Tuesday, 5 May 2026]

No 76—2026] THIRD SESSION, SEVENTH PARLIAMENT

PARLIAMENT

OF THE

REPUBLIC OF SOUTH AFRICA

ANNOUNCEMENTS, TABLINGS AND COMMITTEE REPORTS

TUESDAY, 5 MAY 2026

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ANNOUNCEMENTS

National Assembly and National Council of Provinces

The Speaker and the Chairperson

1. Classification of Bills by Joint Tagging Mechanism (JTM)

(1) The JTM in terms of Joint Rule 202(6) classified the following Bill as a section 75 Bill:

(a) **Special Pensions Amendment Bill** [B8–2026] (National Assembly – sec 75).

National Assembly

The Speaker

1. Referral to Committees of papers tabled

(1) The following papers are referred to the **Portfolio Committee on Land Reform and Rural Development** for consideration and report:

(a) Annual Performance Plan of the Ingonyama Trust Board for 2026/27.

(b) Addendum to the Strategic Plan for 2025 – 2030 of the Ingonyama Trust Board.

(2) The following paper is referred to the **Standing Committee on Finance** for consideration and report:

(a) Corporate Plan of the Land Bank for 2027 - 2029.

(3) The following paper is referred to the **Portfolio Committee on Public Service and Administration** for consideration and report:

(a) Report of the Public Service Commission on Good Practice Guide on Executive Recruitment in the Public Sector and the Use of Technical Experts – Version 1: March 2026.

TABLINGS

National Assembly and National Council of Provinces

1. The Speaker and the Chairperson

(a) Fourth Quarterly Performance Report of Parliament for 2025/26, tabled in terms of section 54(1) of the Financial Management of Parliament and Provincial Legislatures Act, 2009 (Act No. 10 of 2009).

2. The Minister of Transport

(a) Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

(b) Explanatory Memorandum on the Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Saudi Arabia on Bilateral Air Services.

(c) Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Eswatini on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

(d) Explanatory Memorandum on the Agreement between the Government of the Republic of South Africa and the Government of the Kingdom of Eswatini on Bilateral Air Services.

(e) Agreement between the Government of the Republic of South Africa and the Co-operative Republic of Guyana on Bilateral Air Services, tabled in terms of section 231(3) of the Constitution of the Republic of South Africa, 1996.

(f) Explanatory Memorandum on the Agreement between the Government of the Republic of South Africa and the Co-operative Republic of Guyana on Bilateral Air Services.

3. The Minister of Justice and Constitutional Development

(a) Proclamation Notice No. R. 7372, published in *Government Gazette* No. 54519, dated 17 April 2026: Domestic Violence Regulations, 2022: Amendment, in terms of the Domestic Violence Act, 1998 (Act No.116 of 1998).

COMMITTEE REPORTS

National Assembly

1. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON THE COLLOQUIUM ON PROVISION OF FREE MENSTRUAL HYGIENE PRODUCTS FOR GIRLS AND WOMEN, DATED 30 APRIL 2026

The Portfolio Committee on Higher Education, having convened a Colloquium on the provision of free menstrual hygiene products to girls and women held on 1 April 2026, reports as follows:

1. Introduction and background

On 23 August 2024, the National Assembly (NA) Speaker referred a petition from #TeamFreeSanitaryPads and I_Menstruate, calling on the Assembly to investigate the provision of free sanitary pads and menstrual health as a human right**,** to five NA Committees for consideration, while the Portfolio Committee on Women, Youth and Persons with Disabilities (PCWYPD) was directed to consider and report.

The PCWYPD convened a meeting on 29 October 2024, and the Portfolio Committees on Basic Education and Higher Education held a joint meeting on 13 November 2024 to consider the Petition. The PCWYPD considered the petition and heard presentations from both Ms Ndwandwe and the Department of Women, Youth and Persons with Disabilities (DWYPD), while the Basic Education and Higher Education Committees heard presentations from the petitioners, Ms Ndwandwe representing Team Free Sanitary Pads (TSFP) and Ms Malawana of I Menstruate Movement, the Ministries and Departments of Higher Education and Training (DHET) and Basic Education (DBE).

Following the deliberations and observations, which included distribution inefficiencies, lack of collaboration with NGOs, insufficient stipends for students, non-SABS-approved products, weak monitoring and evaluation, and underfunding, the joint meeting of PCs on Basic

Education and Higher Education resolved to convene a colloquium to broaden engagements on menstrual health and the provision of sanitary dignity packs to girls and women.

2. Purpose of the Colloquium

The Colloquium is convened to give effect to the resolution of the joint meeting of the Portfolio Committees on Higher Education and Basic Education, which called for expanded engagement on menstrual health and the provision of sanitary dignity packs to girls and women. It further seeks to track progress on the implementation of resolutions adopted by the Department of Women, Youth and Persons with Disabilities (DWYPD) and the Portfolio Committees for Higher Education and Basic Education in response to the petition considered on 29 October and 13 November 2024.

Specifically, the Colloquium aimed to:

- Provide a platform for multi-stakeholder dialogue on menstrual health and dignity.
- Assess the effectiveness of existing programmes and identify gaps.
- Explore the feasibility of a Menstrual Health Equity Rights Bill.
- Examine the potential for universal access to sanitary dignity packs.
- Strengthen collaboration between government, NGOs, and communities.
- Develop policy recommendations for Parliament and relevant departments.

3. Key themes

3.1. Update on the menstrual health in Basic Education and Post-School Education and Training sectors: Policy, budget, provision, and early introduction of menstrual health education in schools

3.2. Distribution success and challenges, monitoring and evaluation, compliance with the quality and standards of the sanitary products, and collaboration with other departments, NGOs, and regulatory bodies

3.3. Civil Society and Community Interventions

4. Participants

- Members of Parliament.
- Ministry and Department of Basic Education.
- Ministry and Department of Higher Education and Training.
- Ministry and Department of Women, Youth and Persons with Disabilities
- Higher Health.
- Non-Governmental Organisations (NGOs), Non-Profit Organisations (NPOs) and advocacy groups (I-Menstruate Movement, Team Free Sanitary Pads, She PowHer)
- School learners.
- Parliamentary staff, and
- Members of the public.

5. Opening remarks by the Deputy Minister and Director-General of DHET

5.1 Deputy Minister of Higher Education and Training

Dr N Dube-Ncube: Deputy Minister (DM), emphasised in her remarks the importance of women's right to access sanitary products equitably. In terms of period poverty, she indicated that it is a stigma that is both a class and gender issue and should never be considered as a favour that women are treated just, humanely and respectfully. Understanding that period dignity includes the consideration of illnesses that women suffer from silently, illnesses like PCOS, endometriosis and fibrosis. The DM made examples of countries that prioritise menstrual health, such as Kenya, which introduced a paid menstrual leave policy; Zambia introduced one paid leave day a month for women that was nicknamed Mother's Day and globally, Spain introduced a menstrual leave policy that gives women 3 days off paid leave in case of incapacitating menstruation.

The DM highlighted that the provision of sanitary pads must not be looked at as a favour but as a duty to ensure that young women and girls are kept in schools. The denial of period dignity snowballs into a terrible and terrifying idea around the female body. Many young women live in concentrated poverty, where the choice between food and sanitary products is made obvious by the need to survive. Thus, government carries a duty to young women to not just pay lip service to gender equality and poverty eradication but remain astute in its mandate as a country to create policy that drives this country forward.

The DM outlined some of the Department's interventions aimed at ending period poverty in the PSET sector. In this regard, the Department provides personal care allowances for both males and females to support their necessities, such as toiletries and sanitary products and measures aimed at improving access to sanitary products for poor and disadvantaged students across the PSET sector, in addition to their personal living allowances.

5.2 Director-General

Dr N Sishi: Director-General made opening remarks to mainly highlight the role of Higher Health in the PSET system. In doing so, he indicated that Higher Health (HH) plays a pivotal national role in providing student health, psychosocial wellbeing, and holistic youth development across South Africa's Post-School Education and Training (PSET) sector. The entity operates across all 26 public universities, 50 public TVET colleges, and nine (9) Community Education and Training (CET) colleges, covering over 1,000 campus sites and reaching more than 2 million young South Africans annually across 52 districts in all 9 provinces.

In alignment with the Department's continued mission to empower South Africa's youth, the DG said significant strides have been made through the rollout of the Higher Health Civic and Soft skills Programme. The programme is accredited by the Quality Council for Trades and Occupations (QCTO) at National Qualifications Framework (NQF) Level 5 and accredited by Gateway Qualifications in the United Kingdom, which stands as the first of its kind on the African continent. The programme is offered at a basic literacy level with the entry requirement of NQF Level 1 and an exit outcome with NQF Level 5

The DG added that Higher Health develops 10,000 peer educators each year across every campus in Universities, TVETs and Community colleges countrywide. This peer-to-peer model creates a safe space for dialogue between peer educators and other peers and encourages reporting, thereby breaking the stigma surrounding GBV. Higher Health received funding from external sources outside of government and uses that to also provide free sanitary pads to students in the PSET sector.

6. Summary of the presentations

6.1. Session 1: Update on the menstrual health in Basic Education and Post-School Education and Training sectors: Policy, budget, provision, and early introduction of menstrual health education in schools

6.1.1. Department of Higher Education and Training and Higher Health

Ms S Mahlobogoane: Director of Social Inclusion and Equity, presented on behalf of the Department of Higher Education and Training (DHET). She noted that the Department, in collaboration with the National Student Financial Aid Scheme (NSFAS), Higher Health, and other stakeholders, has adopted a holistic approach to menstrual hygiene and sanitary dignity support within the Post-School Education and Training (PSET) system. This approach recognises that female students in universities and Technical and Vocational Education and Training TVET colleges are adults, and therefore support must protect their agency, dignity, and independence. Sanitary product provision is embedded within broader financial and wellness support mechanisms, ensuring equitable access while promoting student empowerment.

NSFAS Personal Care Allowance

It was noted that NSFAS does not provide a separate stipend for sanitary products. Instead, all eligible students, male and female, receive standardised personal care allowances. In 2025, over 106,000 university students and 15,800 TVET students benefited, with disbursements totalling more than R247 million.

TVET Colleges and Universities

- TVET Colleges: No dedicated sanitary dignity programme; occasional donations and limited emergency supplies are available.
- Universities: Allowances disbursed under NSFAS criteria, as there is no separate sanitary product programme.

Other-related Initiatives

- DWYPD Sanitary Dignity Programme: Free pads for indigent women since 2019.
- Higher Health: Distributes 150,000 dignity packs annually, runs peer education reaching 1.5 million students, and provides vending machines for hygiene products.
- Donor Support: Global Fund support provided 1.2 million packs in 2024 and 300,000 packs in 2025, but the scale of need far exceeds available resources.

Challenges

- Current support is fragmented and heavily reliant on NSFAS stipends and ad hoc donations. Funding shortfalls limit consistent access, and demand for sanitary products often exceeds supply.

6.1.2. Department of Basic Education (DBE)

Mr L Bottoman: Director of Social Cohesion, on behalf of the Department of Basic Education (DBE), presented an update on the implementation of the Menstrual Health Management (MHM) and Sanitary Dignity Programme (SDP). The briefing highlighted the Department's ongoing commitment to ensuring equitable access to menstrual products and education, particularly for learners in Quintile 1–3 schools, as well as those in farm schools and schools for learners with special educational needs (LSEN).

The DBE reaffirmed its support for the Sanitary Dignity Framework, noting that while Treasury grants have enabled the provision of sanitary towels, funding remains insufficient to achieve full coverage. To address this, the DBE has developed Menstrual Health Management Guidelines, embedded menstrual health into the curriculum, and strengthened teacher training through Comprehensive Sexuality Education (CSE). These measures aim to provide age-appropriate, rights-based education that empowers learners to make informed decisions, reduce health risks, and access psychosocial and health services.

The rollout of the programme is shared between Provincial Departments of Social Development (Western Cape, Mpumalanga, Eastern Cape, Gauteng) and Provincial Education Departments (North West, Northern Cape, Limpopo, Free State, KwaZulu-Natal). Roles are clearly defined: Treasury provides funding and oversight, DWYPD develops frameworks and

guidelines, provincial departments manage supply chains and distribution, while DBE oversees curriculum integration, monitoring, and Water, Sanitation and Hygiene (WASH) infrastructure.

The 2025 Education Indaba set a long-term goal of achieving universal access to menstrual products and facilities by 2035. Departments agreed to continue coordinated engagements, though resource constraints were noted. Public-private partnerships were emphasised as critical to expanding access, with Lil-Lets entering into a formal agreement, while other brands are being pursued. Monitoring and evaluation frameworks are being strengthened through collaboration with DWYPD and interprovincial meetings.

New developments include enhanced social mobilisation and advocacy campaigns, public education initiatives with civil society organisations, podcast dialogues, and the exploration of integrated data systems (NISPIS). School-based partnerships, particularly with Lil-Lets, are also being piloted.

Looking ahead, the DBE stressed the importance of expanding free sanitary product provision, improving disposal systems and WASH infrastructure, and maintaining CSE delivery as a cornerstone of menstrual health education. The Department underscored that product choice and diversity are essential to uphold the principle of body autonomy for young women and girls.

6.2. Session 2: Distribution success and challenges, monitoring and evaluation, compliance with the quality and standards of the products, and collaboration with other departments, NGOs, and regulatory bodies

6.2.1. Department of Women, Youth and People with Disabilities (DWYPD): Updated report on the provision of Menstrual Hygiene products to learners and women in South Africa.

Mr S Matshoba: Chief Director of Resource Management, presented on behalf of the DPWYPD. He indicated that the Sanitary Dignity Implementation Framework (SDIF), developed in 2017 and implemented from 2019/20, is South Africa's national policy to advance menstrual health and dignity. Its purpose is to ensure that indigent girls and women, particularly learners in quintile 1–3 schools, special schools, and farm schools, can participate fully in education and society without interruption caused by menstruation. The framework is grounded

in human rights and equality, and adopts a multi-sectoral approach that integrates health, education, gender equality, and social development.

At its core, the SDIF provides free sanitary products, establishes national norms and standards, and promotes awareness campaigns to reduce stigma. Provincial Departments of Education and Social Development lead implementation, while other departments such as Health, Correctional Services, and NSFAS contribute through targeted interventions. These efforts align with national priorities on poverty reduction and cost-of-living relief.

A critical pillar of the framework is school infrastructure and facilities. In partnership with the Department of Basic Education, DWYPD inspects and improves water, sanitation and hygiene (WASH) facilities to ensure girl-friendly environments. This includes lockable toilets, access to water and soap, and waste disposal systems. Training through school WASH Committees and community engagement fosters co-ownership and reduces vandalism, embedding menstrual dignity into everyday school life.

Education and awareness are equally important. Menstrual health is integrated into age-appropriate sexuality education for both boys and girls, while partnerships with the United Nations Population Fund (UNFPA), United Children's Fund (UNICEF), WaterAid, and others support campaigns to challenge stigma and misconceptions. Teachers, parents, and communities are engaged to normalise menstrual health management and strengthen support systems.

The framework also emphasises sustainability and environmental considerations. While fully biodegradable disposable pads are not yet available, DWYPD encourages the procurement of eco-friendly alternatives and explores waste management systems. This creates opportunities for local entrepreneurs to participate in safe disposal and environmental health initiatives, linking menstrual dignity to broader economic and environmental goals.

It was noted that strong monitoring and evaluation mechanisms underpin the programme. The Sanitary Dignity National Task Team (SDNTT) and Provincial Committees track progress, collect data on distribution and attendance, and engage stakeholders for continuous improvement. National Treasury is closely involved to ensure accountability in funding

allocations, while DWYPD provides oversight and corrective interventions where anomalies arise.

Multi-stakeholder collaboration has been central to success. Partnerships with NGOs, private sector actors, and civil society, such as the South African Coalition on Menstrual Health Management, mobilise resources and strengthen implementation. This collaborative model ensures that menstrual health is not treated in isolation but as part of a broader social justice agenda.

The framework places strong emphasis on standardisation to ensure uniformity, fairness, and accountability across provinces. Successes include alignment with guidelines and monitoring and evaluation frameworks, the quarterly distribution of South African Bureau of Standards (SABS)-compliant pads, and inclusion of women, youth, and disability-owned enterprises in procurement. However, challenges remain, such as uneven provincial spending, pricing disparities, inconsistent prioritisation of age cohorts, limited inclusion of entrepreneurs with disabilities, and gaps in reporting on WASH backlogs and links to sexual and reproductive health rights.

Recommendations highlight the need to heighten standardisation, strengthen monitoring and evaluation, set clearer targets, and ensure efficient, dignified distribution. Linking menstrual health with sexual and reproductive health rights and WASH, involving NGOs more deeply, and planning procurement processes on time are also critical. Above all, provinces must fully utilise earmarked funding to maximise impact.

6.3. Civil Society and Community Interventions

6.3.1. Ms N Ndwandwe: The Founder of #TeamFreeSanitaryPads

Team Free Sanitary Pads' presentation was led by its Founder, Ms Ndwandwe. Ms Ndwandwe’s presentation focused on the Strategic Mandate for Menstrual Health Rights, Legislative Reforms and Eradicating Period Poverty in South Africa. She outlined period poverty in South Africa and specifically mentioned that 83% of girl learners in South Africa lack regular access to menstrual hygiene products at school and home, and one in four learners miss school due to lack of access to sanitary products.

In response to ending period poverty, Ms Ndwandwe mentioned that her organisation mobilises a collective voice for safety and amplifies the call for transparency and reform. In collaboration with other activists, TFSP advocates for immediate policy reform and mandatory safety standards for menstrual hygiene products. The collective is proposing enforceable legislation through the Menstrual Health Rights Bill. The Bill advocates for the free provision of sanitary products at educational and public institutions; strict regulation of all menstrual products sold or distributed to prevent illnesses; complete removal of import duties on all menstrual products; and menstrual health rights leave for workers and scholars suffering from menstrual-related illnesses.

Ms Ndwandwe gave examples of countries with key legislation on menstrual health, such as Scotland, which provides free sanitary products for all; Kenya provides free sanitary products at schools and Spain, which introduced menstrual leave.

6.3.2. Ms Malawana, Social Justice, Founder & Executive Director: Achieving Menstrual Health Equity in South Africa

The I_Menstruate Movement, led by activist Tracey Malawana, has placed menstrual health equity firmly on South Africa's national agenda. Ms Malawa's presentation outlined both the urgency of the issue and a structured roadmap to eradicate period poverty by 2028.

She noted that period poverty continues to undermine education, health, and dignity for millions of girls and women. Ms Malawana reiterated that statistics revealed that nearly one-third of learners miss school due to a lack of menstrual products, while 83% of girl learners report irregular access to pads or tampons. The absence of adequate sanitation facilities and menstrual education compounds the problem, leaving many young people stressed, embarrassed, and isolated at menarche.

In response, the I_Menstruate Movement has drafted the Menstrual Health Equity Bill, a landmark proposal that frames menstrual health as a fundamental human right. The Bill seeks to guarantee free access to safe menstrual products in schools, healthcare facilities, shelters, workplaces, and public spaces. It also calls for comprehensive menstrual health education, investment in reproductive and mental health services, improved water and sanitation infrastructure, sustainable waste management, and workplace support such as menstrual leave.

Oversight mechanisms and coordinated government action are central to ensuring accountability and measurable impact.

Financial costing studies demonstrate the scale of investment required. Providing pads to learners in quintile 1–3 schools would cost over R1 billion annually, while universal provision to all girls and women could reach R5.9 billion. However, alternatives such as menstrual cups could reduce costs by up to 90% over five years, offering a sustainable solution alongside pads.

