**MEDIA STATEMENT**

**EXCEPTIONAL CIRCUMSTANCES EXIST JUSTIFYING DISSOLUTION OF OR TAMBO DISTRICT MUNICIPALITY**

**Parliament, Thursday, 18 March 2021 –**The Select Committee on Co-operative Governance and Traditional Affairs, Water, Sanitation and Human Settlements is of the considered view that there is clear evidence of exceptional circumstances to support the decision by the Eastern Cape Provincial Executive to dissolve OR Tambo District Municipality.

As a result, the committee will recommend to the National Council of Provinces (NCOP) to approve the invocation of Section 139 (1)(c) of the Constitution and dissolve the O.R Tambo District Municipality. The committee based its decision on challenges faced by the municipality. The challenges include financial management, inadequate service delivery to residents, and lapses in governance.

“To start with, the committee’s preoccupation is to ensure that a municipality functions satisfactorily and achieves the objects of local government set out in Section 152 of the Constitution. What is clear from the engagements we had with internal and external stakeholders within the municipality, is that there is a lack of cohesiveness towards the common goal which undermines performance,” said Mr China Dodovu, the Chairperson of the committee.

The committee is disappointed that despite extensive support by the provincial government as per Section 154 of the Constitution, the municipality couldn’t address areas of concern adequately. Also concerning is the unfortunate information that relations between the Speaker and the Executive Mayor have broken down to the extent that the Executive Mayor is no longer attending council meetings that are convened by the Speaker as their composition is questionable.

Regarding financial management challenges within the municipality, the committee is concerned that the municipality is operating on an unfunded budget for the 2021/22 financial year, with a shortfall of R15 million. “Two months since the commencement of the financial year we don’t know which funds or how they are spending since council has not adopted a budget. This is clearly illegal,” Mr Dododvu emphasised.

Local municipalities within the district complained about service delivery especially within the competency of the district particularly the delivery of water. The committee is concerned that of the R943 million the municipality received during 2019/20 financial year for Municipal Infrastructure Grant (MIG), Water Service Infrastructure Grant (WSIG) and Regional Bulk Infrastructure Grant (RBIG) it spent only 66% of the budget. At the end of the financial year, the municipality had spent R625.6 million with R317.4 million unspent which is worrying in the context of the crumbling and decaying infrastructure within the district.

Regarding good governance, the committee highlighted its concern that the Municipal Public Accounts Committee is not functional and that diminishes oversight responsibility with the municipality and inadvertently creates an environment that is deficient of the principle of consequence management.

Also, the committee is alarmed that while the Audit Committee and the municipal Internal Audit are functional, however, their recommendations are not implemented by the management and the council. The value which the audit function is supposed to add is undermined if the recommendations of these audit structures are disregarded.

The committee is therefore of the view that these and many other reasons are enough grounds for the dissolution of the municipality.

**ISSUED BY THE PARLIAMENTARY COMMUNICATION SERVICES ON BEHALF OF THE CHAIRPERSON OF THE AD HOC COMMITTEE ON SECTION 100 INTERVENTION IN THE NORTH WEST PROVINCE, MR CHINA DODOVU.**