**MEDIA STATEMENT**

**COMMITTEE ON COGTA TO CONSIDER INVOKING THE PROVISIONS OF THE POWERS AND PRIVILEDGES ACT**

**Parliament, Thursday, 22 July 2021 –** The Portfolio Committee on Cooperative Governance and Traditional Affairs (Cogta) today convened a follow-up engagement with Ephraim Mogale Local Municipality on the dismissal of the municipal manager and its non-compliance with the submission of reports to the committee.

The committee undertook an oversight visit to Ephraim Mogale Municipality in October 2019 in connection with the illegal investment of municipal funds in the VBS Mutual Bank during the 2017/18 financial year. The municipality lost R84 million in the process, which could have contributed significantly to service delivery challenges.

The committee interacted again with the municipality on 17 March 2021, when it met with the Sekhukhune District and all the local municipalities under its jurisdiction to exercise its oversight mandate in relation to the municipalities’ financial and service delivery performance. In this meeting, the committee posed, among other questions, a question to Ephraim Mogale as to the consequence management actions taken in the wake of the VBS matter.

In reply, the municipality indicated that the municipality had referred the matter to the Municipal Misconduct Board. The chief finanical officer resigned, whilst a case was opened against the former municipal manager who also subsequently resigned after 18 months of litigation. The Mayor of Ephraim Mogale was emphatic that there was no settlement agreement with the municipal manager and that she resigned on her own accord when it became evident that she would lose the case.

The council approved the resignation. The committee then requested the municipality to submit a written report on the matter by 18 March 2021. This report was not submitted.
Shortly after the session of 17 March 2021, the committee received correspondence from the former municipal manager of Ephraim Mogale indicating that the mayor did not respond truthfully to the committee’s questions around the settlement agreement between herself and the municipality, as she was actually compelled into signing that agreement. Her resignation was a condition of the settlement agreement.

The committee took this allegation seriously, to the extent that it sought a legal opinion on the recourse available to the committee should it be true that the mayor had misled the committee. Section 17(2)(d) of the Powers, Privileges and Immunities of Parliament and Provincial Legislatures Act provides that “a person who, with intent to deceive a House or committee, produces to the House or committee any false, untrue, falsified or fabricated document; commits an offence and is liable to a fine or imprisonment for a period not exceeding two years or both fine and imprisonment”.

The legal opinion provided to the committee affirmed that deliberately providing the National Assembly or a committee of the National Assembly with false or misleading information or making a statement that is false or misleading is an offense of the section just quoted. If prima facie evidence exists to this effect, a criminal charge can be laid at the South African Police Service. The committee was then advised to afford the mayor an opportunity to respond to the allegations of the former municipal manager before making a determination on whether Parliament had been misled, and whether such an act was deliberate on the part of the municipality.

Consequently, the committee reconvened a meeting with the municipality on 20 April 2021 to afford the mayor this opportunity. In this meeting, the mayor indicated that the municipality had misunderstood the settlement agreement question and was under the impression that the committee was referring to a monetary settlement paid to the municipal manager, and tendered an apology.

The committee accepted the mayor’s apology, but on discussing and probing the matter further, the municipality reverted to providing contradictory information. The committee then resolved to give the municipality another chance to clarify the matter by furnishing the committee with a comprehensive report by 30 April 2021.

The Mayor of Ephraim Mogale Municipality, together with the legal services manager, presented their report. Thereafter, the committee afforded an opportunity to the former municipal manager, Ms Mathara Mathebula, to respond to the presentation made by the municipality.

The committee heard from Ms Mathebula, that the municipality is not implementing the settlement agreement which both parties had signed because they are awaiting an order from the labour court. In the meantime, her pension payout is being withheld. She also informed the committee that the municipality had written to her notifying her that payment will not be made as it has an instruction from the Provincial Treasury of Limpopo.

The Chairperson of the Committee, Ms Faith Muthambi, said the Provincial Treasury will be called to present to the committee and that the committee will deliberate further and will communicate its findings.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MS FAITH MUTHAMBI.**