The roadmap to equity is phased and deliberate. Between 2024 and 2026, parliamentary committees, summits, and public hearings laid the groundwork. By April 2027, Phase 1 will deliver free products to the poorest schools, roll out mass education, and strengthen health services. Phase 2, beginning in late 2027, expands access to all public schools and higher institutions, while introducing workplace support. Phase 3, to be launched in 2028, ensures universal access through public distribution points, culminating in South Africa's first full implementation report by December 2028.

This movement insists that menstrual health equity is long overdue. It demands the removal of VAT on menstrual products, standardised procurement, and ring-fenced budgets to ensure sustainability. Above all, it recognises the agency of girls, women, and all who menstruate, affirming that dignity, equality, and health cannot wait any longer.

The narrative is clear: menstrual health equity is not charity, but justice. It is a matter of rights, and the I_Menstruate Movement is determined to see those rights realised across South Africa.

7. Observations

The committees, having convened a Colloquium on the provision of free menstrual hygiene products for girls and women in South Africa, make the following observations:

7.1. Progress made by Team Free Sanitary Pads and I_Menstruate Movement in implementing the resolutions of the Joint Meeting of November 2024 of the Portfolio Committee on Higher Education and Training and Basic Education was commended.

7.2. The proposed legislation put forward by the NPOs advocating for the free provision of menstrual hygiene products to girls and women in South Africa, along with its cost implications, was welcomed and celebrated as a groundbreaking initiative. This

legislation will enable the free provision of sanitary pads for girls and women, like the national condom supply project.

7.3. The progress made by the NPOs in collecting updated data on the number of girls affected by period poverty was noted. This study will assist the DBE and DWYPD in improving the distribution of free sanitary pads, especially at schools, so that girl learners do not miss classes during their menstrual period.

7.4. Period poverty remains a harsh reality for many girls and women in South Africa due to a lack of access to basic menstrual hygiene products. Consequently, many girls and women are forced to choose between their education, work, and dignity.

7.5. There is prima facie evidence that women are significantly socially and economically disadvantaged because of the natural, monthly process of menstruation. Thus, government must support girls and women so that they are not interrupted by period poverty and forced to experience menstrual stigma at schools and PSET institutions.

7.6. It is deeply concerning that some of the schools serving learners from poor family backgrounds do not receive free menstrual hygiene products. Inefficiencies in the sanitary dignity implementation framework (SDIF) programme severely impact female learners from indigent families.

7.7. It is deeply concerning that a portion of the funding allocated for the SDIF is paying service providers responsible for distributing menstrual hygiene products.

7.8. The menstrual stigma amongst boy learners remains a serious concern, especially in the schooling environment, which undermines inclusivity and gender-sensitive learning environments.

7.9. The lack of effective coordination of the Higher Health services in the PSET system remains a serious concern. The university sector lost many students due to mental health-related issues that could be addressed with timely and appropriate support.

8. Recommendations

The committees, having convened a Colloquium on the provision of free menstrual hygiene products for girls and women in South Africa, recommend the following:

8.1. Funding and support:

8.1.1. National Treasury should ring-fence funds for the sanitary dignity framework (SDF) programme.

8.1.2. The Health and Welfare Sector Education and Training Authority (HWSETA) should collaborate with Higher Health in the provision of menstrual health products and related support in the post-school education and training sector.

8.2. Proposed legislation

8.2.1. The NPOs should approach the Minister of Women, Youth and Persons with Disabilities and the Speaker of the National Assembly (NA) regarding the introduction of the Menstrual Equity Bill in Parliament.

8.3. Access and distribution

8.3.1. The DBE and the DWYPD should ensure equitable distribution of menstrual hygiene products so that no girl is forced to choose between her education and dignity.

8.3.2. The DBE should develop a comprehensive list of schools receiving free menstrual hygiene products, including registers of learners who benefit.

8.3.3. Access to sanitary products and menstrual health educational programmes should be inclusive, sensitive and culturally responsive to meet the needs of diverse groups, including transgender and nonbinary menstruators.

8.3.4. The NPOs should expand their provincial footprint across the nine provinces, especially in geographically remote areas.

8.3.5. DBE and DWYPD should conduct regular monitoring of product distribution across the nine provinces.

8.3.6. The rollout of free sanitary pads needs to be safeguarded against abuse and exploitation, as seen in past incidents involving the illegal movement of South African goods across borders.

8.3.7. Higher Health should design a dedicated wellness application (APP) for students at PSET institutions, enabling easier access to mental wellness interventions.

8.4. Eradication of stigma

8.4.1. Education for boys on menstrual health must be prioritised to eradicate menstrual stigma. The DBE should encourage parents to take responsibility for educating boys about menstrual stigma.

8.5. Health and wellness during menstruation

8.5.1. Higher Health should improve its wellness and mental health support programmes for students in the PSET system.

8.5.2. The provision of free menstrual hygiene products should be accompanied by pain medication to support girls and women experiencing period-related pain.

Report to be considered

2. REPORT OF THE PORTFOLIO ON HIGHER EDUCATION ON ITS OVERSIGHT VISIT TO POST-SCHOOL EDUCATION AND TRAINING INSTITUTIONS IN LIMPOPO AND THE EASTERN CAPE PROVINCES, DATED 30 APRIL 2026

The Portfolio Committee on Higher Education ("the Committee") undertook oversight visits to post-school education and training (PSET) institutions in Limpopo and the Eastern Cape on 26-30 January and 2-6 February 2026, and reports as follows:

1. DELEGATION LIST

1.1. Members of the Portfolio Committee on Higher Education

- Mr WT Letsie: Chairperson of the Committee (ANC)
- Mr GD Kgabo (ANC)
- Ms Y Govana (ANC)
- Ms K Khakhau (DA)
- Dr D Christians (DA)
- Mr M Msezane (MKP)
- Mr S Zondo (IFP)
- Mr S Lonzi (EFF)

1.2. Members of the Limpopo Provincial Legislature – Portfolio Committee on Education

- Ms NC Rakgoale, Chairperson
- Mr VW Maringa

1.3. Parliamentary Support Staff

- Mr A Kabingesi (Secretary)
- Ms M Modiba (Content Advisor)
- Dr A Arendse (Researcher)
- Mr T Bottoman (Committee Assistant)
- Mr J Majozi (Parliament Communications Officer)
- Mr P Jikelo (Photographer)
- Mr O Kgope (Broadcasting)
- Mr S Khumalo (Broadcasting)
- Mr A Tukwayo (Broadcasting)

- Ms S Tshomela (Broadcasting
- Mr M Gwadela (Protection Services)
- Ms C Pretorius (Protection Services)
- Mr L Hlatswayo (Protection Services)
- Mr Z Mahlanganiso (Protection Services)

1.1. The Committee was accompanied by delegations from the Ministry of Higher Education and Training (Offices of Minister Manamela and Deputy Minister Ncube-Dube), the Department of Higher Education and Training (Office of the Director-General, Corporate Services, Planning, Policy and Strategy, University Education, Technical and Vocational Education and Training and Community Education and Training Branches), the National Student Financial Aid Scheme (NSFAS), Manufacturing and Engineering-Related Sector Education and Training (merSETA), Agriculture SETA (AgriSETA), the Media, Information and Communication Technologies Sector Education and Training Authority (MICTSETA), National Skills Fund (NSF) and Higher Health.

2. INTRODUCTION

As part of its oversight mandate, the Committee prioritised oversight visits to PSET institutions in Limpopo and the Eastern Cape during the first term of 2026. Oversight visits were undertaken to monitor and assess the institutions' state of readiness for the 2026 academic year. Assessing the readiness of the post-school education and training (PSET) institutions at the beginning of each academic year forms part of the Committee's key strategic priority of the 7th Parliament. This process involves a comprehensive evaluation of the PSET institution's administrative systems, infrastructure, student support services, and financial aid to minimise disruptions and ensure a stable commencement of the new academic year.

The Committee has also been selected as one of six (6) parliamentary committees of the National Assembly (NA) to participate in the Oversight Priority Plan (OPP) of the 7th Parliament for the 2025/26 financial year. This initiative forms part of Parliament's strategic commitment to strengthening oversight and accountability mechanisms. Despite the oversight visits being focused on readiness of the PSET institutions for the new academic year, the Committee also focused on the OPP, Theme 4: Infrastructure Development within the purview of its mandate. The Department signed a memorandum of agreement (MOA) with the National

Treasury and the Development Bank of Southern Africa (DBSA) to implement the Student Housing Infrastructure Programme (SHIP), which aims to address the acute shortage of student housing in the PSET system. The site inspections / walk-abouts of the Committee to PSET institutions were aimed at assessing the progress made by the Department in collaboration with the PSET institutions to address the acute shortage of student housing in the sector and plans to expand access to teaching and learning facilities.

3. KEY FOCUS AREAS OF THE OVERSIGHT VISITS

3.1. The Committee's oversight visits focused on the following:

- State of readiness for the 2026 academic year.
- Update on registration and enrolment for 2026.
- Overview of the state of governance, administration and teaching and learning at the institution.
- Safety and security, including policies and measures put in place to curb the incidents of gender-based violence and femicide (GBV&F).
- Overview of the student's academic performance from 2022 to date.
- Overview of student drop-out and throughput rates, causes, and measures put in place to address them.
- Funding of students for the 2026 academic year.
- Overview of student accommodation (total number of beds, costs of the cheapest and most expensive residence).
- Overview of infrastructure development projects (details on all infrastructure projects that are underway, completed and abandoned, cost of each project, projects funded by DHET and other private funders).
- Overview of research and innovation.
- Overview of the institution's finances, including student debt and the number of certificates withheld due to outstanding debt.
- Overview of the institution's third-stream income sources.
- Partnership with industries for work-integrated learning (WIL).
- Successes and challenges.

3.2. PSET institutions visited

3.2.1. Limpopo Province: 26 – 29 January 2026

- University of Venda
- University of Limpopo
- Capricorn Technical and Vocational Education and Training (TVE) College
- Limpopo Community Education and Training (CET)
- National Skills Fund (NSF) and Sector Education and Training Authority (SETA)-funded skills development projects.

3.2.2 Eastern Cape: 2-6 February 2026

- Walter Sisulu University (WSU), Komani Campus
- East Cape Midlands TVET College, Graaff Reinet Campus
- Nelson Mandela University (NMU)
- Port Elizabeth TVET College, Russel Road Campus
- Eastern Cape Community College
- National Skills Fund (NSF) and Sector Education and Training Authority (SETA)-funded skills development projects.

4. ON-SITE WALKABOUTS AND SUMMARY OF PRESENTATIONS

4.1. University of Venda, Thohoyandou

4.1.1. On-site walkabouts

- **Main Administration Building**

The Main Administration Building has recently undergone extensive refurbishment and alterations, transforming it into a state-of-the-art facility. The project, funded through the University at R168 million, has elevated the building into a central hub of the University's operations.

It houses the University's server, which the management proudly regards as the best in the country. The building also accommodates offices and boardrooms for the University Council, Executive Management, and key support units, including Human Resources (HR), Information and Communication Technology (ICT), Finance, Planning, Quality Assurance, and the core administrative functions. During its visit, the Committee conducted a walkabout of the offices, observing the modernised spaces and upgraded infrastructure.

- **Disability Unit**

The University's Disability Unit is dedicated to advancing equal access, inclusion, and academic success for students with disabilities. In 2024, the Unit opened a new building designed to provide individualised academic support and tailored resources. The facility features training rooms and specialised disability laboratories that enhance the teaching and learning experiences.

To further support students with diverse learning needs, the University invested R2.5 million in assistive devices. These include user-friendly personal computers equipped with essential software for students with blindness and visual impairments. The software offers audio feedback, braille output for navigating Windows applications, magnification tools, and access to digital documents, ensuring that students can fully engage with their academic work.

- **Registration Unit**

The Registration Unit oversees the official enrolment of both first-time entering (FTEN) and returning students for each academic year. Its functions include providing support with course selection, module registration, and ensuring accurate student records. The Unit verifies students' funding status and administers bursaries.

The University only facilitates student admission through online applications and does not accept walk-in registrations. During the Committee's visit, a significant number of students were observed in makeshift tents outside the main registration building. This group of students lacked access to personal devices to complete the online application process. To address this, the University provides the necessary devices and workstations to assist them with registration. At the time of the visit, the University had achieved 80% enrolment of new and returning students. However, it did not have the capacity to accommodate late applicants.

- **Advanced Nursing Simulation Laboratory**

The Department of Advanced Nursing Science offers health sciences programmes, such as the Diploma and Bachelor of Nursing, including Midwifery. Students benefit from specialised simulation rooms and controlled environments that replicate clinical settings such as hospitals and clinics. These laboratories provide opportunities to practice patient care using high-fidelity manikins and other hands-on learning tools.

The University has indicated a need for R13 million to acquire additional high-fidelity manikins, each costing up to R2 million and imported for use in various laboratories. These advanced manikins significantly enhance training by simulating complex patient scenarios.
The simulation labs are also equipped with ultra-high-definition (4K) cameras that offer superior image resolution and enhanced zoom capabilities. These features are ideal for capturing patient care demonstrations. Through interactive learning and digital simulation, teaching and learning are enriched, enabling students to engage in practical training while receiving real-time instruction from lecturers located in different classrooms.

- **Health Sciences Nutrition Laboratory**

The Department of Nutrition offers a four-year Bachelor of Science (BSc) degree in Nutrition. The Nutrition Laboratory is equipped with 32 fully fitted workstations, each with a four-plate cooker and ovens, providing training and practical learning opportunities that complement the academic programme.

In alignment with the Health Professions Council of South Africa (HPCSA) guidelines, each session accommodates up to 30 students, ensuring quality instruction and compliance with professional standards. A key focus of the programme is to equip students with essential skills in food safety practices, menu planning and preparation and designing structured meal plans. The integrated approach ensures that graduates are well-prepared to meet the demands of the nutrition and health professions.

- **Health Sciences Biokinetics Laboratory**

The Department of Biokinetics, Recreation and Sport Science (DBRSS) offers a four-year professional degree in Biokinetics, Recreation and Leisure Studies, and Sport and Exercise Science. The Department's laboratory provides students with hands-on learning opportunities, particularly in the rehabilitation of physical abilities for individuals recovering from injuries or seeking to improve their fitness. In addition, the on-site gym is accessible not only to staff and students but also to community members, who may use the facilities for a designated fee.

- **Punda Maria Road and Bridge**

The Punda Maria Road and Bridge link the University to the Punda Maria Road. It was funded through the DHET IEG for R174 million. The newly constructed dual carriageway and a

bridge, including the gatehouse, provide a safe, efficient connection between the Thohoyandou town centre and the University campus. The 32-metre cable-stayed bridge and gatehouse stand as an architectural landmark, reinforcing the institution's vision of a smart, accessible, and future-ready campus.

4.1.2. Summary of presentations

- **Management**

Prof. B. Nthambeleni, Vice-Chancellor, presented on the state of readiness for the 2026 academic year. He confirmed that the University was fully prepared, with the academic year commencing on 6 January 2026. Registration deadlines were set as 30 January 2026 for undergraduates and 24 March 2026 for postgraduates. Applications, selections, and registrations were conducted online, with walk-ins permitted only for prospective students requiring assistance.

The University utilised the ITS iEnabler for applications and registrations, while a home-grown system for selections and admissions, introduced in 2023, ensured minimal human intervention and addressed past challenges. Lectures for all students began on 9 February 2026. The University received 139,916 applications for 3,720 undergraduate spaces, with a total enrolment target of 15,973 students for 2026.

The Vice-Chancellor reported that the University's Council was fully constituted, except for one member yet to be appointed by the Minister. Both the Executive Management Committee (EMC) and the Senior Management Committee (SMC), chaired by the Vice-Chancellor, were functioning optimally. Campus peace has been maintained for the past four years, with no unrest from students or labour. Since 2020, the University has consistently received unqualified audit opinions from external auditors.

The University remains committed to advancing staff and students in a dynamic academic environment. The Centre for Higher Education, Teaching and Learning (CHETL) continues to provide academic support. Postgraduate success rates stood at 54% in 2024, while undergraduates achieved 86%. The University was ranked fourth among Universities of Technology. The 2023 graduation rate was 22%, slightly below the national public universities' average of 25%.

In 2025, the University reported R1.7 billion in cash and investments, with liabilities of R180 million. Total revenue amounted to R2 billion, while expenditure was projected at R1.8 billion. Student debt for 2025 stood at R761 million, resulting in 5,435 certificates being withheld from indebted students.

- **Student Representative Council (SRC)**

Mr T. Mathye, SRC President, delivered a presentation on the University's readiness for the 2026 Academic Year (AY). He noted that the institution appears prepared to commence the new academic year, while also highlighting several challenges faced by students. These include delayed release of examination results; reliance on manual academic administration processes; a "first-come, first-served" admission system; poor Wi-Fi connectivity for off-campus students; Student hunger and food insecurity; inadequate ambulance services; overcrowded lecture halls; academic exclusion penalties; and lack of insourcing for cleaners and security guards.

- **Institutional Forum**

Prof T. Mudau, Chairperson of the Institutional Forum (IF), delivered a presentation outlining the IF's role at the University. He explained that the Forum primarily advises Council on various matters, as mandated by the Higher Education Act of 1997. She highlighted that UNIVEN has a comprehensive selection, admission, and registration policy designed to be inclusive of diverse student groups. The University also employs an automated registration system to minimise disruptions and ensure efficiency.

For the 2026 academic year, UNIVEN received 138,391 applications from prospective first-time students, with only 3,720 spaces available. Accommodation capacity includes 4,178 beds on campus and more than 10,000 beds in UNIVEN-accredited off-campus residences. Lectures are scheduled to commence on 9 February 2026.

Prof Mudau emphasised several key recommendations to strengthen the institution, which included enhancing ICT infrastructure to prevent glitches during selection and registration, thereby reducing the risk of unnecessary litigation; implementing additional programmes to address and combat gender-based violence (GBV), and expanding physical infrastructure to accommodate the growing student population.

- **Organised Labour**

Dr J. Makhanike, Chairperson of NEHAWU, delivered the presentation on behalf of organised labour. He outlined the union's role within the University, noting that NEHAWU is the sole recognised trade union on campus, representing a membership of 438 employees. On wage agreements, Dr Makhanike highlighted that management had not fully implemented the negotiated terms and pointed out the absence of a clear policy for academic progression and promotion. Regarding infrastructure development, Dr Makhanike observed that the University had been slow in rolling out projects, with limited consultation with the union. He further raised concerns about irregularities in the tender processes.

4.2. University of Limpopo

4.2.1. On-site walkabouts

- **Reakgona Student Disability Unit (RSDU)**

The Centre provides specialised support services for students with disabilities, ensuring an inclusive teaching and learning environment through education, training, and developmental programmes. In 2025, 130 students with disabilities were registered, with enrolment for 2026 ongoing. Facilities include a library with braille and audio materials, a braille production room for print-to-braille conversion, low-vision reading facilities, a computer lab with JAWS-equipped computers, and an examination room.

- **VA – Khanya House Residence**

The newly renovated Residence accommodates students with disabilities in single rooms, allocated based on the severity of their disability. Caretakers are assigned to certain rooms, and 24-hour support is available via a dedicated WhatsApp line. Ablution and kitchen facilities are disability friendly.

