



## **EFF STATEMENT ON THE AUDITOR-GENERAL LOCAL GOVERNMENT AUDIT OUTCOMES**

Thursday, 1 June 2023

The EFF has noted with alarm the consolidated report (2021 -2022) on local government audit outcomes as tabled by the Auditor-General (AG), Ms. Tsakani Maluleke to the Standing Committee on the AG on the 31 May 2023.

Of the 257 municipalities, only 38 or 14.7% achieved clean audit outcomes for the period under review (2021 -2022), as a consequence of skills shortages, poor accountability and poor leadership.

The Auditor General sharply raised her concerns and lamented that Local Government continues to be characterised dysfunctionality, financial mismanagement, council and administrator instability and crumbling municipal infrastructure.

This abysmal state of affairs has given credence to the media statements attributed to prominent business people who have been saying that South Africa has descended into a failed state.

A staggering R4.7 billion in fruitless and wasteful expenditure and another R25.47 billion in unauthorised expenditure has been reported. Furthermore R1.6 billion spent on consultants had proven ineffective.

The EFF is calling on the responsible executives to institute misconduct inquiries against all the officials that are responsible for this gross incompetence and negligence in managing public funds.

The AG attributed the deteriorating standards of living and service delivery failures and protests to the hapless situation in the municipalities.

More alarming is that 62% or 137 of financial misstatements submitted for auditing included material misstatements in the area of consultant work. This is a very clear indicator of rampant corruption in our municipalities which should have invited the attention of the Minister of COGTA.

What should be even more shocking is that 94 municipalities spent R580million on consultants yet received unqualified findings. There are six municipalities that spent R176million on consultants only to emerge with adverse findings.

Finally, added to the dire state of local government, is sheer incompetence - last year the AG advised the incoming councils to fill critical vacancies. However, there has been an increase in unfilled vacancies particularly at the level of municipal manager and chief financial officer. This is in the context of unprecedented high levels of unemployment.

These findings by the AG are corroborated by the findings of the EFF in the Members of Mayoral Committee (MMC) positions we have recently occupied specifically in The City of Ekurhuleni. On the 12th May 2023c the EFF Ekurhuleni leadership opened a case of missing compactor trucks at the Germiston Police Station. This is one of more cases that will be opened as we continue to audit the departments we are now responsible for.

The EFF will continue to give its full support to the office of the AG as she continues to expose corruption through her fearless auditing and reporting. We call on the AG to fully exercise her powers to have the corruption culprits prosecuted timeously. The 2022-2023 AG report must reflect on prosecution progress of this report.

The EFF will closely monitor and pressurise the National Prosecuting Agency (NPA) and the courts to expedite proceedings.

It will not be on our watch, that year in and year out we are flabbergasted by pure thievery, yet Ronald Lamalo, the Minister of Justice Department of Correctional Services has nothing to show for it.



**ISSUED BY THE ECONOMIC FREEDOM FIGHTERS**


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