

## **Municipality Lost R 8 623 336 of our money in 2022-23 Financial year – One event**

### **Legal Costs Last 4 Years with full legal department:**

Annual Financial Statement (AFS)

2021 R 4 092 194 Reference AFS 2021 -22 -- Page 164

2022 R 5 276 197 Reference AFS 2021 -22 -- Page 164

2023 R13 420 659 Reference AFS 2023 -24 -- Page 163

2024 R 5 023 686 Reference AFS 2023 -24 -- Page 163

*Notes: Consultants - Legal Cost: The decrease from previous year is due to settlement cost of legal cases in the previous year.*

R 13 420 659 – R4 797 359 (Average 2021, 2022, 2024) Loss = R 8 623 336

We the Community lost R 8 623 336 because of the legal and planning department.

### **What did the Judge say about it.**

3. *On 21 December 2022, and as the parties were preparing to go trial on 13 February 2023, the Municipality put a spanner in the works as it sought to review the tender allocation which it had made some 13 years earlier.*
- 16.7 *It will be immediately noted that the Municipality's stance regarding the party with whom it contracted was speculative and based on assumption rather than clear and equivocal.*
31. *Clearly, it did not bother the municipal officials how the Trust structured its affairs*
32. *On the evidence presented in the affidavits in this matter, I am unable to find that the Municipality has established conclusively that the contract in question falls foul of the provisions of .....*

### **ORDER OF THE COURT**

*Accordingly, it is ordered that:*

- A. The application for review is dismissed.*
- B. The applicant is to pay the costs of the first and second respondent, in their representative capacity as trustees of the Stone Trade Trust, on the scale as between attorney and client.*

Incompetence and ignorance of the Mossel Municipality **cost** the Community of Mossel Bay:

### **R 8 623 336 in 2022-23 Financial year**

**We, the Community of Mossel Bay, demand the immediate launch of an independent, credible, and effective investigation into the R8.6 million loss incurred as a result of legal mismanagement by the Mossel Bay Municipality.**

To ensure transparency, accountability, and justice, we call upon the relevant audit and forensic teams to produce a structured, legally sound, and community-accountable investigation report. Below is a proposed outline for the Investigation Briefing Document.

forensic team would need a structured, legally sound, and community-accountable document. Here's a suggested outline for the Investigation Briefing Document:

## INVESTIGATION BRIEFING DOCUMENT

Subject: Forensic and Financial Audit into Legal Expenditure and Governance Failures – Mossel Bay Municipality (2021–2024)

### 1. Executive Summary

Purpose: To investigate the financial loss of R8 623 336 incurred by the Mossel Bay community due to legal costs stemming from municipal mismanagement and failed litigation.

Scope: Review of legal department expenditures, decision-making processes, and accountability mechanisms from FY 2021 to FY 2024.

Outcome Sought: Identification of responsible officials, recovery recommendations, and governance reforms.

### 2. Financial Overview

Year	Legal Costs	Source Reference
2021	R 4 092 194	AFS 2021–22, Pg 164
2022	R 5 276 197	AFS 2021–22, Pg 164
2023	R13 420 659	AFS 2023–24, Pg 163
2024	R 5 023 686	AFS 2023–24, Pg 163

Average Baseline (2021, 2022, 2024): R4 797 359

Excess in 2023: R8 623 336

Note: 2023 spike attributed to settlement costs and failed litigation.

### 3. Legal Case Summary

Case: Mossel Bay Municipality vs. Stone Trade Trust

#### Key Judicial Findings:

Municipality's review attempt was speculative and disruptive.

No conclusive evidence of contractual illegality.

Review application dismissed.

Municipality ordered to pay costs on attorney-client scale.

### 4. Investigation Objectives

A. Financial Audit:

Validate legal expenditure against procurement and budgetary controls.

Trace payments to consultants and legal firms.

## **B. Forensic Review:**

Examine internal communications and decision-making leading to litigation.

Identify breaches of fiduciary duty or negligence.

## **C. Governance Assessment:**

Evaluate oversight mechanisms within the legal and planning departments.

Assess compliance with PFMA, MFMA, and municipal tender regulations.

## **5. 📁 Required Documentation**

Annual Financial Statements (2021–2024)

Legal invoices and consultant contracts

Internal memos and council resolutions

Tender documentation and review application

Affidavits and court judgment

## **6. 👤 Stakeholders to Interview**

Municipal Manager and Legal Head

Planning Department Officials

External Legal Counsel

Council Members involved in litigation decisions

Community representatives

## **7. 🗣️ Community Impact Statement**

“The community of Mossel Bay bore the financial burden of R8.6 million due to avoidable litigation. This investigation seeks not only accountability but reform—so that public funds serve public good, not legal misadventures.”

## **8. 📄 Deliverables**

Full forensic audit report

Legal accountability matrix

Recommendations for disciplinary action

Governance reform proposal

Public summary for community dissemination

## **References:**

Financial Statements: 2021 -2024

<https://mgev.co.za/index.php?topic=70.0> and <https://mgev.co.za/index.php?topic=129.0>

Complete MPOA document with original court documents:

<https://mpoa.co.za/index.php?board=25.0>