**Report of the Portfolio Committee on Cooperative Governance and Traditional Affairs on Oversight Visit to Lekwa Local Municipality 12 -13 October 2022, Dated 21 April 2023**

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| **Delegation:** Hon. F. Xasa (Chairperson, ANC); Hon. D. Direko (ANC); Hon. G. Mpumza (ANC); Hon B. Hadebe (ANC), Hon X. Msimango (ANC), Hon I. Groenewald (FF Plus) Hon C. Brink (DA), Hon. E. Spies (DA), and Hon H. Mkhaliphi (EFF).**Committee Support Staff:** Ms. S. Cassiem (Committee Secretary); Mr. A. Sokomani (Content Advisor); Mr. M. Dumezweni (Committee Assistant); Ms F. Ndenze (Communication Officer). |

Having conducted a two-day oversight visit to the Lekwa Local Municipality under the Gert Sibande District, from 12- 13 October 2022, the Portfolio Committee on Cooperative Governance and Traditional Affairs reports as follows:

1. **INTRODUCTION**
	1. The Portfolio Committee on Cooperative Governance and Traditional Affairs has resolved that over its current term of office in Parliament (2019-2024) it will intensify oversight over all the organs of state relevant to its mandate, in line with the intent of Parliament’s 2019 -2024 Strategic Plan. This approach is the Committee’s strategy to confront the deteriorating state of local government in the country, encourage public participation in the affairs of local government as envisaged in Section 152(1)(*e)* of the Constitution.
	2. The 2020/21 Municipal Finance Management Act (MFMA) audit outcomes have highlighted several municipalities that have received consecutive disclaimed audit opinions despite being under constitutional intervention. A disclaimed audit opinion is the worst opinion a municipality can obtain. These municipalities are also subject to investigation by the Auditor-General regarding material irregularities identified in the course of audit. Not surprisingly, these municipalities are also among the 64 municipalities that have been identified as dysfunctional by the Department of Cooperative Governance’s State of Local Government Report to Cabinet. These municipalities are:
* **Northwest**: Kgetlengriver, Madibeng, Naledi, Ditsobotla and Ramotshere Moiloa.
* **Northern Cape**: Phokwane and Renosterberg.
* **Mpumalanga**: Lekwa
* **KwaZulu-Natal**: Nquthu and Ilanga Libalele
* **Eastern Cape**: Makana
	1. The Portfolio Committee has resolved to conduct intensive oversight to these municipalities, with Lekwa being the subject of this report.
1. **DAY ONE: ENGAGEMENT WITH THE LEKWA LOCAL MUNICIPALITY AND THE OVERSIGHT STRUCTURES RESPONSIBLE FOR OVERSEEING IT**

The first day of the Portfolio Committee’s oversight visit to the Lekwa Local Municipality involved deliberations with the National Department of Cooperative Governance (DCoG); the Mpumalanga Department of Cooperative Governance, Human Settlements and Traditional Affairs, Treasury, Auditor-General, South African Local Government Association; the Gert Sibande District Municipality and the Lekwa Local Municipality. Concluding the day’s deliberations was a site visit to Phase 6 of the Rooikoppen sewer project.

* **National Department of Cooperative Governance**

The National Department of Cooperative Governance (DCoG) noted the remarkable progress made in the municipality since the inauguration of the new Council in December 2021, following the local government elections of 01 November 2021. A brief background to the municipality’s current state was provided. DCoG had, in April 2021, put the municipality under intervention in terms of Section 139(7) of the Constitution, following a Gauteng High Court order in a court case instituted by Astral Foods. An administrator was appointed following the dissolution of Council.

However, the intervention lapsed with the election of the new council in December 2021. The administrator’s role consequently changed to that of the National Cabinet Representative (NCR). Initially, there were tensions between the NCR and the Council, but these have since been resolved. Upon the NCR’s appointment as the City of Tshwane’s municipal manager, following the expiry of his contract, the Department has been of the view that the Municipal Council should be afforded the opportunity to run itself, concurrently with the support that has been provided by Treasury, the leader of the 2018 Section 139(5)(a) intervention in the municipality.

