

## BUDGET VOTES

### Vote 3: Cooperative Governance

Hon. Inkosi Luthuli, MP

22 July 2020

---

Honourable Members, a few weeks ago the Auditor-General released his latest Municipal Audit Report, showing the extent of disintegration of municipalities.

In no uncertain terms, we are facing the collapse of Local Government. In KwaZulu-Natal, **only one out of 54 municipalities** received a clean audit from the Auditor-General for the 2018 to 2019 financial period, and **R6.5 billion** in irregular expenditure was incurred in this province.

The eThekweni Metro **alone incurred R2.34 billion**. This shocking result not only begs the question of oversight of Municipalities but also their ability to manage the financial impacts of Covid-19.

On consideration of the budgetary adjustments for the Department of Cooperative Governance and Traditional Affairs and affected entities, the IFP in general supports the budgetary adjustments.

However, we remain highly concerned about the poor oversight of Local Government.

As we understand, the Special Adjustment Budget will introduce an increase of **R11 billion to the Local Government Equitable Share**, to enable Municipalities to respond to local needs, which include temporary homes and shelter.

Undeniably, Local Government plays an important role in managing the impact of Covid-19 on affected communities, especially in ensuring the provision of water, sanitation and access to housing. However, considering the complete disarray in the management of Municipalities, the public is left with very little faith that Local Government will not loot the public purse.

The IFP calls on the Department of Cooperative Governance and Traditional Affairs to provide more safeguards and oversight in in this regard. In addition to these concerns, the IFP also supports the Portfolio Committee on Cooperative Governance and Traditional Affairs' views that it is unacceptable for the Department to aim for a target of 80% in respect of functional Municipal Public Accounts Committees and Audit Committees of Municipalities. We agree that it is "non-negotiable" **for all 257 municipalities to have functional Municipal Public Accounts Committees and Audit Committees.**

Honourable Members, we simply cannot tolerate this lack of discipline in financial management of Local Government.

We need to ensure that proper checks and balances are enforced. Failure will be at the expense of those most vulnerable in our society. Those that are desperately reliant on access to essential services will end up paying the ultimate price, yet again.

The IFP supports the Budget.

I thank you.

**Contact:**

Hon. Inkosi Luthuli, MP  
083 434 1146