

# Heads could roll in City

## National Parliament probes electricity deal

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HEADS could roll in the troubled Msunduzi Municipality as national Parliament cracks the whip over alleged irregular expenditure at the municipality.

With allegations of rampant corruption at the municipality continuing to make national headlines, the National Assembly's public works portfolio committee has finally intervened and deliberations over the municipality started yesterday.

MPs at the committee meeting focused on the irregularities relating to the contract between the municipality and the Independent Development Trust (IDT) that saw the council not getting any value on the millions of rands it transferred to IDT for the rollout of infrastructure projects.

The committee's chairperson, Freddie Adams, said yesterday's deliberations were proof MPs viewed allegations of maladministration at Msunduzi in a serious light.

Adams said MPs were "deeply concerned" about the manner in which state resources were being used in Msunduzi.

Speaking to *The Witness* from Cape Town yesterday, Adams said the committee felt there has not been any "value for money" in many of the projects carried out at the municipality.

"Today's meeting with the IDT is just the beginning of the committee's quest to get to the bottom of the irregular expenditure at the municipality," Adams said.

He said the committee was now waiting for a report from President Jacob Zuma who enlisted the services of the Special Investigating Unit (SIU) "that would help to hold those responsible to account".

The IDT presented a report to the committee highlighting the irregularities they found in their agreement with the municipality.

IDT was appointed in 2011 as an implementing agent for the Electricity Infrastructure Programme, but came under the spotlight in 2015 when R100 million allegedly linked to the company was reported "missing" by the municipality.

At that time, in one of the Msunduzi Exco meetings, IDT outlined electricity supply challenges faced by the municipality.

In the 2012/2013 financial year the municipality had entered into a memorandum of agreement with IDT that appointed the IDT as funding co-ordinators and as an implementing agent of the municipality's electricity supply and maintenance programme.

The scope of work included, but was not limited to, maintenance and new installations, refurbishment of ageing infrastructure, street lighting, household electrification, solar-powered street lighting and traffic lights.

In an article in *The Witness* in 2015 it was alleged that IDT did not pay contractors who carried out the work and IDT then became the municipality's debtor after apparently failing to pay back millions to the Msunduzi Municipality.

The municipality thereafter paid the contractors, but payments from IDT remained hanging.

However, in the presentation to the national committee yesterday, the IDT reported they had solicited the services of the National Treasury Audit Investigating Unit to conduct a forensic investigation into the matter.

The IDT said they were expecting a report from the National Treasury soon and will decide on action to be taken.

Chairperson Adams said they are now awaiting the findings from the SIU investigation before proceeding with their probe.

The DA deputy leader for KwaZulu-Natal Mergan Chetty said this was only the "tip of the iceberg".

"The manner in which the ANC squanders money in Msunduzi has always been our concern. We are also concerned that these monies wasted did not reach those who were most deserving, while cadres lined their pockets," Chetty said.

He added that proper procurement processes appeared not to have been followed. The DA was pleased that the national committee was looking into the alleged mismanagement of Msunduzi.

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