There is now also stability at the governance level. Out of the 18 municipal governance coalitions around the country, Lekwa’s is one of the few that can sit and discuss service delivery plans, as opposed to fixating on the allocation of positions. Although the municipality’s financial problems remain deep-seated, some inroad has been made in the payment of the municipality’s largest creditors, including Eskom. Monthly Eskom repayments have increased from R500 000 to R7m.

DCoG, in partnership with the South African Local Government Association (SALGA) and Treasury, has developed a comprehensive support package for the municipality. Lekwa is the first municipality, which has been subjected to intervention in terms of Section 139(7) of the Constitution, and therefore a learning experience for the Department. However, the experience with Lekwa has enabled the Department to galvanise support for similar interventions in Mangaung Metropolitan municipality and Enoch Mgijima Local Municipality.

* **Mpumalanga Department of Cooperative Governance and Traditional Affairs**

The provincial Department’s presentation highlighted challenges relating to water, electricity, and sanitation backlogs. Some areas had been without access to water since the dawn of democracy. The demand for water, electricity, and sanitation is above infrastructure capacity. The municipal council, which is led by a coalition, is stable. Municipal Infrastructure Grant (MIG) expenditure has not been at the desired level. District Development Model (DDM) Councils have been established and DDM plans have been adopted, endorsed and submitted to DCOG.

DDM governance structures are also functional. Tourism and Infrastructure Projects implemented under the DDM banner were highlighted. Among the lessons learnt in the DDM implementation process so far is that there is minimal participation of the private sector and State Owned Enterprises (SOE). The DDM’s functionality depends significantly on political support, and constant monitoring of DDM One Plans. Regarding support from the Municipal Infrastructure Agent (MISA), mention was made of assistance provided in terms of grant expenditure and waste management. MISA funded projects in the Gert Sibande District, including Lekwa, were highlighted.

* **Provincial Treasury**

The Department indicated that it was not proud to report to the Portfolio Committee that the financial intervention instituted in line with Section 139(5)(a) of the Constitution has not yielded the desired results. Debt owed to municipal creditors has seen massive growth. As at end September 2022, Eskom debt stood at R1.7bn. The Department has facilitated agreement on credible Eskom repayment plans, which the municipality can honour. However, the municipality has a cash flow crisis, which needs urgent intervention. It is one of the eight municipalities in the province that had adopted unfunded budgets. For Lekwa, the unfunded budget is increasing exponentially each year. In the current financial year, it amounted to R1bn and is projected to amount to R2.5bn in the next financial year. The municipality’s revenue collection targets are unrealistic, which has contributed to poor revenue collection. There has been an increase in consumer debtors and irrecoverable debt has not been written off.

Processes have been introduced to clean up the billing system, starting with the valuation roll. These initiatives, such as the installation of meters on unmetered properties, have encountered community resistance. More intervention from both the political leadership and the municipal administration is needed in terms of credit control. The municipality is also taking a long time to fill critical vacancies. Treasury support is as good as the existence of people that make use of it. The municipality is in dire need of capable people in the right positions. Lack of capacity in the municipal Budget and Treasury Office (BTO) has contributed to the municipality’s consecutive disclaimed audit opinions.

Treasury is finding it challenging to reduce the municipality’s UIFW, which has escalated from R1bn to R2.3bn due to assurance providers not playing their roles adequately. The Department, together with SALGA and DCoG, has conducted assurance providing workshops, but various gaps remain in terms of impact. The municipality also remains a litigious environment. There are also severe electricity distribution losses both at the technical and non-technical levels. It is envisaged that the project on unmetered properties will mitigate this problem.

* **Auditor-General of South Africa**

The Auditor-General’s (AG) presentation focused on the municipality’s audit outcomes for the 2020-21 financial year. The municipality’s disclaimed audit opinions over the last three last financial years were highlighted, including the areas of qualifications. Due to the disclaimed opinion, the AG has been unable to perform analyses of the municipality’s individual financial viability indicators. Regarding performance information, half of the municipality’s planned targets relating to key projects were not achieved.

