Status Report

ACTis | Anti-Corruption Tracker Information System

ACTis provides risk analysis and early intervention recommendations against state capture and corruption in South African government institutions

MUNICIPAL GOVERNMENT

ACT | ACCOUNTABILITY TRACKER

ISS | INSTITUTE FOR SECURITY STUDIES

Kannaland Local Municipality

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About the Institution

Kannaland Local Municipality (Kannaland), within the Western Cape's Garden Route District Municipality, provides local services, including electricity, sanitation, roads and refuse removal. The Mayor is the political head, while the Municipal Manager is the administrative head and accounting officer. In 2024/25, Kannaland reported expenditure of R236.4m.[1]

Flag Status

1	2	3	4	5	6	7	8	9
								
Improper appointments	Co-opting key functions	Climate of fear or favour	Corrupt awards	Financial malpractice	Obstructing accountability	Manipulating perceptions	Private gain	Shadow network

ISS Analysis

- The ACTis has raised five flags for Kannaland Local Municipality and placed two under monitoring.
- It is concerning that senior officials linked to criminal convictions, arrests, investigations, and adverse findings at Kannaland have remained in positions of authority, with little to no consequence management. Allegations of workplace victimisation and patronage-linked appointments have gone unchecked for years.
- These patterns raise concerns that formal accountability mechanisms are not functioning as effective checks on power. Without meaningful consequences, existing patronage relationships and informal influence networks tend to become further entrenched. This enables improper influence over appointments, strategic decisions and the allocation of municipal resources. It is also likely to reduce the Municipality's ability to correct misconduct or resist vested interests.
- Recurring failures in financial and procurement management enable corruption. At the same time, senior officials are attempting to resist external scrutiny and distort narratives that imply wrongdoing.
- Taken together, these trends reflect key patterns associated with state capture: accountability failures enable those who benefit from municipal resources, decision-making and positions of authority to retain their influence despite repeated concerns.



This creates a high risk that the institution is being driven to serve the interests of particular actors or networks rather than the public interest.

Findings

Flag #1
Improper Appointments

The flag is raised because individuals implicated in serious misconduct and criminal investigations continue to occupy key leadership positions.

- Mayor Jeffrey Donson was convicted of raping a minor in 2008 – the crime occurred in 2004 while he was serving as Mayor of Kannaland.[2] Donson was re-elected as Mayor following the 2021 local government elections, representing the Independent Civic Organisation of South Africa (ICOSA), a regional political party.[3] His conviction did not disqualify him from serving on the municipal council, as the reduced sentence imposed after his appeal to the Western Cape High Court did not meet the constitutional threshold for disqualification.[4] In late 2025, Donson was accused of appointing unqualified individuals to positions within the Municipality and requiring them to pay him a portion of their salaries in return (see Flag #3: Climate of Fear or Favour).[5]
- In June 2021, the Ladismith Regional Court sentenced Council member and Municipal Public Accounts Committee (MPAC) Chairperson Werner Meshoa to a suspended 18-month prison term for fraud and obstruction of justice.[6] The Directorate for Priority Crime Investigation (DPCI) arrested him for submitting a fraudulent subsistence and travel claim of just over R4 000 while serving as Kannaland Municipality's Speaker.[7]
- In November 2021, the DPCI arrested the Director of Corporate and Community Services, Hendrik Barnard, and two other municipal officials for defrauding Kannaland of more than R338m. The officials were accused of enriching themselves through fraudulent appointments and acting allowances.[8] The case appears to remain in court. Barnard remains in his position at the Municipality.[9] No publicly verifiable evidence indicates whether internal disciplinary proceedings were brought against Barnard.
- Procurement Officer Eben van Rooi was implicated in a 2022 Special Investigating Unit (SIU) report on COVID-19 procurement corruption. The SIU reportedly found that van Rooi failed to comply with provisions of the Municipal Finance Management Act (MFMA) and recommended that the Municipality institute disciplinary proceedings against him.[10] In July 2022, the SIU reported that, after the disciplinary referrals were handed to the Municipal Manager on 8 September 2021, the Municipality had not instituted any disciplinary proceedings against van Rooi.[11] No public evidence shows any disciplinary proceedings related to the charges against van Rooi, and tender documents from 2026 indicate that he remains in his position at the Municipality.[12]
- Chief Financial Officer (CFO) Lucky Steenkamp, appointed in 2024, appears to be the same individual named in reports on investigations into alleged financial misconduct at