- **Che Guevara Student Residence**

This mixed-gender undergraduate residence has 180 beds. Refurbishments were underway during the visit, focusing on ablutions, kitchenettes, and a hot water system. Renovations on the second and third floors were completed, with rooms allocated, while work continued on the first and ground floors. The refurbishment was funded through the University budget at R14,8 million. Facilities included single and shared rooms, Wi-Fi, laundry, communal kitchen, and ablutions. The Residence was generally in good condition, though broken stairway windows

were noted. The absence of fire extinguishers and smoke detectors was flagged, with recommendations for installation to meet safety standards.

- **Registration and Administration Building**

This centralised facility supports student enrolment, module registration, and query resolution. Online registration is available, with in-person assistance for students who experience registration difficulties. During the visit, registration was ongoing, closing on 30 January 2026.

Students queued at the finance station, including NSFAS-funded students. During this interaction, members observed that some students in the queue who were NSFAS-funded prospective students received admission offers through the University portal. The System-generated communication incorrectly instructed all students to pay registration fees, failing to distinguish between NSFAS-funded students, who are exempted from paying registration fees and self-funded students. The Committee advised the University to issue a circular clarifying the exemption for NSFAS-funded students.

- **New Student Village construction site**

The Student Village is a flagship project to expand housing capacity, funded by the Department (Infrastructure and Efficiency Grant) and University funds, at a total cost of R1.58 billion. The project will add 4,500 beds to the University's existing student accommodation. The student village will comprise six apartment blocks, each with 750 beds. The Project is scheduled for completion by June 2027.

Construction was underway during the visit of the Committee, and the first phase of the project was expected to be completed mid-year 2026. The Committee observed the state-of-the-art student village with good facilities and low maintenance design (concrete floors, roofs, and minimalist design) of the building, which is also user-friendly for students with disabilities. The University indicated that priority would be given to students staying off campus in terms of allocating rooms for the new residence.

4.2.2. Summary of Presentations

- **Management**

Dr J. Mabelebele, Vice-Chancellor, delivered the presentation, providing an overview of the Council, its related structures, office bearers, and Council attendance. On readiness for the 2026 academic year, he reported that registration for returning students ran from 9 to 23 January

2026; and registration for first-time entering students (FTENs) began on 22 January 2026 and concluded on 6 February 2026. Lectures and practicals for FTENs commenced on 9 February 2026. Despite challenges, the VC emphasised that the University was prepared to begin the 2026 academic year and was on track to meet its enrolment targets. By 23 January 2026, a total of 17,258 students had registered. On finances, the VC highlighted the University's resilient performance under difficult socio-economic and sector conditions: Total assets (2024): R8 billion, Cash equivalents (2024): R3.3 billion, Total income (2024): R3.3 billion and Liabilities (2024): R2.9 billion.

Academic performance remained strong, with an undergraduate pass rate of 83% in 2024, producing 4,940 graduates. In terms of demographics, 57% of the student population in 2023 was female, underscoring the University's commitment to gender inclusion.

Prof K. Masha, Registrar, presented on legal matters. He noted that the University spent R61 million on legal fees over the past five years, covering student legal cases, staff legal cases, service provider disputes and consultations. The Registrar provided a breakdown of costs across these categories and emphasised that the University had to defend itself against multiple cases from students, staff, and service providers. Looking ahead, the University will strengthen its management of legal matters by establishing a Directorate for Legal Services.

- **Student Representative Council**

Mr C. Komape, SRC President, delivered the presentation. He provided an overview of the SRC and noted that the University reopened on 7 January 2026, with registration taking place between 9 January and 6 February 2026. During this period, more than 19,000 students registered, including an intake of 5,000 first-time entrants.

The President highlighted several key challenges faced by students, which included NSFAS-accredited off-campus housing where students are subjected to pit toilets, incomplete residences, poor connectivity, and generally uninhabitable conditions; funding shortfalls: NSFAS gaps in funding and delays in SETA payments; financial burdens due to historic debt and lack of postgraduate funding; and persistent risks for students living off-campus.

In terms of recommendations, the President proposed strengthening partnerships to improve off-campus safety, expanding outreach initiatives to advance inclusivity, and enhancing institutional coordination with NSFAS to address funding and accommodation challenges.

- **Institutional Forum**

Ms J. Sixholo, the IF President, provided a brief overview of governance at the University, noting that all governance structures have been duly constituted in accordance with the University statute. She emphasised that IF maintains a constructive relationship with both management and Council, with its advice formally tabled at Council meetings. On student matters, she confirmed that the University is prepared to commence the 2026 academic year.

The IF recommended strengthening leadership continuity and succession planning; accelerating staff demographic transformation, formalising dispute resolution mechanisms; Expanding food security and student hardship support programmes and enhancing institutional systems for student mental health.

- **Organised Labour**

Mr Z. Simayi, Chairperson of NEHAWU, delivered the presentation. He expressed appreciation to the Committee for its continued oversight of the University and for ensuring accountability in its operations and affirmed its constitutional mandate. He confirmed that academic, administrative, and support staff are prepared to commence the 2026 academic year, with the timetable for teaching and learning already submitted.

Challenges identified included delays in the absorption of librarians from the Department of Health; failure by management to implement the Performance Management System (PMS); delays in the promotion of administrative and support staff; inadequate maintenance of student residences; a high student-to-administrator ratio in residences (1:700); a lack of transparency in salary structures; and defunding of students by NSFAS.

Mr Simayi proposed amending the Higher Education Act, 1997, to strengthen the Committee's authority in holding universities accountable.

4.3. Capricorn TVET College

4.3.1. On-site walkabouts

- **Water Technology and Renewable Energy Workshop**

The college offers specialised training in water and wastewater treatment, including Chemical Plant Operation and specialised skills training for roles in water reticulation and processing. The programme is offered in partnership with the Small Enterprise Finance Development Agency (SEFDA) and other organisations to provide industry-standard equipment and training. Students enrol in the National Certificate Vocational NC(V) Process Plant Operations to be part of the programme.

The Water Technology workshop provides students with practical training that includes simulated, hands-on experience in water treatment plants. The Committee was informed that the College. The College is the only institution in the country offering this programme, with students competing in World Skills competitions nationally and internationally. Plans are underway to expand into a centre of specialisation for water services and renewable energy.

The college also offers training in renewable energy (solar system) to equip students with the required competencies in the renewable energy sector. The programme was developed to find alternative means to loadshedding and transition away from fossil fuels such as coal. As part of the renewable programme, students are trained on mounting photovoltaic (PV) panels and integrating the electrical system, fitting and maintaining wind turbines and electric vehicles (EVs).

- **Dallas Student Residence**

The Dallas Student Residence is located at the Seshego campus and accommodates 64 female students in single and double rooms. Although the building is 40 years old, it is maintained to DHET norms and standards. Overall condition is good, with minor issues: poor Wi-Fi connectivity and a few broken windows, which management committed to repairing promptly.

- **Early Child Development (ECD) Centre**

The college offers a Quality Council for Trades and Occupations (QCTO)-accredited ECD Practitioner programme focusing on daycare and pre-school education, aiming for childcare careers. The college refurbished one of its buildings to become an ECD centre to provide practical training for students, a day care centre for young children of students and staff and

the nearby communities. The facility is equipped with training rooms, nappy changing facilities, a kitchen, a staff room, ablutions, and a playground. The facility is designed to generate third-stream income for the College.

- **Refrigeration and Auto Electric Workshop**

The College offers NC(V) Engineering and Related Design (ERD) Levels 2-4, a three-year full-time qualification that focuses on theoretical and practical skills in air-conditioning, refrigeration and other engineering-related fields. The programme is designed primarily for students seeking to become operators, technicians or artisans in mechanical fields. The workshop offers students practical training and enables the college to conduct student assessments.

4.3.2. Summary of presentations

- **Management**

Mr L.J. Mamabolo, the College Principal, provided an overview of the college, noting that governance structures, the Council, SRC, and Academic Board, were fully functional. Regarding 2026 registration and enrolment readiness, the Principal noted that students applied online and registration was conducted through the Campus Roll-out Plan, in line with the Department's standard operating procedures. In 2025, the college convened a workshop to review the nine key delivery areas of teaching and learning, ensuring effective planning for the 2026 academic year. This initiative aimed to strengthen student-centred service delivery and improve academic success.

Key challenges affecting registration in 2026 included the late release of Report 191 and NC(V) results, as well as delays in the delivery of Learner-Teacher Support Material (LTSM). To mitigate these issues, the college extended the registration period. On student accommodation, the Principal reported that priority was given to qualifying NSFAS beneficiaries, including students with disabilities. A total of 552 students were housed in college hostels, while 2,124 students were accommodated across 60 NSFAS-accredited properties at four delivery sites.

In terms of College finances, the 2026 budget allocation amounted to R555 million. The College remained solvent, with no long-term borrowings or liabilities. Since 2022, it has consistently received unqualified audit opinions from the Auditor-General.

Finally, the Principal noted that 1,019 student certificates were withheld due to outstanding debts owed to the college.

- **Student Representative Council**

Mr M. Zitha, the SRC President, presented an overview of the SRC's role and activities at the College. He reported that preparations for the 2026 academic year were progressing well, with registration for new and returning students already at 90%. Study materials were being distributed, and timetables had been finalised.

The President outlined several challenges faced by students, including limited Wi-Fi connectivity at certain campuses, computer laboratories with outdated computers, evictions of students by private accommodation providers due to NSFAS arrears, a lack of clarity regarding Occupational Programmes, delays in the release of NC(V) certificates and Diplomas, a shortage of lecturing staff and classrooms at some campuses, and poor student attendance

To address these issues, the SRC recommended the installation of Wi-Fi across all campuses; replacement of outdated computers, upgrading engineering workshops, and filling vacant lecturing posts.

- **Organised Labour**

Mr A. Netshivhambe, Chairperson of NEHAWU, delivered the presentation. Regarding the state of readiness for the 2026 academic year, he reported that support and academic staff returned to the college on 5 and 6 January 2026 to prepare for the new year. He further noted that lecturers were undergoing upskilling training to qualify as artisans.

On challenges faced by workers, Mr Netshivhambe highlighted the following: a shortage of textbooks, persistent network connectivity issues at some campuses, poor communication from college management in certain areas, inadequate funding for staff development, and a shortage of lecture rooms.

In terms of recommendations, he emphasised that textbooks should be made available before the start of the academic year, internet connectivity must be improved, and laptops should be distributed to lecturers, and additional funding should be allocated for infrastructure expansion.

4.4. Letaba TVET College

4.4.1. On-site walkabouts

The Committee visited the campus plumbing workshop, which equips NC(V) Level 2 – 4 students with practical training and hands-on skills in plumbing. The workshop equipment was funded by the National Skills Fund.

The Committee was also shown ten 5,000-litre water tanks, which the College had purchased to mitigate ongoing water supply challenges. At the time of the visit, the tanks had not yet been installed. The College students have constructed pavement, flower beds around the campus and also erected carports.

4.4.2. Summary of Presentations

- **Management**

Mr MB Moshoma, Acting Principal, made a presentation. The Acting Principal confirmed that the college is prepared for the 2026 academic year. Core facilities, including classrooms, workshops, administrative offices, computer labs, and ICT systems, are fully functional. Textbook deliveries have largely been completed, with a few outstanding orders under active follow-up with suppliers.

Internal Continuous Assessment (ICASS) training has been conducted across all campuses. Assessment plans for NC(V), NATED, and occupational programmes have been approved. State of readiness visits across all campuses confirmed that all sites are ready for the new academic year. On registration and enrolment, the Acting Principal reported on enrolment figures against annual targets as follows: NC(V) Programme: Target 2,656; Actual 2,209; Report 191 Business & Utility Studies: Target 3,511; Actual 1,396; Report 191 Engineering Studies: Target 2,011; Actual 964, and the College's total enrolment target is 10,678.

Regarding governance, the College Council is fully constituted, with one vacancy due to resignation. All committees are functioning effectively, fulfilling oversight roles as mandated by approved charters.

The college employed a total staff complement of 259, comprising 144 lecturers and 115 support staff members. Of these, 114 were male and 145 females. In terms of demographics,

the workforce included 253 Black staff members and six White staff members, with no representation from Coloured or Indian groups.

In terms of academic performance, the college achieved the following pass rates: NC(V) Programme: 76%, Report 191 Business Studies: 81%, and Engineering Studies: 60%

The College provided its own student housing at Maake and Modjadji Campuses, offering a combined total of 262 beds. In addition, the college partnered with 54 NSFAS-accredited accommodation providers, where the majority of students reside.

For the 2026/27 academic year, the college received a provisional allocation of R194 million in line with the funding grid. The college reported a student debtor book of R83 million, largely due to delayed payments from students not funded by NSFAS. To address this, the College appointed a debt collector, who successfully recovered R700,000 in the first year (2025).

- **Student Representative Council**

Mr MJ Mamorobela, SRC President, made the presentation, which provided an overview of the SRC structures and the plan of action across the four campuses of the college. Addressing the institution's readiness for the 2026 academic year, he noted that the SRC had convened an academic conference in April 2025 to identify gaps, make recommendations, and strengthen student performance. He noted that Letaba College students expressed enthusiasm about transitioning to blended learning and showed readiness to integrate technology into their classes. The President emphasised notable progress in digital and technological preparedness, infrastructure development, learning resources, and student support services.

The President outlined key challenges confronting students, which include delays in the disbursement of student allowances by NSFAS, limited practical experience and lack of internships or industrial exposure, student formations undermining the role of the SRC, and insufficient on-campus accommodation.

To address these challenges, the President recommended greater use of digital tools, the provision of tablets to students, modern classrooms equipped with advanced laboratories, the

implementation of a biometric access control system, and strengthened communication between management and the SRC.

- **Organised Labour**

Mr N. Maake, Chairperson of the National Professional Teachers' Organisation of South Africa **(**NAPTOSA), made the presentation and reported that the College was not fully prepared for the 2026 academic year due to significant gaps in staffing, resources, infrastructure, and the absence of Quality Council for Trades and Occupation (QCTO)-accredited Occupational Programmes. He emphasised that teaching, learning, and governance at the institution are severely compromised.

Regarding challenges affecting workers, the Chairperson highlighted several pressing issues faced by employees, which include resource constraints impacting the delivery of teaching and learning materials, staff being required to work while on maternity leave, a shortage of office space, and insufficient classrooms and workshops to meet teaching and learning needs.
Organised Labour recommended that management should fill all vacant funded positions; strengthen communication with stakeholders; and prioritise the mental health of both students and staff, ensure transparent recruitment processes; and investigate outstanding labour relations matters within the college.

4.5. Limpopo CET College

- **Management**

Mr Sebetlene delivered a presentation providing a brief background on the college. He noted that the institution operates 20 Community Learning Centres (CLCs) and 217 Satellite Learning Centres (SLCs) across five districts. Most centres are based at schools, with some located at Correctional Services facilities and TVET campuses.

In terms of student enrolment, the college had planned to register 10,483 learners; however, by the end of January 2026, actual enrolment stood at 1,963 learners. On teaching and learning, the college employed 939 lecturers. Textbooks were delivered to CLCs in November 2025 for further distribution to or collection by SLCs, supplementing textbooks retrieved from students at the end of the 2025 academic year. Despite these preparations, heavy rain and flooding prevented most centres from commencing classes and registering students as scheduled.

Regarding academic performance, the Principal reported an 87% throughput rate for Adult Education and Training (AET) Levels 1–3 in 2025, while the General Education and Training Certificate (GETC) Adult Basic Education and Training (ABET) Level 4 achieved a 43% throughput rate. The average student retention rate was 92% in 2025.

On finances, the College had a preliminary budget of R26,6 million for 2026 and has consistently received unqualified audit opinions since 2022.

- **Student Representative Council**

Ms N. Thanyelani, SRC President, delivered a presentation on the college's readiness for the 2026 academic year. She reported that the college and its centres officially opened on 5 January 2026, with students returning on 14 January 2026. However, certain centres were unable to open due to flooding. Registration for the 2026 academic year remains ongoing to accommodate additional learners.

On challenges faced by students, the President reported that the CET sector continues to rely heavily on schools, given the absence of dedicated infrastructure. As a result, some centres operate only in the afternoons, which negatively affects adult learners who have family responsibilities. She further noted that computer labs are limited, with only one available in each of the province's five districts.

To address these challenges, the SRC President recommended that the Department accelerate the refurbishment of centres, provide additional mobile classrooms, and expand the range of skills programmes offered across all centres.

- **Organised Labour**

The presentation from Organised Labour was delivered by a NEHAWU representative, who emphasised the critical role that CET Colleges play in skills development and lifelong learning. Despite their importance, CET colleges continue to face significant operational and systemic challenges. These include infrastructure constraints such as shortages of classrooms and poor learning environments, limited collaboration with the Limpopo Department of Basic Education, insufficient tools of trade for CET lecturers, including laptops and teaching aids, the late delivery of learning and teaching support materials (LTSM), delays in recognition and

verification of lecturer qualifications, delayed payment for invigilation duties and slow appointment of Centre Managers, and high student absenteeism, which undermines learning outcomes.

In terms of recommendations, the labour representative called for increased investment in infrastructure, stronger collaboration with the Department of Basic Education, provision of adequate tools of trade for lecturers, and the expansion of skills programmes to meet community needs.

4.6. Walter Sisulu University

4.6.1. On-site walkabouts

On 19 November 2025, the Committee met with the University, where stakeholders raised serious concerns regarding persistent water supply challenges. These challenges stem from service delivery inefficiencies within the local municipality and inadequate backup water infrastructure at the Komani Campus. Water disruptions negatively affect the University's academic and social mandate, as well as regulatory compliance, due to risks of violating health and safety standards. Organised labour also highlighted concerns about ageing ICT infrastructure and inadequate teaching and learning facilities, including poor maintenance and refurbishment of existing structures.

In response, the Committee resolved to undertake an oversight visit to Komani Campus to assess progress in addressing water supply challenges, modernisation of ICT infrastructure, and the adequacy of teaching and learning facilities. Komani Campus is one of Walter Sisulu University's four campuses, located in Komani (formerly Queenstown). Originally established as a teacher training college, it now houses the Faculty of Education.

The Committee conducted on-site visits at the following sites:

- **Water Reticulation System**

To mitigate unreliable municipal water supply, the University installed a reticulation system comprising six storage tanks of 10,000 litres each, providing a total capacity of 60,000 litres. Three tanks are positioned at a higher elevation and three at a lower elevation. When municipal supply is available, the tanks are filled; during water cuts, the campus relies on this backup storage, which currently sustains operations for approximately two days.

Additional work commenced in December to install more tanks, aiming to extend backup supply to a full week. The University also has a borehole, installed in 2013, which is being rehabilitated and fitted with a booster pump capable of pumping 12,000 litres in six hours, alongside a water infiltration plant to monitor water quality. A non-return valve has been installed to prevent water loss back into municipal pipes.

Other measures include water dispensers across campus and the plan to drill another borehole. While refurbishment of the reticulation system has been delayed (completion now expected by August 2027), the broader water sustainability project is scheduled for completion on 20 January 2026.

- **Campus Clinic**

The campus clinic, housed in the former Rector's residence, provides primary healthcare services focused on health promotion and preventative care. Services are free for students and staff, with referrals made to nearby hospitals and doctors when necessary. The clinic is staffed by a senior nurse who consults an average of 35 students daily, and a medical doctor who attends twice weekly. Operating hours are weekdays from 08h00 to 16h30, with first aid and ambulance services available after hours.

