
MEDIA STATEMENT

28 June 2022

Statement of SALGA on its National Executive Committee (NEC) sitting and engagement with municipalities in the Northern Cape from 21-23 June 2022.

Responding to the need for the South African Local Government Association (SALGA) to have regular interaction with its member municipalities on the challenges and opportunities they face as a means to incorporate them in decision-making processes to address them, the organisation's National Executive Committee (NEC) met on Thursday, 23 June 2022 at the Mittah Seperepere Conference Centre in Kimberley.

The meeting follows a series of engagements with municipalities in the province on 21 and 22 June 2022 respectively. The NEC met with Mayors, Speakers, Whips of Council, Municipal Managers and Chief Financial Officers from municipalities in the province against the backdrop of the release of the Auditor-General (AG) report on municipal audit outcomes for the period 2020-21.

Challenges identified

The NEC engagement with member municipalities in the province saw an opening up of conversation that brought deep insight into the major issues affecting municipalities and their communities.

State of Multi-Party Governed Municipalities

Like elsewhere in the country, the management and solidity of coalition rule at local government level remains a challenge in the province. The November 2021 local government elections saw the formation of 12 multi-party governed municipalities.

In response to the rising trend of coalition governments since the 2016 local government elections, SALGA, in close collaboration with the Dullah Omar Institute, drafted a Coalition Government Framework that provides practical guidelines to political parties and councillors on the formation and management of coalitions in local government.

While the Framework is not promulgated, municipalities are encouraged to draw lessons from the Framework, which offers practical guidance on how political parties can manage such coalitions in a manner that ensures the sustainability of municipalities and delivers the best outcomes for local communities.



Weak control environment

The Auditor-General, in its 2020-21 consolidated general report on local government audit outcomes, continues to draw attention to, among others, weaknesses in municipal credit control and debt collection mechanisms.

The inability of municipalities to manage their finances and collect revenue from ratepayers has a severe impact on their financial viability. The SALGA NEC noted that this was a worrying concern in the province as well.

Equally worrying is that only 5 municipalities in the province received clean audits while others were given adverse opinions and a few had difficulty submitting their financial statements on time, and this may as well tell a story about the services municipalities in the province deliver, and their ability to earn the public's trust and confidence.

The NEC urged municipal leaders in the province to reflect on the state of municipal financial performance while identifying the root causes of persistent challenges that warrant accountability and consequence management.

SALGA will continue to avail critical interventions such as Councillor Training and Capacity Building Programmes and the Municipal Audit Support Programme (MASP) in an effort to strengthen financial management capacity building in the sector.

Separation of powers and functions

A matter of critical importance that emerged during the NEC and Northern Cape municipal leadership engagement, was the decision taken by Sol Plaatje Municipality to appoint its Chief Financial Officer (CFO) to the position of acting Municipal Manager (MM).

True to SALGA's mandate to provide advisory services to its member municipalities, the organisation wrote to the Mayor of Sol Plaatje Municipality and recommended that the appointment be rescinded. The CFO and Municipal Manager cannot be the same person.

The Municipal Finance Management Act (MFMA) defines and separates the role and responsibilities of mayors, councillors and officials in the interest of oversight, accountability and transparency, and the action taken by the municipality was not in accordance with the financial governance principles espoused in the Act.

Opportunities for future cooperation

The SALGA NEC is pleased to acknowledge that the engagement provides an opportunity to identify areas for future collaboration between the organisation and its member municipalities.

The engagement will contribute to the ongoing discussion between SALGA and its members on how to identify and address existing gaps and deficiencies in local governance.



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SALGA Council of Speakers (SCoS)

The NEC also placed its finger on the pulse of preparations towards the convening of the annual SALGA Council of Speakers SCoS from 14 - 15 July 2022 at the Matjhabeng Local Municipality in Welkom, Free State.

The SCoS serves as a forum through which Speakers from across all 257 municipalities can consult one another on matters of common interest to improve governance and service delivery within local government.

This year's SCoS is timely and significant in that it takes place when councils across the country have gone through their first 100 days in office and are delving deeper into their long-term goals and objectives.

The SCoS will, among others, reflect on the challenges faced by municipalities during this period and propose solutions to address them.

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