Address by (MP) Cde Bheki Hadebe on the Budget Vote Debate of the Department of Cooperative Governance and Traditional Affairs (COGTA)

22 July 2020

Hon Chairperson, as the ANC we are not aloof or in denial about the current challenges facing many of our Local Municipalities.

Equally, we are not only going to *focus on problems, like what the opposition parties are good at, you see, when you only focus on problems, you'll have more problems.*

*However, when you focus on possibilities, you'll have more opportunities.*

*As a governing party, we choose the latter, seeing that the former is opposition’s daily bread.*

Hon. Chairperson, Local government is the sphere of government closest to the people, where basic services are delivered by local municipalities.

As such, the expectations from communities of getting quality service delivery is very high. However, these expectations are often met with challenges.

It is therefore, important to note that in terms of act 108, of 96 section 151 (2) that the executive and legislative authority of municipality is vested in its Municipal Council. So, while Cogta Nationally endeavours to do everything possible and within the confines of the law, to assist struggling Local Municipalities, it is important to bear in mind that, the executive and legislative authority of municipality is vested in its Municipal Council.

So, Hon Hoosen, if you understand the above, you will probably appreciate why Hon. Minister Nkosazana Dlanimi Zuma, will do whatever it takes to save lives in our country, your entire speech was focused on Zool and alcohol, which clearly exposes your narrow white capital interest. We refuse to allow our country to be seen as a country of drunkards and edicts, while you are still bitter with court outcomes on cigarettes and alcohol, as ANC we have a responsibility to govern the country and save lives.

**LATEST AUDIT OUTCOMES**

Indeed, the 2018/19 Local Government audit outcomes, leaves much to be desired, hence the report of the Auditor General was *titled “Not much to go around, yet not the right hands at the till.”* Only 20 out of 257 municipalities achieve clean audits, 33 were disclaimed with findings, and 28 audits are still outstanding.

The role of COGTA and provincial counterparts is to provide support to municipalities to implement and maintain effective systems in governance, financial management, performance management, infrastructure, service delivery and compliance with local government legislations and related prescripts.

MFMA section 131(1) requires the municipalities to develop post audit action plans to address issues raised by AGSA and the other legislative background of addressing issues raised by AGSA are contained in sections 134 of the Municipal Finance Management Act (MFMA) as well Sections 47 and 48 of the Municipal Systems Act.

Hon. Chairperson, to strengthen the support of LG , the department of Cogta has signed the MOU with National Treasury to ensure collaboration and coordinated approach in assisting municipalities with governance, service delivery and financial management.

Municipalities are supported and monitored in recruitment processes, selection of qualified and competent senior managers to ensure institutional stability at administration level.

The current Municipal Systems Amendment Bill (MSAB) that is before parliament for finalization, is a key factor which will see the professionalisation of Local Government.

Further, it will assist municipalities with the implementation of the skills audit system.

Hon. Chairperson, the professionalisation of Local Government remains our priority as the ANC, hence in our 54th National Conference, in Nasrec, where I was a delegate by the way, we adopted a strategy and tactics document, which states and I quote “Special focus should be paid to the quality of cadres at political and administrative levels, from the perspective of their orientation, academic qualifications and ethical attributes. The state should be able to attract the best and the brightest in society, as part of their career-paths. Professionalism in the bureaucracy and stability especially in the management echelons are critical. Systems of recruitment and delegation of responsibilities should limit undue interference in the professional functioning of public servants.” Close quote

“We must practice revolutionary democracy in every aspect of our Party life. Every responsible member must have the courage of his responsibilities, exacting from others a proper respect for his work and properly respecting the work of others. Hide nothing from the masses of our people. Tell no lies. Expose lies whenever they are told. Mask no difficulties, mistakes, failures. Claim no easy victories . .” - Amilcar Cabral

Hon. Mkhaliphi, while you come here and blame ANC for the failures of Local Government, Ward 10 in Polokwane in Letsokoane village, where the ward cllr is EFF member.

An old lady in that ward fell in a toilet on the 30 April 2020, because of the poor condition of the toilets in the area, what did the EFF cllr do , instead of giving toilet to the elders, the most needy and vulnerable, EFF cllr decided to give toilet EFF members, ignoring the old lady.

But thanks to our PC Chairperson, Ms Mothambi and SALGA President, the Mayor of Polokwane, Ms Thembi Nkadimeng, they visited th old lady and they are currently building appropriate toilet structure for koko Semenya.

EFF tell no Lies, Claim No Easy Victory, thina we will expose you for who you really are!

The DA and Honourable Brink, should wait for the policy development process to be concluded before expressing a view, than this delusional epic discovery of version 5 of draft discussion document with no status. Why should the whole country be drawn to discussing version 5 draft discussion document, why should the President respond to a draft discussion document that is still at a conceptualisation stage. When there is clear universal practices and processes for policy development that has been followed by government across the world.

The District Development Model is what communities need from a caring government that has plans for addressing poverty, unemployment, inequality and gender based violence and femicide.

**Payment of Services**

The ANC is committed in mobilizing communities around the “culture” of paying for services rendered as well as the Eskom debt owed by municipalities and individual users. Over the past few years, municipal debt on Eskom, Water Boards and Water Trading Entities has been increasing at an alarming rate. The ANC calls on all stakeholders to double their efforts in enhancing the culture of payment for services rendered. The “culture’’ of non-payment by consumers to municipalities affects and results to the inability of municipalities to service their creditors. Eskom is one of the biggest utilities that South Africans must strive to save for the betterment of our economy.

Having alluded to the above, there is escalation of Organs of State debt owed to municipalities and this also have negative impact in revenue collection.

The adherence to the Municipal Standard Chart of Account (mascot) Regulations which require that municipalities upload their budget and financial information in a data string format to the Local Government portal across the six mascot regulated segments, is crucial. This will enable provincial and national government to exercise oversight over municipalities, and identify possible problems in implementing municipal budgets and conditional grants.

**WHY R20 BILLION AS ANNOUNCED, ENDED UP BEING R11 BILLION**

Not all the R20 billion will be “new” money. The reprioritisation is within existing grants. The grant instruments are under discussion to fund priorities announced by the President. Negative impact on the revenue of municipalities comes at a time when the demands on them are increasing addition through local government equitable share, but monitoring and accountability remains a concern. Water and sanitation infrastructure including informal settlements are linked with USDG/MIG/RBIG/WSIG. Sanitisation for public transport will make provision of extra hand washing facilities, hand sanitizer and physical distance marking through PTNG or USDG. Discussions are underway for the homeless with a mandate of the different spheres are ongoing.

**CONCLUSION**

Generally, the deteriorating internal control environment and poor audit outcomes can be attributed to non-compliance with laws and regulations and poor governance.

**RECOMMENDATION**

To address the breakdown of internal controls and adopt proactive approach the municipal leadership is expected but not limited to:

* Ensure leadership stability at both administration and political level
* Municipal leadership should support intervention teams in municipalities placed under administration (section 139 intervention).
* Governance structures should exercise oversight responsibility on performance management system to promote culture of accountability and the extent to which issues raised by AGSA are addressed
* the urgent implementation of the Auditor General expanded mandate (the amended Public Audit ).

Which includes:

* Referral of Material irregularities
* Take binding remedial action
* Issue a certificate of debt

Hon. Chairperson, let me take this opportunity to congratulate the ANC Central Karoo, in the Western Cape, for sweeping DA out of Prince Albert Municipality, We want to congratulate them and assure them that we have full confidence in their ability to deliver services to the people of Prince Albert.

ANC Lives,

ANC Leads,

SINCE 1912

Aluta Continua

Amandla!!