



KWAZULU-NATAL PROVINCE

COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE MEC

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Parliamentary Liaison & Protocol Support

The Secretary
KwaZulu-Natal Legislature
Private Bag X9112
3200

Dear Sir / Madam

PARLIAMENTARY QUESTION NO. 359/2023 MR LM MEYER [DA] TO ASK THE MEC FOR COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:

QUESTION 1

Can the Department of COGTA confirm if Msunduzi Local Municipality is still under administration?

DEPARTMENTAL RESPONSE:

Yes

QUESTION 2

Can COGTA confirm that Msunduzi regressed from an unqualified audit opinion with findings to a qualified opinion?

DEPARTMENTAL RESPONSE:

Yes.

QUESTION 3

Currently, does COGTA confirm that Msunduzi's financial state is unhealthy?

DEPARTMENTAL RESPONSE:

Msunduzi Municipality's financial position has improved from an unfunded budget to a funded budget. However, there is still a need for improvement as its current ratio is below the norm at 1.14 and 0.46



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cash coverage at the end of September 2023 whilst it is servicing debt for Umngeni Water and ESKOM through the payment plans.

QUESTION 4

Under the Terms of Agreement regarding the Administration of Msunduzi Local Municipality, is a sport sponsorship of R9 million over a period of three years allowed.

DEPARTMENTAL RESPONSE:

The Ministerial Representative has not yet allowed the Municipality to incur any expenditure on the sponsorship of a soccer club until the necessary processes are followed. While the Municipality is still under intervention in terms of Section 139(1)(b) of the Constitution, its Council still retains its legislative authority, which amongst others includes the approval of the Integrated Development Plan (IDP) and the Budget. Section 152 of the Constitution outlines the role and the responsibilities of municipalities, to which Msunduzi Local Municipality is bound to comply. The Ministerial Representative is appointed by the Provincial Executive Council to support the Municipality in fulfilling the afore-stated mandate.

QUESTION 5

Is it the opinion of the MEC of COGTA that such an expenditure by the municipality, whilst the Municipality is under administration is justified?

DEPARTMENTAL RESPONSE:

Although the Ministerial Representative is still processing the matter in line with his Terms of Reference, the Department reasonably believes that the timing of the Council decision on the sponsorship may have been unreasonable, not because the Municipality is under administration, but mainly due to legislative processes that the Municipality has not yet fulfilled.

QUESTION 6

Did the Administrator agree to this sponsorship agreement?

DEPARTMENTAL RESPONSE:

According to the information that is at the disposal of the Department, the Ministerial Representative is yet to ratify the Council decision on sponsorship; further, he has raised with the Municipal Manager



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and the Municipal Leadership specific concerns and conditions, which if they are not addressed; the resolution may not be implemented in its totality.

Ms. B. N. Sithole-Moloi, MPL

MEC for Cooperative Governance & Traditional Affairs

Date: 6/11/2023