Material irregularities (MIs) were identified in respect of the municipality’s failure to discharge its service delivery mandate resulting in substantial harm to the community. The MIs specifically relate to lack of full and proper record keeping and SARS penalties and interest. The MIs were first identified in 2019/20 when the municipality’s first disclaimed audit opinion was issued. Non-compliance with legislation was highlighted as another area of audit concern, including the passing of an unfunded budget, which has contributed to the continuing increase in UIFW.

The municipality’s Internal Audit Unit was reportedly not fully capacitated to identify internal control deficiencies, due to vacancies in the Unit. The Audit Committee also did not ensure that these weaknesses in the Unit are addressed. The Municipal Public Accounts Committee (MPAC) did not investigate any UIFW during the 2020-21 financial year due to the dissolution of the municipal council, among other things. The AG expressed confidence in the municipality’s Financial Recovery Plan. During the previous auditing cycle, it was not possible to assess the effectiveness of the FRP’s implementation. However, the current audit will be assessing progress with the FRP’s implementation, especially considering that information has now been submitted to the auditors, unlike in the previous financial years where information has not been forthcoming, leading to disclaimers.

As part of its recommendations, the AG proposed that the municipal council should interrogate the budget more to ensure that no unfunded budget is passed; monitor the implementation of the approved Financial Recovery Plan; improve the recording, reviewing, and reporting processes and controls relating to financial statement and performance reporting; more vigorous monitoring of the Post Audit Action Plan by Senior Management; reviewing and monitoring of compliance with all applicable legislation by all levels lf management; and investigation and instituting of consequence management in relation to UIFW.

* **South African Local Government Association**

SALGA briefed the Portfolio Committee on the support rendered to improve the state of municipalities in the province, including the Lekwa Local Municipality. This support encompassed matters relating to municipal performance and development systems; adoption of municipal service charters; municipal human resources capability optimisation; integrated councillor induction programme; training for members of the Local Labour Forum (LLF); support on conducting disciplinary hearings; municipal by-law enforcement; disaster management, fire and emergency services; community safety training; revenue enhancement diagnostic assessment survey; municipal audit support and revenue enhancement; non-collection of property rates from revenue from certain Eskom power plants; Supply Chain Management (SCM) professionalization; green drop corrective plans; just energy transition; and climate change response.

* **Gert Sibande District**

While most municipalities under the District’s jurisdiction meet minimum infrastructure capacity requirements, the Lekwa Local Municipality does not meet these. Water and sanitation infrastructure is the most under-capacitated. A maximum capacity of nine mega-litres can be provided against a daily demand of nearly 20 mega-litres. Consequently, the reticulation system has been overloaded, causing burst pipes and sewer spillages. With load shedding, the problem is becoming worse because without a 24-hour electricity supply, sewer cannot be pumped out efficiently. Although back-up generators have been procured to mitigate the problem, the running costs are prohibitive. Communities also need to be educated regarding the material that should not end up in the Waste Water Treatment Works. Most of the blockages experienced relate to this factor.

In partnership with the Department of Water and Sanitation, the municipality has embarked on a six-phased project to address the sewer spillages, including the construction of emergency ponds to contain the sewer before it spills over to the Vaal River. The ultimate objective is to remove sewage from households and direct it to the Waste Water Treatment Works. The District provided detailed progress regarding the project budget, expenditure to date, the percentage of work done thus far, and the estimated completion timelines. The percentage of completed work surpassed budget spending percentages because payments only followed after work had been done. The DWS is also considering awarding the District a Water Services Authority (WSA) status as none of the local municipalities are fully capable of fulfilling this function.

Waste management is another area of concern in Lekwa. While the landfill site in Standerton complies with environmental regulations, the other site is non-compliant and must be closed down. The municipality’s by-law on waste must be reviewed to make it enforceable. It is impossible to tackle the waste management problems without enforceable by-laws. There is a plan to establish a provincial multi-sectoral intervention task team to assist with waste management challenges. The District supports the implementation of a service charter to deal with waste management.

