

News Feature

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SALGA presents Annual Report 2018/19 to Portfolio Committee on CoGTA Committee commends SALGA for keeping “its status of Clean Audit”

The Portfolio Committee on Cooperative Governance and Traditional Affairs led by Honourable Chairperson Faith Muthambi, has commended the South African Local Government Association (SALGA) for its presentation and attaining its 7th Clean Audit at a briefing in Centurion, Wednesday 9 October 2019.

“The committee commends SALGA for keeping its status on achieving a Clean Audit. Those who interacted with SALGA during its difficult days can see that there is hope now,” Muthambi said. Muthambi said the committee must work with SALGA to improve some of the persistent challenges facing local government.

The tabling of an annual report to Parliament is a statutory requirement to promote accountability and transparency to improve trust and confidence in line with the Constitution. SALGA is listed as a Schedule 3A public entity and is therefore accountable for its revenue and expenditure in terms of the Public Finance Management Act of 1999. It is called to account to Parliament annually on its performance and expenditure as a consequence of its listing in terms of this Act.

In her opening remarks, SALGA President Thembi Nkadimeng said: “Any celebration of our achievements is indeed shared with our partners. Premised on the belief that local government is everyone’s business, SALGA will continue to collaborate widely and establish joint ventures strategically to fulfil its mandate and execute its strategy going forward.”

SALGA Chief Executive Officer Xolile George gave a detailed presentation, highlighting the journey and the achievements of local government. He told the Portfolio Committee that the attainment of a Clean Audit opinion is in line with SALGA's ultimate goal to maintain clean administration characterised by good governance and inspire local government as whole to strive towards clean administration.

SALGA's performance serves as an example to 257 member-municipalities and seeks to inspire the desired state of good corporate governance in the local government sector. Portfolio Committee Members raised questions about the billing system, governance failures in certain municipalities and encouraged SALGA to engage political parties directly to scrutinize the list of its deployees to local government to ensure that only the best and deserving leaders were elected to serve local government. The Portfolio Committee heard that the local government does not require overregulation but a differentiated approach was required to overcome complex challenges facing local government.

"There are better days for the South African municipalities and there are good reasons to believe that the current challenges facing municipalities are not insurmountable. With improved budget planning, better preparation of annual financial statements and shared accountability, accompanied by the will to enforce consequences, good and clean governance can be achieved in local government," Xolile George says.

One of the SALGA's major intervention is the Municipal Audit Support Programme (MASP, unveiled in July 2014 to promote accountability in local government. MASP is a comprehensive, multi-disciplinary, target-driven and customised programme aimed at improving municipal audit outcomes and to inspire accountability in local government. It works as a hands-on support intervention for selected municipalities and is designed to assist with financial accounting assistance, preparation of annual financial statements, among others.

Some of the key achievements and intervention driven by SALGA to inspire service delivery presented in the Annual Report 2018/19 include:

- SALGA published "The Journey to Transform Local Government" with 11 research papers from the 2nd annual Research.

- Facilitated Leadership Impact and Innovation Programme for mayors and local government managers at the Berkeley Institute for Leadership Development in the US, building data literate and Fourth Industrial Revolutionary ready local government.
- SALGA formed partnership with the Federation of Canadian Municipalities (FCM) partnered to implement “The Building Inclusive Green Municipalities (BIGM)” programme for 51 months (4.3 years). The BIGM project aims to improve the capacity of South African municipalities to support effective service delivery, inclusive local green economic growth and enhanced climate change mitigation and adaptation measures. The project is being piloted through local economic development initiatives in six Eastern Cape municipalities to promote job creation, poverty reduction and enhanced well-being, while empowering women, youth and vulnerable groups and ensuring their inclusion as decision-makers and beneficiaries.
- Many municipalities battle to implement the Spatial Planning and Land Use Management Act (SPLUMA), 16 of 2013 due mainly to a lack of administrative capacity to deal with development applications. SALGA engaged traditional leaders in Mhlontlo, Qaukeni Great Place and the Alfred Nzo District to address these implementation challenges. All Eastern Cape municipalities has since agreed to budget for recruiting planning capacity to administer development and land administration.
- SALGA concluded a multiyear (2018-2021) salary and wage agreement for the local government, secured workforce peace and stability for the next three years and assisted municipalities to achieve their medium-term budget objectives. This benefitted municipal employees and leadership in local government.
- SALGA supported and represented 465 municipalities in local government Bargaining Council disputes, conciliations, arbitrations and disciplinary hearings in response to insufficient capacity to deal with internal legal disputes and the resulting cost implications.
- SALGA conducted a research on various mechanisms (internal and external) available for the provision of waste management services. 13 municipalities in Chris Hani and O.R Tambo District Municipalities were assisted with the development of By-Laws which went for approval processes. 17 municipalities benefitted from the Benchmark project (Buffalo City; City of Cape Town; City of Johannesburg; City of Tshwane; Ekurhuleni ; eThekweni ; George; Mangaung; Mbombela; Msunduzi; Nelson Mandela; uMhlathuze; Sol Plaatje; Polokwane; Rustenburg; Ngaka Modiri Molema; O.R Tambo).
- SALGA conducted research for the review of fiscal reforms. The research's focus was on the Local Government Equitable Share (LGES) re-modelling to reflect cost of services study; the impact of legislation/cost of reforms on LG; and the policy and regulatory framework. The final report regarding the quantum of the LGES, its' remodelling to determine the adequacy thereof and potential recommendations to influence the broader fiscal architecture was developed. Key elements of this report formed part of SALGA's presentation response on the 2019 Division of Revenue Bill (DORB) to the Select and Standing Committee on Appropriations as well as the NCOP debate as well as forming part of the inputs on the DoRB and the MTBPS.

Link to the Annual Report 2018/19:

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