Madibeng Municipality. In those investigations, a Lucky Steenkamp was reportedly implicated in unlawfully investing R50m in VBS Mutual Bank in 2017.[13]

- According to the media, the Auditor-General of South Africa (AGSA) highlighted Kannaland Municipality's significant leadership instability during a June 2026 briefing to the Western Cape Provincial Parliament. During the 2021-2026 local government administration period, the Municipality had four Municipal Managers and six CFOs, many of whom served in an acting capacity. The AGSA reportedly linked this instability to the Municipality's coalition arrangements.[14]

Flag #3
Climate of Fear or Favour

The flag is raised because of indications of a workplace culture in which accountability is applied inconsistently, and certain individuals receive preferential treatment.

- In November 2025, Mayor Donson allegedly appointed unqualified individuals to positions within the Municipality and required them to pay him between R4 000 and R10 000 per month from their salaries.[15] The Western Cape Minister of Local Government, Environmental Affairs and Development Planning, Anton Bredell, acknowledged the allegations and said the matter had been referred to the DPCI.[16]
- A Kannaland Municipality employee reportedly experienced sexual harassment by an unnamed senior official in 2024. She lodged a grievance in December 2024, after which she was allegedly subjected to workplace victimisation and unfair labour practices. The Municipality reportedly failed to follow proper grievance procedures.[17] The Municipality attempted to sue the *Oudtshoorn Courant* for reporting on these allegations, but the Western Cape High Court dismissed the lawsuit (see Flag #7: Manipulating Perceptions).
- The Kannaland Municipality's 2024/25 Annual Report indicates capacity constraints at higher occupational levels. The Municipality reported a 54% vacancy rate in the middle-management category (T14-T19), with 13 vacant and 11 filled posts. The Annual Report does not provide a separate vacancy rate for professional staff, and inconsistencies in staffing classifications make it difficult to determine vacancies among professional employees. More broadly, staffing data in the Annual Report is inconsistent. The report states that 195 of 334 approved posts were vacant and reports this as a 46% vacancy rate; however, the figures provided equate to 58.4%. Elsewhere, the report cites an overall organisational vacancy rate of 41%. These inconsistencies make it difficult to determine vacancy levels precisely.[18]
- In 2024/25, the Municipality reported a staff turnover rate of 30.23%.[19]
- In 2024/25, the AGSA found that the Municipality failed to investigate officials responsible for irregular and fruitless and wasteful expenditure and did not take disciplinary action where appropriate.[20] Senior officials implicated by law enforcement

investigations also appear to remain employed by the Municipality, and it remains unclear whether the Municipality has taken any disciplinary action against them (see Flag #1: Improper Appointments). The AGSA further reported that the Municipality had not established a disciplinary board by June 2026.[21]

Flag #4
Corrupt Awards



The flag is being monitored to determine whether procurement irregularities form part of a broader pattern in which the same companies or related actors receive favourable treatment.

- In 2024/25, the AGSA found that the Municipality irregularly awarded a 2024 contract to upgrade and refurbish the Ladismith Wastewater Treatment Works to Imbriolo Construction. Investigations found that Imbriolo Construction did not meet the minimum functional requirements and failed to demonstrate sufficient capacity and resources to undertake the work. The AGSA also found that the Municipality made incorrect payments to the supplier, including an advance payment it did not recover after terminating the contract.[22]
- In 2024/25, the AGSA found that the Municipality procured goods and services without inviting competitive bids, where required. The AGSA also found that deviations from competitive bidding processes were approved despite it being practical to invite competitive bids and that bids were not advertised for the minimum period required by procurement regulations. Similar non-compliance was reported in 2023/24.[23]

Flag #5
Financial Malpractice



The flag is raised because of persistent weaknesses in financial management.

