by this, I suggest. You give evidence here about dagga, you produce photographs, you hand in - those were not part of your annexures. You specially brought along photographs of dagga pipes to hand in. -- That is correct.

As though it was a matter of some importance. -- I think it was relevant. 20

Yes, you think it was. Now at the time you made several written reports to the South African Council of Churches about conditions at St Ansgars. -- Yes.

They are all in here, aren't they? They are among your annexures. -- It could be that there are certain ones that are not amongst the annexures.

Well, you have put several in. -- Yes, I did.

Can you point anywhere in your voluminous annexures to any report which you made to the SACC of the finding of dagga or dagga pipes or the smell of dagga?-- Could I just.. (30

No/...

No, I am sorry, do not go elsewhere for assistance. Have you not got your annexures in front of you? -- There was one annexure which the Commission asked me to hand in. I would like to check whether it was on that particular annexure.

Well before we (simultaneously).. -- Before we get to that will you agree that in none of the numerous reports which you placed before the Commission as part of the annexures attached to your memo, was there any reference to dagga? --

I have placed before the Commission a variety of reports including one which is not in my possession at the moment. (10

CHAIRMAN: Are you referring to the one headed "Report of the Ombudsman to the Executive, St Ansgars Conference Centre": Introduction and so on? -- Yes.

Have a look at - would the secretary please (indistinct)

MR KENTRIDGE: Mr Roelofse, will you not first answer my question about the annexures in the two bundles? -- I must first check to see whether Counsel is (simultaneously)

We have got that.. -- .. on this and I would like to respond to the questions but I must have the documents in front of me. (20

It is not a case of my being accurate, I have asked you a question. Can you point to it? -- I know that a written report was put to the SACC about this matter and I distinctly remember producing the "Epanutin" tablets or capsules to Bishop Tutu and to Dr Berglund.

Mr Roelofse, would not you please listen to and answer my questions? I never for a moment suggested that you did not find dagga pipes or that you did not find Epanutin tablets. What I was putting to you was that in the context of St Ansgars at the time it was a triviality so unimportant that you (30

mentioned / ..

mentioned it in none of your half dozen reports and the point I was making is that it was only when you came here before the Commission and the press that you went out of your way to stress the dagga aspect to the extent even of handing in photographs, whereas at the time it was too unimportant to be mentioned in a single report. That is my point. Do you disagree with that? -- Yes, Mr Chairman.

Well, then point to some report..(simultaneously).. -- The point is that in this memorandum that was submitted to the Commission in January this year, I made the point about 10 dagga. It is there. Subsequent to my submission of the evidence, I came here to give verbal evidence and I handed in the photographs.

I am going to ask you for the last time. Can you point to any mention of dagga in any of your contemporaneous reports including the one you have just had back from the Chairman? -- Not the ones I have here.

No. Well you know, you could have said that 5 minutes ago, Mr Roelofse. Well, again I do not want to be unfair to you and you may have the opportunity of checking this. I (20 have already mentioned your 18 pages of memorandum on the Mokoena case and your complaints in it about the failure of the South African Council of Churches to act on the Mokoena matter. Do you have your memorandum open? -- Yes, Sir.

You have many, many paragraphs on Bishop Mokoena on his confessions of forgery, your attempt to have action taken to get the matter put before the police and the failure of the South African Council of Churches to act, correct, as a summary? -- Yes.

You know because it is in Mr Storey's report, you know (30 that / ..



that the South African Council of Churches at the end of May did in fact lay a complaint with the police. -- That is correct.

Would you show me where in your memorandum you disclosed that? Or am I right in thinking that you made no mention of it in your memorandum? -- I did not put it in my memorandum, it was in the annexures.

Yes, and when you gave your summary and read bits out of the annexures, you did not read out that bit of the annexure, did you? -- No.

No. -- If I may explain, Sir, the point was here, not (10 my complaint that no action was taken by the SACC. The point I tried to convey to the commission was that there was not prompt action taken; that the SACC did not quite know how to handle this thing; that there was delays, that there was conflicts of opinion and of course eventually we know that complaints were laid.

