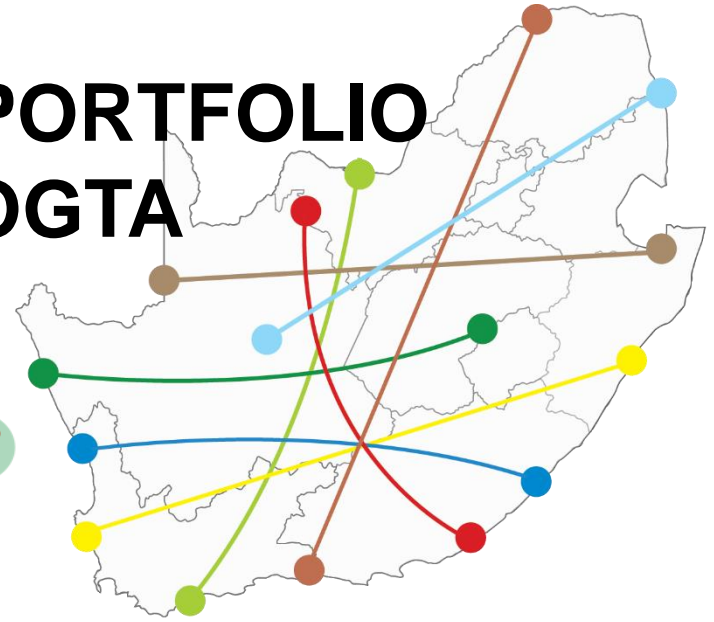


PRESENTATION TO THE PORTFOLIO COMMITTEE ON COGTA

Outcomes of the investigation into allegations
of wrongdoing at the Municipal Demarcation
Board (MDB)

07 December 2021



mdb
municipal demarcation board

Overview and Purpose

The purpose of this presentation is to update the Portfolio Committee on Cooperative Governance and Traditional Affairs on the following:

- a) Process followed in respect of the investigation into allegations of wrongdoing at Municipal Demarcation Board (MDB);
- b) The cost of the investigation;
- c) The implementation of the recommendations from the investigation report;
- d) Consequence management instituted;
- e) The State of Governance at the MDB;
- f) Attendance to Board and Committee meetings 2019/20 – 2020/21
- g) Reconfiguration of Board Committees;
- h) MDB 5 year strategy;
- i) Audit Outcomes;
- j) Spending Trend Analysis;
- k) Overview of organisational performance;
- l) The governance challenges at the MDB;
- m) Measures in place to address governance challenges.

Process followed in respect of the investigation into allegations of wrongdoing at MDB

- a) A Complaint was received on the 11th of August 2021.
- b) A Special Board Meeting was held on the 12th of August 2021 to consider and process the Complaint;
- c) Board resolved to request the CEO to respond to the Complaint by the 16th of August;
- d) The Special Board Meeting was held on 17 August 2021 to process the matter which could not be concluded since new information was brought to the attention of the Board;
- e) During the meeting of 17 August 2021, the Board Chairperson advised the Board that he had contacted the “Alleged Author” of the letter, who is known to the organization as the former employee, with the intention of requesting her contact details to be used by the Chairpersons legal team when corresponding with her;

Process followed in respect of the investigation into allegations of wrongdoing at MDB...Cont.

- f) The Chairperson advised the Board that during that process, he was informed by the “Alleged Author” that she does not know what the Chairperson was talking about, she does not know about the letter of complaint;
- g) As the possible need for an investigation was already decided upon during the meeting of the 12th - pending CEO’s response, information shared by Chairperson could only be confirmed by an independent formal investigation;
- h) During the meeting of the 12th of August 2021, the Chairperson requested to be recused from the process because he was implicated in the allegations made;
- i) On the 23rd of August 2021, the Special Board reconvened to consider the CEO’s response;
- j) The Board was not satisfied with the response and resolved to appoint a service provider to conduct an investigation on the matter;

Process followed in respect of the investigation into allegations of wrongdoing at MDB...Cont.

- k) **ENSAfrica Inc.** was appointed through a Supply Management Process to conduct an investigation;
- l) The investigators had planned a three-phase process for the investigation. However, the process concluded on phase 1 of their project plan, since there were no prospects that warranted for further investigations;
- m) The outcome of the investigation proved negative in that the “Alleged Whistle-blower” confirmed that she was not the complainant.
- n) In view of section 60(1) of the Employment Equity Act (1998) and consistent with case law (***PE v Dr Beyers Naude Local Municipality and Another***), the Board took advise from the investigation report in order to avoid possible or future vicarious liability. In this regard, an organisational culture survey is being facilitated.

