



EFF STATEMENT ON THE RELEASE OF LOCAL GOVERNMENT 2022-23 AUDIT OUTCOME BY AUDITOR GENERAL SOUTH AFRICA

28 August 2024

The Economic Freedom Fighters (EFF) notes the release of the Local Government 2022-23 audit outcome by the Auditor General South Africa (AGSA). The AGSA correctly demonstrates, through the audit outcome, that her call for courageous, ethical, accountable, and citizen-centric leadership to overhaul a local government characterised by insufficient accountability, failing service delivery, instability, and corruption fell on deaf ears as the situation continues.

We note the audit outcome report demonstrates that there is very little attention paid to credible reporting on municipal performance. This is made worse by the lack of transparency and accountability which leads to poor service delivery and corruption.

The AGSA audit outcome report shows that only 34 municipalities obtained a clean audit, which accounts for 13% of all municipalities in the country. This is in addition to 36 municipalities that regressed. What is alarming about the audit outcome is the fact that the biggest challenge for many municipalities is compliance with legislation, particularly procurement legislation.

There are still municipalities that receive a disclaimer audit outcome, which means these municipalities are failing to provide sufficient evidence for any audit to be conducted. This is made worse by the increase in the number of unqualified and outstanding audits. While these audits do not immediately signal a crisis, it is in such situations that corruption and poor service delivery thrive.

The EFF further notes that the report by the AGSA makes it clear that local government is losing billions of Rands each year because of poor decisions, neglect, and corruption. Fruitless expenditure increased from R4.8 billion to R7.4 billion in 2022-23, as irregular expenditure continues to be prevalent in local government because of poor systems, despite continued reports by AGSA. What is not shocking, however, is the fact that the biggest contributor to the significant 26% increase in such expenditure at metros was the Democratic Alliance (DA) led City of Tshwane.

The EFF welcomes the emphasis on performance audits by the AGSA. Performance audits are central to our understanding of the complete collapse of local government. Our people are not getting services, and the report confirms this reality.

As a result, the EFF will direct all its caucuses to study the full AGSA local government audit outcome report and develop a clear, practical, and credible plan to ensure that all recommendations in the report are implemented. The programmes must further generate detailed reports regularly, and councillors will hold community meetings to give reports on progress made in resolving all audit queries, including weekly oversight of infrastructure projects.

The EFF Members of Parliament will additionally be directed to use their 10 years of experience in Parliament to develop clear, credible, and practical plans to hold the executive accountable in portfolio committees.

The EFF maintains that the AGSA report is a true reflection of the state of collapse in local government. The collapse of local government is deliberate, made possible by underfunding, and unless we revise the fiscal framework, local government will continue on the downward path of collapse.

In addition to the lack of systems, corruption, and instability, the majority of municipalities are not financially viable within the current system of

government's budget which incorrectly assumes that the majority of people will pay for water, electricity, sanitation, and property rates.

The EFF also calls for the complete and immediate implementation of a moratorium on the use of consultants in municipalities. Portfolio committees of the Standing Committee on Finance, Auditor-General, and Cooperative Governance and Traditional Affairs must convene joint public hearings, workshops, and table a report to the National Assembly on recommendations to conduct thorough oversight on local government finances.

Furthermore, the joint committees must make recommendations on legislative reforms that focus on building internal public financial management in local government to stabilise the collapse of financial management in municipalities.

ISSUED BY THE ECONOMIC FREEDOM FIGHTERS

Leigh-Ann Mathys (National Spokesperson) 082 304 7572

Thato Lebyane (Media Inquiries) 078 563 1581

 communications@effonline.org
 <http://www.effonline.org>

 @EFFSouthAfrica
 @EFFSouthAfrica

 Economic Freedom Fighters
 @EFFSouthAfrica