

## AG Project Bulletin 07

Martin Nicol. 19 March 2020

### **These are extraordinary revelations.**

The Auditor General removed its audit team from the Nelson Mandela Bay Metro audit on 4 November 2019 because of intimidation from Metro officials.

Some of the details are given in the AG's: "Submission to the Standing Committee on the Auditor-General (SCOAG) withdrawal of the AGSA team from the Nelson Mandela Bay Metro audit" presented on 04-Dec-19"

Auditor General: Threats of intimidation – presentation slides to SCOAG 29 November 2019

And Linda Ensor's eyewitness report on the SCoAG meeting:

Business Day online 04 December 2019 State auditors facing more intimidation and bribery, Kimi Makwetu says: The auditor-general has cited incidents at the Rand Water Board and municipalities in KZN, Mpumalanga and the Eastern Cape, as examples. Linda Ensor

There is a growing prevalence of threats, intimidation and bribery of state auditors, auditor-general Kimi Makwetu told MPs on Wednesday [04 December 2019].

Makwetu raised the concerns to parliament's standing committee on the auditor-general. He mentioned incidents at the Rand Water Board and municipalities in KwaZulu-Natal, Mpumalanga and the Eastern Cape, as examples. Makwetu said those sought to undermine the independence of auditors from his office.

During questioning by committee members, Makwetu suggested that one way of dealing with such incidents would be to bring the culprits to the committee for them to explain themselves in full public glare. "This would bring us much closer to nipping this thing in the bud," he said,

adding that it would make people think twice about doing such things and show that parliament had a zero tolerance towards such behaviour.

When auditors felt unsafe they were withdrawn from the audit.

Acting national audit leader in the auditor-general's office Alice Muller told MPs that her staff were required to red-flag it when they felt unsafe. The auditor-general's office had established relations with the police and contacted SAPS before an audit took place.

She said that once an audit team had been withdrawn from undertaking an audit, they would not be sent back until a risk assessment was done by law enforcement agencies. If there was no certainty of safety then the audit was conducted from auditor-general's offices.

Citing the incidences of threats, bribery and intimidation, Makwetu mentioned how employees of Rand Water in Johannesburg intimidated two auditor-general employees in August saying that their audit findings would cost them their bonuses.

The CFO of Mpfana local municipality in KwaZulu-Natal offered an audit manager a bribe in October and a case was opened with the SAPS.

The municipal manager of Victor Khanye local municipality in Mpumalanga informed an audit team in October that they might be kidnapped due to their audit findings on supply chain management tenders.

There was also a much-publicised event in Nelson Mandela Bay metropolitan municipality in the Eastern Cape, when the audit team was threatened and had to be withdrawn.

In October in the Msukaligwa local municipality in Mpumalanga municipal employees asked unreasonable questions of the audit team which they felt could compromise their safety and security.

Also in October in Buffalo City metropolitan municipality, the audit manager received a call from an unknown person on her private number furnishing information as a whistle-blower on the municipal manager.

In Mhlontlo local municipality in Qumbu in the Eastern Cape a municipal employee made undesirable statements in October to the Agsa audit manager on the findings issued.

municipal employee of Umfolozi municipality in KwaZulu-Natal made xenophobic/hate speech comments to a member of a contracted audit team of the auditor-general's office in November.

Strikes at municipalities can also delay audits, with a total of seven such instances having taken place between August and November: two in KwaZulu-Natal, four in the Eastern Cape and one in Mpumalanga.