The cost of the investigation

a) The investigation for the first phase amounted to **R552 864.25**

The implementation of the recommendations from the investigation report

Below are the recommendations that were made at the Board meeting of the 12th of November 2021 in line with the recommendations of the investigation report:

- a) Note that findings or the facts do not support the conclusion that Ms Bulelwa Mbali Khoele is a whistle blower, the letter has been denied by her that she is the complainant.
- b) Given that the investigation has resulted in a negative finding, the Board is requested to deliberate if a further investigation is required in pursuance of the matter beyond the first phase and in terms of the Whistle Blow policy.
- c) If the conclusion of the Board is to close the matter at this first phase of the investigation, it is recommended that the Board consider approaching the City Press and advise them of the outcome of the investigation and its conclusion.
- d) That the Board consider writing to the Minister of Cooperative Governance and Traditional Affairs (COGTA) and the Portfolio Committee on COGTA and appraise them about the processes followed to deal with this matter including the outcome of the investigation.

The implementation of the recommendations from the investigation report...Cont.

- e) That a letter be written to Ms Bulelwa Mbali Khoele to indicate that the Board was obliged to investigate the matter given the seriousness of the allegations and the authenticity of the letter. Further confirm with her as follows:
 - (i) that the investigation was conducted and it has been confirmed that the letter did not emanate from her and she has been contacted to obtain her version;
 - (ii) that in light of the outcome of the investigation, the matter will not be pursued further.
- f) That because the study findings came out negative, the One-on-One meetings with implicated officials will not be necessary at this stage but letters should be issued to explain the process undertaken and its conclusion and, if any of the employees raises an issue, it must be dealt with on its own merit.
- g) That an Organisational Culture Survey be facilitated.
- h) That management be directed to approach state security agencies (i.e. SITA and or SSA) to assist in investigating the origin and source of the whistle blow complaint email received with the view to clear the name of the Board.

NB*All these recommendations were endorsed by the Board and have been implemented.



Consequence management instituted

- a) The investigators failed to establish the origin of the allegations, let alone link that to internal email systems;
- b) Hence, there were no actions or recommendations that required consequence management to be instituted.

The State of Governance at the MDB

- a) The Board has conducted a performance evaluation of the board which is attached for perusal by the Portfolio Committee;
- b) Even though the Board performance evaluation is attached, we need to briefly indicate that according to this independent assessment, the Board's performance is above average.
- c) The Board and Committees do meet as scheduled and matters are processed and monitored for progress by the board members on a quarterly basis;
- d) The next two slides provide details of Board Members' attendance to board and committee meetings since the inception of the current Board in 2019 including the minimum percentage of member attendance.

ATTENDANCE TO BOARD COMMITTEE MEETINGS – 2019/20 FINANCIAL YEAR

Board Member	Board Meeting	Governance, Social and Ethics Committee	Human Capital Committee	Boundaries Powers and Functions Committee	Research and Knowledge Management Committee	Public Participation and Stakeholder Engagement Committee	Audit and Risk Committee
Thabo M Manyoni*	8/8	5/5					
Mbali P Myeni^	8/8	5/5			4/4		5/5
Adv Monnapula Motlogelwa	8/8		7/7				4/5 (80%)
Albert Kekesi	8/8			6/6		4/4	
Namso Baliso	8/8			6/6			
Mmatsie Mooki	7/8 (88%)	5/5				4/4	
Greta Apelgren-Nakerdien	8/8	5/5	7/7				
Jane Thupana	7/8(88%)	5/5		6/6			
Themba Dubazana	8/8		6/7 (86%)		2/4(50%)		
Dr D Mohale	7/8 (88%)	5/5			4/4	4/4	

*Chairperson

^Deputy Chairperson

(%) minimum percentage of member attendance to board and committee meetings

ATTENDANCE TO BOARD AND COMMITTEE MEETINGS – 2020/21 FINANCIAL YEAR

Board Member	Board Meeting	Governance, Social and Ethics Committee	Human Capital Committee	Ward Delimitation and Boundary Determination Committee	Research and Knowledge Management Committee	Finance Committee	Audit and Risk and ICT Committee
Thabo M Manyoni*	9/9						
Mbali P Myeni^	9/9	4/4		10/10	3/4 (75%)	5/5	2/7 (29%)
Adv. M Motlogelwa	8/9(89%)					3/5 (60%)	
Albert Kekesi	9/9	4/4				5/5	
Namso Baliso	9/9		6/6		4/4		
Mmatsie Mooki	9/9		6/6	10/10			7/7
Greta Apelgren-Nakerdien	9/9	4/4	6/6		4/4		
Jane Thupana	9/9	4/4		10/10		5/5	
Themba Dubazana	9/9		6/6				7/7
Dr D Mohale	9/9	4/4		10/10	4/4		

