



SOUTH AFRICAN LOCAL
GOVERNMENT ASSOCIATION

SALGA

Inspiring service delivery

SALGA PRESENTATION

**FS ENGAGEMENT WITH
PORTFOLIO COMMITTEE ON
COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS**

09 MARCH 2021

SALGA MANDATE

Transform local government to enable it to fulfil its developmental mandate.

Lobby, Advocate & Represent

Lobby, advocate, protect and represent the interest of local government at relevant structures and platforms.

Employer Body

Act as an employer body representing all municipal members and, by agreement, associate members.

Capacity Building

Build the capacity of the municipality as an institution as well as leadership and technical capacity of both Councillors and Officials.

Support & Advice

Support and advise our members on a range of issues to assist effective execution of their mandate.

Strategic Profiling

Build the profile and image of local government within South Africa as well as outside the country.

Knowledge & Information Sharing

Serve as the main hub of LG knowledge and intelligence and to facilitate peer learning within the sector.

Inspiring Service Delivery

LG CONSTITUTIONAL MANDATE

- **Section 151 (3) of the Constitution** established a local sphere of government, elevating the status of local government from statutory bodies to a full level of government in its own right;
- A municipal council is a full legislative body with vested right to govern the affairs of its community on its own initiative. Constitutional recognition of local democracy was an important innovation to deepen democracy in South Africa

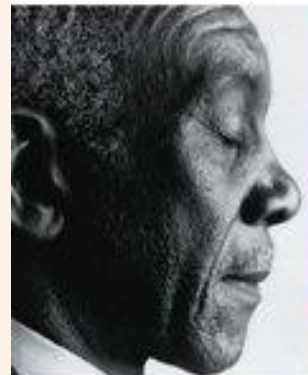
OBJECTS OF LOCAL GOVERNMENT

1. Provide **democratic and accountable government** for local communities;
2. Ensure the **provision of services to communities** in a sustainable manner;
3. Promote social and **economic development**;
4. Promote a **safe and healthy environment**; and
5. Encourage **involvement of communities & community organisations** in matters of LG

THE ABOVE MUST BE READ WITH SCHEDULE 4B & 5B OF CONSTITUTION WHICH LISTS FUNCTIONS OF LOCAL GOVERNMENT

THE CONSTITUTION
OF THE REPUBLIC OF
SOUTH AFRICA

JUTA'S POCKET STATUTES



14TH EDITION

UPDATED
JANUARY 2015





GENERAL CHALLENGES FACING MUNICIPALITIES WITHIN THE LEJWELEPUTSWA DISTRICT

COVID19 IMPACT: Due to high traffic of movement linked to mining activities LDM has seen a rise in Covid19 cases and deaths

FREE STATE COVID-19 CASES AS AT: 3 March 2021



 **80,265**
CONFIRMED

 **3,298**
DEATHS

 **70,932**
RECOVERIES

New Cases: 91

Unallocated Cases: 106

Confirmed cases per district:

