



PARLIAMENT
OF THE REPUBLIC OF SOUTH AFRICA

NATIONAL COUNCIL OF PROVINCES
MEMBER OF PARLIAMENT

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30th June 2020

Hon. N. Dlamini-Zuma
Minister of Co-operative Governance and Traditional Affairs
87 Hamilton Street
Arcadia
Pretoria
South Africa
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Dear Hon. Minister,

POOR AUDIT OUTCOMES OF NORTH-WEST MUNICIPALITIES

I refer to the Municipal Finance Management Act (MFMA) audit outcomes report presented to the National Council of Provinces (NCOP) last week by the Auditor-General (AG) for the 2018/19 financial year. The AG revealed that the unresolved irregular expenditure of North-West municipalities stands at R17.8 billion.

Out of all the provinces, North-West municipalities spent the most on consultants responsible for compiling financial statements, but even at a cost of R179.58 million, not a single municipality obtained a clean audit.

This amount excludes the salaries paid to Chief Financial Officers, Municipal Managers and support staff responsible for such duties, yet lack the capacity to do so.

The fact that neither financial staff nor consultants can produce balanced financial statements, is not due to a stroke of ill luck, but largely due to poor record keeping and the failure to do monthly reconciliations.

Our engagements with the North West Department of Cooperative Governance, Human Settlements and Traditional Affairs (COGHSTA) to raise these concerns, have yielded no positive results.

In light of the fact that the North-West Department of COGHSTA is under the curatorship of your Department in terms of Section 100(1)(b) of the Constitution, we request you to urgently present a turn-around strategy that will decisively deal with the financial woes of municipalities in this province.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'C Visser', with a large, stylized initial 'C' and a long, sweeping underline.

Hon. C Visser MP
DA Member in the NCOP
North-West Permanent Delegate: NCOP
Constituency Head: Tswaing District