

**PROCLAMATION NO. R. 19 OF 2017**

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

**SPECIAL INVESTIGATING UNITS AND SPECIAL TRIBUNALS ACT, 1996 (ACT NO. 74 OF 1996)**

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 Alfred Nzo District Municipality (hereinafter referred to as "the District Municipality"), which is situated in the Eastern Cape Province;

AND WHEREAS the District Municipality 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 District Municipality, 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 District Municipality;
- (b) improper or unlawful conduct by councillors, officers or employees of the District Municipality;
- (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 District Municipality; 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 January 2014 and the date of publication of this Proclamation or which took place prior to 1 January 2014 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 District Municipality 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 Tenth day of March Two thousand and seventeen.

**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 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, practice notes, circulars 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 District Municipality,

and any related unauthorised, irregular or fruitless and wasteful expenditure incurred by the District Municipality in respect of—

- (aa) the supply, delivery, installation or commissioning of water storage facilities or tanks or Contract Number ANDM/IDMS-WSP/05/20/03;
- (bb) the Matatiele Ward 7 Water Supply Project or Tender Number ANDM/IDMS-PMU/300/25/03/14; and
- (cc) a revenue and billing management solution or Tender Number ANDM/IDMS/-WSP/165/19/11/14.

2. Maladministration in the affairs of the District Municipality and any losses or prejudice suffered by the District Municipality, as a result of such maladministration in relation to—

- (a) the supply, delivery, installation or commissioning of water storage facilities or tanks or Contract Number ANDM/IDMS-WSP/05/20/03;
- (b) the Matatiele Ward 7 Water Supply Project or Tender Number ANDM/IDMS-PMU/300/25/03/14; and
- (c) a revenue and billing management solution or Tender Number ANDM/IDMS/-WSP/165/19/11/14,

and payments made in respect thereof, including the causes of such maladministration and related unauthorised, irregular or fruitless and wasteful expenditure incurred by the District Municipality.

3. Any improper or unlawful conduct by the councillors, officers or employees of the District Municipality or the applicable contractors, suppliers or service providers or any other person or entity, in relation to the allegations set out in paragraphs 1 and 2 of this Schedule.