**072 836 8124 079 280 2783**

11 June 2020

His Excellency

Chairperson

COGTA

Dear Chairperson

**We need your urgent intervention in Knysna municipality**

Thank you for affording us an opportunity to make a presentation to you and thank you for addressing this very urgent matter. Your willingness to address the issues restores our confidence in government and parliament.

Knysna United is a community organization that operates in Knysna. It was formed when the Knysna municipality forced prepaid water meters onto the poor communities and not doing same in affluent areas. It has later come to light that the expenditure wasn’t in the budget, there was never in a tender for the prepaid water meters. The Auditor General made a finding against it, but in spite of that has the municipality gone and bought another 4000 water meters (the first 4000 is not yet installed and almost half of it is gathering dust at a municipal store). The municipality has in the process of their illegal, wasteful and irregular expenditure on the prepaid water meters spent about 113 million Rands and there’s no way that they will get it back in hundred years.

Knysna municipality is in a mess. It doesn’t have a Mayor. Its Municipal Manager has been suspended. Millions of Rands have disappeared from its covers. In December the municipality couldn’t pay their staff and investment had to be used for that purpose. No or little service delivery is happening. SMMEs don’t get business. Consultants are making millions. The list goes on.

Different sources and information have all pointed to the CFO and the Deputy Mayor and the Regional Secretary of the ANC. When the Municipal Manager confronted and put the CFO on terms he was suspended by the council. (Attached please find the charges against the CFO.)

The CFO holds great cloud in the council and wanted to assault the Chief Whip (female) of the ANC because she wanted to bring a motion to have a forensic investigation into the affairs of the municipality. (That happened in a ANC caucus).

We have written to the Speaker and the Acting Municipal Manager of the municipality, went to see the Premier, the South African Human Rights Commission and the Public Protector and asked them that for a forensic audit into the affairs of the municipality. Also that the CFO be suspended.

The municipality has instead decided to appoint a team to investigate frivolous allegations against the suspended Municipal Manager. The team must then do a cosmetic investigation into some of the allegations of misconduct and corruption. The Deputy Mayor is in charge of the process and the CFO is still in his job, directing the investigation.

The following are more info:

Towards the end of 2019 it became known that Kenyans was facing a serious financial crisis. During February 2020 the Kenyans Council suspended the Municipal Manager, Dr. Vatala, primarily because of the critical cash crunch the municipality was experiencing.

Dr. Vatala only commenced his duties in April 2019 and Knysna United was aware of serious tender irregularities that preceded Dr. Vatala’s tenure. A case in point was a multi-million rand prepaid water meter contract that was awarded by the CFO, Mr. Memani, without following any tender process.

In February 2020 Knysna United submitted a complaint against the CFO about financial irregularities involving millions. Dr. Vatala and the Knysna Black Business Forum (their memorandum is public and the was received by the municipality) also submitted complaints to the Council.

Despite the serious allegations of financial misconduct against the CFO, he has not been suspended. The council is rather, under the direction of the Acting MM decided to condone all the illegal decisions of the CFO.

The Knysna Ratepayers Association and Greater Knysna Chamber of Business also submitted complaints of financial misconduct against the CFO, yet he is still at work although all evidence points to him being the primary cause of Knysna’s financial problems.

In February Dr. Gratz was appointed as Acting Municipal Manager.

It was expected that Dr. Gratz would initiate an investigation against the CFO, but it soon became apparent that Dr. Gratz was very close to the CFO. Dr. Gratz was initiating disciplinary proceedings against officials (whistle blowers) for the most trivial reasons, but the CFO was her trusted advisor and her right hand man is still in his job. That is totally illegal because the MFMA is clear that these matters must be reported and acted upon.

When Knysna United and the KRA submitted their complaint against the CFO in May 2020, attempts were by Dr. Gratz, Speaker and The Deputy Mayor to prevent their complaint from serving before council. That is totally illegal because the MFMA is clear that these matters must be reported and acted upon.

Dr. Gratz, the CFO and councillor Myers all three stages a dramatic resignation on the 28th of May. The resignation which was recorded on YouTube was widely shared. In the resignation Dr. Gratz made false and defamatory allegation against an organization which everybody understood to be the KRA.

On the 1st of June 2020 the DBSA wrote a letter to Knysna Municipality indicating that they wanted to renege on the loan due to learning about the resignations in the media.

This was used by Dr. Gratz to try and force through a council resolution to have Gratz appointed as Administrator for Knysna with full executive powers of Council.

Gratz asked that her last work day be the 28the of May, the day of her resignation, but she was back at work the following day and indicated her last work day would be the 12th of June 2020.

In her last week in office she has unlawfully suspended two officials whom she has falsely accused of leaking information about the CFO to me, Ralph Stander.

This is completely untrue and a blatant attempt by Gratz to silence whistleblowers.

Instead of suspending investigating the CFO, The Deputy Mayor, the ANC Regional Secretary, councillor Myers and Dr. Gratz have gone out of their way to shield the CFO. The ANC REC brought out a statement and instructed their councilors to extend the contract of the Acting MM with 6 months. That in spite of the fact that the suspension of the MM has come to an end and should be reinstated. (attached please find letter about MM’s suspension). Their conduct is criminal and cost the council and ratepayers millions and should be investigated.

SAMWU also handed a Memorandum to council asking for the Acting MM to go and for the real MM to be reinstated and that the financial affairs of the municipality be sorted out. Samwu’s memorandum is public and it could be forwarded to you.

We therefore call on you to urgently intervene and to:

1. Bringing to book all who are involved in the corruption at Knysna municipality, including councillors and politicians;
2. Placing the Knysna municipality under ADMINISTRATION or serious intervention by Provincial& National Government;
3. Conduct a FULL FORENSIC INVESTIGATION into the affairs of Knysna municipally.
4. Holding council& councillors accountable for all the illegal decisions and for condoning illegal, fruitless and wasteful expenditure.
5. We want the MM to be put back in his job so that he can do his job and deal with all the problems the CFO and Acting MM have created and the different challenges the municipality has.

One family, one plot.

United we stand, divided we fall

Live or death, victory is certain.

Yours in a clean government that works for all

Reverend Ralph Stander

KNYSNA UNITED

CHAIRPERSON

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**United**