But those listening, including the press would simply hear your memorandum and your evidence and may read your memorandum would not know without perusing all the annexures that the South African Council of Churches itself laid a (20 complaint with the police against Bishop Mokoena. Don't you think it would have been fairer to have actually said so in your memorandum? -- It is quite impossible for me to bring out all the points that the press may be interested in. One is acting under a very difficult situation because I had understood in presenting or preparing my report, that the report was for a government commission in terms of the Commissions' Act. I had no idea when I prepared this report that the press would be present and in any case I do not feel it is my function, Sir, to produce evidence for the (30



sake of the press.

You see, my point is that that is just what you were doing when you raised the question of dagga. That was for publicity, not for the Commission. You know very well that the last thing the Commission is interested in, is whether some students at St Ansgars in 1978 did nor did not smoke dagga. -- Mr Chairman, firstly this mention of dagga which I have done I believe was mentioned in a fair context. It was my duty to report to this commission, as I saw the conditions that were at SATCIC and thirdly, I should like to emphasise that I did not produce evidence that the students themselves were involved in dagga smoking, excepting in so far as the allegations were concerned, I think it was by the Reverend Masiza in one of those annexures to my consolidated report on the St Ansgars issue. (10)

Yes. Who did you think was smoking the dagga? -- Well, dagga was definitely being smoked in the main house. I cannot say who was smoking it because when I smelled it there the acting manager was not present.

Right. You see, of course you cannot mention everything in your memorandum. My suggestion is that what you mentioned is anything you can find to the discredit of the South African Council of Churches. -- I do not think that that is a correct inference. (20)

Well, let us examine the way you deal with SATCIC. It took up a great deal of your evidence. I want to suggest that your account of the relationship between SATCIC and the SACC was thoroughly misleading. Let us start off with the name SATCIC. You know what it stands for? -- Yes.

What? -- It is the S A Theological College for (30)

Independent Churches.

Now what are the independent churches? -- The independent churches to the best of my knowledge are the sort of smaller churches of which there is a great profusion in South Africa and they cannot afford their own colleges for training theologians.

Yes. -- And they are dependent on a facility where they can be trained in that manner and the SACC was instrumental in providing the means with which to set up such an organisation. (10

You know that there are many hundreds of these independent churches, perhaps in fact thousands of them in South Africa? -- Yes, Sir.

And you know that they have great rivalry amongst themselves? -- Yes.

You also know, I am sure, that these independent churches are jealous of their independence. -- That is correct, Sir.

And you know also that they are not members of the South African Council of Churches? -- I do not know whether they are or are not. (20

Come, surely you must have know which were the members of the SACC? You were at national conferences at the executive? -- That is true, Sir, but I cannot say that there is no independent church that does not belong to the South African Council of Churches.

Certainly the great bulk of them do not. -- That is correct.

Possibly one or two of them might. -- Yes.

That is what you say? -- Yes.

Now you have had a lot to say about Bishop Mokoena. (30

Bishop Mokoena was a bishop of what church? -- According to the evidence in the Mokoena trial he was a bishop of St John's Church.

Which is one of the independent churches? -- That is correct.

And bishop is in a sense almost a courtesy title, isn't it? -- Well, if a person is referred to as a bishop I must accept it, Sir.

Yes, but he is a bishop of St John's Church. -- That is right. (10

And that is all? -- Yes.

And you know that he was also a lecturer at SATCIC? College? -- There was an allegation that he was and there were equally denials about it.

You know also that he was the chairman of SATCIC? -- Yes.

And when, as you have said, SATCIC undertook with donated funds to help set up this college, they employed Bishop Mokoena as a sort of liaison officer for SATCIC affairs. -- That is not in my evidence, Sir. (20

Well, is that right? -- I do not know whether they employed him or not. The point at issue here, Sir, is with respect that I was seeing Bishop Mokoena from the point of view of a colleague and a departmental head of the SACC.

Yes. He was an employee of the SACC, was he not? -- That is correct.

Yes, but he was also chairman of SATCIC. -- That is correct.

C13 Yes. And he also therefore had a connection with the college? -- Yes, Sir. (30

And it was only as an employee of the SACC that the SACC

and / ..

and Bishop Tutu had control over him? Is that not so? -- That is part of the full picture. The other part was that Bishop Tutu was a member of the SATCIC board.

A member. Do you know how many there were on the SATCIC board? -- That used to vary, Mr Chairman.

Yes, from between what - 10 and 20? 20 and 30? -- Probably between 10 and 20.

