

PARLIAMENT OF THE PROVINCE OF THE WESTERN CAPE

FRIDAY, 6 SEPTEMBER 2024

QUESTIONS FOR WRITTEN REPLY

11. Ms B N Stoffel to ask Mr A W Bredell, Minister of Local Government, Environmental Affairs and Development Planning

In respect of the current incidents on the Unethical/Fraudulent Incident Register of the Drakenstein Municipality:

- (1) What are the comprehensive details of the allegations associated with incidents referenced as (a) 2324009, (b) 2324010, (c) 2324011 and (d) 2324012;
- (2) whether he is aware of the numerous allegations of financial misconduct in the Drakenstein Municipality; if so, what (a) are the relevant details and (b) measures have been implemented to address these issues;
- (3) whether the allegations of the Municipality's Municipal Public Accounts Committee (MPAC) have been brought to his attention; if not, why not; if so, what (a) are the relevant details and (b) is the status of the current oversight investigations into these allegations?

REPLY:

- 11.1 Drakenstein Municipality has confirmed its current protocol, regulated by the Council approved Fraud and Risk Management Policy, has been followed in relation to the allegations referenced. These allegations are furthermore recorded in the Unethical/Fraudulent Incident Register. This Register is on a quarterly basis tabled at the Fraud and Risk Management Committee (FARMCO) for review. FARMCO is a fully independent committee that provides an oversight role to ensure that incidents are adequately monitored and to ensure that management

complies with the legislative requirements as well as with internal policies and procedures.

The register, along with all investigation reports pertaining to the audited financial year, undergoes thorough examination by the Auditor-General, encompassing every element of consequence management.

The Municipality has declined to provide further information relating to the parliamentary question in light of the fact that there may be pending criminal investigations and disciplinary investigations. Notwithstanding the above, the Municipality has undertaken to combat all forms of fraud and corruption as well as to remain pro-active in the fight against it.

- 11.2 The Provincial Minister is aware of the unauthorised, irregular or fruitless and wasteful expenditure incurred by municipalities when reported in accordance with section 32(4) of the MFMA.

To assist in combatting all forms of fraud and corruption, the Municipality has a 24-hour, 7-day-a-week hotline that is fully independent and not administered by the Municipality. The hotline is a reporting channel where employees, suppliers, contractors, members of the public or any third party can report irregular activities without being victimised. The Municipality has shown that it takes fraud prevention and detection seriously and has implemented an independent whistle blower hotline. This approach reflects the Municipality's commitment to maintaining the highest standards of integrity and transparency in its operations. The consistent record of clean audits over the past few years reflects the Municipality's dedication to upholding the principles of Good Governance.

11.3 Only once the Unethical/Fraudulent Incident Register is accepted by FARMCO, is it then tabled at the Audit and Performance Committee and thereafter to the Municipal Public Accounts Committee (MPAC) for information purposes. The MPAC as well as the Municipal Council receive assurance from independent professionals serving on FARMCO and the Audit Committee that Drakenstein has “a structured approach to identifying and investigating fraud and unethical incidents.”.

The Municipality has declined to provide further information relating to the parliamentary question as matters dealt with under confidential items in committees or committees of council will not be divulged pursuant to parliamentary questions.

**MINISTER OF LOCAL GOVERNMENT, ENVIRONMENTAL AFFAIRS AND DEVELOPMENT
PLANNING**