

DEBATE BY MEC MADALA MASUKU AT THE CLOSING OF THE NATIONAL COUNCIL OF PROVINCES LOCAL GOVERNMENT WEEK: 03 AUGUST 2012 AT THE OLD ASSEMBLY CHAMBER , PARLIAMENT

The Chairperson of the NCOP, Hon M J Mahlangu

The Deputy Chairperson of the NCOP, Hon TC Memela

The Chairpersons of the Different Committees in the NCOP

Honourable Members of the NCOP

All Ministers and Deputy Ministers

The Chairperson of SALGA, Cllr T Manyoni and the entire Executive of SALGA

Honourable Councillors present

Ladies and Gentlemen;

Let me start by appreciating this opportunity given to me today to be part of this debate. This is the culmination of a very fruitful week, in which we have deliberated on a number of issues centred on intergovernmental relations.

We have shared experiences, exchanged ideas, identified bottlenecks and have tried to chart a way forward in how we can make local government work better. Most importantly we have we have been able to find synergies in terms of how we can make sure that there is proper and stronger working co-operation amongst our three spheres of government and thereby making sure that our intergovernmental relations system.

We celebrated success that we all jointly have achieved as we reflected on our journey of the past 12 years of democratic local government. We have on the other hand identified a plethora of challenges lying ahead. There are so many that sometimes we feeling like giving in, because these challenges seem to be bigger than our potential solutions.

We have listened to people in the forefront of this battle for a better life for all, our hard working councillors on the ground during the oversight visits and in our daily work. We have listened to SALGA, we have listened ourselves in the past three

days. In our own words we said that the problems are so many in the local government sphere. People want services. Sometimes demand more than what they can afford or government, the purse of which we are custodians, can afford. There are no adequate skills, money nor requisite capacity to solve the problems we see. In some municipalities, there is even no revenue base to match challenges on the ground.

Siphakamisele amehlo wethu sibuze ukuthi usizo lwethu ingabe lizo vhelaphi. Siyibuze ukuthi akekho ungezwa imithandazo yethu. Sibone kamhlophe ukuthi ewu nalapho la sibheke khona kungathi kunezingqinamba zakhona.

We asked ourselves many questions, we tried to apportion blame and even tried harder to find the perpetrator and the creator of our woes, but the enemy we found was none but ourselves. Ourselves, because we realised that that none has the solutions to our problems, but ourselves and only ourselves.

We thought the district is better place to solve our problems, but we realised that no, the district too has its own challenges to be addressed, we thought the province, but also we identified that it also has its own inadequacies that need to be dealt with. We looked at the national fiscus and we realised that also that won't offer us any quick fix, because even there lies still many problems that require attention.

President Nelson Mandela wise advises come into play:

There is no easy walk to freedom everywhere, and many of us will have to pass through the valley of the shadow of death again and again before we reach the mountaintop of our desires" , but even when we have reached the top of the mountain we must know that "After climbing a great hill one only finds that there are many more hills to climb." For "there is no such thing as part freedom." "For to be free is not merely to cast off one's chains, but to live in a way that respect and enhance the freedom of others" He says 'Money won't create success, the freedom to make it will" and said again.

He further advised us that

“We must use time wisely and forever realize that the time is always ripe to do right”

But When we feel like fear is about to overwhelm us when we look at the more hills ahead of us , he provide wisdom to us to remember that “The brave man is not he who does not feel afraid, but he who conquers that fear.”

In the past three days we have ignited appropriate energies. We are more motivated to face our challenges in local government with more vigor. We have to keep going and maintain the momentum of the determination we have generated. President Mandela caution that “When the water starts boiling it is foolish to turn off the heat.”

With the right mind and collective commitment, this too we shall conquer.

In Mpumalanga as members should have realised during oversight visit, we are not immune from what was discussed in the past three day. I chose to sit a listen attentively as the discussions were going on up to today. I am glad I managed to discipline myself to keep my mouth shut and allow my brains to listen and learn from the interpretations and conceptualisation of our problems and possible solutions to our challenges in local government as derived from experiences drawn across the country including those of my own province. To this I would like to take this moment to thank Thembisile Hani and Steve Tswete Municipalities for having presented us well as Mpumalanga in the past two days.

