



Ditsobotla

Plaaslike Munisipaliteit Local Municipality

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Our ref. MTDB/10/05/2021

THE MEMBER OF EXECUTIVE COUNCIL

Cooperative Governance, Human Settlement & Traditional Affairs
2nd Floor West Wing, University Drive
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Private Bag X2145
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10 May 2021

ATTENTION: HON. M. S. CWAILE
MEMBER OF THE EXECUTIVE COMMITTEE

ATTENTION: HON. FAITH MTHAMBI
THE NATIONAL CHAIRPERSON- COOPERATIVE GOVERNANCE

**ADDITIONAL INFORMATION TO AND AS REQUESTED BY THE STANDING
COMMITTEE ON COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS**

This subject matter has reference

1. PURPOSE

The purpose of this report is to provide additional information to the MEC of CoGHSTA and the Chairperson of Standing Committee on CoGTA in respect of Internal Audit Committee establishment, Municipal Public Accounts Committee, position of Municipal Manager, employees' suspensions and dismissals, labour unions, INEP grant, and Manager: Supply Chain Management Unit.

2. BACKGROUND

The Parliament of the Republic of South Africa Standing Committee on Cooperative Governance & Traditional Affairs held a hearing with Ditsobotla Local Municipality on

the 5th of May 2021 at the precinct of the North West Provincial Legislature as part of its statutory mandate of playing oversight on the effectiveness of cooperative government both at provincial and local government spheres to establish the gist of affairs in regard to provision of services to the community.

Key to the reporting guidelines, the committee posed to the municipality questions but not limited to the following;

2.1. Internal Audit functions:

The municipality has for the budget year 2019/2020 budgeted for the establishment of the Audit Committee as required by the legislation and through an open advertisement successfully recruited and appointed suitably qualified four members effective from the 1st of February 2020.

Furthermore the municipality reviewed its organisational structure to provide for the establishment of Internal Audit function for which the provision was accorded to recruit and appoint at least three staff members i.e. Manager and two senior practitioners. The post had since been advertised in the budget year 2019/2020 but the recruitment process was not concluded mainly due to the ensuing instability in the municipality.

2.2. Municipal Public Accounts Committee's empowerment and effectiveness:

The committee has been accommodated in the Mayor's block with office equipment i.e. laptops, printer, access to internet and landline phones. The committee is further empowered by permanent appointment of the four member staff component namely; Coordinator, two Researchers and Admin Secretary.

Regrettably this committee is dysfunctional and marred by political infighting that impedes its functionality. This can be traced by inability for the committee to conduct oversight on the annual reports of multiple budget years.

2.3. Position of Municipal Manager:

The substantive Municipal Manager resigned with immediate effect on the 30th of

November 2020 citing personal reasons. This necessitated the Council to appoint an Acting Municipal Manager on the 2nd of December 2020. I regret to advise the Standing Committee that the Executive Committee received from the Mayor a report that profiled incumbent senior managers namely; Chief Financial Officer, Director Corporate Services, and Director Planning & Development as they currently are only three substantive senior managers.

However, the Council for no tangible reasoning ignored the report of the Executive Committee and moved to appoint a junior manager a move which contravenes the Council's Standing Rules of Order in that the name of that junior manager did not form part of the Executive Committee report to Council. Making matters even worse, that junior manager is the substantive Manager in the Speaker's Office, a clear conflict of interest.

Nonetheless, as part of the legislative protocol such appointment was reported to the MEC's Office which after due diligence found that the appointment did not satisfy minimum requirements in terms of regulations on Conditions of Employment for Senior Managers and directed the municipality to correct the appointment, a request which the Speaker ignored and or refused to accede to.

This left the MEC with no other option but to seek a relief from the court of law and successfully challenged such appointment in the High Court with a judgement declaring the Council's appointment of that particular official unlawful and set aside.

Before the court judgement, the then Acting Municipal Manager had already un-procedurally suspended some managers, CFO, Director Corporate Services and few other junior officials. After the court challenge of the MEC, the Council which its status remains under question to-date appointed another junior manager not meeting inherent requirements and proceeded to unlawfully dismiss the suspended officials and further suspending others in critical positions in finance unit.

2.4. INEP Grant:

The municipality in the budget year 2015/2016 received a grant allocation to construct power substation to increase power supply to consumers as there is power supply shortage which result in the stagnation in terms of economic and social development in the town of Lichtenburg and the surrounding townships of Boikhutso and Blydeville.

Regrettably the grant was used for unintended purposes resulting in the Department of Energy withholding further allocations due to non-reporting and or non-compliance with the set conditions of the grant by the municipality. This necessitated the institution of an investigation on the alleged misappropriation of the grant which halted the project prejudicing the community.

The investigation was commissioned in 2019 and the investigation report was submitted to the then Municipal Manager in October 2020. In his update to the Executive Committee, the then Municipal Manager indicated that he will scrutinize the report to ascertain value for money and that the scope of work was indeed followed during the investigation process. The report had since been waiting for convention of Ordinary Council sitting for tabling which never materialized even at the date of writing this report.

2.5. Manager: Supply Chain Management

The position was successfully filled with suitably qualified candidate but due to political interference, the appointment was questioned and the then Acting Municipal Manager (the one whose appointment was nullified by court) was put under-pressure to terminate the appointment.

Subsequently, the Manager: SCM was put on a special leave with a reason that the appointment is being investigated, and the successful candidate resigned to take up an offer elsewhere. So currently the SCM unit is under-staffed with only the Accountant SCM assisted by interns.

3. CONCLUSION

It is regrettable to inform the Standing Committee and the Hon. MEC that the currently appointed Senior Managers (Directors) are unqualified and therefore the Municipality is being run by inexperienced junior officials who are appointing themselves in critical management positions like PMS and Legal Services.

As the MEC may be aware of the current development which to certain extent necessitated the Provincial Executive Council to invoke Section 139 (1)(b) of the Constitution of the Republic of South Africa, there is an on-going instability in the municipality characterised by political interests, to an extent that during the visit by Parliament to the province and at the time of writing this report, the Section 139(1)(b) team, the lawful Mayor and the Executive Committee are denied access in the midst of lot other unlawful activities taking place in the municipality.

The Mayor and the Executive Committee were twice in a period less than a month removed through frivolous motion of no confidence and both occasions reinstated by the court of law and in the last recent occasion, those declared unlawful are by force occupying the offices denying the lawful Mayor, Executive Committee and the Section 139(1)(b) team access into the precinct of the municipality.

For any enquiries and or further information in this regard kindly contact Manager: Office of the Mayor Mr Thabo Sebothenyane on cell: (076) 401 5420 and e-mail:

thabosebothenyane@gmail.com .

Hope you find this in order

Yours sincerely

A handwritten signature in black ink, consisting of a large, stylized 'B' followed by a horizontal line and a small dot at the end.

CLLR T.D. BUTHELEZI
MAYOR