Yes. How many votes did Bishop Tutu have, if any? -- I do not even know whether he had a vote, Sir.

Exactly, exactly. Tell me, these forgeries of cheques (10 on what account were they drawn? A SACC account or a SATCIC account? -- They were drawn on SATCIC accounts.

Yes, where? -- Mostly at Roodepoort.

What bank? -- I cannot remember the bank now, Sir. It was one of the major banks.

Yes. You see, Mr Roelofse, there was no one in the South African Council of Churches who had the power to dismiss Bishop Mokoena from SATCIC, was there? -- That is correct.

Did you ever make that clear in your evidence? -- The (20 question that arose, Mr Chairman, was that the general secretary of the South African Council of Churches claimed that he had the right to dismiss Bishop Mokoena from the staff of the SACC, not SATCIC.

Yes, but you did not make that clear in your evidence did you? -- I said that he said that he had the power to dismiss him in the evidence which I quoted there.

Well, let us have a look at some of your evidence. Would you mind opening your memorandum at page 4? -- Yes, Sir.

This is where you start with SATCIC. You can just run (30  
your / ..

your run eye over it from there onwards just to make sure that I am getting in context. Would you just turn on to paragraph 24 at the foot of page 5? Sorry, paragraph - yes, that is right and go on to page 6. You see you talk about unhygienic toilets, unsanitary conditions generally in the college, maltreatment of the college. You see that? -- Yes.

And then you say:

"I believe that the SACC was directly responsible for this situation."

(10)

-- Yes, Sir.

And you give two reasons, both of which I am going to submit to the commission are ridiculous. First you say that the SACC through the St Ansgars board was the landlord. -- That is correct.

Does your landlord have any control over the question of whether you mistreat your staff, Mr Roelofse? -- In view of the fact that this was now a college of education for people I believed that the SACC was in a much stronger position than in the normal relationship of a landlord and a tenant. (20

That may be, but I am looking at your first reason. You said you believed that the SACC was directly responsible because it was the landlord of the building. -- Yes, Sir.

Do you really believe that? -- I do, Sir.

And look at your second reason. SACC is directly responsible for unhygienic toilets at the college because it has Bishop Tutu and two others who happened to be members of the SATCIC board. -- Yes.

Are you really serious about this, Mr Roelofse? -- Mr Chairman, the situation is that if the representatives of (30

the / ..

the SACC on the board of SATCIC had taken measures, had seen what was going on and had raised their voices against it, these conditions would not have been allowed to exist or certainly to continue.

But voices were raised against it and did not they continue? -- I am unaware of those three voices that were raised against it, Sir.

Well, we are going to come to the question of voices being raised against various things at St Ansgars. What you were saying here is that the SACC was directly responsi-(10 ble. I am suggesting that is just nonsense and you could not believe that. -- I believe that in view, if I could just explain this, Mr Chairman? I believe that in view of the particular relationship that existed between SATCIC and the SACC where there was a question of control of funds, of channelling of funds, of helping in fund raising, having the president of SATCIC on the SACC staff, that this was a relationship which would have lent itself extremely well to the exertion of successful pressure virtually overnight.

You know that that was just not so and I am going to (20 demonstrate it to you. Will you turn to the top of page 8 of your memorandum. You will see on March 6, 1979 you say Bishop Tutu told the SACC executive that he had set up a committee of 3 members to investigate SATCIC. -- That is correct.

That was done. Who were the 3 members? -- I think it was Mr Makubu, Canon Carmichael and somebody else. I have a reference to it in my annexures.

Yes, and as it turned out they accomplished nothing. -- That is true.

(30

Yes/...



Yes, they could not, could they? Right. And then you say this committee decided that SATCIC was independent and the committee could not have intervened in their affairs and you say technically this was correct. But I am suggesting that it was more than technically correct, it was factually correct. SATCIC would not listen to the SACC or its committee, would it? -- There was a stage when they would not listen.