FEZILE DABI

Moqhaka	3,649
Metsimah...	3,679
Ngwathe	2,456
Mafube	1,007

MANGAUNG

Bloemfontein	25,743
Botshabelo	3,632
Thaba Nchu	3,068
Naledi	657

LEJWELEPUTSWA

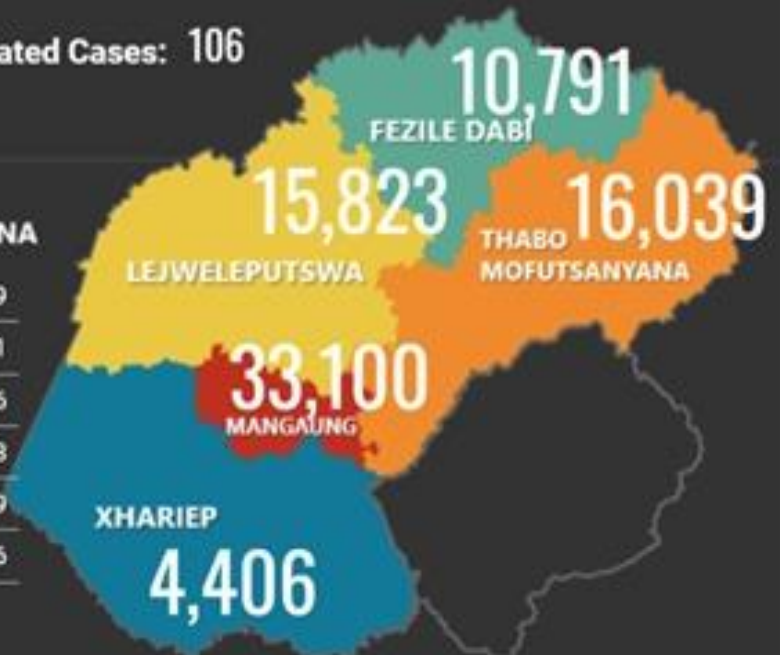
Matjhabeng	11,966
Nala	1,145
Masilonya...	1,017
Tswelopele	1,221
Tokologo	474

XHARIEP

Kopanong	2,024
Mohokare	1,082
Letsemeng	1,300

THABO MOFUTSANYANA

Maluti-A...	6,019
Ditlhabeng	3,861
Setso	2,606
Nketoana	1,348
Phumelela	849
Manitsopa	1,356



GENERAL CHALLENGES FACING MATJHABENG

Matjhabeng LM continues to face a number of challenges that impact on its ability to effectively dispense its constitutional duties including among other strategic ones the following:

- High levels of debt to Eskom and Sedibeng Waterboard
- Aging infrastructure and continued challenge of vandalization of supply network by illegal mining operators like Zama-zamas
- High levels of water and electricity losses which impact negatively on potential municipal revenues
- High levels of unemployment resulting from scores of people who were supplying labour to the discontinued mines within Matjhabeng and surrounding areas
- AG concerns about comparatively high levels of recorded irregular, fruitless and wasteful expenditures which impacts negatively on the municipality's ability to achieve clean audits

S106 INVESTIGATION

SECTION 106 OF MUNICIPAL SYSTEMS ACT PROVIDES THAT:

If an MEC has reason to believe that a municipality in the province cannot or does not fulfil a statutory obligation binding on that municipality or that maladministration, fraud, corruption or any other serious malpractice has occurred or is occurring in a municipality in the province the MEC must-

- a) by written notice to the municipality, request the municipal council or municipal manager to provide the MEC with information required in the notice; or
- b) if the MEC considers it necessary, designate a person or persons to investigate the matter.