- In 2024/25, the AGSA raised concerns about Kannaland Municipality's ability to continue as a going concern. The AGSA found that the Municipality had failed to disclose and provide sufficient audit evidence to support the use of the going concern basis in its financial statements.[24] The AGSA also reported that the Municipality owed R58.2m to Eskom and water boards.[25]
- In 2024/25, the AGSA identified significant deficiencies in internal controls. These included the Council and its committees' failure to oversee financial performance and reporting. Senior management, including the CFO and the Corporate Services and Supply Chain Management units, failed to implement adequate controls over daily and monthly transactions. Management also failed to maintain proper record-keeping, which the AGSA linked to skills shortages within the finance function and a lack of accountability for monitoring compliance. The AGSA also reported that the Municipality

lacked the skills and capacity to 'facilitate a culture of compliance with prescribed legislation'.[26]

- In 2024/25, the AGSA reported an unresolved Material Irregularity from 2022/23, relating to the Municipality's failure to maintain full and proper financial records.[27]
- The AGSA reported that Kannaland incurred R55.9m in irregular expenditure in 2024/25, 23.6% of annual expenditure. The AGSA also reported cumulative irregular expenditure of R200.2m, 84.7% of annual expenditure.[28]
- The Municipality has been subject to provincial intervention under section 139(5) of the Constitution since December 2023, with a Financial Recovery Plan approved in August 2025.[29]

Flag #6
Obstructing Accountability

The flag is raised because failures to engage with oversight processes form part of a broader pattern of weakened accountability.

- The Municipality has received a disclaimer audit opinion from the AGSA for three consecutive years, including 2024/25.[30]
- In March 2024, Kannaland's Mayor, Speaker and Deputy Mayor failed to attend a Cooperative Governance and Traditional Affairs (COGTA) Portfolio Committee meeting convened to assess the Municipality's implementation of recommendations from a parliamentary oversight report into governance failures.[31]
- In 2024/25, the AGSA found that the Kannaland Council, its oversight committees and senior management failed to exercise effective oversight of the municipality's finances or implement consequence management against officials implicated in wrongdoing, including by establishing a disciplinary board.[32] This is reflected in the lack of evidence that senior officials and office-bearers facing serious findings, charges or allegations have been held accountable or subjected to disciplinary processes (see Flag #1: Improper Appointments).

Flag #7
Manipulating Perceptions

The flag is raised because there are indications of a pattern of dismissing or discrediting allegations and scrutiny, rather than addressing the underlying concerns.

- In June 2026, following a Western Cape Provincial Legislature meeting on Kannaland Municipality's disclaimer audit outcomes and financial challenges, Mayor Donson told the media that the Western Cape Government was trying to shift the blame onto the

Municipality. Donson reportedly argued that the Municipality had inherited significant infrastructure challenges and was working to address longstanding service delivery and financial problems.[33]

- In 2025, after the *Oudtshoorn Courant* published an article about sexual harassment allegations against a senior official at the Municipality, the Municipality and its Municipal Manager sued the newspaper and its editor, Lizl van Niekerk, for defamation (see Flag #3: Climate of Fear or Favour). In August 2026, the Western Cape High Court dismissed the defamation claim, holding that organs of state cannot sue for harm to their reputation.[34]
- In response to a DPCI raid at Kannaland Municipality in July 2023, which was part of an investigation into allegations that municipal officials had defrauded the Municipality of more than R338m (see Flag #1: Improper Appointments), acting Municipal Manager Barnard said the raid had been conducted under 'false pretences'. Barnard also accused 'disgruntled employees' of using the DPCI to pursue 'personal agendas' and attempt to capture the Municipality. Barnard had been arrested in November 2021 in connection with the same investigation.[35]

Flag #9
Shadow Network

The flag is being monitored to determine whether the repeated appearance of the same individual across multiple flags reflects a broader pattern of informal influence within the Municipality.