*Chairperson

^Deputy Chairperson

(%) minimum percentage of member attendance to board and committee meetings



Reconfiguration of Board Committees

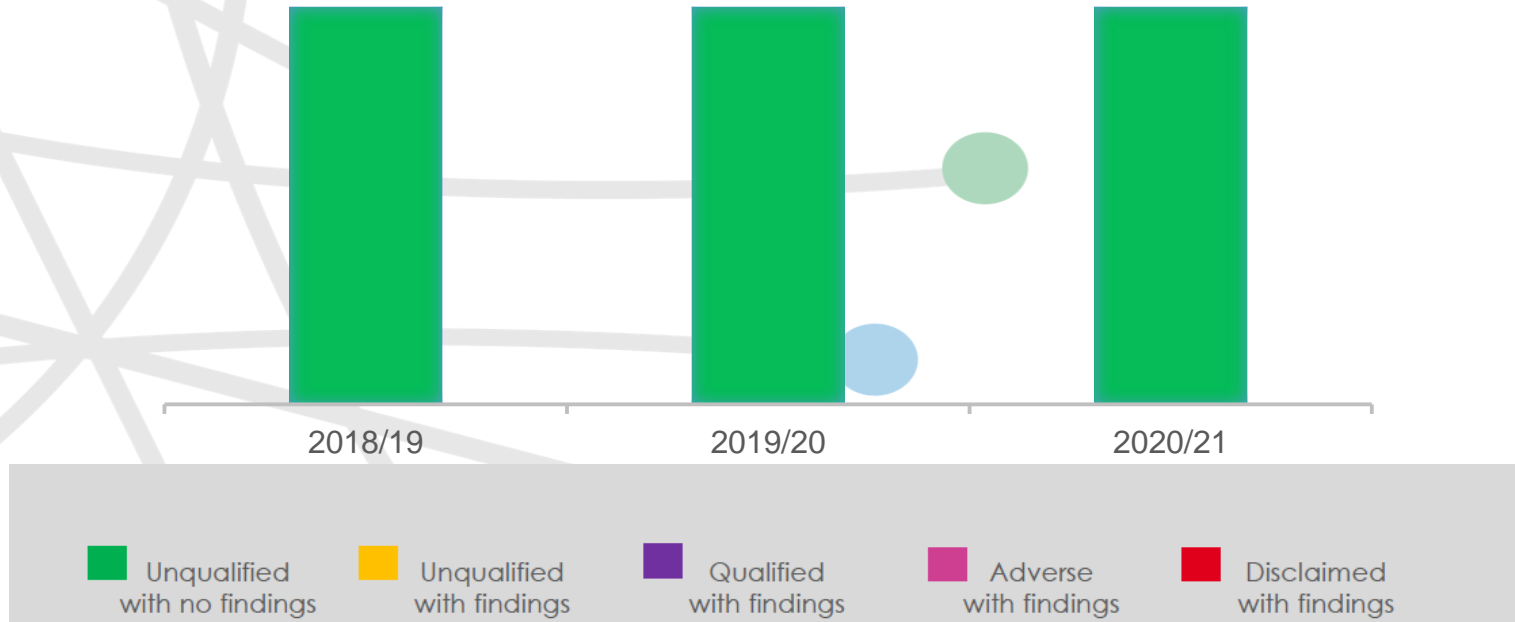
- a) In February 2020, the Board reconfigured its Committees in order to enhance and improve governance and oversight including:
 - (i) Increasing capacity of members in Board Committees (Minimum 4 members per committee);
 - (ii) Moving ICT functions from Research to Audit and Risk Committee;
 - (iii) Merging of the Public Participation and Stakeholder Management Committee with the Boundaries, Powers and Functions Committee (later renamed to Ward Delimitation and Boundary Determination Committee);
 - (iv) Establishment of the Finance Committee to consider finance functions and responsibilities of the Board.
- b) The Governance, Social and Ethics Committee was reviewed and its role was realigned to firm up the governance of ethics in line with other good practices.