As Mpumalanga, we are hard at work to try and keep good work, while trying to find solutions to some of the challenges that we were deliberating on in the workshop. A total of 11 out 21 municipalities, representing 52%, received unqualified audits. We are glad to avail 4 of the 13 municipality with clean audits in the country as platforms for sharing good practice in this year. It should be noted that this number put us second to KZN which has five, but as a percentage against total municipalities in a province, we become the leading province in the country. Two Districts Gert Sibande and Ehlanzeni and two Local Municipalities Steve Tshwete and Victor Khanye, have done us very proud. We are worried though that 10 of our municipalities did not do well, with 7 disclaimers and 3 qualified and 1 late submission.

We have deliberated extensively the AG's report, collectively as an executive council and municipalities and we came out with an action plan towards dealing with the issues raised by the AG starting from the 2009/10 in May 2011 just after election and in March 2012, just after the preliminary reports. We have set ourselves deadlines to achieve certain things.

As COGTA and Provincial Treasury we remain committed to ensuring that our municipalities meet the Operation Clean Audit 2014 target for clean audits. As part of our support we have deployed teams to obtain information on remedial actions from each municipality that received a disclaimer or qualified audit opinion. Remedial action plans have been verified.

Working with National Treasury we have identified and deployed financial experts to all the municipalities who did not receive a clean audit. A support framework was developed to ensure that municipalities get the necessary support as identified. Together with Provincial Treasury we are monitoring these municipalities.

The political principals of CoGTA and Treasury in the province myself and MEC Pinky Phosa have also embarked on a programme to visit those municipalities that have not performed well in terms of the audit outcomes. This is to enable us to assess the progress that is being made by these municipalities in implementing the plans of action they have developed in dealing with issues raised by the AG. The first visits were last week to Dipaleseng and Lekwa. I must indicate that from these visits already undertaken I am satisfied that municipalities are taking the matters raised by the Auditor General seriously. Progress has been made in terms of dealing with the some of the critical issues such as the compilation of Annual Financial Statements, the correct filing of records, internal control deficiencies, non-compliance to supply chain management and the compilation and reconciliation of their asset register. The necessary year end procedures have been put in place.

The visits will continue to the other municipalities. Our aim is to clear off the disclaimers and the non-submissions and increase a number of unqualified audits and those without matters of emphasis.

All our municipalities have MPACs. We want to thank both SAGA in the province and the provincial legislature for the capacity programmes they are providing to these committees.

The 31 of July 2012 was a deadline for all municipalities in the province to have produced their draft financial statements for consideration by their audit committees and the Executives. This is done to allow an ample space to ensure that final statements are presented with less avoidable errors. This process will continue in the coming years starting with the monitoring of planning, quarterly monitoring of the monthly closing of books. We must say we also marvelled the Fetakgomo Municipality approach and will draw more from it to enhance our plan.

We recognised that there is a correlation between good performance and filling of vacant post with relevant incumbents. We had set ourselves to fill all management and critical posts with competent by December 2011. With the entire rigor we introduced in the process, including testing of competencies through an instrument designed by the DPSA, we managed to have 18 out of 21 municipalities to have municipal managers. 2 contracts have just expired and the third is in suspension as part of punitive measure on a matter of emphasis that failed one municipality to get a clean audit.

The province managed to fill only 16 CFO's out of 21 in municipalities. The appointment of 1 of the remaining 5 was halted due to suspected misrepresentation detected during the selection process. The four were advertised, due to absence of candidates that were competent enough for the post of CFO. The worst challenge we have is with regard to finding people in vacancies that require professional qualifications, especially within the infrastructure delivery sections. We have in this regard 12 filled posts of the 21 vacant management positions in technical services. It is the same experience we have even at a provincial level.