On disaster management, the District has conducted disaster awareness campaigns and oversaw the establishment of local Disaster Management Centres, their management, and staffing. The provision of modern Information Communication Technology (ICT) equipment to the Disaster Management Centres remains a major drawback. The District has dedicated three officials to assist its local municipalities with financial management issues. Financial management support to Lekwa has not been provided as that space had already been taken up by COGTA and Treasury, which led the implementation of the municipality’s Financial Recovery Plan.

The District itself is financially stable, having incurred no UIFW over the last eight years and having over R200m in cash reserves. Politically and administratively, the District is also stable and has a good working relationship with Lekwa’s Executive Mayor. However, the District does not support the municipality’s bid stop it from spending the Water Services Infrastructure Grant (WSIG) on the municipality’s behalf, as this would risk misappropriation of funds.

* **Lekwa Local Municipality**

The municipality highlighted five key challenges facing it, namely dilapidated and inadequate roads; inadequate access to safe, drinkable water; insufficient water supply due to low pressure, informal connections, Eskom load shedding and aged water infrastructure; inadequate electricity supply, theft and vandalism and aged electricity infrastructure; and limitations to WSIG funding for provision of interim provisions of water and sanitation supply since the municipality’s WSIG is administered by the DWS through the Gert Sibande District Municipality. The areas of Palama and Crossroads have been without water since 2007. There used to be water supply to these areas but unscrupulous people removed valves or covered them with concrete. This was so that water tankers could be purchased to supply water and therefore benefit some people financially.

The municipality also reflected on the disclaimed audit outcomes received over the last three financial years, and the implementation of the Post Audit Action Plan to address the unfavourable audit findings. The municipality has resolved 81 percent of findings in respect of the 2020-21 financial year. The Executive Mayor stressed that it was unfair for the Portfolio Committee to blame the current administration on the disclaimers received over the last three years, as it was not running the municipality at the time. Had Parliament conducted its oversight timeously, the municipality is unlikely to have found itself where it is currently. The oversight session should serve as an opportunity for the National Assembly to reflect on its work.

The municipality also provided a break-down of expenditure relating to COVID-19, and presented revenue collection figures for the period December 2020 – March 2022. A break-down of the UIFW expenditure was also provided, starting from 2012 to 2021. For this nine-year period the unauthorised expenditure amounted to R1.3b; fruitless and wasteful expenditure amounted to R461.9m and is deemed irrecoverable; and irregular expenditure amounted to R502m and is due to be approved and regularised.

The disciplinary cases and other labour relation matters under the municipality’s consideration were presented. Most of the disciplinary cases have not yet been finalised. Update was also provided on institutional capacity, such as the filling of positions for Section 54 and 56 Managers in terms of the Municipal Systems Act (2000). All these positions have been filled, except that of the Executive Manager for Corporate Services. However, the municipality’s overall vacancy rate is 50 percent, meaning that half of the positions are not filled. The audit committee is functional. The Municipal Public Accounts Committee (MPAC) is also functional and has thus far convened five meetings relating to investigations of UIFW expenditure, the 2020/21 Annual Report and other ad hoc matters referred to it by Council. In conclusion, the municipality recommended that the WSIG be changed from Schedule 6B to 5B. Currently, the District administers the Grant on the municipality’s behalf.

The Executive Mayor also found it inconsistent for municipalities to be expected to approve cash-backed budgets while the whole country was running on a budget deficit. Council has adopted the Financial Recovery Plan and is overseeing its implementation. The high vacancy rate at senior management level has been addressed. The municipality is paying Eskom debt monthly, with the last payment amounting to R22m. Eskom is reluctant to agree on a mutually beneficial repayment plan as the current arrangement of top slicing 15 percent of the municipality’s Equitable Share grant suits it better. Monies owing to SARS have reduced by more than R70m. The municipality retains a highly politicised workforce, which is resistant to skills audits. Numerous letters requesting assistance from COGTA have been written to no avail. Consequently, the municipality is considering the use of external service providers.