MDB Five Year Strategy

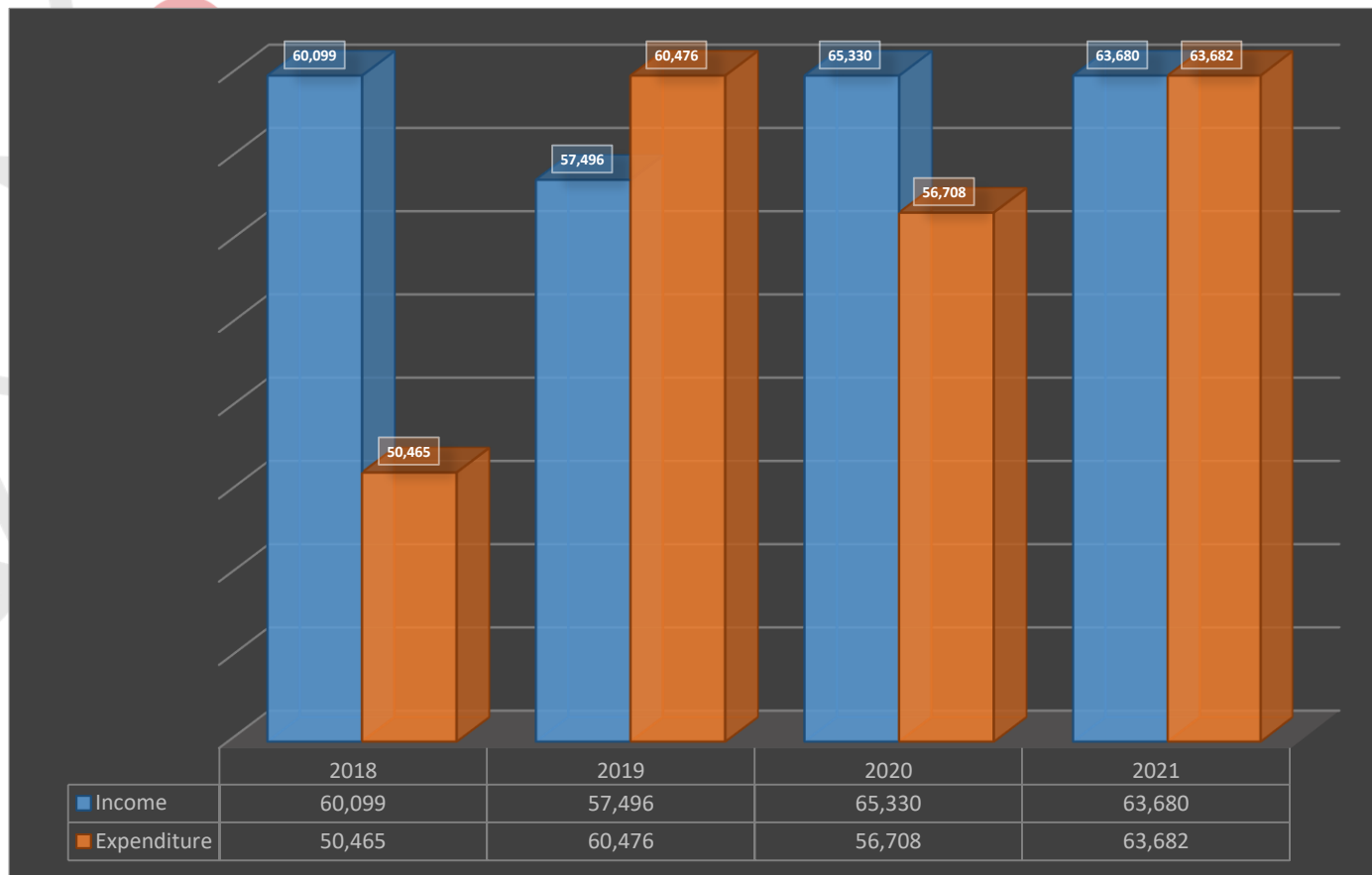
- a) A new five (5) year strategy was developed when the current Board assumed office in 2019. This strategy is informed by previous conferences, dialogues and seminars etc.;
- b) The MDBs strategic plan sets out our strategic direction for the fiscal years 2020 to 2025 and outlines the vision, mission and values the MDB has set. It further explains MDBs mandate and solidifies the impact and outcomes the organisation endeavours to realise during this period.

