



KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA



PRESENTATION TO THE SELECT COMMITTEE ON COOPERATIVE GOVERNANCE & TRADITIONAL AFFAIRS

CONSTITUTIONAL INTERVENTIONS IN TERMS OF SECTION 139 OF THE CONSTITUTION, 1996 IN THE PROVINCE OF KWAZULU-NATAL

31 OCTOBER 2023

GROWING KWAZULU-NATAL TOGETHER

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OVERVIEW AND BACKGROUND

- The Constitution provides five methods of intervening in a municipality, using Section 139 of the Constitution of the Republic of South Africa (“Constitution”): These are:
 - Section 139(1a), which requires essentially that the Provincial Executive Council (“PEC”) issue a directive to the affected municipality;
 - Section 139(1)(b), which requires the PEC to assume executive responsibility because the municipality could not fulfil an obligation;
 - Section 139(1)(c), which requires the relevant PEC to dissolve the affected municipality;
 - Section 139(4), which requires the relevant PEC to take appropriate steps to ensure that a municipality adopts the budget, or those revenue-raising measures as approved; and
 - Section 139(5), which requires the PEC to impose a recovery plan to secure the municipality’s ability to meet its obligation, which may also lead to the dissolution of a municipality.
- When an intervention in terms of section 139 of the Constitution is instituted, the Provincial Executive Council must inform the Provincial Legislature, the Minister and the National Council of Provinces (NCOP), within 14 days, after which within 28 days the Minister must approve or disapprove, and within 180 days the NCOP must also approve or disapprove the intervention.

OVERVIEW AND BACKGROUND

- The PEC has placed 12 municipalities under intervention in terms of section 139 of the Constitution since 2016. All but two interventions were approved by the Minister and the NCOP, namely, the:
 - Nquthu LM intervention was not approved by the Minister; and
 - Emadlangeni LM intervention was also not been approved by the NCOP within the prescribed of 180 days.
- The PEC terminated interventions at Endumeni (November 2019) and Richmond (March 2021). These municipalities have since stabilized and are being supported by the provincial government in terms of section 154 of the Constitution.
- The PEC had to intervene in terms of Section 139(4) in July 2021 at uMkhanyakude Municipality when the municipality failed to approve its 2021/2022 budget and related revenue-raising measures. The Executive Council intervened yet again in uMkhanyakude Municipality in July 2022 when the Municipal Council failed to approve its 2022/2023 budget and associated revenue-raising measures. The requirement of the intervention has since been met, the municipality has approved the budget and IDP.
- On 25 April 2023, the PEC resolved to extend eight interventions in terms of section 139(1) (b) of the Constitution at Mpozana, Msunduzi, Inkosi Langalibalele, Abaqulusi and Mtubatuba Local Municipalities and uMzinyathi, uThukela and uMkhanyakude District Municipalities until 31 October 2023.
- However, the Abaqulusi Intervention was invalidated on 08 April 2022.



CURRENT INTERVENTIONS

MUNICIPALITY	DATE
uMzinyathi District	16 October 2016
Mpofana	08 February 2017
Inkosi Langelibalele	08 December 2017
uThukela District	21 August 2018
Inkosi Mtubatuba	13 March 2019
Abaqulusi	21 February 2019 (invalidated by the Court)
Msunduzi	09 April 2019
uMkhanyakude District	27 January 2021

UMZINYATHI DISTRICT – INTERVENTION TRIGGERS AND TREND

YEAR	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2017	<ul style="list-style-type: none"> Failure to Implement infrastructure RBIG projects 	<ul style="list-style-type: none"> Poor Oversight Role, Failure to conduct investigation on Fraud and Corrupt Activities 	<ul style="list-style-type: none"> Cash Flow Challenges UIFW increased from R42 million to R244 million. Negative Audit outcome adverse audit opinion. Failure to submit AFS 	<ul style="list-style-type: none"> Vacant Senior Managerial positions
2023	<ul style="list-style-type: none"> MIG – 100% WSIG – 100% Water and Sanitation backlogs are not yet resolved 	<ul style="list-style-type: none"> Stable Governance On 30 January 2019, a section 106 report was tabled in council with 23 recommendations. 16 recommendations have been implemented and 7 recommendations are still outstanding but in progress 	<ul style="list-style-type: none"> Persistent Cash flow and some cost containment measures were implemented. UIFW decreased from R2,3 billion to R2,0 billion. AGSA external audit in progress. 	<ul style="list-style-type: none"> All senior management posts were filled except the CFO due to a promotion to MM