- **Lecturer Halls and Computer Lab**

The Committee inspected the largest lecture hall, a 200-seater built in 1986. Despite its size, it lacks an audio system, limiting effective communication and student engagement. A second lecture hall, seating 140, was recently refurbished, with a storeroom converted into an office, desks fitted with charging points, and a water dispenser installed. Wheelchair ramps have also been added to improve accessibility.

The computer lab, with a capacity for 42 students, is equipped with computers over 10 years old, which require replacement. The Committee recommended that the National Skills Fund and SETAs support the University in upgrading ICT infrastructure to enhance teaching and learning.

- **Khwezi Lifestyle Apartments**

Khwezi Lifestyle Apartments is a 40-bed, Grade A NSFAS-accredited private student residence located less than one kilometre from the campus. The facility accommodates both male and female students and includes a dining area, kitchen, laundry room, and braai area.

The Committee found the residence to be state-of-the-art, clean, well-maintained, and conducive to student living and learning. Rooms are larger than typical on-campus residences, and the facility offers free overnight guest rooms for parents dropping off students. The Committee commended the provider for maintaining high standards.

4.6.2. Summary of the presentations

- **Management**

Dr T. Mgwebi, Vice-Chancellor, delivered a presentation providing an overview of the University. Established in 2005, the institution operates across four campuses located in Mthatha, East London, Butterworth, and Komani. It comprises seven faculties serving more than 30,500 students, supported by 2,500 staff members.

On readiness for the 2026 academic year, the VC reported that registration for the 2026 academic year proceeded smoothly. Within 18 days of opening, 27,277 students were successfully registered through a fully configured registration platform, which included finance clearance functionality. The University received a total of 576,370 applications, reflecting strong demand for its programmes.

Concerning student funding, Dr Mgwebi noted that 72% of students are supported by NSFAS. The University also made concessions to allow students with outstanding debt to register. NSFAS funding lists were received and processed; however, the discontinuation of NSFAS support for Advanced Diploma programmes poses a significant challenge, as many students rely on NSFAS for undergraduate studies. The Vice-Chancellor highlighted the escalating student debt burden, which currently stands at R1.7 billion and continues to grow annually.

The VC addressed the ongoing water challenges at Komani Campus, emphasising that these difficulties are part of broader water constraints affecting South Africa, particularly the Eastern

Cape. The Campus receives municipal water daily between 05:00 and 12:00, supplemented by six storage tanks with a combined capacity of 60,000 litres. When municipal supply is unavailable, stored water is used. To mitigate shortages, the University has installed additional storage tanks and a borehole to provide a reliable backup supply.

- **Institutional Student Representative Council (ISRC)**

Mr M. Abante, ISRC President, delivered the presentation. He provided an overview of the key challenges facing students, which include registration difficulties such as academic exclusion, upfront payment requirements, and module errors; failures of the NSFAS pilot system, particularly due to the accreditation of substandard accommodation facilities; University-owned student residences that do not meet acceptable standards; inadequate safety and security measures across all WSU campuses, and poor conditions of lecture halls and an ongoing water crisis, especially at Komani Campus.

On the University's readiness to commence the 2026 academic year, the President emphasised that the institution is not prepared for the new academic year, given the extent of these challenges. The President recommended that the University allow students with outstanding debt from previous years to register; strengthen security across all campuses; renovate study centres; and conduct inspections and renovations of student residences.

- **Institutional Forum**

Mr S. Mbongo, IF Chairperson, delivered the presentation**.** He highlighted that the University continues to face persistent challenges, particularly with student funding and limited infrastructure. Regarding the institution's readiness for the 2026 academic year, he emphasised the urgent need to fill critical senior management positions, including the Deputy Dean and Heads of Departments. He further stressed the importance of enhancing the student experience and strengthening support services.

Mr Mbongo called for the immediate appointment of senior University leadership, the establishment of an efficient resource distribution model, improved human resource development initiatives, and the transfer of the Komani Campus land from the Department of Public Works and Infrastructure to the University.

- **Organised Labour**

The presentation was structured into two parts. The first was delivered by Mr M. Ngcizela, Secretary of NEHAWU, and the second by Mr M. Nongadlela, Chairperson of the Academic and Professional Staff Association (APSA).

Addressing the University's state of readiness, Mr Ngcizela highlighted significant infrastructure challenges, particularly at the Komai Campus. He noted the absence of modern laboratory equipment, outdated computers, unreliable municipal water supply, lack of on-Campus student residences with heavy reliance on private accommodation providers, and delays in the transfer of land to the University.

To address these issues, he recommended financial support to strengthen public-private partnerships (PPPs) and proposed seeking assistance from the Development Bank of Southern Africa (DBSA). Mr Nongadlela, representing APSA, reinforced the unions' concerns regarding infrastructure shortcomings across multiple campuses. He further emphasised the need for insourcing cleaning and security personnel, as well as fostering improved working relationships between Council, management, and key stakeholders.

4.7. Eastcape Midlands

4.7.1. On-site walkabout

- **Electrical workshop**

The workshop serves as a specialised facility to provide students with hands-on training in wiring, circuit assembly, electrical equipment maintenance and ensuring students develop practical skills and gain work readiness for industry. Students are trained to diagnose, repair and maintain electrical components. The students in the programme are registered in the Engineering Studies programmes. The workshop was fairly new, and there were no safety signs or markings on the floor; this was noted as a concern by the Committee.

- **The Ascot Private Residence**

The Ascot student residence, located on Middel Street within five kilometres of the college, is managed by The Alpha Student Opulent Living group, a private accommodation provider with over 20 years of experience. The facility offers 135 fully furnished rooms housing up to 270

students. Key amenities include unlimited uncapped internet, 24-hour security with biometric access, study stations, communal dining and living areas, and a self-catering kitchen equipped with locker rooms and shared fridges for pairs of students.

Accredited as a Grade A student accommodation by NSFAS, The Ascot charges up to R4,750 per month. The Committee found the residence to be in excellent condition, providing a secure environment that fosters academic success while offering modern, supportive facilities for students.

4.7.2. Summary presentations

- **Management**

Mr C. van Heerden, the Principal, delivered the presentation beginning with an overview of the college's vision, mission, and campus locations. The Principal reported that the College Council was fully constituted with 15 members and was functioning effectively. On registration and enrolment readiness for 2026, the Principal confirmed that registration and enrolment processes were implemented in line with the DHET Standard Operating Procedures (SOP), with all applications processed online. As of 27 January 2026, the college had 4,723 registered students, including 89 students with disabilities.

To prepare for the 2026 academic year, the College appointed contract lecturers, procured textbooks and PPE for students, and developed a lecturer capacitation training plan and related activities. All classes commenced on 19 January 2026.

On academic performance and drop out rates, the College reported the following achievement: NC(V) Level 4 throughput rate: 17% (2024); Report 191 certification rates: 63% (Business Studies, 2025) and 44% (Engineering Studies, 2025) and drop-out rates: 29% (NC(V), 2025) and 16% (Report 191, 2025).

In terms of student funding, the College received R57 million in 2025 from NSFAS, benefiting 62% of the student population, and the SETA allocation amounted to R81.6 million (2025/26). The college does not own accommodation facilities. Most students reside in NSFAS-accredited and non-accredited housing.

The College's cash equivalents decreased from R60 million (2024) to R35 million (2025), largely due to operational pressures, such as employment costs for contract workers and rising municipal services and rates across 10 operational sites. The College obtained qualified audit opinions from the Auditor-General in both 2023 and 2024.

- **Student Representative Council**

Mr B. Ndzantsi, the SRC President, delivered a presentation highlighting the key challenges faced by students. These included pending results for NC(V) Engineering students; delays in the issuing of certificates; lecturer absenteeism, particularly on Fridays; inadequate campus safety measures; outstanding NSFAS and SETA payments for 2025; a shortage of teaching and learning resources; instances of lecturers harassing students; deviation by the college from Departmental policies; insufficient sick-bays across campuses and a high student drop-out rate.

The SRC President proposed the following measures to address these challenges: the establishment of a clear hierarchy between Campus management and College management; ensuring SRC representation on Council sub-committees; the enforcement of proper implementation of DHET policies by the College, and the provision of adequate sick bays for students on all campuses.

- **Organised Labour**

Mr M. Hote, Chairperson of NEHAWU, delivered the presentation. Regarding the college's readiness for the 2026 academic year, he reported that registration proceeded smoothly at most campuses. However, several challenges were noted, such as delays in submitting returning students' registration data to NSFAS; late funding confirmations from SETAs, which contribute to student drop-out rates; and shortages of PPE for both students and lecturing staff at certain campuses.

Mr Hote emphasised that the college leadership has failed to provide strategic direction, oversight, and effective administrative control. This, he argued, has resulted in ongoing maladministration and institutional instability. He further alleged that the College Council remains unaccountable to some stakeholders, who lack access to Council resolutions.

In addition, Mr Hote highlighted workers' concerns relating to human resources and labour relations, academic and student support, infrastructure, and financial management. He recommends decentralising budgets to campuses and staff, greater transparency in the management of College funds, publication of all forensic investigation reports, accessibility of financial statements to stakeholders, and appointing highly qualified professionals in supply chain management and finance departments.

4.8. Nelson Mandela University

4.8.1. On-site walkabouts

- **Inkanyezi Science Building**

Completed in 2016 at R57 million, the Inkanyezi Science Building houses advanced laboratories, lecture rooms, offices, and a 250-seat auditorium. The Committee visited the General Biology Lab, a R41 million investment, which provides hands-on training in biological concepts and microscopy for Biology and Zoology students.

- **Solomon Mahlangu Student Residence**

Formerly Unitas, this mixed-gender residence accommodates 210 students at one of the lowest costs in the University (R34 000 per annum).

- **Claude Qavane Student Residence**

Previously Xanadu, this first-year male residence accommodates 327 students in double rooms across four floors. Students are paired by field of study, with the ground floor reserved for students with disabilities. Facilities include a TV lounge and two laundry rooms. Cooking is prohibited, with meals provided through a compulsory computerised Meal Management System (MMS). Students expressed dissatisfaction with the MMS, citing limited dietary flexibility and insufficient allowances compared to off-campus peers. The Committee noted deferred maintenance, including broken windows and missing curtains, which compromised comfort and privacy.

- **University Shuttle Service Terminal**

The University operates two outsourced shuttle models, which offer free transport for students with valid student cards across campuses. Shuttle services for private accommodation providers (APs) outside a 5 km radius, coordinated with local taxi operators. The Committee

raised concerns about inadequate shelters at the terminal, long queues in harsh weather, limited shuttle availability, and the absence of a functional mobile app for booking and tracking. Recommendations included developing the app and installing shelters.

- **Phase 3 Student Residence**

It is one of the University's new residences funded through a DHET grant. The Committee met with students from different political formations who were protesting outside the residence. Student concerns included insufficient accommodation for unfunded students, fees exceeding the NSFAS threshold (R52 000 per annum), delays in NSFAS appeals, academic exclusion due to historic debt, poor conditions at South Campus residences, militarisation of campus affecting protest rights, and admission policies disadvantaging students from Quintile 1 schools.

4.8.2. Summary of the presentations

- **Management**

Dr Nel, Senior Director: Institutional Strategy, opened her presentation with an overview of the University's strategic context, vision, values, and institutional strengths. On governance and administration, she emphasised that the University's structures remain stable and function optimally in support of its core academic mission. Council and its committees convene quarterly, with the Vice-Chancellor reporting to Council at each meeting.

Regarding enrolment and registration, Dr Nel noted that admissions for first-time entering undergraduate students in 2026 were guided by the University Enrolment Plan 2026–2030, approved by DHET, with a target of 8,500 new enrolments. The University does not charge application fees and received over 270,000 applications for 2026. Registration for both new and returning students proceeded smoothly, and residences opened on 23 January 2026 for first-year students.

On student funding, she confirmed that allowances for NSFAS-funded students would be disbursed by the University upon receipt of upfront payments from NSFAS on 6 February 2026. Turning to academic performance, Dr Nel highlighted the wide range of academic, psycho-social, and co-curricular support interventions designed to maximise student success. In 2025, the student success rate was 78%, and the undergraduate dropout rate was 11%.

Regarding student accommodation, the University housed nearly 6,000 students across the Gqeberha and George campuses, while more than 20,000 bed spaces were occupied in accredited off-campus establishments.

Finally, on finances, Dr Nel reported that the University has received unqualified audit opinions for the past three years. Student debt currently amounts to R509 million.

- **Student Representative Council**

Ms S. Komani, SRC President, delivered a presentation on the University's readiness to commence the 2026 academic year. She noted that while the institution was partially prepared, students faced significant obstacles due to funding delays, accommodation shortages, registration barriers, and gaps in support services. She noted that the University's registration concessions change annually, disadvantaging many first-time entering students, particularly those who are unfunded. However, returning students with outstanding debt were permitted to register.

Regarding student challenges, she highlighted late disbursement of NSFAS allowances and delays by the Funza Lushaka Bursary in clearing students for registration; a shortage of on-campus housing and high residential costs that exceed the NSFAS funding threshold; NSFAS-accredited landlords demanding top-up payments from students; insufficient allocations through the Meal Management System (MMS), leaving many students unable to meet their nutritional needs, and a lack of meal allowances and accommodation support, compounding their vulnerability.

- **Institutional Forum**

Dr Z. Tshabalala, Chairperson of the Institutional Forum (IF), delivered the presentation. He outlined the powers and functions of the IF at the University in accordance with the Higher Education Act of 1997. Regarding readiness for the 2026 academic year, Dr Tshabalala noted that the IF had been tasked with reviewing several institutional policies and had actively participated in senior management appointments.

Dr Tshabalala advised that management should continue strengthening relationships with internal and external stakeholders, enhance the capacity of legal services to ensure the timely

resolution of cases affecting students and staff, and prioritise implementing policies that safeguard the well-being of students and staff.

- **Organised Labour**

Mr J. Barkes, Chairperson of the National Tertiary Education Union (NTEU), presented and noted that the institution had developed an Integrated 2026 Enrolment Cycle Plan, supported by a dedicated Task Team to address student registration challenges. As a result, registration saw fewer walk-ins and reduced pressure on staff.

Regarding staff-related challenges, Mr Barkes highlighted several concerns, including Management's notice to terminate the conditions of service agreements, which creates uncertainty that negatively affects productivity and morale; the lack of consultation with organised labour regarding the Senior Management Appointments Committee (SMAC); delays in filling vacant posts; notices of termination of employment for security personnel, and student unrest, which disrupts teaching and learning activities.

Mr Barkes proposed that the University should abandon the proposed outsourcing of security personnel, grant organised labour representation on the University Council, and provide emotional support to students and staff following incidents of student unrest.

4.9. Port Elizabeth TVET College, Iqhayiya Campus

4.9.1. Protesting students

Upon arrival, the Committee engaged with protesting students at the main entrance of the Campus. Students' concerns related to increased part-time registration fees (from R1,700 to R6,000); the absence of online learning disadvantages students who cannot travel daily, particularly those without funding; outdated computers not suitable for effective teaching and learning; the lack of an adequate placement programme, limiting opportunities for experiential learning; delays in the writing of supplementary exams, due to the absence of a supplementary system, the lack of LTSM; alleged irregular appointments by DHET and asked for employee demographic data to be submitted; the lack of sporting facilities, misuse of the College fleet and inadequate safety and security measures.

4.9.2. Summary of presentations

- **Management**

Mr K. Riba, the College Principal, delivered a presentation providing an overview of the college, which comprises four teaching and learning campuses located in the Nelson Mandela Bay Metro. On governance, the Principal noted that the College Council was fully constituted in May 2024 and assumed office in June 2024. The Student Representative Council (SRC) currently holds two seats on Council. A new SRC will be constituted following the February 2026 elections. The College has 362 PERSAL-funded positions, with 312 filled, and 48 College Council-filled positions.

On registration and enrolment, the Principal noted that the college planned to enrol 6,428 students for 2026, and 4,435 students had already been enrolled. The College offers Occupational Programmes at the Iqhayiya and Russel Road campuses. The College reported outstanding certificates and Diplomas as follows: 355 NC(V) certificates, 1,379 NATED certificates, and 401 Diplomas.

Regarding measures to curb incidents of GBV, the College has developed a GBV & Femicide strategy and has conducted advocacy training for staff and students. One GBV incident was reported in both 2024 and 2025.

The College's budget for the 2026/27 financial year amounts to R260 million. The College has obtained qualified audit opinions since 2022.

- **Student Representative Council**

Ms T. Mgubanto, the SRC President, delivered a presentation on the readiness of the college. She highlighted that the SRC has actively participated in the registration process, including orientation and induction of new students. However, she noted that the late release of results in 2026 caused significant delays in teaching and learning.

The SRC President outlined several challenges faced by students and the institution as follows: a shortage of lecturers, limiting academic support; a disconnect between the Campus SRC and Student Support Services (SSS); rejection of the newly appointed Principal by organised labour unions; poor student placement into workplaces; ineffective communication from

management; non-functional CCTV cameras; a lack of lecturer training to deliver QCTO-accredited programmes, and limited transport for SRC activities.

To address these issues, the SRC President recommended immediate recruitment to resolve lecturer shortages; urgent reskilling of lecturers to deliver QCTO qualifications; decentralisation of decision-making and simplification of financial approvals; upgrading of college infrastructure and strengthening communication between management and stakeholders.

- **Organised Labour**

Mr U. Msuthu, Chairperson of NEHAWU, presented and indicated that the institution was not fully prepared for the upcoming registration period and emphasised that consultation with workers had been insufficient. Challenges faced by the workers include a lack of upskilling and reskilling of lecturers for QCTO programmes; no provision for temporary lecturers during periods of sick leave; prolonged use of contract workers without permanent appointment; delays in contract renewals and in filling vacant posts; dysfunctional human resources practices; non-functional college committees; delays in implementing post-provisioning norms (PPN); staff grievances remaining unresolved; perceived irregular appointment of the Principal, and inadequate support from the Regional Office.

Labour recommended strengthening the monitoring of the registration process across all campuses; converting contract workers to permanent appointments; expediting the filling of vacant funded positions; reviewing the NSFAS Act, with particular attention to student representation on the Board; undertaking urgent reform of HR processes; accelerating migration of staff to PERSAL; and ensuring a transparent process in appointing the Principal.

4.10. Eastern Cape CET College, Sakhulwazi Community Learning Centre

4.10.1. On-site walkabouts

- **Exhibition Hall**

The Committee attended an exhibition showcasing products and services developed by Eastern Cape CET students from various Community Learning Centres (CLCs) across the province. The event provided a valuable platform for emerging CET college entrepreneurs to present

their work to the Committee and other stakeholders, fostering new partnerships, exchanging ideas, and exploring future opportunities.

Students exhibited a diverse range of products, including beadwork, embroidery, nail art, sewing, wig-making, pine gel production, fabric softener manufacturing, candle-making, and leather craft. The Committee was highly impressed by the creativity and quality of the items displayed and encouraged the Department to strengthen support for the CLCs. In particular, the Committee recommended that the Department assist the centres in securing funding from SETAs to expand and sustain their entrepreneurial initiatives.

4.10.2. Summary of presentations

- **Management**

Mr V. Hewana, Acting Principal, delivered a presentation providing an overview of the college. He noted that the institution comprises 30 main Community Learning Centres (CLCs) and 242 satellite centres. On governance, he reported that the Department is finalising the appointment of a new Council, and a new Student Representative Council (SRC) will be elected before the end of February 2026.

The Principal noted that registration for formal and occupational programmes opened on 12 January 2026 and will close on 27 February 2026, while registration for non-formal programmes remains open throughout the year. The majority of learners are enrolled in the General Education and Training Certificate (GETC) Level 4 programmes, with 3,037 learners registered against a target of 3,786.

