

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2018/2851**

**DATE OF PUBLICATION: 12 OCTOBER 2018**

**2851. Mr K J Mileham (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Whether any of the municipalities which deposited funds with VBS Mutual Bank have initiated internal investigations into the matter; if not, in each case, (a) why not and (b) by what date will each municipality launch internal investigations; if so, in each case, (i) on what date did the investigation commence, (ii) what is the current status thereof and (iii) by what date does each municipality anticipate it will complete the investigation?

**Reply:**

The response below was provided by the municipalities:

|  |  |  |
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| **NO** | **MUNICIPALITY** | **RESPONSE** |
| **Gauteng** |
| 1 | Merafong City LM | The municipality did not initiate internal investigations on the matter.1. The municipality requested Gauteng Treasury to initiate an independent external investigation on the matter.
2. Not applicable.
3. May 2018.
4. Under investigation.
5. The Gauteng Provincial Government hopes to conclude the investigation by end of November 2018.
 |
| 2 | West Rand District | Same as above. |
| **North West** |
| 3 | Moretele LM | The municipality initiated internal investigations on the matter.1. Not applicable.
2. Investigation was instituted after 30 July 2018, following the Minister’s advice.

(i) Same as the above.(ii) Internal investigations completed, awaiting consolidation of reports by the Municipal Public Accounts Committee (MPAC) and the Financial Disciplinary Board (FDB). (iii) 31 October 2018. |
| 4 | Madibeng LM | The municipality initiated internal investigations on the matter.1. Not applicable.

(b) 27 June 2018(i) Same as the above(ii) Current Status:* Disciplinary processes instituted against the three affected officials.
* The office of the Speaker initiated the process of convening the Rules of Order and Ethics committee to institute disciplinary processes against the alleged MMC.
* A criminal case was opened at Brits SAPS.

(iii) 28 August 2018. |
| 5 | Mahikeng LM | The municipality initiated internal investigations.1. Not applicable.
2. 3 September 2018

(i) Same as the above.(ii) Investigation finalized, disciplinary action and litigation pending.(iii) Same as the above. |
| 6 | Dr Ruth Segomotsi Mompati District | The municipality initiated internal investigations.(a) Not applicable.(b) Internal investigations launched on 31 May 2018.(i) 31 May 2018.(ii) Current status:* A Preliminary report was tabled before Council on 12 September 2018;
* Final report expected to be tabled before Council on 08 November 2018.

(iii) Same as the above. |
| **Limpopo** |
| 7 | Makhado LM | Awaiting response from the province. |
| 8 | Greater Giyani LM | Awaiting response from the province. |
| 9 | Collins Chabane LM | Awaiting response from the province. |
| 10 | Elias Motswaledi LM(Interest) | Awaiting response from the province. |
| 11 | Vhembe District | Awaiting response from the province. |
| 12 | Ephraim Mogale LM | Awaiting response from the province. |
| 13 | Tubatse Fetakgomo LM | Awaiting response from the province. |
| 14 | Lepelle Nkumpi LM | Awaiting response from the province. |

The affected Provincial Departments instituted forensic investigations in their respective municipalities, in accordance with section 106 of Municipal Systems Act and the investigations are still in progress.

The Limpopo Province held introductory meetings with the affected municipalities on 28 August 2018 and the investigation is expected to be finalised within 3 months. The Northwest Province commenced with the investigation in July 2018 and the investigation report was finalised on the 18th of October 2018. The investigation in Gauteng is expected to be finalised on the 30th of November 2018.

The affected Provinces appointed the following service providers:

* Limpopo Province- Grant Thornton PS Advisory (Pty) Ltd
* North West – Sekelaxabiso
* Gauteng – Deloitte

The forensic investigations supplemented by the Investigator’s report on VBS, will assist government to establish the extent of transgression, identify the perpetrators and pave way to disciplinary processes and possible recovery deposits.