



MEDIA STATEMENT

TO: ALL MEDIA
FOR IMMEDIATE RELEASE
DATE: 30 AUGUST 2024

COMMITTEE EXPRESSES CONCERN OVER THE PERFORMANCE OF GAUTENG MUNICIPALITIES.

The Gauteng Provincial Legislature's Portfolio Committee on Cooperative Governance and Traditional Affairs (COGTA), chaired by Honourable Mzi Khumalo, has noted with concern the recent audit outcomes for Gauteng municipalities as reported in the Auditor-General's 2022-23 Municipal Finance Management Act (MFMA) report.

The report highlights several ongoing challenges faced by municipalities in Gauteng, including weak financial management, poor governance practices, non-compliance and continued service delivery failures. The Committee is particularly alarmed by the regression in the audit outcomes of key metropolitan municipalities, such as the City of Ekurhuleni, which moved from a clean audit to an unqualified opinion with findings, and the ongoing issues in the City of Johannesburg, which retained an unqualified opinion with findings.

Whilst the Committee acknowledges the slight improvement made by the City of Tshwane in moving from an adverse opinion in the 2021/2022 financial year to a qualified opinion in the 2022/2023 financial year, it remains concerned that Tshwane has not yet lived up to expectations regarding its audit outcomes. The Committee believes that more work needs to be done to achieve the desired level of financial accountability and governance. The Committee strongly encourages continued departmental support to help Tshwane make further progress in this regard.

The Committee further notes with concern that many municipalities continue to struggle with financial sustainability, as evidenced by the high levels of unauthorised, irregular, fruitless; and wasteful expenditure reported. The Auditor-General's report

highlights significant discrepancies in infrastructure maintenance and service delivery planning, which have adversely affected the quality of services provided to residents. Moreover, the report underscores persistent governance failures, including inadequate oversight, lack of accountability, and weak internal controls, which have contributed to poor audit outcomes and hindered effective resolution of past findings.

The Committee calls upon all municipalities to urgently address these shortcomings by implementing strong financial management practices, enhancing governance frameworks, and prioritising service delivery improvements. The Committee also commits to working closely with all municipalities to ensure that the principles of accountability, transparency, and good governance are upheld.

In particular, the Committee emphasizes the need for focused support to be provided to municipalities in the Sedibeng and West Rand Districts, where challenges are especially acute. The Committee urges the provincial government to continue providing targeted assistance to these and other municipalities in financial distress, to help them address their challenges and improve their audit outcomes.

In delivering on its oversight mandate, the Committee will continue to monitor the progress of all municipalities in addressing the issues highlighted in the Auditor-General's report. In its engagements with relevant stakeholders, the Committee will further ensure that all municipalities in Gauteng adhere to the highest standards of financial and operational governance.

ISSUED BY GPL'S MEDIA SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, HONOURABLE MZI KHUMALO

For interview requests with the Chairperson of the Portfolio Committee please contact:

Ms Pfano Bulasigobo on 060 533 1982 email: PBulasigobo@gpl.gov.za

GAUTENG PROVINCIAL LEGISLATURE
