



Fostering Citizen Engagement | Accountability | Transparency | Good Governance

COMMUNIQUÉ

FEBRUARY 2025

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FROM THE CHAIR

Welcome to the first edition of OCAN's Communique, which in future will be published on a quarterly basis.

OCAN's formal establishment during October 2024 was triggered by informal conversations about and a subsequent independent review of the Overstrand Municipality's financial sustainability against the backdrop of rapid population growth. The findings of the review and concerns raised by special interest groups and individuals, suggested that there was a growing need for oversight by civil society in respect of municipal affairs.



Modelled along the lines of OUTA (Organisation Undoing Tax Abuse), OCAN is an apolitical data-driven civil society community coalition that will exercise oversight and coordinate effort to drive meaningful change, transparency and accountability within the Overstrand Municipality through a collective and legitimate voice.

Using data, OCAN paints pictures that tell stories. These 'stories' are instrumental in helping residents to interpret information about the performance of the Overstrand Municipality and matters that impact them directly.

OCAN's primary aim is to promote, advance, and protect the common interests of residents and organised civil society structures within the Overstrand, with a special focus on sound financial management, good governance, local economic growth and sustainable development.

Our effectiveness will depend largely on our forensic capability, collaborative relationships and the support of communities across the Overstrand. If OCAN were to become a force to be reckoned with, we will need residents to sign-up as supporters in droves at no cost.

On behalf of the Advisory Board, I would like to express our gratitude for the support we are receiving. Together we will make a difference!

Errol

WHY OCAN?

Local government plays a crucial role in shaping our communities, yet without effective oversight, poor financial management and inefficiencies can go unchecked. While the Overstrand Municipality is known for its clean audits and strong service delivery, continued public engagement and collaboration is essential to maintain and enhance these standards.

By leveraging expertise from across civil society, OCAN advocates for responsible financial management, sound development planning, and equitable service delivery to a sustainable high-standard. OCAN will conduct research, engage in constructive dialogue with the municipal leadership and will where necessary, hold officials and political office bearers accountable.

For the Overstrand Municipality to remain a well-run, financially stable municipality, residents must become more informed and engaged. By supporting OCAN, residents can help create a future where strong oversight and collaboration with local government will deliver lasting, measurable benefits for the community.



OCAN ADVISORY BOARD

OCAN is led by an Advisory Board with full authority to guide its purpose.

Currently, three directors serve on the interim Board, which will remain in place until OCAN's first Annual General Meeting during August 2025.



Errol van Staden
Director & Chair



Anton Hartman
Director



Simon Koch
Director

By uniting the Overstrand community, OCAN strives to work with the Overstrand Municipality to drive meaningful change and to hold the elected officials and the Overstrand Municipality accountable.

Key Objectives

- **Represent the collective interests** of ratepayers, residents and associated interest groups across the Overstrand in respect of high-impact issues
- **Strategic campaigning** on high-impact issues (unlawful decisions, wasteful expenditure, irrational rates and tariff increases, poor service delivery, lack of accountability, transparency)
- **Provide strategic support and advice** in areas where the OM may require input from civil society
- **Collectively influence decision-making and policy setting**
- **Exercise oversight** of the OM's fiduciary responsibilities and ensuring transparency
- **Engage the OM** to gain a perspective on development, financial management and related affairs
- **Perform IDP and budget reviews**, address areas of concern and make constructive contributions
- **Challenge the mismanagement** of resources and report maladministration and corruption to the appropriate investigative authorities

WHAT OCAN DOES

INTERFACE WITH RATEPAYER ASSOCIATIONS

Ratepayer Associations and community forums usually focus on Ward-specific matters relating to integrated development planning (IDP) and the OM's operational performance. Business Associations and Chambers function as intermediary organisations between individual businesses and local government. They influence effective policymaking and promote economic development and growth.