UMZINYATHI DISTRICT MUNICIPALITY: CONCLUSION

- **Pillar Two:** Close monitoring of infrastructure grant expenditure and project implementation including cost containment measures are still required to ensure appropriate expenditure.
- **Pillar Three:** Implementation of forensic investigation recommendations to be monitored closely until completion.
- **Pillar Four:** Cost containment, UIFW and regressed adverse audit outcome remain. Progress on the Financial pillar was partially achieved.
- **Pillar Five:** Only one post is vacant as a result of the CFO who has been promoted to become the Municipal Manager.



UTHUKELA DISTRICT: OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 1 Putting People First	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2018	<ul style="list-style-type: none"> Community protests over lack of service delivery Poor state of Infrastructure – (Exceeding design capacity and in-poor condition) 	<ul style="list-style-type: none"> Failure to spend MIG/WSIG grants, including the stopping of funds by NT Extensive water losses Grants not cash backed Lack of capacity to undertake water and sanitation function 	<ul style="list-style-type: none"> Ineffective MPAC and Audit Committee Weak oversight by Council, EXCO and Portfolio Committees 	<ul style="list-style-type: none"> Negative Audit Opinion- (Weak financial management controls) Financial 	<ul style="list-style-type: none"> Labour disputes/protests and vandalism of infrastructure – (demanding permanency of EPWP & Interns, demanding consultation with employees on restructuring) Lack of WSA Technical capacity and Skills
2023	<ul style="list-style-type: none"> Persistent Public Protest 	<ul style="list-style-type: none"> MIG – 96.1% WSIG – 100% Persistent water losses Grants are now ring-fenced and represented by identifiable investment accounts. Lack of capacity to undertake water and sanitation function 	<ul style="list-style-type: none"> Ineffective MPAC and Audit Committee Weak oversight by Council, EXCO and Portfolio Committees All section 106 recommendations are implemented, The municipality also openly objected to the Ministerial Representative until recently when the matter was taken to court by COGTA. The MR is currently undertaking his functions without any hindrances. 	<ul style="list-style-type: none"> The Municipality maintained a qualified audit opinion. Financial challenges persisted, cash Coverage of 0.84, current ratio of 0,72:1, unfunded budget, 87% debtors above 90 days, and employee-related costs exceeded the norm at 42%. creditors not paid within 30 days. Cost containment measures not implemented. Although, grants were cash backed. UIFW- Opening balance is R541,4m, Incurred is R287,7m, Addressed is R294.022m. The balance to date is R517.032m. 	<p>There is persistent instability with claims of staff purging, nepotism and favouritism, SAMWU matters are in Bargaining Council for Arbitration and IMATU matters are dealt with by COGTA since Imatu had had unprotected strike directed at the Ministerial representative's office, municipal assets were destroyed, and MR's office vandalized.</p> <ul style="list-style-type: none"> Situation is now managed, and a level of tolerance is observed. Capacity remains a challenge since in depth use of consultants contrary to high staff costs.



UTHUKELA DISTRICT MUNICIPALITY : CONCLUSION

- **Pillar One:** Recurring public protests caused mainly by lack of service delivery.
- **Pillar Two:** It is recommended that the monitoring of infrastructure grant expenditure and project implementation be strengthened to ensure that funds are spent accordingly.
- **Pillar Three:** Good Governance triggers have not been achieved due to weak oversight by Council, EXCO and Portfolio Committees.
- **Pillar Four:** Except for grants being cash backed, financial challenges and negative audit outcome remain.
- **Pillar Five:** As part of the cost cutting measures, the Municipality is considering merging the GM: Corporate Services post with the GM: Municipal Health & Community Services post.