This workshop has enabled us to really identify the challenges that we are faced with in our local sphere of government. I am much wiser and knowledgeable from the time that I have spent with you here. I thank you all for sharing with me your knowledge.

Planning and budgeting is also very critical towards realising better performance and clean audit. The Province is hard at work to ensure that all municipalities have Credible IDPs, of which their budgets must speak to. Through joint MuniMECs of COGTA and Treasury, the PCF and Provincial Executive Council Lekgotla, where all municipal Mayors and Municipal Managers are in attendance, we are trying to find a creative way of enhancing the quality of this work. The Executive Council has proposed a provincial planning and budgeting cycle that integrate both the local planning budgeting process and that of the province in a manner complimentary to each other. We are hoping to start this cycle in the current planning cycle.

We also agree with the notion that our categorisation of our municipalities must be reviewed in accordance with the nature and level of development they are, taking into account that the wall to wall municipalities is a new concept replacing an incompatible system in apartheid society.

As part of dealing with the issues that have been raised by the NCOP during its oversight visit, as well as developing interventions that will address the challenges faced by our municipalities, the Department has conducted an assessment of all the municipalities in the province. The aim of the assessment was for us to get a better understanding of our municipalities and the different problems that they face. After the assessment we have categorized our municipalities into the following:

Category1- Bigger towns, boasting just adequate infrastructure and established culture of payment for services and can be able to operate on their own with minimum support.

Category 2- those with high population, formerly homelands with no adequate infrastructure. These municipalities are mainly located in areas of high poverty concentration (socio-economic vulnerability) with significant services backlogs (institutional vulnerability);

Category 3A- small towns with a potential and lastly;

Category 3B- small towns but with systematic challenges that require on-going support.

We welcome the efforts of the Minister to add a shoulder in the wheel. Through MISA we managed get 9 municipalities Under the Category 2 and Category 3 (b) to participate and benefit from this national support initiative. These municipalities are Bushbuckridge, Nkomazi, Thaba Chweu, Mkhondo, Dr Pixely Ka Isaka Seme, Dipaleseng, Chief Albert Luthuli, Thembisile Hani and Dr JS Moroka.

All these municipalities were faced with teething challenges of service delivery and institutional capacity to meet community demands and expectations. The challenges range from service priority issues to be attended with immediate effect such as inadequate supply and quality of water, upgrading of water treatment works with sufficient skilled operators, development of services master plans, improvement of services asset infrastructure management, ensuring that reliable and enforceable bylaws are in place, dealing decisively with illegal connections including Izinyoka , water leakages as well as taking steps on cost recovery on infrastructure investment and services rendered. Improvement of institutional capabilities through the dedicated assignment of technical experts and capacity development of municipal officials and councillors on strategic policy and managerial "know-how" is tops on the agenda.

We are equally worried that while most of our municipalities face a lot of infrastructure challenges on top of which is water, we have experience a drop in our MIG expenditure from an average 100% prior 2009 to an average of 73% 2011/12. This is an area of focus we will be concentrating on in order to ensure that provision of services through infrastructure is accelerated.

We want also to thank the Select Committee for Co-operative Governance and Traditional Affairs led by the Chairperson the Hon MH Mokgobi visited our province in April this year. During their visits together with the provincial legislature and government the members of the NCOP were able to gain an insight to some of the critical challenges that affect some of our municipalities, as well as some of the interventions that we are putting in place to address these.

The honourable members were also able to give us advise on how other municipalities have tackled similar challenges in other parts of the country as well as other possible solutions. All these are well captured in the NCOP Provincial Report of 16-20 April 2012. Let me assure the house that these are all well received and are taken very seriously. We have already developed plans of actions to address some the concerns that you have raised.

We are aware that there is a lot of work ahead but we are confident that as CoGTA we are beginning to get everybody to sing in tune with us, and as the choir conductor we will make sure that the song is sung very well and everybody plays their part.

I want to assure this house that we will be with our councillors in the trenches, we will not abandon you and together we will make sure that we bring a better life to our people

I thank you.