OCAN will not replace ratepayer associations, business associations or community forums. Our approach is to collaborate and contribute to building solutions that reinforce the sustainability and quality of municipal services for the foreseeable future

CURRENT INITIATIVES

SPECIAL INVESTIGATION INTO ALLEGED FRAUD

Following public acknowledgements by the Mayor and the Municipal Manager that fraud was committed by municipal officials during an extended period, OCAN launched a formal application on 22 November 2024 with the Office of the Auditor General (AG) for a Special Section 5 Investigation (in terms of the Public Audit Act 25 of 2004) into alleged fraud within the Overstrand Municipality (OM). OCAN's submission is available on the OCAN-website (refer Documents).

Ironically, the AG argues that fraud detection is not part of their mandate. They also confirmed that a municipality can receive a Clean Audit even if indicators of fraud are present! We are hoping that the Special Investigation will reveal the truth. Dealing with the AG requires patience and continuous follow-up.

REVIEW OF THE OM'S FINANCIAL PERFORMANCE AND SUSTAINABILITY

Following on a comprehensive unsolicited review during 2023|24 by an independent multi-disciplinary project team (report available on the OCAN-website), OCAN has assembled a fresh team that will review the recently released Draft Audited Annual Report for the 2023|24 financial year.

The same team, which includes three chartered accountants, will also review the Draft Budget for the 2025|26 financial year that is to be released by end of March 2025. The project team's findings and recommendations will be shared in the public domain via several platforms.



OUTA SA MUNICIPALITIES

According to Wayne Duvenage, South African municipalities do not lack funding; they lack financial discipline and effective management.

The solution lies not in increasing revenue, but in enforcing financial discipline, prioritising maintenance, cutting wasteful spending, and fostering merit-based leadership to ensure sustainable and effective governance.

Civil society must become involved in matters pertaining to local government or face the consequences of inaction. Local authorities with high levels of public participation achieve higher service delivery levels than municipalities with lower levels of civil organisational involvement.

HOLDING MUNICIPAL OFFICIALS PERSONALLY LIABLE

In a recent landmark ruling, the Supreme Court of Appeal (SCA) has clarified Section 32 of the Municipal Finance Management Act, confirming that municipal officials, including political office-bearers who are not involved in the day-to-day running of a municipality, can be held personally liable for unauthorised, irregular, fruitless, and wasteful expenditure if incurred intentionally or negligently.

Previously, legal arguments suggested that municipalities could only take action against officials if the municipality itself had suffered financial losses. Judge Ashton Schippers emphasised that liability arises the moment an official incurs such expenditure, regardless of whether the municipality has sustained direct financial harm. This interpretation upholds Parliament's goal of ensuring sound financial management by holding municipal officials and political office bearers accountable for reckless spending.

Reference: *Mbambisa and Others v Nelson Mandela Bay Metropolitan Municipality (272/2023) [2024] ZASCA 151 (08 November 2024)*

REQUEST FOR ASSISTANCE

FINANCE AND ADMINISTRATION

OCAN requires the pro bono services of a person to take care of a basic Finance and Administration portfolio, shaped along the lines of what a company secretary usually does. Legal and administrative compliance forms the essence of the role. It is envisaged that this flexible virtual role will require a time commitment of less than 8 hours per month.

If you are an attention-to-detail person with relevant experience, please send a brief resume to Errol van Staden (errol@ocan.co.za).

The OCAN Advisory Board extends a special vote of thanks to the following people:

- **Martin Etsebeth** - for allowing us the use of his photographs for the OCAN-website
- **Robyn Diederichs** - for hosting a Postnet mailbox free of charge
- **Corli Brits** - for website design (in collaboration with Little Goliath)
- **Ryan Fortune** - from Ryan Fortune Communications for designing and guiding OCAN's social media strategy
- **Mike Murray** - for volunteering to be OCAN's communication lead and for authoring OCAN Communiqués
- **Donors** - for your generous financial contributions.

THANK YOU

CALL TO ACTION

Make a difference by supporting OCAN. Become a Supporter. If you subscribe to OCAN's ideals and purpose, we request you to register as an OCAN-supporter at no cost. Supporters are at liberty to make monthly or once-off financial contributions, but it is not a requirement for subscribing as a supporter.

Go to the following link: <https://ocan.co.za/supporter-levels/>