The College's uptake of Occupational Programmes and Matric re-write programmes has been slow, though registration for these remains open. The College employs 2,268 lecturers, but faces shortages in scarce skills areas such as Physical Sciences, Accounting, and Mathematics, and some of the lecturers are unqualified.

On finances, the College has consistently obtained clean audit outcomes since 2020. Its budget for 2026 totals R37.5 million.

The college does not own infrastructure and relies heavily on the Department of Basic Education (DBE) for teaching and learning facilities.

- **Student Representative Council**

Ms L. Dlova, SRC President, delivered a presentation highlighting the college's readiness for the 2026 academic year. She noted that while measurable progress has been achieved, persistent challenges remain—particularly delays in issuing outstanding certificates to eligible students. In preparation for 2026, the SRC actively engaged in Blitz Campaigns across multiple districts in the province, and the rollout of LTSM commenced toward the end of the 2025 academic year.

Ms Dlova emphasised several pressing issues affecting students, including student wellbeing and psychosocial support, which require urgent strengthening; food and nutrition insecurity, which continues to undermine students' ability to learn and perform academically; limited resource allocation to the SRC, and inadequate student transportation, negatively impacting class attendance.

To address these challenges, the President recommended an urgent release of outstanding results and enhanced marketing of the college's programme offerings.

- **Organised Labour**

Ms V. Nkevu, NEHAWU Regional Coordinator, delivered a presentation highlighting the challenges faced by workers in the Community Education and Training (CET) sector.

Key challenges faced by workers include limited visibility of colleges within communities, negatively affecting learner enrolments; unclear delegation of responsibilities for Centre Managers and satellite supervisors; disparities in employment conditions and benefits among lecturers; absence of an approved CET organogram; insufficient working hours allocated to staff; inadequate infrastructure for teaching and learning; and delays in resolving staff grievances.

In addressing the identified challenges, Labour recommended implementing the Ministerial Task Team (MTT) recommendations for the CET sector, accelerating the rollout of the District Development Model (DDM), and filling all existing vacancies.

4.11. National Skills Fund and SETA-funded Skills Development Interventions

4.11.1. Limpopo

- **K Boneng Skills Academy**

The K Boneng Skills Academy is a rural-based skills development academy located at Cooper Farm Workshop in Tzaneen. It is accredited by the Quality Council for Trades and Occupations and SETAs for various skills programmes. Tzaneen faces high youth unemployment, limited artisan training facilities, and strong demand for accredited skills programmes.

During the Committee's site visit, the academy had learners funded by the NSF, the Agriculture SETA, the Construction SETA, and the Manufacturing and Engineering Related Services SETA. The learners were part of work-integrated learning (WIL) programmes, including internships and apprenticeships. The NSF funded l65 learners with a total budget of R14.5 million for an artisan programme (bricklaying, plumbing and electrical). The Academy achieved a 95% completion rate (62 out of 65 learners). The NSF also funded 100 learners, with a total budget of R11.8 million, for the WIL programme from 2024.

Workshops in electrical, bricklaying, and millwright trades were inspected and found in good condition, accredited for trade testing. The academy is also situated in remote farming areas and requires dedicated transport for students.

- **Bolobathaba Media Group**

Bolobathaba Academy is a Female-owned multimedia academy established in 2017 in Tzaneen. Accredited by QCTO and funded by the Media, Information and Communication Technology SETA (MICT SETA). It trains youth in filmmaking and TV production (pre-production, production, post-production). The Academy offers 12-month internships, WIL and learnerships.

Courses offered include National Qualifications Framework (NQF) Level 5 Film and TV Operations/Production, Journalism, Sound and Radio Production, and Digital Media. Since its inception, the Academy has trained 467 learners, supported graduates in launching start-ups and accessing funds, and produced the award-winning film 6 Queens and Kings, which received international recognition. During the oversight visit, the Academy had enrolled 40 learners who were funded by MICT SETA for filmmaking and production fields.

4.11.2. Eastern Cape

- **Volkswagen Group Africa, Kariega – merSETA-funded skills development interventions**

The Volkswagen Group Africa plant in Kariega, situated just outside Gqeberha in the Nelson Mandela Metropolitan area, stands as one of South Africa's most significant industrial landmarks. Established in 1946, the plant has evolved from assembling Studebaker vehicles into a world-class facility that serves as the sole global producer of the Polo and Polo Vivo models. With exports reaching 38 countries, the plant employs 4,000 workers and produces an impressive 730 vehicles daily, totalling 160,000 cars annually. Beyond its economic footprint, the plant is a hub of foreign direct investment, technology transfer, and skills development.

In partnership with merSETA, Volkswagen has invested heavily in nurturing talent and building capacity for the automotive sector. The collaboration has funded a wide range of initiatives: 53 apprenticeships worth R10.9 million, workplace experience opportunities for 12 students at R1.1 million, graduate internships for another 12 university and University of Technology (UoT) graduates at R1.1 million, and learnerships for 110 employed and 10 unemployed learners at R8.6 million. Additionally, 64 new bursaries valued at R11.5 million, along with one bursary for an employed learner, underscore the scale of this commitment.

When the Committee visited the Kariega plant, they were given a guided tour of the facility, which revealed the intricate and highly integrated production process. From the Press Shop, where raw steel is transformed into body components, to the Body Shop, Paint Shop, Assembly Line, Engine Assembly, and finally Quality Assurance. Each department plays a critical role in ensuring that every Polo and Polo Vivo meets Volkswagen's global standards. The plant's Wellness Hub further demonstrates Volkswagen's commitment to its workforce, offering medical and wellness services to support employees' physical and mental health.

The Committee also engaged directly with merSETA-funded learners from institutions such as Nelson Mandela University, Mangosuthu University of Technology, and East Cape Midlands TVET College. These apprentices expressed satisfaction with the training and financial support they received, noting that the programme equips them with valuable technical skills. However, they voiced concerns about their future, particularly the uncertainty of employment after completing the four-year apprenticeship, as absorption into the industry is not guaranteed.

5. KEY FINDINGS AND OBSERVATIONS

The Committee, having conducted oversight visits to Limpopo and the Eastern Cape post-school education and training institutions, makes the following observations and key findings:

5.1. Minister's letter to PSET institutions

5.1.1. The Minister issued a directive instructing all PSET institutions not to respond directly to the Committee's requests for information, including documents, reports, updates, clarifications, and appearances, without the knowledge and coordination of the Department. This directive has created confusion within the PSET sector and resulted in delays in the submission of presentations and information required for the oversight visit. The delays have, in turn, hindered the preparation of research briefs and content support, thereby limiting the Committee's ability to effectively exercise its oversight role.

5.1.2. The Committee regarded the Minister's directive as an encroachment on its Constitutional mandate to hold organs of state accountable.

5.2. Readiness to commence the 2026 academic year

5.2.1. During the Committee's oversight visits to Limpopo and the Eastern Cape, institutions demonstrated readiness to commence the 2026 academic year. However, delays by the Department of Basic Education in releasing Matric results affected universities' timelines for processing admission offers to prospective students. As a result, university registration processes were still underway, with lectures scheduled to begin in the second week of February 2026. In contrast, TVET Colleges had already completed registrations and commenced teaching and learning activities.

5.2.2. Despite this overall readiness, organised labour and student leadership highlighted ongoing challenges that may hinder the smooth start of the academic year, which included inadequate student accommodation, student debt, delays in the delivery of textbooks and personal protective equipment (PPE), delays in the appointment of lecturers at TVET Colleges, as well as funding appeals that were still being processed at NSFAS.

5.2.3. In Limpopo, the registration of learners and the commencement of classes at several Community Learning Centres (CLCs) were delayed due to heavy rains and flooding. It was noted that the Limpopo Department of Education issued a circular suspending all school activities from 14 to 16 January 2026.

5.2.4. The Committee commended the University of Venda and Nelson Mandela University for their progressive decision to waive application fees for prospective students. While this policy represented a substantial forfeiture of potential revenue, given that the institutions received 139,916 and 270,000 applications, respectively, it demonstrated their commitment to broadening access to higher education.

5.2.5. The Committee noted that universities administer internal bursary schemes to assist financially needy students. For instance, the University of Venda allocated R20 million, with 60% directed towards undergraduate support and the settlement of historic debt. Similarly, Nelson Mandela University earmarked R57.3 million to support financially needy undergraduate students and R62.4 million for Postgraduate Research Scholarships in 2026. These initiatives reflect the universities' commitment to expanding access to higher education.

5.2.6. Nelson Mandela University issued 172,000 admission offers, of which 16,644 firm offers were accepted for only 8,500 first-time entering spaces. This practice creates false hope for students. The Committee expressed grave concern that nearly half (49%) of those who accepted firm offers will ultimately not be admitted, given the limited number of available spaces. Such an approach may lead to unintended consequences, as students could decline offers from other institutions under the impression that they have secured a place at NMU, only to discover later that their offers have been withdrawn once enrolment targets are met. The Committee emphasised that this practice poses a serious risk to the mental well-being of affected students.

5.2.7. During the walkabout at the University of Limpopo's Administration Building, the Committee interacted with students and parents who were queuing to pay registration fees. The students confirmed their eligibility for NSFAS funding. Upon inquiry with the University Management and finance officials, it was explained that the portal issued admission offers to prospective students who qualified for admission. However, the system-generated communication instructed all students to pay registration fees before being unblocked for registration. This message failed to distinguish between NSFAS-funded students, who are exempt from paying registration fees, and self-funded students. The Committee noted this miscommunication. The Committee was informed at the end of its walkabout that the two students encountered were subsequently cleared and registered without paying fees. The Committee staff confirmed by calling the students.

5.2.8. The Committee was informed that outstanding 2025 fees from SETAs and Funza Lushaka remain unpaid, including delayed clearance letters for registration and accommodation for Funza Lushaka. Consequently, bursary beneficiaries at institutions have been unable to complete their registration process.

5.2.9. The Committee observed two incidents of student protests at Port Elizabeth TVET College (Iqhayiya Engineering Campus) and Nelson Mandela University. At Port Elizabeth TVET College, the protesting students had not yet registered due to the requirement of an upfront payment. It was reported that many of these students had failed, exceeded the N+1 rule, and were therefore no longer subsidised by the Department. As they were no longer considered full-time equivalents (FTEs), they were classified as part-time students. The protest centred on a fee increment, which students claimed had been implemented without prior communication. The College, however, stated that the increment was a Council decision taken in consultation with the SRC in 2024, though its implementation only began in 2026. The current SRC noted that they had not been part of this decision. Protesters called on all students to vacate classes and join the demonstration, which the Committee regarded as an infringement on the rights of non-protesting students to access education.

5.2.10. The Committee further observed an incident at the entrance of the Iqhayiya Engineering Campus, where the Campus Manager threatened to assault some of the protesting students in the presence of the College Council and Management. The Committee recommended that consequence management be instituted against the Campus Manager.

5.2.11. At Nelson Mandela University, students from different political affiliations were protesting at the Phase 3 Student Residence. Some of the issues raised include admission policy, which discriminates against prospective students from Quintile 1 schools; unfunded students struggling to secure accommodation even though classes have already started; university residences charged above the NSFAS cap, leaving students with debt; delays by NSFAS in processing outstanding students' appeals and academic exclusion of students who do not have funds to service their historic debts.

5.2.12. Current demand for education and training far exceeds the available spaces. Institutions receive more applications than their available spaces. For example, the University of Venda received 139,916 applications for 3,720 spaces, WSU received 500,000 applications for 7,000 available spaces, and NMU received 270,000 applications for 8,500 spaces, leaving many young people excluded from education and training

opportunities. Stakeholders raised concerns regarding the system that is producing students who will never be able to find spaces to acquire skills, which contributes to the increasing number of youths not in education, employment or training (NEET).

5.3. Proposed mining academy in Limpopo

5.3.1. Limpopo is recognised as both an agricultural and mining hub, with mining operations present in every district. Despite this extensive mining activity, the province does not have a dedicated mining academy to equip citizens with the specialised skills required by the industry. The absence of training infrastructure limits opportunities for local communities to participate meaningfully in mining-related careers.

5.3.2. In July 2023, President Cyril Ramaphosa called upon mining companies, government, and education and training institutions to collaborate in establishing a mining academy in Limpopo. Currently, the University of Venda, the University of Limpopo, and local TVET colleges do not offer mining qualifications. By contrast, North West University is in the process of establishing a School of Mining in Rustenburg, providing a model that Limpopo institutions could emulate.

5.4. Historical debt and withholding of student certificates and diplomas

5.4.1. Universities and TVET colleges have reported a rise in student debt, coupled with low recovery rates. Debt accumulation is largely attributed to students not completing their studies within the prescribed N+1 timeframe, the lack of funding for advanced diplomas, and insufficient support for postgraduate studies. All institutions confirmed that they withhold certificates from students with outstanding debt. While they do issue letters of completion upon graduation and provide academic transcripts directly to prospective employers when requested, challenges remain. Employers often do not recognise completion letters as valid proof of qualification, and professional bodies typically require official degree certificates for registration. As a result, many graduates face limited career opportunities despite having completed their academic requirements. The Committee expressed concern that this practice creates barriers to employment and professional advancement, undermining the purpose of higher education and training.

5.5. Funding

5.5.1. Universities reported that government subsidies to institutions have not grown in real terms. At the same time, student debt is rising sharply, posing risks in terms of maintaining infrastructure, upgrading ICT systems, and expanding teaching and learning facilities.

5.5.2. NSFAS discontinued funding advanced diploma programmes, even though many students rely on it for undergraduate studies. It was reported that students who register for advanced diplomas often find themselves defunded midstream, leading to increased debt and a higher risk of dropout.

5.5.3. Lack of dedicated funding for postgraduate students, with NSFAS focusing mainly on undergraduate support, while the National Research Fund (NRF) supports only a limited number of students on a competitive basis. Many capable students cannot pursue postgraduate studies, which limits their career pathways into academia and weakens the country's research and innovation capacity.

5.5.4. The Committee expressed grave concern regarding the application of a one-size-fits-all funding model for TVET Colleges. It was highlighted that Eastcape Midlands TVET College had inherited buildings not originally designed for higher education purposes. As a result, substantial funding is required to refurbish and repurpose these facilities to ensure they are fit-for-purpose for education and training.

5.5.5. The College operates 10 sites/campuses to expand access to education and training, compared to other Colleges with few sites/campuses. An example was made of Port Elizabeth TVET College with three campuses and two delivery sites. Despite this broader footprint, the Department's budget allocation applies a uniform, one-size-fits-all model that fails to recognise the higher operational costs of maintaining multiple campuses, including infrastructure upkeep, utilities, security, staffing, and ICT systems. The College has reported that current DHET grants are sufficient to sustain only four of its ten campuses.

5.5.6. TVET Colleges are not allocated IEG funding for the construction of new teaching and learning facilities, which limits their capacity to expand access to education and training. The current IEG allocation is restricted to the refurbishment of existing infrastructure, which remains insufficient to meet maintenance needs.

5.6. Governance at universities, TVET and CET Colleges

5.6.1. Although Universities and TVET Colleges reported having functionally constituted Councils, the Committee noted several outstanding vacancies across institutions: University of Limpopo: 2 Ministerial Appointees; 2 academic and support staff; University of Venda: 1 Ministerial Appointee; Capricorn TVET College: 1 vacancy under CET Act section 10(4)(d); Eastcape Midlands TVET College: 1 vacancy under CET Act section 10(4)(d); Port Elizabeth TVET College: 1 vacancy under CET Act section 10(4)(d); 4 vacancies under CET Act section 10(6); and Letaba TVET College: 1 vacancy under CET Act section 10(6).

5.6.2. The Minister's prolonged delay in approving the Port Elizabeth TVET College's concurrence request for the appointment of four additional external members, in terms of section 10(6) of the CET Act, is deeply concerning, particularly given that the request was submitted in March 2025.

5.6.3. The Committee noted that both Limpopo and Eastern Cape TVET Colleges remain without Councils following the expiry of their terms. The interim governance arrangement, established in accordance with section 7(a) and (b) of the CET Act, where the Minister appointed the Council of Northern Cape CET College to oversee governance of eight (8) CET Colleges pending the finalisation of new College Councils, has also expired at the end of 31 January 2026.

5.7. Safety and security, and management of GBV cases

5.7.1. All institutions have implemented measures to address GBV, including policies, awareness campaigns, reporting mechanisms, victim support programmes, collaboration with Higher Health, installation of CCTV, and partnerships with law enforcement agencies.

5.7.2. Stakeholders expressed concerns about inadequate safety and security measures at off-campus private accommodation.

5.7.3. **Walter Sisulu University:** The Committee was informed that the University campuses experience security challenges due to inadequate security personnel. It was noted that Ulwaluko, the initiation schools, are conducted on the Ibika Campus land due to a lack of fencing.

5.7.4. **Nelson Mandela University:** The Committee expressed grave concern over eight student deaths in 2025, linked to crime and suicide. A case of sexual harassment followed by a student's suicide highlighted inadequate victim support. The University

acknowledged the high crime rate in Nelson Mandela City (ranked among Africa's ten most dangerous cities) and outlined plans to strengthen security, including moving towards a closed-campus model.

5.7.5. **University of Venda:** The Committee commended the University for adopting a new GBV policy aligned with the DHET framework, enforcing zero tolerance. Staff members guilty of GBV were dismissed, and other cases were referred to law enforcement.

5.7.6. The Committee noted disproportionately lenient sanctions in GBV cases. At Capricorn TVET College, a perpetrator of sexual harassment received only a one-month suspension and a final warning, with no appeal lodged. At Eastcape Midlands TVET College, a lecturer who assaulted a student after an inappropriate relationship was suspended for two months without pay and given a final warning. The Labour Relations unit indicated plans to appeal, recognising the sanction's inadequacy.

5.7.7. The lecturer's misconduct at Eastcape Midlands was not escalated to the South African Council of Educators (SACE) or referred to the criminal justice system, undermining accountability and denying the victim access to justice.

5.7.8. The Committee highlighted inadequate training for Labour Relations officials in handling GBV cases. Misclassification of serious incidents and lenient sanctions trivialise GBV and perpetuate unsafe learning environments.

5.8. Challenges with land and property ownership by institutions

5.8.1. Some universities and TVET colleges operate on land and properties they do not own. University of Venda: 105.6 hectares with 21 buildings remain under the Tshivhase Traditional Council, with no transfer of ownership; Walter Sisulu University (Komani Campus) and Eastcape Midlands TVET College: Six of its ten campuses are registered under DPWI's asset register. Institutions are unable to make long-term investments in critical infrastructure, such as student residences, teaching facilities, and research spaces, due to a lack of ownership rights.

5.8.2. While education is universally recognised as a public good, its delivery is compromised when unused or under-utilised government properties are withheld from Post-School Education and Training (PSET) institutions by DPWI and traditional councils.

5.9. Infrastructure

5.9.1. University of Venda

5.9.1.1. The Committee commended the University for upgrading its Administration Building, which has created a conducive working environment for the University Council, Management and key support units.

5.9.1.2. The University successfully revived and completed previously abandoned infrastructure projects, transforming some into world-class academic and research facilities. Of special note was the resuscitation of the Faculty of Health Sciences Building, which had been observed in a state of abandonment during the Sixth Parliament Portfolio Committee's oversight visit in February 2023 and was at risk of being written off due to shoddy workmanship. The University's efforts in restoring this facility were commended.