INKOSI LANGALIBALELE: OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2017	<ul style="list-style-type: none"> Mismanagement of Conditional Grants Failure to Spend Infrastructure Grants MIG – 92.28% 	<ul style="list-style-type: none"> Various warrant of executions against the municipality Absence of oversight Failure by MPAC to report and Investigate UIFW 	<ul style="list-style-type: none"> Refusal of support and lack of co-operation with Provincial Treasury Poor contract management Disclaimer Audit Opinion 2015/16 Poor Cash Flow – Serious financial problems Grants not cashed backed) Failure to submit 2016/17 AFS to the Auditor-General Maintenance Budget below the norm 	<ul style="list-style-type: none"> Failure to appoint Senior Managers (MM; GM: Public Works and Basic Services) Failure to deal with Job Evaluation resulting in labour Unrests Bloated organogram
2023	<ul style="list-style-type: none"> Conditional grants ring-fenced and cash backed. MIG: R42 690 000 Spent: 100% 	<ul style="list-style-type: none"> Negotiated with valid creditors and averted litigations MPAC is now Functional There were various Motions in terms of s29 of the Structures Act which were submitted. The municipality also openly objected to the Ministerial Representative. The Ministerial Representative is still being frustrated by the Municipal Manager despite the court order preventing the MM and the parties from preventing the MR from implementing the intervention. The Department intends to approach the Court for the contempt of the Court Order issued on 13 September 2023. There is pending litigation to declare the IFP’s decision on 30-Mar-2023 to expel some of its Cllrs reviewed and set aside with immediate effect; and to interdict the IEC from replacing the applicants and the MM from declaring a vacancy. 	<ul style="list-style-type: none"> The intervention support was in place and accepted. Contract management improved and creditors reconciliations complete. Reporting on contracted services improved indicating 16% spent (unaudited). Cash flow improved based on specific triggers with a surplus reported (unaudited) and creditors generally paid within 30 days. Outstanding 87% debtors more than 90 days remains. The AFS was submitted by compliance date of 31 August. 	<ul style="list-style-type: none"> All posts are filled The Job Evaluation process not yet resolved.

INKOSI LANGALIBALELE LOCAL MUNICIPALITY : CONCLUSION

- **Pillar One:** There are recurring public protests caused mainly by lack of service delivery.
- **Pillar Two:** The Municipality's inability to implement projects on time is persistent.
- **Pillar Three:** New governance challenges have emerged which have led to instability within the Council. There is continued resistance to the section 139(1)(b) intervention.
- **Pillar Four:** Contract management is still weak with creditors not identified. Poor cash flow persists based on specific triggers although a surplus was reported.
- **Pillar Five:** The Municipality has to date not made any progress in addressing the bloated organogram.

MPOFANA – OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2017	<ul style="list-style-type: none"> Housing projects (Craigieburn & Townview) and the COGTA small town rehabilitation projects were stalled due to mismanagement of conditional grants INEP projects were stalled due to non-compliance with ESKOM specifications. Repairs and Maintenance were below the norm of 8% (0,82%) 	<ul style="list-style-type: none"> Allegations of fraud and corruption – Political interference on administration prevalent Council and its Committees were dysfunctional. Speakers’ failure to implement Code of Conduct. Failure to apply consequence management and to conduct performance assessment of senior managers, MPAC not meeting as required) 	<ul style="list-style-type: none"> The disclaimer Audit Opinion 2015/2016 and improved to qualified in 2016/2017 Ballooning Eskom debt Failure to implement cost cutting measures Financial Crisis – (Deficit of R26 million, conditional grants not cashed backed, negative cash coverage, current ratio, failure to pay creditors, namely ESKOM 36,6 million and 11,5 million to other creditors, High Consumer Debt) 	<ul style="list-style-type: none"> Failure to appoint senior managers (CFO and MM)



MPOFANA – OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	
2023	<ul style="list-style-type: none"> 79.29% spent Payment Arrangement with Provincial Human Settlement is in place for reimbursement of mismanaged Housing grant funds. 	<ul style="list-style-type: none"> Council structures established and functional On 30 November 2017 an investigation in terms of section 106(1)(b) was introduced and all recommendations have been implemented. A close out report has been submitted. 	<ul style="list-style-type: none"> Maintained Qualified Audit Opinion Eskom debt increased to R414 million Failed to implement cost-cutting measures, save that some measures are being implemented such as: merging two Director posts of Community and cooperate services, auditing expenditure on overtime and standby allowance, moratorium in the filling of vacant posts except those that are revenue generating, procurement is limited to service delivery essentials. Financial Crisis – based on unaudited AFS (Deficit, conditional grants not cashed backed, negative cash coverage of -0,80, current ratio of 0,28, creditors payable of R million, consumer debt more than 90 days not disclosed but remained above 90%). The municipality adopted an unfunded budget; however, Provincial Treasury found the budget plan to be credible. 	<p>Filing of Corporate and Community Services post in progress</p>