Audit Outcomes

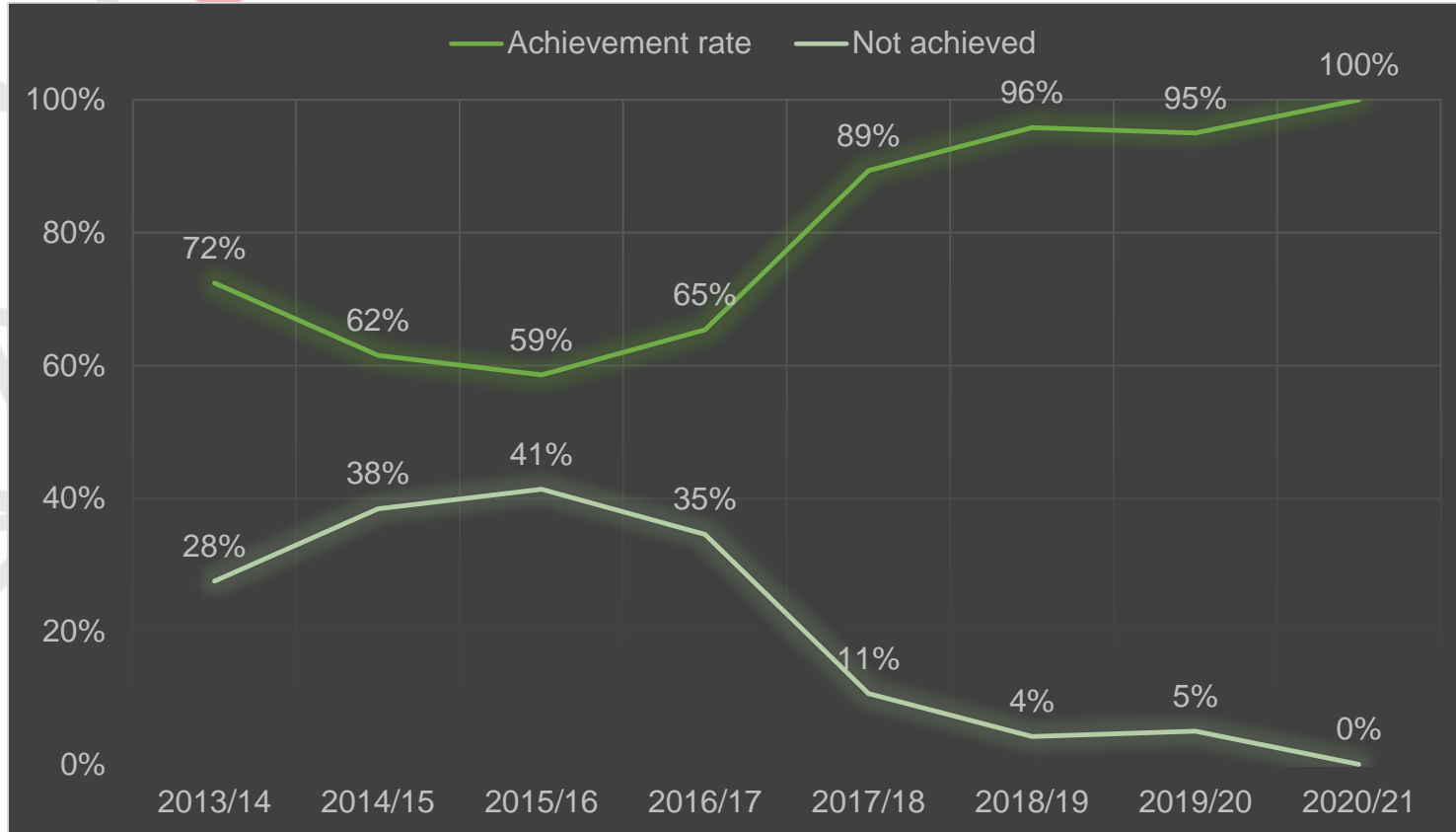
The MDB received unqualified audit opinions with no findings i.e., Clean audit in 2018/19; 2019/20 and 2020/21 financial year periods.



Spending Trend Analysis (Rm)



Overview of Organisational Performance 2014/15 – 2020/21



The governance challenges at the MDB

- a) There are no challenges known to the Board except what has been noted by the Board in its recent meetings and engagements with the CEO;
- b) The Board has noted that the relationship between the board and the CEO has somehow deteriorated;
- c) We are basing this on allegations made by the CEO against some Board members and his general attack on the integrity of the Board;
- d) These allegations are currently being processed by the Committees of the board and are yet to be presented to the Board with the recommendations.



Measures in place to address governance challenges

- a) There are no measures taken since there are no known governance challenges. However, the Board continues to work on improving its governance efficiency, informed by the Board evaluation report.