

The Weekly

HAWKS PROBE SHONGWE

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The Hawks have been roped in to the Nala Local Municipality corruption scandal after the municipality this week instituted criminal charges against the suspended municipal manager, David Shongwe. The Weekly can reveal that the Mayor, Theko Mogoje, brought the charges against Shongwe after a forensic investigation into the financial management at Nala.

Shongwe was suspended last week following The Weekly's exposé last year. According to documents in the newspaper's possession, he will have to answer to the allegations of corruption and mismanagement at an internal disciplinary hearing next month.

At the hearing, Shongwe will face 20 charges ranging from wasteful expenditure to failure to comply with procurement and tender procedures.

The hearing, conducted by law firm Mabalane Seobe Incorporated, was initially scheduled for this week but had to be postponed because Shongwe did not show up.

The spokesperson of the Department of Cooperative Governance and Traditional Affairs (Cogta), Senne Bogatsu, said should Shongwe fail to show up for the next hearing date, the municipality will be forced to proceed without him and this might lead to his dismissal in absentia.

The technical director at the municipality, Sydney Nxumalo, is also facing a disciplinary hearing relating to eight charges of misconduct. He is charged with, among other things, lying and misleading KPMG's forensic auditors and recommending payments to service providers when they were not due. Nxumalo has since resigned.

"The municipality is owed R196 360 for awarding a project to Siyabulela, one of the contractors that failed to complete the work. The municipality is also owed R178 331 for awarding a project to Seobic, also one of the contractors that failed to complete the work, to mention just a few," Mogoje said in the statement he made to the Hawks.

He said other contractors had to be appointed to complete the work these companies could not finish. The draft forensic report on the findings of KPMG revealed that there was a lack of compliance with the Municipal Finance Management Act (MFMA), which resulted in wasteful expenditure. This led to the suspension of Shongwe and Nxumalo.

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Section 173 of the MFMA considers Shongwe an accounting officer due to his position as the municipal manager at that time. In terms of this section, he is guilty of this offence if he was negligent and failed to act to prevent unauthorised expenditure. According to part two of the MFMA, criminal proceedings have to be instituted against the accounting officer if an offence is committed under section 173.

One of the charges he will have to answer to during his disciplinary hearing relates to misconduct in terms of an Integrated Financial Management System tender. He was accused of having contravened the MFMA by incurring wasteful and fruitless expenditure with irregular or unauthorised expenditure for a contract valued at more than R2.5-million. The municipality ultimately paid the service provider just over R6.3-million, more than double the original amount.

Shongwe is also charged with paying for a bucket eradication project that never commenced and his subsequent failure to recover the monies owed to the municipality by these companies. He was also found guilty of supplying fuel worth R160 477 to 207 municipal vehicles that were not on the municipality's list of cars to be fuelled.

Other unauthorised and wasteful expenditure relates to the bucket eradication construction fee of nearly R3-million in Kgotsong. Phase three of this project cost the municipality more than R3.5-million, and phase four incurred over R10-million wasteful and fruitless expenditure.

Shongwe was also found to have failed to manage the municipality's bank account properly by authorising 264 transactions in December 2008 without supporting documents.

The former Mayor, Mpai Mogorosi, and the current speaker, Nozililo Mashiya, are amongst several people fingered in the report for irregular and unauthorised expenditure.

Last week, The Weekly reported that Samwu regional secretary Joseph Mkhombeni said the union welcomed the developments at Nala Municipality. Mkhombeni said the union had played a critical role in ensuring the culprits were called to account.

Meanwhile, the former district director for Xhariep and former administrator for Masilonyana Local Municipality, Chris Mokomela, has been appointed caretaker manager for Nala.

Bogatsu confirmed Mokomela started with his duties this week.

The director of Mabalane Seobe Attorneys, Steve Mabalane, confirmed that his firm has been appointed by the department to conduct the disciplinary hearings, pursue criminal charges against implicated officials, and recover municipal monies from Shongwe.

"We have been instructed by Cogta to attach his (Shongwe's) pension fund. We are also going to issue summons to the different contractors implicated in corrupt tenders to recover municipal funds," said Mabalane.

[Source: www.theweekly.co.za]