MPOFANA LOCAL MUNICIPALITY : CONCLUSION

- **Pillar One:** This pillar is to be monitored as there are recurring public protests caused mainly by lack of service delivery,
- **Pillar Two:** This pillar is to be monitored as a result of the Municipality's inability to implement projects on time, resulting in a failure to spend its MIG allocation.
- **Pillar Three:** The Good Governance triggers have been fully achieved.
- **Pillar Four:** The audit outcome remain negative (qualified), cost containment not implemented, and ballooning ESKOM debt and financial crisis remain.
- **Pillar Five:** The Municipality has to date made progress in filling critical posts. However, due to cost cutting measures post of Director: Corporate & Community Services have been merged and in interviews have been finalized.



MTUBATUBA: OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 1 Putting People First	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2019	<ul style="list-style-type: none"> Dysfunctional Ward committees and OSS War-rooms Service delivery protests and failure by the municipal Council to respond 	<ul style="list-style-type: none"> Failure to deal with waste management services – (operating unlicensed landfill site) Dysfunctional oversight structures 	<ul style="list-style-type: none"> Dysfunctional Council - (meetings collapse, falsification of council resolutions and lack of Quorum amongst others) Failure to exercise oversight over management Failure by Council to consider statutory reports – (Annual reports and Mid-Year Budget and Performance report) 	<ul style="list-style-type: none"> Appointment of underperforming Municipal Valuer Failure to submit reports and investigate UIF W 	<ul style="list-style-type: none"> Senior management vacancies – (Failure to appoint CFO and Director Technical Services)
2023	<ul style="list-style-type: none"> Ward Committees are functional Rapid Response is able to respond on staged public Protests 	<ul style="list-style-type: none"> 100% spending of grants as at 30 June 2023. Persistent Failure to deal with waste management issues. Persistent Failure to secure a landfill license. Of late there has been progress on securing land for landfill site and the feasibility study is complete. A steering committee has been established 	<ul style="list-style-type: none"> Council and Oversight Structures are fairly stable. Various litigation attempts have been made by the municipality to frustrate the constitutional intervention, which included preventing members of the public, officials of COGTA and the Ministerial Representative access to municipal offices. In all recent matters before the court thus far the MEC has succeeded, and the Ministerial Representative has access to the Municipality. The MEC is closely monitoring developments to take appropriate steps. 	<ul style="list-style-type: none"> UIFW was investigated and decreased from R307,3 million R26,5 million. 	<p>All senior management posts has been filled.</p>

MTUBATUBA LOCAL MUNICIPALITY : CONCLUSION

- **Pillar One:** There are recurring public protests caused mainly by lack of service delivery that require close oversight.
- **Pillar Two:** 100% Spending on grants. Persistent Failure to deal with waste management issues. Persistent Failure to secure a landfill site license, though there is now progress on this one: the site has been identified and the feasibility study is complete.
- **Pillar Three:** Governance is a challenge at the municipality and is heightened by the municipality's reliance on litigation to frustrate the constitutional intervention.
- **Pillar Four:** There are recurring UIFW Expenditure Challenges; but the UIFW has been reduced from R307,3 million to R26,5 million.
- **Pillar Five:** The Municipality has filled all Senior Management posts.