* **Site visit to Rooikoppen Waste Water Treatment Plant**

The Portfolio Committee concluded the day’s deliberation by conducting a site visit to the Rooikoppen Phase 6 sewer project, which is one of the infrastructure projects spearheaded by the District municipality. The total budget allocated to this project amounts to R148m. Project work commenced in November 2021. Through this project, a 2.5km pipeline of between 110mm – 630mm diameter was constructed to redirect the sewer that used to engulf the surrounding community. There are still remaining challenges relating to restaurants depositing raw animal blood and fat in the sewer reticulation system. Strict enforcement of by-laws in this regard is needed.

The problem of waste water treatment capacity that is far below the demand also remains fundamentally unresolved. Having successfully redirected the sewer away from places of residence, the next process was the construction of an access road to the pump station. The project was 50 percent complete and 32 percent of the allocated budget was spent. The expected completion date is November 2023 although the municipality plans to complete it by June 2023. The next project phase is expected to start in November 2022 at a cost of R150m.

1. **STAKEHOLDER ENGAGEMENTS**

Day 2 of the Portfolio Committee’s oversight visit was dedicated to receiving inputs from local stakeholders. Oral submissions were received from the representatives of NAFCOC, the South African National Civics Organisation (SANCO), Sakhile Youth Empowerment Centre, Generation Change International Church, Women in Business, residents from Extension 7 and Ward 9, the Congress of South African Trade Unions (COSATU) and the Lekwa Black Business Forum. A written submission was also received from Astral Foods.