- Mayor Donson is linked across multiple findings in this report. The report notes Donson's previous criminal conviction and allegations concerning municipal appointments (see Flag #1: Improper Appointments). He also features in allegations that individuals appointed to municipal positions were required to pay him a portion of their salaries (see Flag #3: Climate of Fear or Favour). Donson further appears in findings related to failures to engage with parliamentary oversight and responses to external scrutiny of municipal governance and financial management issues (see Flag #6: Obstructing Accountability and Flag #7: Manipulating Perceptions).

Recommended Actions

	DUTY BEARER	ACTION(S)	ASSOCIATED FLAGS
1.	Municipal Manager	• Fill vacancies in key areas such as finance.	Flag #3: Climate of Fear or Favour
2.	Municipal Council	• Establish a disciplinary board. • Implement consequence management against senior officials accused of wrongdoing. • Investigate reports of workplace discrimination and harassment.	Flag #1: Improper Appointments Flag #3: Climate of Fear or Favour
3.	Western Cape Department of Local Government	• Initiate a forensic investigation into the Municipality's financial affairs under Section 106 of the Municipal Systems Act, No. 32 of 2000. • Depending on the outcome of the investigation, consider placing the Municipality under administration in terms of Section 139 (1)(b) of the Constitution.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice Flag #6: Obstructing Accountability
4.	Special Investigating Unit	• Apply for a mandate to investigate contracts flagged for irregularities by the AGSA. • Under such a mandate, investigate interference by senior officials or political office-bearers, including instances where contracts were approved despite known procurement irregularities or compliance concerns.	Flag #4: Corrupt Awards Flag #5: Financial Malpractice
5.	Portfolio Committee on Cooperative Governance and Traditional Affairs	• Call the Mayor and Municipal Manager to account for repeated audit disclaimers, high levels or irregular expenditure and reports of a dysfunctional workplace culture.	Flag #1: Improper Appointments Flag #3: Climate of Fear or Favour Flag #5: Financial Malpractice Flag #6: Obstructing Accountability



The 9 Flags

Flag #1
Improper Appointments

Improper appointments, dismissals or failure to remove individuals in senior positions may be used to drive a corrupt agenda.

Flag #2
Co-opting Key Functions

Informal control may be established over critical functions within the institution to abuse them.

Flag #3
Climate of Fear or Favour

The working culture favours loyalty over duty; alignment with a corrupt agenda is rewarded, and resistance is punished.

Flag #4
Corrupt Awards

Contracts, licences, partnerships, loans and/or investments may be awarded irregularly and repeatedly benefit the same actors.

Flag #5
Financial Malpractice

The institution's financial management practices may be abused to advance a corrupt agenda.

Flag #6
Obstructing Accountability

The institution's internal operations might be deliberately obscured to hide potential misconduct.

Flag #7
Manipulating Perceptions

A public narrative that frames misconduct as innocence may be promoted.

Flag #8
Private Gain

Illicit gains may be distributed to benefit the same actors.

Flag #9
Shadow Network

The same public and private actors may collude to gain control over an institution's assets and functions, benefiting repeatedly.

About ACTis

What is ACTis?

The Anti-Corruption Tracker Information System is an initiative of the Anti-Corruption and Accountability Project at the Institute for Security Studies. It provides analysis on corruption and state capture in South Africa, to inform early intervention and enforcement. It utilises a system of indicators and an AI-driven data-collection and analysis tool, validated by human experts. It identifies risks within individual government institutions and produces actionable recommendations to address them, with a view to disrupting patterns of state capture and corruption. Findings are shared directly with government and other duty-bearers, civil society organisations, the media and the public, empowering authorities to intervene, strengthening accountability, and enabling citizens activism.

Links to ACTis Information:

Further project information may be found at the following links:

Terms and Definitions

Project Methodology and Analytical Framework

About the Anti-Corruption and Accountability project

About the Institute for Security Studies

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Flag raised Flag lowered Under monitoring

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