MSUNDUZI: OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 1 Putting People First	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2019	<ul style="list-style-type: none"> Dysfunctional ward committees Public protests 	<ul style="list-style-type: none"> Stopping of funds by the NT Failure by Council to resolve service delivery challenges - (Waste Management, Roads Management and Electricity) Underspending and under budgeting on O&M Frequent Electrical outages 	<ul style="list-style-type: none"> Failure to hold Councillors accountable for absenteeism Failure to exercise oversight on management on conditional grants Failure to investigate allegations of malfeasance and maladministration against senior managers and leaders of the municipality 	<ul style="list-style-type: none"> Adverse Audit Opinion for previous 2017/18 year. Subsequently improved to qualified audit opinion in 2018/19. Poor Financial Management - (overdraft, Failure to prevent and investigate UIFW of R361,22 million and R11,6 irregular 	<ul style="list-style-type: none"> Failure to institute consequence management measures for managers and other officials responsible for the failure to obtain authority to designate 8 office bearers as full time Councillors Suspension and Dismissal of Senior Managers
2023	<ul style="list-style-type: none"> 41 out 40 wards functional (98%) 	<ul style="list-style-type: none"> MIG – 100% WSIG – 100% Council has fairly resolved service delivery related Issues. O&M budget is 7% 	<ul style="list-style-type: none"> Section 106 report tabled in 2020 with 17 recommendations – 15 recommendations are implemented and 2 in progress Section 106 report tabled in 2021 with 27 recommendations – Four recommendations are implemented with 16 in progress 	<ul style="list-style-type: none"> The municipality regressed to qualified audit opinion. Poor financial management persisted although the overdraft was paid off and Cash coverage improved slightly to 0.8 in July and August 2023. The current ratio of 0., non-payment of creditors persists, and it's at R126,5 million excluding arrears of R395,6 m and R515,9 m owed to Eskom and Umngeni respectively. (ESKOM debt of R199,9 million) and billing challenges remained. 	<ul style="list-style-type: none"> Vacancies: DMM: Electricity Supply Services DMM: Community Services DMM: Sustainable Development and City entities Services



MSUNDUZI LOCAL MUNICIPALITY : CONCLUSION

- **Pillar One:** The situation has improved and is under control.
- **Pillar Two:** It can be concluded that the Municipality has rectified the aspect of poor grant expenditure.
- **Pillar Three:** Good Governance triggers have been partially achieved due to the pace of the implementation of the s106 investigation reports tabled and consequence management which is still underway.
- **Pillar Four:** The municipality regressed to a qualified audit opinion and poor financial management persists with poor cash coverage and current ratios as well as billing challenges and Eskom and Umngeni debt in arrears. Financial intervention is still required.
- **Pillar Five:** The two senior managerial posts for, Community Services and Sustainable Development & Enterprise have recently been vacated and the one for Deputy City Manager for Electricity is in a process of being filled .



UKDM: OVERVIEW TRIGGERS AND TREND

YEAR	Pillar 1 Putting People First	Pillar 2 Delivering Basic Services	Pillar 3 Good Governance	Pillar 4 Sound Financial Management	Pillar 5 Building Institutional Capacity
2021	<ul style="list-style-type: none"> Community protests 	<ul style="list-style-type: none"> Poor project management and supervision Lack of preventative maintenance programme MIG – 81,46% WSIG – 34% 	<ul style="list-style-type: none"> Political instability Frequent and persistent breakdown of Council meetings Failure to table completed internal forensic investigations Allegations of maladministration, fraud and corruption The investigation was ongoing. 	<ul style="list-style-type: none"> Precarious cash flow position unfunded budget, poor revenue collection, payment of creditors. Failure to approve adjustment budget Failure to prevent and investigate UIFW of R2,7 billion in 2018/19. Disclaimer Audit outcome 	<ul style="list-style-type: none"> CFO dismissed Vacancy created
2023	<ul style="list-style-type: none"> Municipal Rapid Response is effective 	<ul style="list-style-type: none"> MIG – 76,11% in 2023 WSIG – WSA under S41 	<ul style="list-style-type: none"> Investigation in terms of section 106(1)(b) of the Systems Act commenced on 04 August 2020 and was finalised in December 2021 The report was tabled after many challenges in the council on 24 March 2022, with 29 recommendations 10 out of 29 recommendations are implemented to date. 	<ul style="list-style-type: none"> The cash flow position has improved (the Budget is funded although revenue collection at 35.9% remains poor, creditors are paid on time, current ratio improved and is within the norm at 1.5) The Adjustment budget was approved. UIFW increased from R5,1 billion to R6,3 billion (unaudited) The AGSA Audit is still in progress. 	<ul style="list-style-type: none"> The Ministerial Representative appointed the Acting CFO. The Ministerial Representative has appointed the Municipal Manager and Director of Community Services. CFO, Director Corporate Services, and Director Planning Services vacant.

