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**PROCLAMATIONS • PROKLAMASIES**

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**PROCLAMATION NO. R. 59 OF 2016**

**by the  
PRESIDENT of the REPUBLIC of SOUTH AFRICA**

**SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996): REFERRAL OF MATTERS TO EXISTING SPECIAL INVESTIGATING UNIT AND SPECIAL TRIBUNAL**

WHEREAS allegations as contemplated in section 2(2) of the Special Investigating Units and Special Tribunals Act, 1996 (Act No. 74 of 1996) (hereinafter referred to as the "Act"), have been made in respect of the affairs of the Greater Sekhukhune District Municipality and the Elias Motsoaledi Local Municipality (hereinafter referred to as "the Municipalities");

AND WHEREAS the Municipalities suffered losses that may be recovered;

AND WHEREAS I deem it necessary that the said allegations should be investigated and civil proceedings emanating from such investigation should be adjudicated upon;

NOW, THEREFORE, I hereby, under section 2(1) of the Act, refer the matters mentioned in the Schedule, in respect of the Municipalities, for investigation to the Special Investigating Unit established by Proclamation No. R. 118 of 31 July 2001 and determine that, for the purposes of the investigation of the matters, the terms of reference of the Special Investigating Unit are to investigate as contemplated in the Act, any alleged—

- (a) serious maladministration in connection with the affairs of the Municipalities;
- (b) improper or unlawful conduct by the councillors, officials or employees of the Municipalities;
- (c) unlawful appropriation or expenditure of public money or property;
- (d) unlawful, irregular or unapproved acquisitive act, transaction, measure or practice having a bearing upon State property;
- (e) intentional or negligent loss of public money or damage to public property;
- (f) offence referred to in Parts 1 to 4, or section 17, 20 or 21 (in so far as it relates to the aforementioned offences) of Chapter 2 of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), and which offences were committed in connection with the affairs of the Municipalities; or
- (g) unlawful or improper conduct by any person, which has caused or may cause serious harm to the interests of the public or any category thereof,

which took place between 1 July 2011 and the date of publication of this Proclamation or which took place prior to 1 July 2011 or after the date of publication of this Proclamation, but is relevant to, connected with, incidental or ancillary to the matters mentioned in the Schedule or involve the same persons, entities or contracts investigated under authority of this Proclamation, and to exercise or perform all the functions and powers assigned to or conferred upon the said Special Investigating Unit by the Act, including the recovery of any losses suffered by the Municipalities, in relation to the said matters in the Schedule.

Given under my Hand and the Seal of the Republic of South Africa at Pretoria this Eighteenth day of August Two thousand and sixteen.

**J G Zuma**  
**President**

By Order of the President-in-Cabinet:

**T M Masutha**  
**Minister of the Cabinet**

#### **SCHEDULE**

1. The procurement of, or contracting for goods, works or services by or on behalf of the Greater Sekhukhune District Municipality and payments made in respect thereof in a manner that was—

- (a) not fair, competitive, transparent, equitable or cost-effective; or
- (b) contrary to applicable—
  - (i) legislation;
  - (ii) manuals, guidelines, circulars, practice notes or instructions issued by the National Treasury or the relevant Provincial Treasury; or
  - (iii) manuals, policies, procedures, prescripts, instructions or practices of or applicable to the Greater Sekhukhune District Municipality,

and any related irregular or fruitless and wasteful expenditure incurred by the Greater Sekhukhune District Municipality or the State in respect of—

- (aa) the supply or delivery of water or water tanking services by or on behalf of the Greater Sekhukhune District Municipality, inter alia, to the Jane Furse Command 25ML Reservoir, Buffelshoek and the Elias Motsoaledi Local Municipality;
- (bb) the rendering of professional services in respect of a Value Added Tax review, compliance audit or debt collection services;
- (cc) the construction of the Jane Furse Command 25ML Reservoir (PH1C);
- (dd) the appointment of Engineering Consultants or the rendering of professional advice or services in respect of technical reports for Project Number: 3/3/1-12/2012/13; or
- (ee) the rendering of banking services for the Greater Sekhukhune District Municipality in respect of a Municipal Investment Account held at Standard Bank.

2. The procurement of and contracting for goods, works or services by or on behalf of the Elias Motsoaledi Local Municipality and payments made in respect thereof in a manner that was—

- (a) not fair, competitive, transparent, equitable or cost-effective; or
- (b) contrary to applicable—
  - (i) legislation;
  - (ii) manuals, guidelines, circulars, practice notes or instructions issued by the National Treasury or the relevant Provincial Treasury; or
  - (iii) manuals, policies, procedures, prescripts, instructions or practices of or applicable to the Elias Motsoaledi Local Municipality,

and any related irregular or fruitless and wasteful expenditure incurred by the Elias Motsoaledi Local Municipality or the State in respect of the supply or delivery of water or water tanking services by or on behalf of the Elias Motsoaledi Local Municipality.

3. Fraud, corruption, irregularities, malpractices or maladministration in the affairs of the Greater Sekhukhune District Municipality and Elias Motsoaledi Local Municipality, respectively, regarding the matters referred to in paragraphs 1 and 2, including the causes of such fraud, corruption, irregularities, malpractices or maladministration and any losses, damage or actual or potential prejudice suffered by the Municipalities or the State.