**MEDIA STATEMENT**

**COMMITTEE TO CALL MUNCIPALITIES TO ACOUNT ON AG’S FINDINGS ON MONEY ALLOCATED FOR PPE**

**Parliament, Friday, 9 July 2021 –** The Portfolio Committee on Cooperative Governance and Traditional Affairs received a briefing last night from the Auditor-General (AG) on a Special Audit report on municipalities’ Covid-19 expenditure. It was also briefed by the Special Investigative Unit (SIU) on the investigation into state institutions’ procurement of Covid-19 personal protective equipment (PPE).

Last night’s meeting came almost a year after the President tasked several agencies, including the SIU and the AG, to investigate allegations of abuse of Covid-19 funds. The committee first raised concerns around the matter in April 2020, when allegations first surfaced around the looting of disaster relief food parcels by ward councillors.

In welcoming the briefings, the Chairperson of the committee, Ms Faith Muthambi, said: “We condemned this alleged corruption in strongest terms and called for the justice system to intervene. We also convened a meeting with the South African Local Government Association (Salga) to discuss the matter.”

Ms Muthambi added: “I believe that the audit scope of the AG’s First and Second Special Reports on the Financial Management of Government’s Covid-19 initiatives also covered the distribution of food parcels, but mainly those delivered by the South African Social Security Agency.”

 The other key Covid-19 initiative that has been of great interest to the committee relates to the funding earmarked for municipalities for the purposes of emergency water supply, sanitation, food and shelter for the homeless, basic services for the indigent, and community services. “I recall that soon after the President announced the R20bn support to municipalities in mid-April 2020, we convened a meeting with the Department of Cooperative Governance to unpack the details around the allocation and distribution of these funds,” said Ms Muthambi.

The committee is satisfied that the AG’s audit scope also covered the de-densification initiative, even though it was later discontinued. “The audit findings will inform our follow-up plan with the relevant structures. The AG’s three special reports will indeed empower us to execute our oversight mandate with better insight into how Covid-19 funds have been spent,” said Ms Muthambi.

The committee has resolved to invite the municipalities that were investigated by the AG to account on the findings. Ms Muthambi said she is happy because some senior Salga officials attended the meeting and heard the findings.

The committee heard from the head of the SIU, Adv Andy Mothibi, that the total amount being investigated that was used through corrupt means in all the spheres of government is R14.2 billion. Adv Mothibi said the municipalities account for R5.5 billion of that amount. The committee heard that in some institutions witnesses did not cooperate fully with the SIU and evidence has been destroyed. Due to the lack of time, the committee asked Adv Mothbi to submit the remainder of the responses to its questions in writing by next Tuesday.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, MS FAITH MUTHAMBI.**