UMKHANYAKUDE DISTRICT MUNICIPALITY : CONCLUSION

- **Pillar One:** Recurring public protests caused mainly by lack of service delivery are still persistent.
- **Pillar Two:** Close monitoring of infrastructure grant spending and project implementation is still required to ensure that funds are spent accordingly.
- **Pillar three:** Good Governance triggers have been partially achieved due to Political instability, Frequent and persistent breakdown of Council meetings. Consequence management in respect of the section 106 report tabled is still underway and must be closely monitored.
- **Pillar Four:** The municipality obtained a disclaimer audit outcome, there is poor revenue collection at 35.9% and high UIFW remains.
- **Pillar Five:** There are still a number of vacant senior manager posts.

APPROACH ADOPTED BY THE DEPARTMENT IN PROVIDING SUPPORT

The MEC for KZN COGTA, **Ms. B. N. Sithole- Moloi**, has introduced a new intervention approach and mandated the Department to implement the following measures:

- a) Monthly Intervention Meetings convened and chaired by the DDG for Local Government aimed at coordinating representatives from the provincial, national and state owned enterprises, to provide progress reports on functional areas under their responsibilities in municipalities that are under municipal interventions in order to unblock challenges faced by Ministerial Representatives; and
- b) Political Intervention Steering Committee Meetings, chaired by the MEC for COGTA, with affected Mayors, Speakers and EXCOs are held. This structure oversees the provincial support to municipalities under section 139(1) to unblock political challenges. The Department strengthened the implementation of Recovery Plans through the following measures:
 - i. The Agreements of Ministerial Representatives have been reviewed to include a clause that they are required to finalise outstanding recruitment processes in municipalities in which they are deployed within 90 days, failing which their contracts will be reviewed;
 - ii. Ministerial Representatives are also submitting weekly plans, indicating activities planned for week ahead;
 - iii. Ministerial Representatives are required to implement consequence management emanating from Section 106 investigations within 3 months of the completion of the reports;
 - iv. The MEC assesses the performance of Ministerial Representatives every three months and the appointments will be terminated should there be under performance;
 - v. Ministerial Representatives must investigate 50% of the accumulated 2020/2021 UIFW and 50% of the current financial years;
 - vi. The Performance Agreements of Ministerial Representatives were also reviewed to provide for termination of the services should the Ministerial Representative seek employment at municipalities in which they are deployed.



CHALLENGES

- The absence of a legal framework to regulate s139 constitutional interventions (although there is a draft Bill that is currently under consideration);
- The underlying cause in most municipalities under intervention is political instability and infighting, especially in hung Councils;
- The absence of enforcement measures of s106 investigation reports in the legal framework leads to the slow implementation of recommendations;
- The absence of a framework to regulate the appointment/choice of Ministerial Representatives/Administrators needs to be addressed;
- In most cases section 139 interventions are a result of poor oversight by Councils and relevant Portfolio Committees. In this regard, the identification of members to critical Committees, e.g. the Finance and Infrastructure Committees and MPAC needs to be strengthened; and
- Legal challenges often result in exorbitant costs and delayed implementation of support.

RECOMMENDATIONS

- COGTA has now strengthened the identification of early warnings in municipalities in order to enhance support prior to formal interventions. This has assisted in limiting the need for new interventions.
- The legal framework needs to be strengthened to provide a standard framework for regulating the implementation of s139 Interventions.
- There is no doubt that the seven municipalities under constitutional intervention still require intensive support in order to improve their performance and stability prior to the termination of the interventions.
- Negative Opinions from the Audit General are cases in point in more than five of the intervention municipalities.
- Three intervention municipalities (Mpofana, uThukela and uMzinyathi) are operating with unfunded budgets due to inherent and stubborn challenges.
- It should be noted that processes are underway to recommend that Mpofana, uThukela and uMzinyathi be placed under Section 139(5) of the Constitution in order to assist these municipalities in addressing financial challenges.

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