* 1. **NAFCOC.** Mr Sizwe Dlamini, NAFCOC’s provincial Treasurer lamented the dissolution of the Lekwa Local Municipality by the then Finance Minister, Mr Tito Mboweni. The appointment of Mr Mettler as the administrator destroyed Standerton. The administrator was a thief, and was inaccessible as he always surrounded himself with SAPS protection personnel. The municipality’s failure was due to the administration, not the politicians. Therefore, councillors should be left alone to complete the term. Mr Dlamini expressed frustration with the municipality’s administration including its failure to monitor projects. The Rooikoppen project for example constitutes monitoring failure as it has long passed its completion due date. Mr Dlamini also voiced his suspicions around a 1.5km road that cost R15m. In conclusion, he urged the Portfolio Committee to take a closer look at Astral Foods, the private company responsible for instituting the process that culminated in a court order compelling the national Department of Cooperative Governance to intervene in the municipality in accordance with Section 139(7) of the Constitution.
	2. **SANCO.** The SANCO representative felt that the municipality deliberately refrained from publicising the stakeholders’ meeting because it had much to hide. He characterised the municipality as a chaotic and restless place. Potholes were the first thing encountered by visitors to the municipality. Electricity provision is unreliable, both in Eskom and municipal supply areas. Access to water is a problem. Businesses are consequently leaving the area. The District’s intervention in Hlongwane Drive and Rooikoppen has made significant difference. However, serious intervention is also needed from Parliament’s side.
	3. **Sakhile Youth Empowerment Centre.** The Centre’s representative submitted that the provincial government failed to intervene in Lekwa on four occasions. Parliament has discussed Lekwa issues countless times. A major problem in the municipality is the rift between politicians and the administration, and the latter is not accountable.
	4. **Generation Change International Church.** The Church’s Pastor bemoaned the failure of municipal staff to take personal responsibility in executing their obligations to the public. The staff has been seen relaxing and enjoying meals while people stand in queues waiting for service. It is nearly a year since the Council has been elected and yet there are still no by-laws to regulate stray dogs, illegal dumping of rubbish and human waste, and public consumption of alcohol. Consequences of this lack of by-laws were narrated in detail, including lack of police action on reported public nuisance incidents.
	5. **Women in Business.** The Business representative hailed the municipality’s dissolution as a good development. The Portfolio Committee however should scrutinise the administrator’s role who is a suspected gangster from KwaZulu-Natal. Following his appointment, the municipality’s security bill skyrocketed and it is not clear who is footing it. The electricity problems experienced in the municipality, including the dark and non-navigable streets at night, result from the administrator’s lack of proper handover and failure to insource electricians. Municipal by-laws exist, but are implemented poorly.
	6. **Extension 7 resident**. The resident complained that the RDP house allocation process has by-passed her. Despite being registered in the list of beneficiaries, she has seen underage people, foreign nationals and people with proper jobs obtaining RDP houses ahead of her.
	7. **Ward 9 resident.** The resident complained about sewer problems, which councillors seemed to be ignoring. Residents in Extension 8 had been without water for four weeks. The responsible MMC has refused to respond to the community’s call for intervention. The MMCs are generally ineffective. The councillors are unknown to the people, and the resident last heard from them in November 2021 when they just got elected.
	8. **COSATU.** The COSATU representative expressed disappointment at the poor meeting turnout. She found it surprising that the Portfolio Committee did not postpone the meeting to secure better attendance as the Department of Water and Sanitation delegation had done. The poor attendance attested to the fact that the municipality operates in isolation from the community. The Speaker’s Office is expected to advocate for community participation. The meeting should have been convened at the Sakhile Stadium to ensure maximum attendance. Coming to the Town Hall cost R15, which not everyone can afford. The municipality has hosted many delegations in the past, but the situation is getting worse rather than better. The most pressing problem in the municipality is access to water and electricity. The electricity crisis not only relates to Eskom load shedding but also to the municipality’s own supply. Clinics have been functioning without running water. The culture of accountability in the municipality is non-existent. There is no action on Hawks investigations and Section 106 reports. The municipality only exists in name. In conclusion, the representative expressed the hope that meeting will yield value and that no other delegation will come, with the community having to repeat itself.
	9. **Lekwa Black Business Forum.** The side-lining of women-owned black businesses by the municipality was a major source of concern for the Forum. Tenders were not forthcoming. The municipality tended to appoint the same clique of businesses repeatedly. Other problems relate to access to water, uncollected garbage, lack of school for the disabled, problems with police vehicles, late arrival of ambulances and dilapidated roads. The Forum representative re-iterated the sentiment that the meeting should have convened at the Sakhile Stadium.
	10. **Astral Foods.** The company submitted a written presentation as it was unable to attend physically due to late receipt of meeting venue confirmation. In the company’s view, the administrator addressed all the low hanging fruit. However, it remains concerned as to whether the necessary human resources are in place to manage the vast impact of the challenges faced. The company, through its local businesses (Goldi and Meadow), continues to provide technical backup to manage the breakdowns in the municipality’s water and electricity infrastructure. The company carries out these repairs at its own financial costs. The fact that the breakdowns are recurring points to lack of general and planned maintenance and a budget dedicated to this. The local municipality does not have the financial resources to upgrade the failing electricity, water and road infrastructure, and there is a question as to whether national or provincial government will provide the needed financial resources. The fall-out between the municipality and Eskom around the debt owed to the latter is of great concern to the company. Eskom’s Notice of Maximum Demand (NMD) restriction will throttle the town’s economic growth if it remains in force. Finally, the company has received no feedback regarding the condition of the municipality’s road infrastructure, which remains a major obstacle.
1. **COMMITTEE OBSERVATIONS**

Having listened to inputs by the oversight structures supporting the Lekwa Local Municipality, the municipal stakeholders and the municipality itself, and having undertaken a site visit to a critical infrastructure project in Lekwa, the Portfolio Committee noted the following:

