**MEDIA STATEMENT**

**COMMITTEE ON COGTA CONTINUES ENGAGEMENT WITH AMATHOLE DISTRICT MUNICIPALITY ON FINANCIAL CHALLENGES**

**Parliament, Wednesday, 14 April 2021 –** The Portfolio Committee on Cooperative Governance and Traditional Affairs (Cogta) had a follow-up engagement with the Amathole District Municipality, its local municipalities and the Eastern Cape Provincial Department of Cooperative Governance and Traditional Affairs on, among other things, the financial challenges that riddle Amathole District Municipality.

In a previous engagement, the Amathole District Municipality’s municipal manager claimed, among other things, that the Provincial Department of Cogta is not providing support to the district municipality. In addition, the municipal manager alleged that the MEC had illegally invoked a Section 106 investigation onto the district municipality. In yesterday’s meeting, the Speaker of the Amathole District Municipality told the committee that the MEC ignores the council and deals directly with the administration.

The MEC, Mr Xolile Nqatha, dismissed the claim that his department does not provide support to the district municipality. He said he had submitted a portfolio of evidence to the committee indicating the support provided since 2016. He said it is up to the committee to scrutinise the evidence and make a determination.

Amathole District Municipality’s Executive Mayor, Mr Khanyile Maneli, told the committee that the municipality is able to pay salaries to councillors and staff until April 2021. There is uncertainty about payments after that date, due to the municipality’s budget challenges.

The committee has told the district municipality to deal with the fundamental problems contributing to the financial crisis. These problems include the implementation of the incorrect grading of the municipality and a bloated staff complement. The committee said the claim that these problems were created by the previous council and municipal managers are meaningless, as the current leadership should have acted as soon as it assumed leadership of the municipality.

The Chairperson of the committee, Ms Faith Muthambi, told the municipality’s leadership to reverse those decisions. “You were supposed to have reviewed what you realised was illegal. You see that those decisions render you unable to meet the mandate of the municipality to deliver services to the people,” added Ms Muthambi.

The Deputy Minister of Cooperative Governance and Traditional Affairs, Mr Obed Bapela, told the committee of a serious rift between the municipality and the province. However, they will intervene to restore trust between the two structures, as the Constitution calls for harmonious intergovernmental relations between the three spheres of government.

On the invocation of section 139 (5) (a) by the MEC to Amathole District Municipality, Ms Muthambi said the committee must be updated by the MEC regularly on progress on the implementation of section 139 (5) (a) in the district. She also said that as soon as the Auditor-General briefs Parliament about the 2019/20 audit outcomes, a meeting between the committee and the National Department of Cogta must take place on the audit outcomes.

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

For media enquiries or interviews with the Chairperson, please contact the committee’s Media Officer:
**Name: Sureshinee Govender**
Parliamentary Communication Services
Tel: 021 403 2239
Cell: 081 704 1109
E-mail: sugovender@parliament.gov.za