Yes. -- The fact of the matter is as I saw it, that the SACC was in a position of tremendous strength in order to correct this situation. (10

Well, it turns out that they were not and I am going to demonstrate it to the commission. I am also going to demonstrate that you knew it. You see, you said here that Bishop Tutu was in a position of great strength, being SACC general secretary which gave him some power over SATCIC funds, and of course direct power over the SATCIC chairman, Bishop Mokoena who was on Bishop Tutu's staff. And you say this view is vindicated in the trial of Mokoena when Bishop Tutu, you say speaking on SATCIC issues said under oath: "I did not dismiss Bishop Mokoena immediately as I had the right to do". Now (20 you know very well, you knew very well when you wrote that didn't you, that Bishop Tutu's power to dismiss was only to dismiss from the SACC. -- That is correct.

Of course it is. And you say here speaking on SATCIC issues. -- Yes, Sir.

And you speak of his having direct power over the SATCIC chairman, but you knew that he could not dismiss him as the chairman of SATCIC. -- Yes, there was no suggestion that he could be dismissed as the chairman of SATCIC.

Well, then it is nonsense to say that this bears out (30  
your / ..

your view that Bishop Tutu had direct power over the SATCIC chairman, simply because he was on his staff. -- Mr Chairman, I hold to what I have put here. Bishop Tutu did have Bishop Mokoena on his staff and could dismiss him from his staff. I think those two sentences should be seen as being related to each other.

No, I am suggesting that you have deliberately tried to give the impression that Bishop Tutu had power over Mokoena as the chairman of SATCIC. -- No, Sir, that is incorrect.

If that was the impression you gave it was misleading? (10 -- It was an incorrect impression if anybody got that, Sir.

Yes. Well, just have a look at what you say in paragraph 47. Now you are on to your allegations of theft. You see what you say at the foot of page 12, last two lines: "The praesidium made much of the view that SATCIC was an independent body and the SACC had no right to investigate it." And then you say: "This should be seen in the light of admissions by Bishop Tutu and other evidence". Now - you see what you say there in a, b, c, d and e? And you say the inevitable conclusion was that the SACC could easily have intervened but (20 that for reasons unknown to me, it preferred not to do so. Intervened in what? Do you mean in the position of Mokoena and SATCIC? -- Yes, Sir.

Did the SACC not intervene? -- They did not intervene in the sense of stopping the situation that was there.

Did they intervene in the sense of trying to get Bishop Mokoena out of SATCIC? -- Eventually yes, Sir.

Of course. Where do you say that? Where do you say in your report that the SACC did try to get him out of SATCIC?

-- The situation was that the SACC had this man on its (30  
staff / ..

staff. He had this dual position that he had. The point that I am trying to make here is about the intervention of the SACC in solving this particular situation that existed and I must please draw attention to section E. As I read that constitution the division of church development of the SACC could call a national conference of the SATCIC members.

Yes. -- And say to them look, these are the conditions that are existing at your college. Either you do something about it or else.

Yes. Mr Roelofse, you must not get away from the (10 point. You said here SACC could easily have intervened. You have said to me you meant by that: could easily have intervened in relation to the position of Bishop Mokoena in SATCIC and you say: but for reasons unknown to me it preferred not to do so. -- Yes, Sir.

Now you admit that in due course the SACC did try to remove Mokoena from the chairmanship of SATCIC and I say to you: why did you not say that anywhere in your memorandum? -- I was dealing here with this historic development, Mr Chairman. (20

Alright, go through your historic development. Just show us where you say in your memorandum that in spite of what you say in 47, that the SACC did intervene in relation to Mokoena and SATCIC. -- That evidence is very clear from the annexures that I have to my report.

Yes, if one goes to read them. I am asking you the question: why did you stress this? Why did you say this in your memorandum that it preferred not to intervene and you admit that a little later it did so, and you do not find place for that in your memorandum? -- Mr Chairman, if you (30

look at this particular section on the top of page 13, this is sketching the background to my negotiations with the Reverend Peter Storey. That follows on.

No, this is on - look at page 47 on the 2nd of May. --  
Yes?

Right, that is when you are talking about.. -- 47?

2nd of May. And you say what the praesidium said and you said the inevitable conclusion was that the SACC could easily have intervened but for reasons unknown to me it preferred not to do so. -- That is right. (10

Now what I am going to submit to the commission and what I am putting to you was that that statement here in your memorandum was a false statement and you knew it was false. -- No, I deny that it was false.

Well, tomorrow morning I am going to demonstrate it to you, so you can think about it overnight.

THE COMMISSION ADJOURNS UNTIL 7 SEPTEMBER 1982

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