5.9.1.3. The establishment of a state-of-the-art simulation facility was highly praised. Equipped with patient rooms, delivery suites, neonatal and post-natal wards, and high-fidelity training equipment, the laboratory replicates a real hospital environment. This achievement underscores that rural institutions can deliver world-class education and training.

5.9.1.4. The Committee noted the University's request for R13 million in additional funds to procure additional medical equipment to mitigate the operational risk of the Advanced Nursing Simulation Laboratory.

5.9.1.5. Infrastructure projects have generated employment opportunities and stimulated local economic activity, contributing to community upliftment.

5.9.1.6. Despite infrastructure expansion, student enrolment continues to outpace available facilities, resulting in overcrowded lecture rooms and compromised teaching quality. Student leadership urged reprioritisation of funds toward teaching and learning facilities. Management acknowledged the crisis but highlighted funding constraints.

5.9.2. University of Limpopo

5.9.2.1. The University was commended for its significant progress in expanding infrastructure, including the development of state-of-the-art teaching and learning facilities, a modern library, and new student accommodation. Particular recognition was given to the refurbishment of residences underway and completed during the oversight visit. Of note was the renovation of the VA–Khanya House Residence, originally built in 1959, which had previously been found to be in poor condition during the Sixth

Parliament Portfolio Committee's oversight visit in February 2023. The upgraded facility now provides a conducive living and learning environment for students with severe disabilities.

5.9.2.2. The University was commended for progress made in the construction of 4,500 student beds residence jointly funded through DHET grants and the institution's funds. Although the project has experienced delays, Phase 1 (1,500 beds) was initially scheduled for completion in June 2025, later revised to December 2025; it is now expected to be completed by March 2025.

5.9.2.3. The Committee noted positively that the student housing project, including other infrastructure development projects and refurbishments have generated employment opportunities for community members in the surrounding areas.

5.9.2.4. The Committee was advised that the University does not hold municipal occupancy certificates for certain older residences. Members expressed concern that students are accommodated in buildings lacking official certification of occupancy. The University responded that, although these certificates are unavailable, it engages independent experts to carry out structural assessments to ensure the safety and integrity of the residences.

5.9.2.5. The Che Guevera, VK student residence was undergoing refurbishments to upgrade ablution facilities and installation of kitchenettes and a hot water heating system, thereby aligning with the Policy for Norms and Standards for Student Housing in public universities. While the residence was old but structurally sound, the Committee observed that it lacked smoke detectors.

5.9.2.6. The Committee commended the University for the Reakgona Student Disability Unit for its vital role in expanding access to students with disabilities by providing both academic and social support.

5.9.2.7. Some University residences were decommissioned for major maintenance and refurbishment, which reduced the availability of on-campus beds at the beginning of the 2026 academic year.

5.9.3. Walter Sisulu University

5.9.3.1. Since the meeting of 19 November 2025, the University has made commendable progress in addressing the long-standing water supply challenges at the Komani Campus. The University Council acknowledged that these challenges had persisted for an extended period but were resolved within two months following the Portfolio

Committee's intervention, which suggests that the University had the capacity to act sooner but lacked urgency until oversight pressure was applied.

5.9.3.2. The failure of the municipality to deliver services to the communities is adversely impacting the university. Institutions are consumers of municipal services, but they are gradually becoming the providers of water to the institutions and surrounding communities.

5.9.3.3. The 200-seater lecture hall at the Komani Campus had adequate space but lacked the necessary audio support for such a large space, which forces lecturers to project their voices unnaturally. The lack of audio support further limits audibility and engagement between the lecturer and students, potentially impacting the quality of teaching and learning. The facility has not been modernised or technologically enhanced since its construction in 1986.

5.9.3.4. The Campus's ICT infrastructure is outdated. The computers in the lab were more than seven years old, which exceeds the typical lifespan of three to six years for machines in such environments. Some machines tested by the Committee could not be switched on, and the office package has not been upgraded, further reducing their operational capacity.

5.9.3.5. The University's delays in addressing the ageing ICT infrastructure at the Komani Campus are an indication of poor planning and budgeting, which undermines the institution's ability to deliver quality teaching and learning.

5.9.3.6. The University has decommissioned two student residences, Cumani and iSilimela and Atlanta, with a combined capacity of 600 beds at Mthatha Campus, due to their uninhabitable state. The residences have not been fully refurbished due to a lack of budget.

5.9.3.7. It was alleged that delays in the refurbishment of these residences are intentional, as they benefit some University internal staff members who profit by directing students into private accommodation.

5.9.3.8. The decommissioning of these residences has created a significant accommodation shortfall for the 2026 academic year. Concernedly, the University had requested approval from the Department of Higher Education and Training to utilise R110 million of interest accrued from unspent capital infrastructure efficiency grant (CIEG) to refurbish these residences. However, the request was not responded to, which is concerning, given the general shortage of student housing, which is compounded by the decommissioning of the two residences.

5.9.3.9. In 2020, the Enoch Mgijima Municipality donated land to the University for the development of a new campus. However, the site remains unused due to a lack of funding.

5.9.4. Nelson Mandela University

5.9.4.1. The University was commended for the Inkanyezi Science Building, which hosts state-of-the-art laboratories with high-end equipment, lecture facilities, staff offices and an auditorium to advance science education and research.

5.9.4.2. During its walkabout at the Claude Qavane Student Residence, the Committee noted that several windows were broken and remained unrepaired. The residence manager reported that the issue had been raised in August 2025; however, no action has been taken to date.

5.9.4.3. The Committee raised concerns regarding the allocation of students to rooms without curtain rails. It was noted that the contractors removed the curtain rails during the renovation process. The committee was informed that procurement for replacement curtain rails is currently in progress.

5.9.5. Capricorn TVET College

5.9.5.1. The repurpose of a former hostel building into the Early Childhood Development (ECD) Centre at Seshego Campus was commendable, especially since the College will use the facility as both a training centre and an income-generating stream.

5.9.5.2. The construction of the Fact Centre for Renewable Energy: Skills Initiative for Africa at Seshego Campus was noted as commendable, as it will be the first such initiative in the Country. The construction was at 28% at the time of the oversight visit.

5.9.5.3. Shortage of classrooms at Senwabarwana and Ramokgopa Campuses and infrastructure maintenance backlog, which required additional funding, were noted.

5.9.6. Letaba TVET College

5.9.6.1. The College faces a shortage of on-campus student accommodation, leading to significant reliance on NSFAS-accredited private housing.

5.9.6.2. The Committee expressed grave concern regarding the reported shortage of office space for College employees to carry out their daily duties. Of particular concern was the observation by organised labour that some employees were compelled to perform administrative tasks from their cars due to the lack of suitable facilities.

5.9.6.3. Despite these challenges, the Committee acknowledged the progress being made by the College in addressing infrastructure needs through both DHET-allocated IEG funding and College-owned resources. Notable projects included the construction of a new E-learning centre, library, classrooms, computer laboratories, and a new main gate. In addition, upgrades were underway at the Panel Beating and Diesel Mechanic Workshops, as well as the Administration Block at Modjadji Campus, among other initiatives.

5.9.7. Eastcape Midlands

5.9.7.1. The newly built Woeke Street Campus, funded by the National Skills Fund for R112.49 million, was commended. It is the second NSF-funded skills infrastructure project to be observed by the Committee. The facility was completed and handed over to the College in January 2021, and it welcomed its first student intake in January 2022.

5.9.7.2. The Campus does not provide its own accommodation. While the College primarily enrols students from local catchment areas, this practice limits access for students from outside the region and may restrict diversity and inclusivity.

5.9.7.3. During a walkabout at the Electrical Workshop, the Committee noted modern training resources, including portable and movable circuits. However, the workshop did not comply with occupational health and safety standards due to the absence of clearly demarcated walkways and restricted zones.

5.9.7.4. The lack of separation between work zones increases accident risks and allows unauthorised access to restricted areas.

5.9.8. Port Elizabeth TVET College

5.9.8.1. Though the Committee has not conducted a walkabout at the College Campus, it observed that the hall in which the meeting was held required refurbishment. Organised labour also thanked the Committee for conducting the oversight because the ceiling in the hall was fixed as a result of its oversight visit.

5.9.8.2. The Committee was informed that the infrastructure at the College campuses was not disability friendly as it did not have ramps.

5.9.9. ICT infrastructure

5.9.9.1. TVET college stakeholders expressed challenges regarding inadequate WI-FI connectivity, and computer laboratories had outdated computers that required upgrading to support modern teaching and learning.

5.9.10. Limpopo and Eastern Cape CET Colleges

5.9.10.1. The Committee expressed appreciation to the Nelson Mandela Bay Municipality for making a municipal-owned building available to the Eastern Cape CET College. This enabled the establishment of the Sakhulwazi Community Learning Centre (CLC), expanding access to education and training. Commendably, municipal employees without matric qualifications have enrolled at the Centre to pursue this credential.

5.9.10.2. The confirmation received by the Limpopo CET College from the Limpopo Department of Public Works, Roads and Infrastructure, through the office of the Premier, that five unutilised schools would be handed over to the College. This intervention will address the College's infrastructure needs. Additionally, land donations by Polokwane and Thulamela municipalities for the construction of the College Central Office, a CLC, and skills development centre, were commended.

5.9.10.3. Despite these commendable developments, the CET in both expressed concerns about inadequate and unconducive infrastructure.

5.10. University of Venda

5.10.1. The Committee was informed that students who stay at off-campus residences are subjected to poor internet connectivity and a lack of WI-FI, contributing to a high failure rate. The University management noted that private accommodation providers are not fulfilling their obligations to provide WI-FI as part of the services they committed to offer. It was reported that the poor connectivity was due to a lack of fibre lines to host connectivity outside the University campus, and cables installed by MTN and Vodacom were stolen and not replaced. The University management emphasised that it is not financially sustainable for the institution to provide for students living in private accommodation.

5.11. University of Limpopo

5.11.1. The University Council was praised for appointing a new Vice Chancellor (VC). The Committee congratulated the incoming VC, expressing confidence in his leadership,

while also commending the former VC for his dedicated service and successful implementation of key infrastructure projects.

5.11.2. The University Council, Management, and Organised Labour were commended for their commitment to upholding parliamentary oversight within Post-School Education and Training (PSET) institutions. NEHAWU reaffirmed its support for the Committee, noting its role in addressing long-standing challenges at the University, and condemned recent attacks on the Committee as unjustified.

5.11.3. The Committee welcomed the observation that the University of Limpopo is steadily transforming into a Campus Town. This evolution highlights the University's growing influence on the local economy and culture, reinforcing its central role in community development.

5.11.4. Concerns were raised regarding the University's admission system, which failed to detect that two master's students did not meet the required criteria until the eve of graduation. This lapse suggests the possibility that other unqualified students may have progressed through the system undetected.

5.11.5. Over the past five years, the University incurred legal expenses totalling R61.3 million, diverting significant resources away from its core academic and institutional mandate. The Committee raised several concerns about the high costs and poor outcomes of its legal cases against staff and students, including additional costs from unsuccessful appeals, which were not disclosed to the Committee. Legal fees decreased from R14.4 million in 2023 to R10.8 million in 2025. Despite this reduction, expenditure remains excessive and requires closer scrutiny.

5.11.6. Reports suggest certain officials colluded with private law firms to siphon funds through excessive litigation and unwarranted appeals of CCMA and Labour Court awards.

5.11.7. The Council delegated authority to the former Vice Chancellor to make decisions on legal matters without establishing a proper Supply Chain Management (SCM) process. No adequate monitoring mechanisms were implemented, undermining transparency, accountability, and compliance with governance standards.

5.11.8. The University did not have a Director of Legal Services, and the process to appoint legal firms was irregular and not standardised.

5.11.9. The Committee expressed grave concern regarding the significant number of suicide attempts reported during the 2022/23 academic year, totalling 40 cases, and three fatal suicides. Furthermore, 11 incidents involving self-inflicted piercing or cutting occurred

in 2024. These figures highlight urgent and serious challenges to student mental health and wellbeing that require immediate attention.

5.11.10 . The University reported that almost all suicide cases were linked to challenges within the home environment. In response, the institution increased peer counselling services and launched aggressive awareness campaigns.

5.11.11. The reported student-to-student discrimination on LGBTQIA+ was noted with great concern, noting that it will impact inclusivity and equal access to education and training and the broader mission of creating safe learning environments. This discrimination can lead to anxiety, depression, and feelings of isolation among LGBTQIA+ students.

5.12 Walter Sisulu University

5.12.10. The Committee was apprised of a shortage of lecturers within the institution. It was noted that 61 out of 438 modules lacked assigned lecturers, necessitating increased reliance on part-time staff. Reliance on part-time staff poses risks to quality teaching and learning.

5.12.11. The Komani Campus clinic currently operates with only one professional nurse who consults 35 students on average daily, which poses risks to the provision of quality healthcare for students and staff and overburdens the nurse, which can also affect their own wellness and performance. Additionally, the clinic is not connected to the Campus generator, and during power disruptions, this compromises clinic operations.

5.13 Nelson Mandela University

5.13.10. The University received commendation for its governance and management structures, which were notably led by women holding the positions of Chancellor, Council Chair, and Vice-Chancellor.

5.13.11. The University's Centre for Entrepreneurship Rapid Incubator (CfERI) was highly commended for its pivotal role in nurturing student entrepreneurs and fostering an enabling environment for the establishment of student-led businesses on campus. Notably, several of these ventures also provide employment opportunities to financially needy students, further amplifying the Centre's positive impact on the student community.

5.13.12. The University was commended for its low expenditure on legal fees (R1 million), demonstrating a strong commitment to financial prudence and effective resource management.

5.13.13. The University implemented the Meal Management System (MMS) for students who reside in catering residences and first-year students. The University SRC reported that the decision was implemented without consultation with students and that NSFAS-funded students are compelled to be on the system, with no choice regarding their daily dietary needs. They further argued that daily allocation in the system was insufficient to provide students with three meals per day, thus leaving students struggling with hunger.

5.13.14. The Committee observed that the Solomon Mahlangu and Claudine Qavane Student Residences do not provide self-catering facilities, as students were on MMS.

5.13.15. The Committee was informed that NSFAS-accredited private accommodation providers are unable to provide transport services for their students due to disputes with taxi operators in the Nelson Mandela Municipality, where the taxi association controls the routes. Consequently, an agreement was reached for taxi operators to shuttle students on behalf of the accommodation providers, with the University facilitating payments on their behalf.

5.13.16. During a walkabout at the shuttle service terminal, the Committee observed the severe weather conditions students were exposed to while waiting for transport. The absence of shelters meant that students had to endure extreme heat or rain for up to two hours while waiting for the shuttle. Furthermore, the Committee noted the lack of basic facilities, including seating areas for students with health conditions or those who are pregnant, as well as the absence of ablution facilities.

5.13.17. The Committee required University Council members and management to wait at the terminal for the commissioned shuttles, thereby allowing them to directly experience the conditions faced by students in their daily commute.

5.13.18. It was reported that shuttles operated only every two hours, which was insufficient to meet demand. As a result, students were frequently missing classes. The University indicated that it had convened an Indaba to address these concerns and that a plan was being developed to resolve the challenges.

5.13.19. The Committee noted serious disruptions in the University's power supply, primarily due to municipal inefficiencies. These outages have negatively impacted essential operations. For instance, during the Committee's visit, lecture rooms in the Nkanyezi Science Building were without electricity. A student entrepreneur at the Centre for Entrepreneurship Rapid Incubator further illustrated the consequences, reporting financial losses to her ice cream business caused by recurring outages. In response, the

University has invested in a solar plant to ensure a more reliable energy source for critical functions.

5.13.20. Additionally, the Committee received a submission alleging irregularities in the appointment of a foreign national as Head of the Department of Chemistry. The submission argued that the HOD role is neither administrative nor classified as a scarce skill, and therefore, the appointment contravenes South African legislation on the employment of foreign nationals. It was further alleged that the issue was raised with the Executive Dean, who failed to act, and later escalated to the Deputy Vice-Chancellor for investigation, but no remedial measures were taken at either level.

5.14 General Technical and Vocational Education and Training Colleges observations and findings

5.14.10. Filling of vacancies

5.14.1.1. Colleges have reported high vacancies for academic and support staff positions. For example, Eastcape Midlands TVET College: 147 vacancies (33% of posts) and 54% academic; Port Elizabeth TVET College: 98 vacancies (27% of posts), 21% were academic; Capricorn TVET College: 152 vacancies, with recruitment underway for 33 advertised posts; Letaba TVET College has 60 vacancies on the approved structure. Both student leadership and organised labour have raised concerns about high vacancies, in particular of lecturers, and the impact it has on teaching and learning, including heavy workloads on existing staff.

5.14.1.2. In its written response to the Committee, dated 20 February 2026, Port Elizabeth TVET College indicated that management and labour convened during July and August 2025 to identify and prioritise critical posts. The College explained that most of these posts required prior approval from the DHET before recruitment could proceed. Due to delays in securing such approval, the College was unable to act, and certain funds were consequently returned to the Treasury. As a result, several posts remain vacant, with no funding currently available to fill them.

5.14.1.3. Despite the moratorium being lifted at the end of March 2025, Colleges have not been able to fill critical academic and support staff vacancies; some cited having reached 63% compensation of employees' threshold ceiling on PERSAL-approved structure. Colleges rely on temporary, fixed-term, and acting appointments funded through the college payroll rather than permanent appointments. This exposes Colleges to the risk

of instability, as most of these contracts are renewed annually, and at times, some lecturers may have been absorbed elsewhere.

5.14.1.4. The Committee also observed that the DHET Regional Manager of the Eastern Cape, the Principals of both Limpopo and Eastern Cape CET Colleges, were appointed on an acting basis.

5.14.11Unqualified/underqualified TVET and CET College lecturers

5.14.2.1. Port Elizabeth TVET College has nine (9) lecturers who do not meet the prescribed minimum qualification requirement of REQV 1, which is a National Diploma or Matric plus three years of training.

5.14.2.2. The Committee noted with grave concern that many CET lecturers in both provinces are underqualified, with some holding only a matric. This negatively impacts teaching and learning quality. Organised labour indicated that lecturers are willing to upgrade their qualifications if funding is provided. They also highlighted the absence of structured capacity-building programmes.

5.14.12 Outstanding certificates and diplomas

5.14.3.1. All the TVET Colleges visited reported outstanding diplomas and certificates as follows: Capricorn: 1,080 NC(V), 1,117 NATED and 406 diplomas; Letaba: 70 NC(V), 171 (NATED Engineering and 154 diplomas; Eastcape Midlands: 28 NC(V) and 314 NATED, and Port Elizabeth: 355 NC(V) and 1,379 NATED certificates and 401 Diplomas. Both Limpopo and Eastern Cape CET Colleges also reported outstanding certificates. Outstanding certificates at TVET and CET colleges are primarily due to students not passing all subjects at a given level, and the inability of the examination system to consolidate results across cycles. This has serious implications for student career progression and access to further education.

5.14.13 Outstanding payments

5.14.4.1. Organised labour at all TVET and CET Colleges reported delays in verifying and recognising improved lecturer qualifications, resulting in underpayment of qualified staff were concerning as it persisted for a long time. Furthermore, CET College organised labour noted that the late payments for invigilation duties and outstanding performance management (PMDS) incentives. These delays demotivate lecturers and compromise service delivery.

5.14.14 Readiness of the Colleges for the introduction of occupational programmes

5.14.5.1. Capricorn TVET College noted that it is putting measures in place to get ready for the implementation of occupational programmes, with lecturer training funded by the College, DHET, and SETAs. Targeted qualifications include Airconditioning and Refrigeration Mechanics, Fitter and Turner, Electrician, Renewable Energy, Welding, and Plumbing trades.

