

MEDIA RELEASE	PSA shocked by R25-million contract allegedly awarded telephonically by Ditsobotla Municipality, North West
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The Public Servants Association (PSA) is dismayed by revelations arising from a Special Investigating Unit (SIU) investigation into Ditsobotla Local Municipality for irregular procurement of a R25-million contract for the supply of generators for a pump station.

According to the SIU's findings, the Municipality allegedly awarded the contract telephonically, without any written agreement, formal appointment letter, or compliance with the *Municipal Finance Management Act* and prescribed supply-chain management regulations. This conduct, if confirmed, represents a major breakdown of lawful procurement processes and basic financial governance in local government. It is further alleged that the Municipality later attempted to "regularise" the matter through an emergency procurement process after the fact. The PSA is concerned that such a step appears to be a retrospective attempt to justify a decision that was already taken outside the confines of the law, thereby undermining the integrity of emergency procurement provisions.

The SIU investigation also indicates that payments were made to the service provider despite concerns that the contracted work was not fully completed. If substantiated, this raises questions of irregular expenditure, financial misconduct, and possible fraud, all of which require urgent consequence management. The PSA is concerned that these alleged irregularities occur whilst communities in Ditsobotla continue to experience poor service delivery, including deteriorating road infrastructure. This reflects a troubling disconnect between municipal expenditure and the needs of residents.

The PSA calls for urgent accountability. All officials and service providers implicated must be investigated. Where wrongdoing is established, appropriate disciplinary and legal action must follow. The PSA further calls on the SIU, National Treasury, and law enforcement agencies to ensure that public funds are recovered where these have been unlawfully or irregularly spent. South Africans cannot continue to be subjected to collapsing infrastructure whilst procurement systems are treated as informal arrangements instead of legally binding processes.

The PSA will not remain silent whilst public monies are used inappropriately, mismanaged, and wasted at the expense of service delivery to communities.

END