

**MINISTRY FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**

**REPUBLIC OF SOUTH AFRICA**

**NATIONAL ASSEMBLY**

**QUESTIONS FOR WRITTEN REPLY**

**QUESTION NUMBER 2016/580**

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**Mr M W Rabotapi (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

Whether, with reference to his reply to question 440 on 17 March 2015, his department has received the outstanding information from the metropolitan municipalities; if not, why not; if so, when will the information be made available as requested?

**Reply:**

Yes, the Department received the outstanding information from the metropolitan municipalities. These are reflected below.

**PARLIAMENTARY QUESTION NO 2015/ 440**

**Hon BH Bhanga (DA) to ask the Minister of Cooperative Governance and Traditional Affairs:**

1. For each metropolitan municipality, ( a ) what are the details of each forensic investigation that has been commissioned since 1 June 2011 and ( b ) what were the reasons for the commissioning of each investigation;
2. Whether he can indicate if each forensic investigation is ( a ) complete or (b ) still ongoing;
3. ( a ) has the report of each completed investigation been made public; if not, ( a ) why not and ( b ) when will the specified reports be made public; if so, ( i ) when was each report released and ( ii ) was each report tabled in Parliament;
4. for each incomplete investigation, when will it be completed;
5. What action has been undertaken by the Government in terms of the recommendations made in each forensic report?

It is important to highlight that most of the forensic reports were commissioned by metropolitan municipalities as a way of intensifying the fight against corruption and related offences in local government. The information below was received from the eight (8) metropolitan municipalities:

(1) The table below illustrates the response as per municipality:

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| **Metropolitan Municipality** | **Response to 1 (a)** | **Response to 1 (b)** |
| Buffalo City | Two (2) forensic investigations have been commissioned since 1 June 2011. | The investigations were prompted by allegations of tender irregularities regarding the awarding of two tenders. |
| City of Johannesburg | A total of 127 forensic investigations have been commissioned since 1 June 2011. | The investigations were initiated as a result of allegations of fraud, corruption, theft and other irregularities reported through the fraud hotline wherein members of the public and staff members are encouraged to report. |
| City of Tshwane | A total of 1056 forensic cases were registered between 2011 and 2015 financial years. | The City of Tshwane receives various verbal and/or written allegations of crimes/offences from a number of sources. The reporting tools include KPMG hotline, anonymous informants, management requests, provincial anti-corruption hotline, Office of the Public Protector, and the Presidential hotline. |
| Ekurhuleni | A total of 215 forensic investigations have been commissioned by the Municipality. | Forensic cases are investigated following allegations of possible fraud and corruption received through the municipality’s fraud hotline, the provincial and national hotlines, and allegations raised by management and the public. |
| eThekwini | 1 (one) forensic investigation has been commissioned. The MEC for CoGTA KZN commissioned an investigation into allegations of maladministration, fraud and corruption alleged to have occurred at the municipality. | The MEC for CoGTA in KZN had reason to believe that maladministration, fraud and corruption had occurred at eThekwini Metro, which lead to the investigation being commissioned. |
| Nelson Mandela Bay | A total of 96 alleged fraud and corruption cases were received by the municipality, since 1 June 2011. The cases varied in complexity and magnitude. | The allegations reported related to fraud and corruption (which by nature could be criminal) and alleged mismanagement of public funds. |

(2) The table below illustrates the response as per municipality:

|  |  |  |
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| **Metropolitan Municipality** | **Response to (a)** | **Response to (b)** |
| Buffalo City | Council took a resolution in 2014 to rescind its original resolution to investigate the two contracts due to procedural defects in the taking of the decision. This affected the validity of the investigation by the service provider as well as its findings. | Council has authorised MPAC to conduct an investigation regarding the irregular expenditure for the procurement of services arising from the defects in the original resolution(s). The investigation by Municipal Public Accounts Committee (MPAC) on irregular expenditure is ongoing. |
| City of Johannesburg | A total of 127 forensic investigations were closed. | 28 are still ongoing. |
| City of Tshwane | A total of 636 forensic cases were finalised. | 420 are still in progress. |
| Ekurhuleni | A total of 215 forensic investigations were conducted. | Some of the investigations for 2014/15 are still on-going. |
| eThekwini | One forensic investigation was conducted and completed. | N/A |
| Nelson Mandela Bay | A total of 57 of the reported forensic cases had been investigated and completed, i.e. 20 reports were issued and 37 cases closed. | 39 Outstanding. |

