



EFF STATEMENT ON THE AUDITOR GENERAL 2020-21 LOCAL GOVERNMENT AUDIT REPORT

Friday, 17 June 2022

The Economic Freedom Fighters (EFF) is not shocked by the outcome of the 2020-2021 Local Government audit report. The Auditor-General released the 2020-21 Local Government audit report that overwhelmingly demonstrates that municipalities have collapsed and are failing to manage their financial affairs. The collapse of Local Government is the collapse of service delivery, which is meant for our people.

The EFF has long warned that, unless there are drastic interventions to arrest the collapse of municipalities, the number of municipalities under administration will only increase.

The report by the Auditor-General demonstrates that more and more municipalities will soon be under the administration of provincial and national governments. The number of municipalities under administration increased from eight in 2017, to 33 in February 2022. This number could increase to more than 60 expeditiously. People who are elected to govern in municipal councils are left stranded as puppets, answering to handpicked administrators.

The report by the AG clearly demonstrates that the majority of municipalities do not have administrative capacity. Some of them do not have the capacity to do proper record keeping, including records of basic things like the number of people employed in a municipality. Hence, they are unable to produce reliable and credible financial records. It is at this level of administrative vacuum that fruitless, wasteful, and irregular expenditure, and corruption thrive, where the unsustainable use of consultants are also appointed through corrupt and inflated contracts.

The EFF has maintained that the collapse of municipalities is taking away much needed resources to deliver services.

In the year covered in the report, R21 billion of irregular expenditure was recorded. This figure is made worse by the wasteful expenditure of more than R20 billion, and many of the culprits involved in these transactions are members of the ruling party deployed as municipal workers.

The solution to the collapse of municipalities is to build state and government capacity to deliver basic services.

The EFF maintains that the only way to build capable municipalities that are self-sustaining and capable of delivering services, is to turn all municipalities into industrial zones of basic things that people use daily.

The EFF acknowledges the Auditor-General for fulfilling the constitutional mandate and calls on the Auditor General to use the amended legislation that empowers the office to be more aggressive in dealing with corrupt employees of the ruling party.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

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