5.14.5.2. Letaba TVET College has 11 occupational qualifications accredited by QCTO; funding applications were submitted to SETAs in support of the qualifications implementation and are awaiting QCTO site verifications for further approvals.

5.14.5.3. Eastcape Midlands TVET College developed implementation plans for occupational qualifications and availability of learning materials, confirmation of industry placements for the placement of students in occupational programmes, including SETA funding applications, placements and lecturer capacitation. Organised Labour raised concerns about infrastructure readiness, lecturer capacitation, unclear SETA funding/industry links, and labour policy framework gaps.

5.14.5.4. Port Elizabeth TVET College noted challenges relating to lecturer job security due to migration to occupational qualifications, and inadequate infrastructure. In mitigating the identified challenges, the College noted staff consultations, upskilling/reskilling, appointing a Council Donor, upgrading workshops/digital resources, industry partnerships for facilities/equipment, and applying for CIEG.

5.15 Capricorn TVET College

5.15.10. The College's governance and management structures remained stable, with most senior management positions successfully filled. Furthermore, the institution achieved unqualified audit outcomes for three consecutive years, reflecting sound financial management and accountability.

5.15.11.The College has firmly established itself as the central hub for water technology training in South Africa, underpinned by strategic collaborations and funding support from continental and regional partners.

5.15.12. Concerns were raised regarding delays in the distribution and installation of new equipment for the Engineering workshops. These delays negatively affect the quality of practical training and, consequently, students' academic performance.

5.15.13. The Committee noted the allegations that the College Principal reported misconduct involving an official in the Supply Chain Management (SCM) Unit, but the matter was not addressed. Conversely, when the same official reported misconduct against the Principal, the case was attended to immediately, on the very same day.

5.15.14. The DHET Labour Relations unit appointed an Investigating Officer to examine a complaint lodged against the College Principal. During the process, the Investigating Officer shared the charge sheet with the complainant, and it was allegedly leaked. The Committee regarded this action as irregular and unethical.

5.15.15. The reported shortage of lecturers at the campuses and the impact on academic performance were deeply concerning.

5.16 Letaba TVET College

5.16.10. The Committee noted a significant police presence at the College, necessitated by allegations involving private accommodation providers. It was alleged that these providers colluded with students to deliberately damage College-owned residences. The alleged intent was to force students into private housing, thereby generating financial profit for the providers.

5.16.11. The College received commendation for establishing a farm that serves both as a training centre and a business enterprise. Through this initiative, the College generates income from diverse farming activities, including cattle, sheep, goats, broilers, and cash crops. The farm is accredited by the Agriculture Sector Education and Training Authority in plant, animal, and poultry production, as well as by the Quality Council for Trades and Occupations in livestock production and landscaping.

5.16.12. The College was commended for its high academic performance in Engineering NATED.

5.16.13. The Committee commended the College for allowing students who were still waiting for NSFAS funding verifications to attend classes.

5.16.14. The College was commended for its commitment to social responsibility through the construction of a house for a family at the Ga-Sekororo Tribal Authority. The project was carried out by College students, using building materials generously donated by various institutions.

5.16.15. The Committee noted an allegation by a representative of organised labour that an employee was forced to come to work while on maternity leave. The College refuted this allegation, clarifying that the employee remained on maternity leave and had not

been recalled. Furthermore, the College, in its written response to the Committee, noted that the labour representative who raised the matter is currently under investigation for failing to fulfil his duty to process salaries, which is part of his job description.

5.16.16. The College has appointed seven (7) foreign nationals, of whom four were reported to have since been naturalised. It is further noted that two of the seven foreign national appointees were engaged as support staff, occupying non-critical skills positions.

5.16.17. The Committee raised concerns regarding the shortage of consumables at the Campus clinic, which currently only stocks sanitary towels and painkillers, and the absence of essential services such as treatment for sexually transmitted infections (STIs) and first aid drips. In its written response, the College indicated that it is engaging with the Limpopo Department of Health, specifically Dr CN Phatudi Hospital, to assist in equipping the Campus clinic with the full range of Primary Healthcare medicines. Additionally, the College is in the process of renovating and converting one of the staff houses into a clinic, ensuring adequate space for a consultation room, observation room, and reception area.

5.17 Eastcape Midlands TVET College

5.17.10. The Committee was informed that Umalusi withheld the five subject results due to the College's non-compliance with ICAS and ISAT assessments, valid for three years. These assessments have not been renewed since 2017. The Department has given the College until 27 February 2026 to comply.

5.17.11. This non-compliance has negatively impacted students, preventing progression, qualification completion, or articulation to university. NSFAS-funded students risk exceeding the N+1 rule and facing financial exclusion. The Committee expressed concern about the psycho-social impact on students and parents. The College has not outlined measures to support affected students' mental well-being.

5.17.12. The Committee raised a serious reservation about the underrepresentation of women on the Council. Women constitute 20% (3 out of 15 members) of the Council members.

5.17.13. The Committee noted concerns about an alleged racial divide at the Heath Campus, including victimisation of individuals who lodged grievances against management.

5.17.14. Labour-related issues that the unions raised, which point to a dysfunctional HR department, were concerning, including the high vacancy rate and acting appointments, which require that the College Council and management address them.

5.17.15. The Committee noted with concern that the College received qualified audit outcomes for two consecutive audit cycles, 2023 and 2024, respectively.

5.17.16. The Committee noted lecturer absenteeism at High Street Campus on Fridays, which compromises teaching and learning. This reflects weak monitoring by Campus Management.

5.18 Port Elizabeth TVET College

5.18.10. The Committee noted the organised labour's claim that the College Principal was irregularly appointed, given that he was appointed when the moratorium on filling vacancies was still active, while other posts for which the candidates had undergone the recruitment process and vetting were frozen during the moratorium. However, when the moratorium was lifted, those posts were lost, but the Principal's one was confirmed, which, according to organised labour, is an unfair practice.

5.18.11. The Committee expressed grave concern regarding the appointment of a Deputy Principal Finance, noting that the individual is alleged to have resigned from the position as Chief Financial Officer at Walter Sisulu University following charges of misconduct. The Committee further questioned whether adequate due diligence was undertaken during the vetting process to ensure the candidate's suitability for the role, noting that appointments at this level fall within the Department's function.

5.18.12. Student affairs and welfare

5.18.3.1. The Committee observed that students' disowning of constitutionally elected SRC leadership. Students were of the view that the elected SRC was not representing their interests and not fighting against the financial exclusion of those who exceeded N+1 and were no longer funded by both the Departments and NSFAS.

5.18.3.2. Notably, the SRC President indicated before the Committee that they will not represent students who fail, while she also failed one module and wrote a supplementary examination for the other. The Committee was gravely concerned about the President's behaviour, cautioning that students do not fail willingly. There could be other reasons why they failed.

5.18.3.3. The Committee was concerned that the SRC did not represent students' issues; she focused the presentation on management issues and the relationship between management and organised labour.

5.18.3.4. The Committee noted that students objected to the SRC president occupying the position given her academic results, which, according to them, was against the SRC constitution. Management clarified that the President was elected in 2025 based on the 2024 results and not the December 2025 examination results.

5.18.3.5. The College obtained three consecutive audit outcomes for three consecutive audit cycles, 2022, 2023 and 2024, respectively. These outcomes indicate that the audit action plan developed to address the findings is not yielding the desired results.

5.18.3.6. The Committee noted the allegation by the College's organised labour that a DHET official and the Eastern Cape Regional Office have coerced TVET colleges to affiliate and participate in College Sports, Arts and Culture South Africa (CoSACSA), and to the South African TVET Colleges Student Association (SATVETSA), costing the College R100,000 and R150,000 to affiliate in both. It was further reported that the instructions were issued without consultation and outside institutional mandates.

5.18.3.7. The allegation that CoSACSA and SATVETSA have not provided audited financial statements on how the funding contributions from the Colleges were spent, which, according to organised labour, was an abuse of public funds, fruitless and wasteful expenditures, and undermining of ethical leadership.

5.19 Limpopo and Eastern Cape CET Colleges

5.19.10. Organised labour expressed concerns about the late procurement and delivery of LTSM, which disrupts teaching schedules, syllabus coverage and practicals. The lack of essential tools of trade, such as laptops, internet connectivity, and digital platforms, further hampers effective teaching and learning.

5.19.11. The Committee expressed concerns that the long-standing issue of appointing Centre Managers remains unresolved. This challenge was previously raised during oversight visits to North West, Gauteng, Free State and KwaZulu-Natal in 2025, yet persists.

5.19.12. CET Colleges do not receive funding for the nutrition programmes, leaving many learners struggling with hunger. This, together with the absence of scholar transport, exacerbates dropout rates, as learners struggle with distance, safety and security, particularly during winter months when classes are held after school hours.

5.19.13. CET Colleges reported inadequate tuition time, with lecturers working only three hours daily. Any work beyond this is unpaid, contributing to poor syllabus coverage and weak academic performance.

5.19.14. The Committee noted reported concerns about disparities in salary benefits across the sector, raising concerns about fairness and consistency.

5.19.15. The Committee raised concerns about the chronic underfunding of the Community Education and Training (CET) sector during its engagement with the Limpopo and Eastern Cape CET colleges. This persistent lack of financial support undermines the colleges' ability to meet enrolment targets and operate effectively. Despite these challenges, the Committee observed the sector's significant potential during its walkabout at the Eastern Cape CET college exhibition. However, the Department's continued underfunding remains a critical obstacle, preventing the CET sector from realising its full capacity to deliver accessible and impactful education.

5.20 National Skills Fund and SETAs-funded skills development interventions

5.20.10 The Committee expressed appreciation to the Agri-SETA, merSETA, MICT SETA, Construction Education and Training Authority (CETA) and NSF for funding skills development interventions in Limpopo and Eastern Cape.

5.20.11 The Committee commended both K Boneng Skills Academy and Bolobathaba Media Group for the critical role they play in addressing youth unemployment and skills shortages in rural Tzaneen.

5.20.12 The Committee commended all the projects and noted with satisfaction that the skills levy institutions honoured their commitment to pay learner stipends on time. Students confirmed that they consistently received their stipends at the end of each month.

5.20.13 The Committee was concerned about the exit strategy for students who are participating in these skills development interventions.

5.21 National Student Financial Aid Scheme

5.21.10. NSFAS plays a pivotal role in ensuring equitable access to education and training in South Africa. For the 2026 academic year, NSFAS was commended for the timely release of funding decisions for first-time applicants. This development has had a direct and positive impact on the registration processes at universities and TVET Colleges.

5.21.11. Stakeholders across institutions expressed serious reservations about the exclusion of universities, colleges and student leaders from the NSFAS private accommodation accreditation process. This omission has led to situations where some properties not compliant with the Policy on the Minimum Norms and Standards for Student Housing at Public Institutions were accredited. Institutions are expected to intervene when

students residing in such properties face challenges, despite them not being part of the accreditation process. An example was made at Eastcape Midlands TVET College, where NSFAS accredited a property with a pub on site, posing a safety risk to students, exposure to alcohol and an inconducive living and learning environment.

5.21.12. Due to a lack of or inadequate post-accreditation follow-up inspections, some of the providers were alleged to have dropped the standards after they received accreditation.

5.21.13. The Committee noted with grave concern the reported extortion of students by private accommodation providers. This included the imposition of unjustified "top-up" administrative fees and the issuance of physical lease agreements after students had already concluded contracts through the accommodation portal.

5.21.14. Despite the public announcement by the NSFAS Acting Chief Executive Officer (CEO) that the entity would eliminate the use of solution partners or middlemen and pay accommodation providers directly, the oversight visit revealed that NSFAS continue to engage with these intermediaries. The continued reliance on solution partners undermines the credibility of NSFAS's stated reforms and creates uncertainty for student accommodation providers who depend on timely and reliable disbursements.

6. CONCLUSION

The primary focus of the Committee's oversight visits in Limpopo and Eastern Cape was to assess the readiness of Post-School Education and Training (PSET) institutions for the 2026 academic year. This evaluation is critical to ensuring a stable, efficient, and productive teaching and learning environment, while identifying potential bottlenecks and enabling early interventions.

In relation to registration and enrolment, the Committee observed significant improvements at universities with online registration systems, streamlining processes and eliminating queues. Applications were high, but no application fees were charged. Universities reported receiving a high volume of applications for limited spaces. Notably, Nelson Mandela University and the University of Venda distinguished themselves by waiving application fees for prospective students. Most TVET Colleges migrated to online registration, though the late release of results delayed student registration. Walk-ins were not accepted, but institutions assisted students without digital access. The CET sector is still reliant on manual registration, which was slow and further impacted by the delayed release of results.

Regarding governance, Universities and TVET Colleges stable governance with functional Councils, despite a few vacancies. CET Colleges were without Councils, as the term of their Councils ended at the end of October 2025, and the Interim Council's term also expired at the end of January 2025. The process to appoint the Council was still underway.

Concerning infrastructure, Universities and TVET colleges showcased modern facilities, including upgraded lecture rooms, digital labs, simulation spaces, and improved student accommodation. Challenges with inadequate teaching and learning spaces, which resulted in overcrowded classrooms, were reported at the University of Venda and Walter Sisulu University, while TVET College also reported maintenance needs for the existing infrastructure. CET colleges lacked dedicated infrastructure, despite the Department's commitment to building one CET college per province.

On student funding, the majority of students at historically disadvantaged institutions rely on NSFAS. NSFAS showed improved communication and timely funding decisions, reducing complaints compared to previous years. Concerns remain over NSFAS's management of the Student Accommodation Pilot project, with inadequate monitoring of privately owned residences leading to poor living conditions and exploitation.

The Committee reinforced its zero-tolerance stance on GBV and raised concerns about inconsistent handling of cases by institutions, and sanctions meted out against the perpetrators.

7. RECOMMENDATIONS

The Committee, having conducted oversight visits to Limpopo and the Eastern Cape, recommends as follows:

7.1. Ministry

7.1.1. The Minister should withdraw the directive preventing PSET institutions from engaging directly with the Committee. Institutions should be permitted to submit documents, reports, updates, clarifications and make appearances before the Committee without prior departmental coordination. This will ensure that the Committee receives timely information, enabling the preparation of research briefs and content advice necessary for effective oversight.

7.1.2. Furthermore, the Committee urges the Minister and the Department to respect the Constitutional mandate of Parliament and its committees to hold organs of state

accountable. The Minister and the Department should adhere to the protocols to avoid confusion and to safeguard the integrity of the oversight process.

7.2. Inadequate spaces

7.2.1. The crisis of inadequate spaces at universities and TVET colleges is not without solutions. Virtual platforms can be used to increase access to education and training. However, the Department has not allowed institutions to do so. The Department should urgently work with institutions to find solutions to expand access to education and training. Additional funding should be allocated to institutions to strengthen their virtual and blended learning solutions. By scaling up intake through online platforms, institutions can increase access without incurring infrastructure costs.

7.2.2. The Department, in collaboration with PSET institutions, the Limpopo Provincial Government, and mining companies operating in the province, should assess the feasibility of establishing a Mining Academy in Limpopo. Such an initiative would expand access to education and training in response to demand exceeding available spaces, develop a skilled workforce for the mining sector, reduce unemployment, stimulate related industries, and contribute to both provincial and national economic growth.

7.3. Postgraduate funding

7.3.1. The Department should lobby the National Treasury to establish a state-funded entity parallel to NSFAS, specifically for honours, master's and doctoral students, to increase South Africa's innovation ecosystem.

7.3.2. The private sector should be lobbied to co-fund postgraduate bursaries for skills in high demand.

7.4. Outstanding 2025 fees from SETAs and Funza Lushaka

7.4.1. The Department should urgently engage all SETAs and Funza Lushaka to expedite the disbursement of outstanding fees, including the 2026 academic year funds, to the institutions to enable the bursary beneficiaries to complete registration.

7.5. Land and property ownership

7.5.1. The Department should collate information from all universities and colleges that operate on DPWI and traditional council-owned land facilities without full ownership and submit that information to the Committee within three months of the oversight visit.

7.5.2. The Department should actively assist public higher education institutions in negotiating the transfer of land and property ownership with the Department of Public Works and Infrastructure (DPWI) and the Department of Cooperative Governance and Traditional Affairs (CoGTA). Furthermore, an interdepartmental task team comprising DHET, DPWI and CoGTA should be established to streamline the negotiations.

7.6. Infrastructure, including ICT infrastructure and network connectivity

7.6.1. The Department is urged to reconsider Walter Sisulu University's request and approve the utilisation of the interest accrued from the unspent CIEG funds for refurbishment. This intervention will help alleviate the shortage of student housing and ensure the provision of a conducive living and learning environment for students.

7.6.2. The Department, working with the University, should find solutions to address inadequate infrastructure that leads to overcrowded lecture rooms.

7.6.3. The Department, working in collaboration with the National Skills Fund and the Sector Education and Training Authorities, should assist the Walter Sisulu University in addressing the ageing ICT infrastructure.

7.6.4. The Department should consider allocating additional funds to the University of Venda for the procurement of additional medical equipment required to mitigate operational risks at the Advanced Nursing Simulation laboratory. This will ensure that the University maintains the laboratory's capacity to deliver high-quality training. The estimated required budget is R13 million.

7.6.5. The challenge of network connectivity requires multistakeholder intervention. Therefore, DHET, working with the University of Venda, Private Accommodation providers, should approach the Department of Communication and Digital Technologies (DCDT)and the local municipality to establish a memorandum of understanding for the provision of network connectivity in the communities surrounding the University and to safeguard against cable theft and ensure sustainable connectivity in off-campus areas.

7.6.6. Institutions should develop infrastructure maintenance plans to avoid falling into cycles of neglect that lead to infrastructure decay and costly repairs. Proactive plans would ensure sustainability, safety, and long-term cost savings.

7.6.7. The Department should accelerate the construction of Community Learning Centres to address the challenges of infrastructure in the sector.

7.6.8. The Department, working with the DPWI and provincial Department of Public Works, Roads and Infrastructure and municipalities, to identify and transfer unutilised buildings and land to Universities, TVET and CET Colleges for repurpose into education and training facilities and student accommodation.

7.6.9. Additional funding should be allocated to CET colleges for the refurbishment of unutilised schools and properties handed over to Colleges to develop them into functional facilities for skills training.

7.6.10. The Limpopo CET College should secure ownership of the schools handed over by LDPWRI, and land donated by Polokwane and Thulamela municipalities.

7.6.11. All universities and TVET colleges that do not currently hold valid certificates of occupancy for their existing student residences must initiate a formal process, in consultation with the relevant municipality, to secure the required documentation for each residence. In the interim, institutions should commission independent structural and safety assessments of all residences and ensure that the findings of these assessments are communicated transparently to stakeholders.

7.6.12. Institutional Councils should regularly monitor the implementation of the recommendations of the assessment reports to ensure ongoing compliance with health and safety standards.

7.7. Governance

7.7.1. The Minister should expedite the filling of the Ministerial Appointees vacancies at the University of Limpopo and the University of Limpopo.

7.7.2. The Minister should urgently consider the Port Elizabeth TVET College's request for concurrence, which was submitted in March 2025, for the appointment of the additional external members of the Council in terms of section 10(6) of the Continuing Education and Training (CET) Act. Approval of this request is critical to ensure that the College Council is equipped with the necessary expertise in financial management, human resources and legal matters, which are essential for strengthening the Council's oversight function.

