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**TO : NCOP HANSARD AND HOUSE BUSINESS**  
**FROM : EC MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS**  
**SUBJECT THE INPUT OF MEC FOR COGTA: ZOLILE WILLIAMS TO THE NATIONAL COUNCIL OF PROVINCES (NCOP) SITTING ON THE OCCASION OF THE 2022 LOCAL GOVERNMENT WEEK: 14 SEPTEMBER 2022:**

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**THEME:**

***"ADVANCING OUR COLLECTIVE EFFORTS TO ENHANCE OVERSIGHT AND ACCOUNTABILITY IN THE LOCAL SPHERE OF GOVERNMENT".***

❖ **Protocol and Etiquette:**

1. Programme Director, Honourable **A.J. Nyambi**, distinguished delegates and everyone present, warm greetings.
2. I am pleased to address the House on the theme entitled, "***ADVANCING OUR COLLECTIVE EFFORT TO ENHANCE OVERSIGHT AND ACCOUNTABILITY IN THE LOCAL SPHERE OF GOVERNMENT***".
3. This debate takes place during the week of the 45<sup>th</sup> commemoration of the killing of the leader of the Black Consciousness Movement (BCM), Stephen Bantu Biko. At the same time, it takes place a week after the 30<sup>th</sup> commemoration of the **Bhisho Massacre** which took place on the 7<sup>th</sup> of September 1992.
4. Both incidents stand in our national memory as a reminder that justice and fairness are values that have cost us many lives. They must constantly remind us that we stand here today as custodians of a moral project whose price was blood and that we, too, must continue to pay the price of selflessness in carrying out our duty as servants of the people. We dare not forget!
5. Chairperson, Section 152 (1) (a) of the Constitution<sup>i</sup> states that the objects of local government are to provide democratic and accountable government for local communities, in addition thereto, to ensure the provision of services to communities in a sustainable way,

6. Furthermore, Section 154 (1) of the Constitution states that the national, provincial government, by legislative and other measures, must support and strengthen the capacity of municipalities to manage their own affairs, to exercise their powers and to perform their functions,
7. To give expression to oversight and accountability, Parliament promulgated the Municipal Financial Management Act and the Municipal Systems Act as the instruments of law that give meaning the developmental principles outlined in the 1998 White Paper on Local Government. They set out the procedures and processes for municipal operations, planning, governance and accountability.
8. The White paper on Local Government provided the conceptual framework for municipal finance which support developmental role of local government. This was to enable local government to meet the objectives as envisaged in the Constitution. It underlined accountability, transparency, good governance, sustainability, adequate revenue and efficient use of resources,
9. Sound financial management practices are essential to the sustainability of municipalities. They underpin the process of democratic accountability.
10. The MFMA and its regulations seek to address weaknesses in budgeting, accounting as well as reporting and provide tools for improving efficiency in the use of public funds within an integrated accountability system.
11. The MFMA holds the Council accountable via mechanisms involving separating roles and responsibilities of councilors and officials.
12. It envisages this as a good strategy for good governance and accountability. The municipal manager would hold the primary legal accountability for financial management in terms of the MFMA and, together with other senior managers responsible for implementation and outputs. The aim is to allow managers to manage, and councils to exercise oversight.
13. The existing legislative framework creates a matrix of integrated accountability systems wherein a municipality must account to communities for service delivery, account to the Auditor-General for the use of public funds, report regularly to the Provincial Treasury and the National Treasury about its revenue management and compliance with the legislation as well as the grant expenditure.

14. With that said Chairperson, let me quickly explain the reasons why South African Local government is faced with teething problems,
15. While no municipalities are the same, research indicates deficiencies in the oversight role by Municipal Councils which shoulder the overall responsibility for financial oversight. This implies that council committees have abdicated their responsibilities, internal audit units are dysfunctional, and municipalities do not implement the recommendations of the Auditor-General.
16. Majority of municipalities fail to comply with the deadlines set out in the MFMA for tabling and approving budgets as requirements designed to improve planning and consultation processes.
17. Municipalities do not table their budgets for consultation 90 days (**31 March**) before the start of the financial year (**1 July**). It must be considered for approval at least 30 days (31 May) before the start of that year.
18. In view of these problems, it appears that the core problem which inhibits service delivery in municipalities is a shortage of skills in terms of capacity to plan, collect revenue, budget and spend according to approved plans. This directly affects our capacity to deliver services with sustained low levels of spending on capital budgets to expand access to water, sanitation, electricity and housing among other things.
19. Inefficiencies in local procurement systems tend to focus on procedural compliance rather than value for money and place an excessive burden on weak support functions.
20. The way the Supply Chain Management (SCM) is implemented severely affects water provisioning, roads construction, waste management, and refuse collection,
21. Municipal audit processes do not help to improve service delivery, municipalities place premium on compliance at the expense of service delivery
22. Poor revenue management is one of the causes of financial distress for local government and that affect economic sustainability of municipalities as a result many municipalities can't finance their operations,
23. Irregular, fruitless, wasteful and unauthorized expenditure recur each year in municipalities, the Auditor-General for 2020/21 financial year placed it at R39 Billion,
24. Repairs and maintenance of municipal assets are crucial to prevent supply interruptions and breakdowns,

25. Circular 71 of the MFMA sets an 8% norm for expenditure on repairs and maintenance as a share of value of property, plant and equipment and investment property,
26. With that said Chairperson, I now move to ways in which stakeholders can enhance oversight and accountability in the local sphere of government.
27. Having highlighted the lack of oversight and accountability in the local sphere of government, let me hasten to tabulate the strategies which can be employed to enhance oversight and accountability in municipalities,
- i. Oversight structures such as Councils must place emphasis on the administration processing the Auditor-General's Report,
  - ii. Audit Action Plans for both internal and external auditing must form part of the Performance Agreements of the Municipal Managers,
  - iii. The Performance Management System (PMS) of the Accounting Officers must developed and be made accessible to all oversight structures,
  - iv. Oversight structures must strictly ensure quarterly Reporting,
  - v. Consequence management must be applied in instances of breach,
  - vi. Ensure that performance indicators of the oversight structures are SMART,
  - vii. Councilors must be empowered to exercise oversight on the work of the administrators,
  - viii. Audit Committees must be led by people knowledge, skills, expertise and competencies to hold the administrators accountable,
  - ix. To enhance collective accountability, only qualified and experienced officials must be appointed,
  - x. Professionalise local government administration,

Thank you

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