* 1. The progress made on Rooikoppen Phase 6 project is impressive and is one of the rare projects that are completed before the projected date. Also worth applauding is the fact that ten local sub-contractors were hired, thus stimulating local economic development and providing jobs for 55 people from Ward 4 where the work is taking place.
	2. None of the local municipalities in the District has registered a decrease in debt. This points to a general failure to implement revenue enhancement strategies. Consequently, the unfunded budget in Lekwa is no surprise. However, a funded budget is a legal requirement and the municipal political leadership is effectively committing gross dishonesty when it approves an unfunded budget. The Portfolio Committee found it unacceptable for the Executive Mayor to rationalise the unfunded budget by comparing it to the national deficit. National government can borrow money from creditors to meet its obligations. The Lekwa Local Municipality cannot do this as it is not creditworthy.
	3. Spending on contracted services in the municipality is above the Treasury norm. Spending on maintenance on the other hand is below the Treasury norm, and the clear decay in the municipality manifests this. Lekwa is among the non-compliant municipalities in terms of the green drop directive by the Department of Water and Sanitation.
	4. None of the presentations delivered to the Portfolio Committee provided an assessment regarding the implementation of the municipality’s Financial Recovery Plan. The municipality’s financial situation seems to have deteriorated despite having in place a financial recovery plan. Eskom debt is getting worse. The exact role of Treasury in the implementation of the FRP was not clearly articulated.
	5. The municipality seemed to have its priorities in the wrong order as evidenced by the unnecessary expenditure on expensive decoration for the meeting venue. The Portfolio Committee is not impressed by this extravagant gesture, as priority must be given to critical service delivery matters such as the patching of potholes.
	6. It is all well and good for the municipality to have addressed 81 percent of audit findings, but the real question is whether this action has changed the lives of Lekwa residents for the better.
	7. It cannot be correct that there are areas that have been without water for months. The new council has been in office for approximately a year, and seems to be perpetuating the legacy of ineptitude from the previous council. There is so much happening in the municipality in terms of intervention, but there is little change in ordinary people’s lives.
	8. None of the presenters outlined a clear action plan in relation to the municipality’s UIFW.
	9. SALGA’s input was not indicative of an appetite by the organisation to intervene in the municipality. No detail was provided regarding the organisation’s role in the intervention process.
	10. The state of municipal roads is a disaster that needs immediate attention. It is not a good advertisement of the municipality as a desirable tourist destination. It is not acceptable for the council to have done nothing to fix the bad state of municipal roads nearly one year in office.
	11. The Portfolio Committee welcomes and finds comfort in the Municipal Manager’s tone to the effect that the municipality has reached rock bottom and cannot sink any further. The only way is up and this is the only trajectory for the municipality to take under the MMs watch.
	12. The Portfolio Committee does not endorse the narrative by some community members to the effect that the problems in Lekwa started with the administrator.
	13. The issue of the disjuncture between the municipality’s political leadership and the administration was raised on more than one occasion, and the Portfolio Committee takes note of it. The Committee encourages citizens to lay formal complaints against municipal staff who are failing to execute their responsibilities. The political leadership also needs to act against these officials.
	14. It is inexplicable that the municipality did not publicise the stakeholders meeting. It is does not augur well for a meeting of Parliament to be hidden from the community. The local Executive Mayor’s non-attendance of the stakeholders meeting also leaves much to be desired.
1. **COMMITTEE RECOMMENDATIONS**
	1. The Department of Cooperative Governance should furnish the Portfolio Committee with explanation as to why it has been unresponsive to the Lekwa Local Municipality’s letters requesting the Department’s assistance with the municipality’s skills audit exercise.
	2. The Gert Sibande District municipality should furnish the Portfolio Committee with regular reports regarding progress on the various phases of the Rooikoppen sanitation project.
	3. The Lekwa Local Municipality should deal with its water and electricity challenges as a matter of crisis and communicate its medium to long term solutions to the people. The municipality should also forward in writing the details of 81 percent of audit findings that have been addressed.
	4. The Lekwa Local Municipality should further reactivate its public participation mechanisms, including ensuring active ward committee meetings. The Speaker’s Office in the municipality should improve its role in this regard.
	5. The Portfolio Committee should engage the Department of Cooperative in more detail around the Section 139(7) intervention in Lekwa Local Municipality in order to clarify some confusion around processes. The Department should also furnish the Portfolio Committee with a report on the outcome of the intervention in the municipality. Once received, the Portfolio Committee should ensure that this report is made public.
	6. The Ministers of Finance and Cooperative Governance and Traditional Affairs should account to the Portfolio Committee on why the Lekwa Local Municipality has not shown any tangible results despite being under constitutional intervention for four years.
	7. The Portfolio Committee should refer the details of the citizen who has allegedly been by-passed by the RDP housing allocation process to the Department of Human Settlements.

**Report to be considered.**