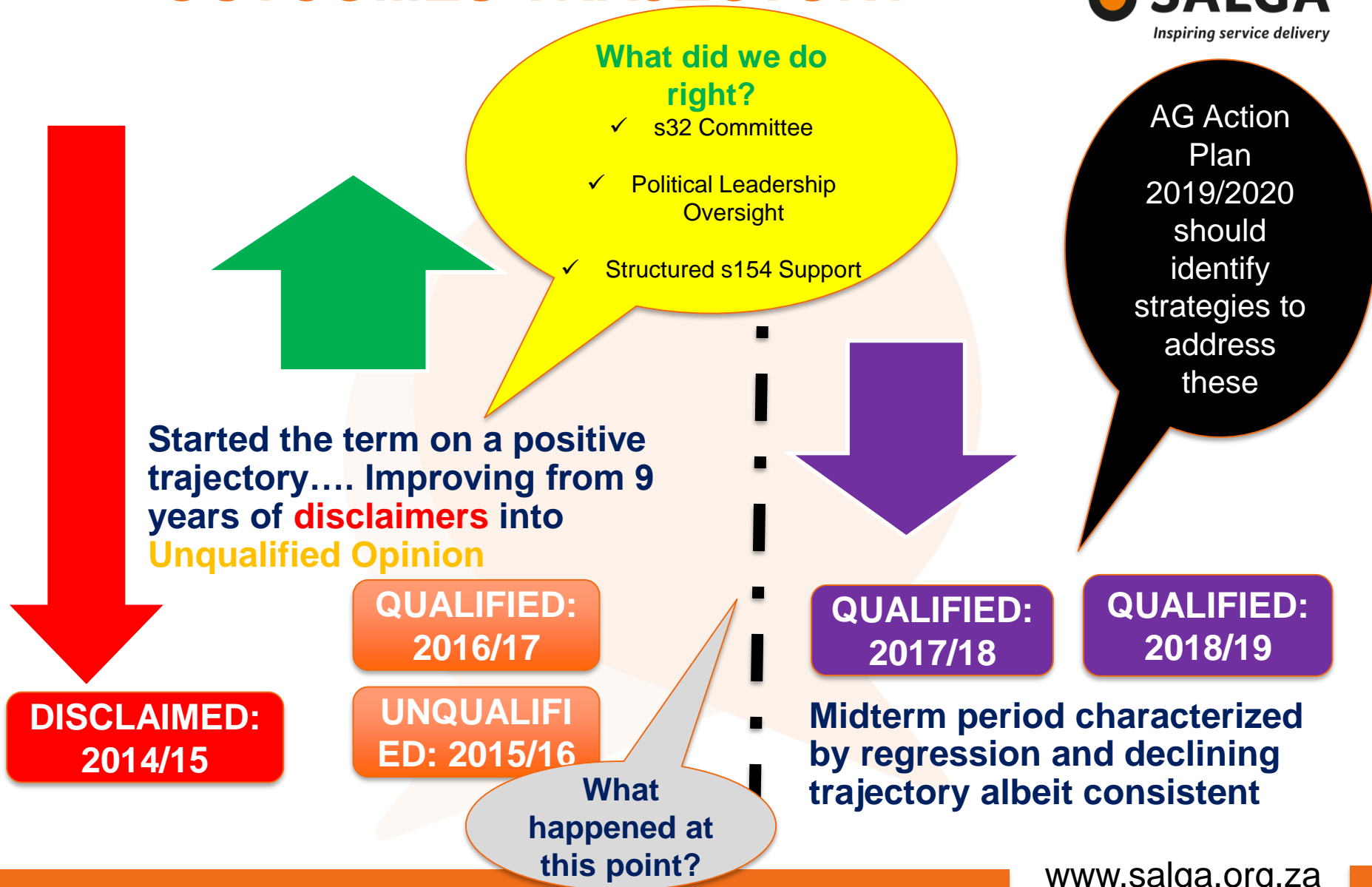
MEC COGTA in the FS initiated a section 106 investigation into Matjhabeng on 20 February 2020. The estimated duration of the investigation = 90 days

ToR announced to Matjhabeng Council covering the following scope of areas.

- 1) **Basic Services and Community Services**
- 2) **Local Economic Development and Planning**
- 3) **Financial Management failures**
- 4) **Administration and Transformation**
- 5) **Governance, Public participation and transformation**

FINDINGS REPORT
NOT READY. SALGA
WILL COMMENT ONCE
FURNISHED WITH
FINAL FINDINGS &
RECOMMENDATIONS.

A VIEW OF MATJHABENG AUDIT OUTCOMES TRAJECTORY



AG CONCERNS ON MATJHABENG AUDIT OUTCOMES

1) NON COMPLIANCE WITH KEY LEGISLATIONS

2) WEAK FINANCIAL CONTROLS

- Compromised internal controls & reliability of assurance measures
- Poor debt impairment provisions
- Lack of implementation of previous recommendations: Effecting consequence (No actions taken on raised issues)
- Increased Fruitless and Wastefully expenditure for the past 3 year due largely to interest and penalties levied on the Eskom and Sedibeng water board accounts
- Growing size of Unauthorised Expenditure & Overspending on budget
- Growing amount of Irregular Expenditure
- Procurement contract challenges
- Quality of Financial statement
- Creditors payment(Payment made after 30 days)