(3) The table below illustrates the response as per municipality:

|  |  |
| --- | --- |
| **Metropolitan Municipality** | **Response 3 ( a ) ( b ) ( i ) ( ii )** |
| Buffalo City | The investigations by MPAC were not completed as no report was tabled in Council, since Council took a decision to rescind its original resolution to investigate the aforesaid contracts due to procedural defects in the taking of the decision. As a result, the report was not tabled in Council and not made public. |
| City of Johannesburg | The outcomes of the investigations are communicated to senior management (including the City Manager) who will then implement appropriate actions. In addition, the outcomes of the investigations are also communicated to the Group Audit Committee, MPAC and the Auditor -General. The reports were not tabled in Parliament. |
| City of Tshwane | Reports are tabled at various Council structures. |
| Ekurhuleni | The investigation reports are released to all relevant parties following the finalisation of the investigations. This finalisation process is then followed by the process of implementing recommendations. Reports are also tabled before the Municipal Public Accounts Committee (MPAC), where necessary. The reports were not tabled in Parliament. |
| eThekwini | The forensic report was tabled in council and was made public in March 2014. The reports were not tabled Parliament. |
| Nelson Mandela Bay | Forensic reports are submitted by the NMBM’s Internal Audit Unit to the Accounting Officer and Legal Services. Reports are then tabled at various Council Structures i.e. Audit Committee meetings, Municipal Public Accounts Committee meetings and thereafter the resolutions of MPAC are tabled at Council meetings. The reports were not tabled in Parliament. |

(4) & (5) The table below illustrates the response as per municipality:

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| **Metropolitan Municipality** | **Response to (4)** | **Response to (5)** |
| Buffalo City | For the reasons that Council rescinded its original resolution in 2014 to investigate the aforesaid contracts due to procedural defects, the investigation was therefore discontinued. | On this matter no action was taken arising from the investigation as Council rescinded its original decision. |
| City of Johannesburg | The completion time for investigations is difficult to predict due to the nature of each case under investigation. However, efforts are put in place to ensure timely completion. | The recommendations emanating from forensic reports are implemented through disciplinary processes, civil recovery, and criminal actions. |
| City of Tshwane | Same as above. | The recommendations emanating from forensic reports are implemented through disciplinary processes, civil recovery, and criminal actions. Disciplinary cases were finalised on 17 cases. |
| Ekurhuleni | Same as above. | The recommended actions have been taken by management and this includes improving the control environment as well as corrective measures instituted against the implicated officials. |
| eThekwini | Not applicable. The investigation at eThekwini Metro has been completed. | The recommendations emanating from the forensic report have been partially implemented. Further, some of the allegations are still being investigated by law enforcement agencies. |
| Nelson Mandela Bay | The completion time for investigations is difficult to predict due to the nature of each case under investigation. However, efforts are put in place to ensure timely completion. The NMBM has requested the Provincial Treasury to assist the NMBM with forensic matters in order to complete investigations. | Forensic reports are tabled at various Council Structures i.e. Audit Committee meetings, MPAC meetings, and thereafter the resolutions of MPAC are tabled at Council meetings. Action by the NMBM is implemented in accordance with these resolutions. |

The City of Cape Town and Mangaung Metropolitan Municipality indicated that they are not in a position to accede to my request to release details regarding forensic investigations. The City of Cape Town indicated that releasing information relating to forensic investigations would compromise future investigations, and the implementation of recommendations contained in such reports.