3) POOR PERFORMANCE MANAGEMENT SYSTEM

SUPPORT GIVEN TO LEJWE MUNICIPALITIES

1

Oversight & Assurance

(MPAC, PMS, Audit Committee & Public Participation processes)

2

Capacity Building & Support

(Training on MPAC, PMS & Audit Committee, and SPLUMA. Mediation and Collective Bargaining & Representation in legislative reform processes)

3

Knowledge Sharing, Profiling & Hands-on Support

(Bulk Tariff Setting, Debt Management, PMS & SPLUMA)

KEY SUPPORT TO MATJHABENG LM

SPECIFIC INTERVENTIONS	EFFECT	KEY AREAS OF CHALLENGES FOR FURTHER ATTENTION
<ul style="list-style-type: none"> Workshop on MSCOA for Councillors to ensure MSCOA compliance 	<ul style="list-style-type: none"> To ensure MSCOA compliance 	<ul style="list-style-type: none"> Training tailored for councillors to play oversight role
<ul style="list-style-type: none"> Records Management Training 	<ul style="list-style-type: none"> Records as strategic enabler for good governance, municipal officials capacitated to improve management of records 	<ul style="list-style-type: none"> To train officials to have business continuity process in place and to implement electronic document management systems
<ul style="list-style-type: none"> ICIP Portfolio Based Induction on Roles and Responsibilities for Political Office Bearers 	<p>As part of ensuring that SALGA delivers on its primary mandate that is to build the capacity of the municipality as an institution as well as leadership and technical capacity of both Cllrs and Officials..</p>	<ul style="list-style-type: none"> The Portfolio Based (second phase) Inductions are rolled-out to capacitate Municipal Office Bearers on amongst others constitutional and legislative mandate of Council; legislative mandate of Council Committees; Standing Rules and Order of Council; and Code of Conduct for Councillors

KEY SUPPORT TO MATJHABENG LM

SPECIFIC INTERVENTIONS	EFFECT	KEY AREAS OF CHALLENGES FOR FURTHER ATTENTION
<ul style="list-style-type: none"> • Provided support to the municipality towards implementation of Human Settlements Accreditation 	<ul style="list-style-type: none"> • Municipality plays a more active role towards provision of sustainable human settlements in its area of jurisdiction 	<ul style="list-style-type: none"> • Limited political buy-in is one of the key challenges inhibiting effective implementation of Human Settlements Accreditation
<ul style="list-style-type: none"> • Facilitated a workshop for the municipalities of Lejweleputswa District on Sustainable Development Goals, Climate Change and Waste Management 	<ul style="list-style-type: none"> • Improved implementation of Climate Change mitigation and adaptation strategies in the district; Improved implementation of waste management in the district 	<ul style="list-style-type: none"> • Key challenges faced by the municipality on climate change and waste management are staff shortages and lack of equipment
<ul style="list-style-type: none"> • Provided support to the municipality towards the development of the LUS and SDF 	<ul style="list-style-type: none"> • Improvement in land use management 	<ul style="list-style-type: none"> • Limited compliance to the requirements of the LUS due to limited capacity

KEY SUPPORT TO MATJHABENG LM

SPECIFIC INTERVENTION	EFFECT	KEY AREAS OF CHALLENGES FOR FURTHER ATTENTION
<p>Rolled out 2nd Phase ICIP in November 2018</p>	<p>Fulfil the roles & responsibilities as a councillor Exercise leadership as a councillor & local leader</p>	<p>Implementation of skills and knowledge gained to ensure service delivery is not compromised</p>
<ul style="list-style-type: none"> MSEP rolled out to Cllrs 	<ul style="list-style-type: none"> to ensure that elected leaders and municipal officials perform their roles of external relations, community and stakeholder engagement optimally 	<p>Oversight role not been optimal used</p>

BULK ACCOUNT CHALLENGES IN NALA,

MASILONYANE & MATJHABENG

A number of our municipalities are in distress and have approached SALGA for support. SALGA has continued to work closely with partners to support municipalities with the examples being:

- ❑ Eskom vs Nala on Repayment Plan for bulk services (Water & Electricity)
- ❑ Eskom vs Matjhabeng
- ❑ Bulk Electricity & Water Mediation: Masilonyane, Nala, Matjhabeng
- ❑ Interventions
 - ❑ S106 of Municipal Systems Act: Matjhabeng and Nala
 - ❑ S139 of the Constitution: Mangaung, Metsimaholo, Mafube (**NB:** MAP & Masilonyane were withdrawn in 2020)
 - ❑ S154 of the Constitution

CONTINUED SALGA SUPPORT & IGR ENGAGEMENTS



SALGA has provided support to members in the following areas of our work during the quarter:

- ❑ Collective Bargaining & Labour Peace support to Nala, Tokologo, Matjhabeng, Mafube, Mangaung, Xhariep Municipalities
- ❑ Municipal Audit Support Programme continues in selected municipalities as per our APP
- ❑ Mediation: SALGA has played a critical role in mediation of conflicts involving municipalities in MAP, Ngwathe, Lejweleputswa, Matjhabeng, Xhariep, Metsimaholo, Mafube etc
- ❑ Interventions: SALGA has as of the last quarter strated to receive invitations into Mangaung War Room and is participating. Unfortunately, we are missing today's meeting due to clash with this POB meeting.
- ❑ Capacity Building: FS House of Traditional Leaders on SPLUMA in Qwaqwa; Municipalities on PMS and Governance Matters

ADDITIONAL HANDS-ON SUPPORT TO MAP

DATE	TYPE OF SUPPORT	IMPACT OF SUPPORT PROVIDES
STRENGTHENING OVERSIGHT SYSTEMS	<p>Workshop on Municipal Public Accounts Committee (MPAC) which included the following:</p> <ul style="list-style-type: none"> – MPAC Treasury toolkit and guide; – MPAC TORs (Ethics and Integrity Management; Consequence and Accountability Management) – Municipal regulations on financial misconduct; – Municipal reporting cycle (AR); – Annual Financial Statements (AFS). 	<p>MPAC members capacitated to with appropriate knowledge and skills to effectively exercise their oversight roles and responsibilities.</p>

ADDITIONAL HANDS-ON SUPPORT TO MAP

DATE	TYPE OF SUPPORT	IMPACT OF SUPPORT PROVIDES
SPLUMA COMPLIANCE & LAND USE MANAGEMENT	<p>Following the failure of MAP to meet compliance with SPLUMA requirements. SALGA lobbied the department of Rural Development to allocate resources for supporting MAPO with setting up its SPLUMA compliance structures and land use plans. This work is continuing in 2020/2021 financial year.</p> <p>We further trained FS House of Traditional Leaders in Qwaqwa to enable better engagement and cooperation between them and Municipal Council</p>	<ul style="list-style-type: none"> • SPLUMA Compliance • Economic and Spatial Transformation • Resolution of the tension between Municipal and Traditional Council on land development matters. To strengthen IGR relations

ADDITIONAL HANDS-ON SUPPORT TO MAP

DATE	TYPE OF SUPPORT	IMPACT OF SUPPORT PROVIDES
MUNICIPAL DEBT MONITORING	<p>Meeting with FS Municipalities on ESKOM debt</p> <p>The session was organized in collaboration with SALGA National pursuant to the SALGA/SCOPA Session on LG Electricity Debt. The session sought to get the status quo of current debt and holistically look at issues in the LG Electricity provision value chain (structural and systematic arrangement challenges)</p>	<p>The outcomes of the session provided SALGA National with “real-time” information and FS Inputs on ESKOM debt. The Session gave SALGA a strategic thrust to lobby for:</p> <ul style="list-style-type: none"> • Provision of debt write off • Review of debt (prescription) • Review of SDAs



**Incremental
Stabilization and
recovery**

**M&E linked to:
PMA + consequences management**

POST INTERVENTION SUSTAINABILITY PLAN



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Thank You

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