7.8. Gender-based Violence

7.8.1. The Department, working with TVET Colleges and Higher Health, should ensure mandatory reporting of GBV-related misconduct of lecturers to SACE and, where applicable, to law enforcement agencies.

7.8.2. Clear protocols should be established to distinguish between internal disciplinary processes and cases requiring external referral.

7.8.3. The Department should ensure that TVET College Labour Relations officials receive specialised training in GBV case management to prevent misclassification and ensure proportionate sanctions.

7.8.4. The Department's Labour Relations Unit should work in collaboration with TVET colleges to strengthen monitoring compliance with reporting obligations and sanctioning standards.

7.8.5. The Department, working with institutions and Higher Health, should actively foster a culture where reporting GVB is safe, supported and encouraged. Furthermore, Higher Health's expertise in student wellness and safety should be leveraged to standardise GBV management practices across all institutions, to ensure consistency in prevention, reporting and response.

7.9. University of Venda

7.9.1. The University should consider online and blended learning to alleviate the challenge of overcrowded lecture halls.

7.10. University of Limpopo

7.10.1. The University equip all residences with smoke detectors to ensure rapid response in the event of fire and safeguard student safety.

7.10.2. The University should correct the error and issue a communique to all admitted students. Specifically, the communication should clarify that students eligible for NSFAS funding must report to the designated office to be cleared for registration, rather than paying registration fees.

7.10.3. The University Council should commission an investigation into the relationship between the law firms and the officials who recommended their procurement and submit the findings to the Committee.

7.10.4. Corrective measures must be implemented to curb excessive spending on legal services. This includes establishing and enforcing proper supply chain management procedures for the procurement of legal services.

7.10.5. The appointment of a Director of Legal Services should be expedited to ensure effective governance and accountability in legal matters.

7.10.6. The University Council should strengthen its oversight role in monitoring and managing expenditure on legal fees.

7.10.7. The University should ensure that admission policies and systems are strengthened to ensure that all students admitted to the institution fully meet the established entry requirements.

7.10.8. Notwithstanding the commendable measures the University put in place to address students' mental wellness, the Committee believes further measures are necessary, such as strengthening early intervention systems, expanding access to professional counselling, fostering collaboration with families and communities and integrating resilience-building into the academic environment. Regular monitoring and evaluation of these initiatives will be critical to ensure their effectiveness and sustainability.

7.10.9. The University should adopt and enforce a zero-tolerance policy on student-to-student discrimination, specifically addressing issues related to sexual orientation, gender identity, and expression. To safeguard inclusivity and equitable access to education and training for LGBTQIA+ students, amongst others, develop and implement anti-discrimination policy, educational programmes, support structures and implement consequence management against those who perpetuate discrimination against others.

7.11. Walter Sisulu University

7.11.1. The University Council should strengthen its oversight role over management to ensure that infrastructure-related challenges are addressed promptly and effectively. In particular, the Council should put measures in place that prevent reliance on external pressures before critical issues, such as water supply challenges, are resolved. Consequence management should be implemented against university officials who fail to act timeously in addressing the challenges.

7.11.2. The Council should submit a comprehensive report to the Committee within three (3) months following the oversight visit, which details outcomes of the interventions (with the timelines of February and April 2026) that were underway during the oversight visit to address the water supply challenges.

7.11.3. The University should consider upgrading and modernising the lecture halls with audio-visual equipment to enhance audibility across the hall and to meet the teaching and learning needs of both lecturers and students.

7.11.4. The University should establish proper systems and allocate a dedicated budget to anticipate and manage computer replacement cycles. This will ensure that ICT infrastructure remains functional and aligned with academic and administrative needs. Additionally, the Council should monitor the implementation of the ICT infrastructure plan to ensure timely responses to emerging challenges. To enforce an accountability ecosystem, consequence management should be implemented against those responsible for implementation delays.

7.11.5. Additional professional nurses should be appointed to the campus clinic to ensure the provision of high-standard healthcare services and protect the nurses' wellness.

7.11.6. The Campus clinic should be connected to the Campus generator to guarantee uninterrupted operations and ensure the clinic remains functional during power interruptions.

7.11.7. The University Council and management should investigate allegations that delays in the refurbishment of these residences are intentional, as they benefit some University internal staff members who profit by directing students into private accommodation.

7.11.8. The University should increase security personnel on all its campuses and address the use of the Ibika Campus land for Ulwaluko activities.

7.12. Nelson Mandela University

7.12.1. The University should align admission offers with the actual number of available spaces, and issue additional offers progressively as initial offers are accepted or rejected.

7.12.2. The University expedites the replacement of curtain rails and repair of broken windows at the Claudine Qavane Student Residence.

7.12.3. The committee is not opposed to the MMS in principle, but stressed that students should not be forced into the system without proper consultation. It is recommended that the University, working with NSFAS, should consider providing students with the option to opt out of the Meal Management System (MMS), thus allowing them freedom in how they manage their dietary needs. In addition, the University should invest in expanding and upgrading the kitchenettes at Solomon Mahlangu and Claudine Qavane

Student Residence to provide adequate facilities for self-catering. This will also address student hunger issues.

7.12.4. The Committee emphasised that students who elect to opt out of the Meal Management System (MMS) must exercise prudence in the use of their meal allowances. It was noted with concern that reports have highlighted instances of high levels of gambling among NSFAS-funded students. The Committee therefore urged that allowances be utilised responsibly for their intended purpose, namely the provision of adequate nutrition, and cautioned against diverting such funds towards non-essential activities.

TVET College Sector

7.13. Filling vacancies

7.13.1. The Department should assist Colleges that have already reached their 63% compensation of employees (CoE) threshold on the PERSAL-approved structures in finding reasonable measures to fill critical positions, especially vacant academic posts.

7.13.2. Colleges still under the 63% ceiling, such as Eastcape Midlands (55%), Port Elizabeth (57%), urgently fill vacant posts on the PERSAL-approved organogram.

7.13.3. With the moratorium on the filling of vacancies lifted, the Department should fast-track the filling of vacant senior management posts in Colleges.

7.13.4. The Department should strengthen capacity in the Regional Offices and decentralise recruitment to Regions to improve recruitment turnaround times.

7.14. Outstanding Diplomas and Certificates

7.14.1. The Department, working with other entities responsible for examinations and certifications, should procure modern IT systems that enable data capturing and consolidation of subject results across different exam cycles. This will minimise manual intervention, which has proven ineffective and has contributed to delays, and improve turnaround times for issuing certificates.

7.14.2. The Quality Council for Trades and Occupations should accelerate the processing of diploma applications and certification issuance. This will reduce the backlog of outstanding diplomas and allow graduates to enter the job market without unnecessary delays.

7.15. Outstanding results

7.15.1. The Department should expedite the processing of the outstanding RQEV for lecturers. This would encourage other unqualified and underqualified lecturers to improve their qualifications.

7.15.2. The Department should streamline verification and recognition processes for lecturers' improved qualifications.

7.15.3. The Department should implement strict timelines for PMDS and invigilation payments to avoid delayed payments.

7.16. Readiness for the implementation of the QCTO occupational qualifications

7.16.1. The QCTO should accelerate site visit verifications at colleges to ensure the timely accreditation of occupational programmes and workshops.

7.16.2. The Department should create a National QCTO Occupational Qualifications Implementation Committee to oversee and monitor rollout. Parallel committees should be established at the college level to address challenges arising during implementation.

7.16.3. Sufficient CIEG allocations must be provided to colleges to meet infrastructure and equipment requirements essential for delivering occupational qualifications.

7.16.4. Lecturer training should be fast-tracked to ensure they are fit-for-purpose in delivering occupational qualifications effectively.

7.16.5. The Department should convene structured engagements with key stakeholders, including colleges, organised labour, SETAs, the National Skills Fund, and industry partners, to secure buy-in and facilitate smooth implementation.

7.17. Funding

7.17.1. The Department should review TVET College sector subsidies and CIEG allocation models to reflect the operational realities of multi-campus colleges.

7.17.2. Additional funding should be considered for Eastcape Midlands College to repurpose inherited buildings to make them fit-for-purpose facilities to deliver education and training, including skills provision.

7.18. Capricorn TVET College

7.18.1. The College should accelerate the distribution and installation of new equipment in the Engineering workshops to strengthen the quality and effectiveness of practical training.

7.18.2. The Department should investigate the conduct of the investigating officer who disclosed the charge sheet in the case against the College Principal, as well as the alleged leak of case details.

7.18.3. The Department should ensure that its Labour Relations Unit handles all reported cases impartially, without favouritism. All cases must be treated with equal fairness and consistency.

7.18.4. The college should review and enhance its sexual harassment policy to ensure more effective prevention, reporting, and resolution of sexual harassment and related cases.

7.18.5. The college should implement a comprehensive Wi-Fi infrastructure across all campuses to provide seamless, reliable connectivity that supports teaching, learning, and research**.**

7.19. Letaba TVET College

7.19.1. Students are urged to refrain from engaging in any alleged collusion with private accommodation providers, as such conduct undermines financial investment made in the construction and maintenance of the college-owned residences and exposes students to potential safety risks.

7.19.2. Students should be encouraged to report suspected misconduct by private accommodation providers directly to the College management for escalation to law enforcement agencies.

7.19.3. The College should strengthen its strategies to address underperformance in the NC(V) and NATED programmes.

7.19.4. The College, in partnership with Higher Health, should enhance its campus-based clinics by ensuring they are equipped with the essential medical supplies and equipment needed to meet the health needs of both students and staff.

7.19.5. The College should allocate greater resources toward enhancing the water supply at its rural campuses. Procuring additional water storage tanks will help reduce the current over-reliance on boreholes and ensure a more reliable supply.

7.20. Eastcape Midlands TVET College

7.20.1. To comply with Occupational Health and Safety standards, the College management should urgently install clearly demarcated lines in the electrical workshop to define safe walkways and restricted zones and prevent accidents.

7.20.2. Consequence management should be implemented against College officials who caused the College not to comply with the requirements of the ICAS and ISAT.

7.20.3. The Academic Board should monitor compliance with the assessment requirements.

7.20.4. The Department should facilitate engagement between the College and NSFAS to mitigate financial exclusion risk for the students impacted by outstanding results due to non-compliance by the institution.

7.20.5. The College should establish immediate academic and psycho-social support mechanisms for affected students.

7.20.6. The Minister and the College Council should strengthen gender equity measures in the Council appointments to ensure balanced representation.

7.20.7. The Department should move with speed to fill the position of Deputy Principal Academic, including other senior management vacant positions.

7.20.8. The College Council and management develop and implement a recruitment strategy to fill the vacancies.

7.20.9. The College Council and management should strengthen financial management and internal controls to achieve clean audit outcomes.

7.20.10. The College Council and management should implement stricter attendance monitoring systems and accountability measures to ensure uninterrupted academic delivery.

7.21. Port Elizabeth TVET College

7.21.1. The College should develop an infrastructure maintenance plan with scheduled inspections and repairs to avoid reactive repairs, which may not follow SCM policies.

7.21.2. The College should construct ramps at the Campuses that are not disability friendly.

7.21.3. ICT infrastructure should be upgraded to ensure that staff and students have access to modern teaching and learning tools.

7.21.4. The College should fast-track the appointment of lecturers, given that it is 54% below the threshold on CoE.

7.21.5. The College should work with the students to mend the relationship between the SRC leadership and the student body.

7.21.6. The Department should provide a response to the Committee with supporting evidence on the alleged irregular appointment of the Principal.

7.21.7. The Department should investigate the appointment process of a Deputy Principal Finance, noting that the individual is alleged to have resigned from the position as Chief Financial Officer at Walter Sisulu University following charges of misconduct.

7.21.8. The Department should investigate the alleged coercion of TVET colleges to affiliate and participate in College Sports, Arts and Culture South Africa (CoSACSA), and the South African TVET Colleges Student Association (SATVETSA), and the alleged mismanagement of funds by both organisations.

7.22. Limpopo and Eastern Cape CET Colleges

7.22.1. The Department should approach the Education, Training and Development Practices (ETDP) SETA to allocate bursaries for lecturers to improve their qualifications.

7.22.2. Upon securing funding for bursaries, timeframes should be set for all the unqualified and underqualified lecturers to improve their qualifications.

7.22.3. The Department, working with institutions of higher learning, should develop structured professional development for lecturers.

7.22.4. The Department should expedite the processing of the outstanding RQEV for lecturers. This would encourage other unqualified and underqualified lecturers to improve their qualifications.

7.22.5. The Department should streamline verification and recognition processes for lecturers' improved qualifications.

7.22.6. The Department should implement strict timelines for PMDS and invigilation payments to avoid delayed payments.

7.22.7. The Department should ensure that Colleges receive adequate funding for LTSM and ensure timely procurement and delivery.

7.22.8. The Department, working with other entities, should facilitate network connectivity for CET Colleges. Additionally, lecturers should be provided with essential tools of trade to enable them to conduct research and prepare lessons.

7.22.9. The Department should expedite a process to appoint Centre Managers to improve administration capacity for the CLCs.

7.22.10. The Department should engage relevant stakeholders, including the National Treasury, to assess the feasibility of introducing nutrition programmes and scholar transport for CET learners.

7.22.11. To improve the quality of teaching and learning, the Department should consider reviewing lecturer working hours and remuneration to align with the demand of the syllabus.

7.22.12. The Department should undertake a comprehensive review of conditions of service to ensure parity in salary benefits across the sector. Establishing equitable compensation will promote fairness, boost morale, and support the retention of skilled lecturers.

7.23. National Skills Fund and SETA-Funded Skills Development Interventions

7.23.1. The Skills Development Levy institutions should develop exit strategies for students in their training programmes so that they can be absorbed into the labour market and create their own employment.

7.24. National Student Financial Aid Scheme

7.24.1. NSFAS should develop and publish a formal reporting system to enable students to report substandard accredited private accommodation and providers who drop the standard after the accreditation.

7.24.2. NSFAS should conduct regular unannounced inspections of accredited properties to ensure compliance with agreed standards and quality services. Where providers are found to have dropped below the required norms, immediate withdrawal of accreditation should be implemented, and students should be relocated to compliant accommodation.

7.24.3. NSFAS should ensure that private accommodation providers are held accountable for delivering WI-FI services as part of their contractual obligations to students.

7.24.4. Accommodation providers who drop the standard post-accreditation should be blacklisted, preventing them from reapplying for accreditation in the future.

7.24.5. NSFAS should adopt a more inclusive and robust monitoring framework that involves institutions and student leaders, while enforcing accountability through regular inspections and decisive action against non-compliant providers.

7.24.6. Urgent measures should be taken to address the reported extortion of students by private accommodation providers. Specifically, providers should be prohibited from imposing unjustified “top-up” administrative fees and from issuing physical lease agreements after students have already concluded contracts through the accommodation portal.

7.24.7. Stronger regulatory oversight and enforcement mechanisms should be introduced to safeguard students against exploitative practices and ensure transparency and fairness in accommodation arrangements.

7.24.8. NSFAS accreditors should require accommodation providers to submit a valid certificate of occupation before accreditation. This will ensure that students are housed in properties that meet municipal safety, structural and legal requirements.

7.24.9. NSFAS should submit valid certificates of occupancy of the private accommodation providers who are servicing Walter Sisulu University.

7.24.10. Despite the announcement by the NSFAS Acting CEO that the entity will eliminate the middleman/solution partners and pay private accommodation providers directly, during the oversight visit, NSFAS officials indicated that they were still working with solution partners.

7.24.11. NSFAS should urgently clarify its position on the use of solution partners and provide a detailed implementation plan with clear timelines for the transition to direct payment to private accommodation providers. NSFAS must strengthen its internal capacity, both human resources and ICT systems, to manage direct disbursement to private providers.

7.25. Portfolio Committee on Higher Education and Training Resolutions

7.25.1. The Committee should convene a joint meeting with the Portfolio Committees on Public Works and Infrastructure, Basic Education, the Departments of Public Works and Infrastructure, Basic and Higher Education and Training, on the challenges regarding the transfer of ownership of under-utilised and unutilised government properties and land to the PSET institutions.

7.25.2. The Committee should write to the Minister to urge him to expedite the consideration and approval of Walter Sisulu University's request to utilise the R110 million interest accrued from unspent CIEG to refurbish the decommissioned residences. Refurbishing the residences would provide immediate relief to the accommodation shortfall and demonstrate a shared commitment to student welfare and academic success.

Report to be considered

3. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON ITS ASSESSMENT OF THE 2025/26 SECOND AND THIRD QUARTER FINANCIAL AND NON-FINANCIAL PERFORMANCE REPORT OF THE DEPARTMENT OF HIGHER EDUCATION AND TRAINING, DATED 30 APRIL 2026

The Portfolio Committee on Higher Education ("the Committee"), having assessed the 2025/26 Second and Third Quarter financial and non-financial performance reports of the Department of Higher Education and Training ("the Department"), reports as follows:

1. INTRODUCTION

Section 5 (1) (c) of the Money Bills Amendment Procedure and Related Matters Act, 2009 (Act No. 9 of 2009) determines that the National Assembly (NA), through its Committees, must annually assess the performance of each national department in relation to the expenditure report of the said department published by the National Treasury in terms of section 32 of the PFMA.

In giving effect to section 5 of the Money Bills Amendment Procedure and Related Matters Act, the Committee conducts in-year monitoring and assessment of the Department's financial and service-delivery performance against the outcome indicators and targets set out in the Annual Performance Plan. The quarterly assessments of the Department's financial and non-financial performance also assist the Committee in its preparation for the annual submission of the Budgetary Review and Recommendation Report (BRRR) as determined by section 5 (2) of the Money Bills Amendment Procedures and Related Matters Act, 2009 (Act No. 9 of 2009).

The Committee convened a meeting on 4 March 2026 to assess the Department's 2025/26 Second and Third Quarter financial and non-financial performance reports.

2. OVERVIEW AND ASSESSMENT OF THE DEPARTMENT'S FINANCIAL AND NON-FINANCIAL PERFORMANCE REPORT

2.1 2025/26 SECOND AND THIRD QUARTER FINANCIAL PERFORMANCE

Table 1: Overview of budget allocation and expenditure for the 2025/26 Second Quarter

Status of expenditure	Annual Appropriation R'000	Actual Expenditure: 30 September 2025 R'000	Balance Available R'000	% Spent
Administration	663 152	284 952	378 200	42.97%
Planning Policy and Strategy	2 303 670	648 585	1 655 085	28.15%
University Education	96 010 257	55 933 961	40 076 296	58.28%
TVET	13 979 855	6 769 714	7 210 141	48.42%
Skills Development	359 586	152 522	207 064	42.42%
CET	3 125 187	1 614 080	1 511 107	51.65%
Direct charges (Skills Levy to SETAs and NSF	26 005 953	12 494 483	13 511 470	48.04%
Total	**142 447 660**	**77 898 297**	**64 549 363**	**54.69%**

Source: DHET 2026

The Department's total expenditure as at 30 September 2025 amounted to R77.8 billion (54.7% of allocation), comprising R65,4 billion of voted funds and R12,4 billion of direct charges against the National Revenue (Skills Levy). Underspending at the end of the Second Quarter amounted to R2,5 billion, mainly due to transfer payments to Higher Education Institutions that were not made as projected and low spending on compensation of employees.

Spending on operational expenditure (Goods & Services and Capital Expenditure) was at R352,8 million (29.7%). The highest spending was recorded under University Education (UE) at R55,9 billion (R29,3 billion to the National Student Financial Aid Scheme (NSFAS) and R26,8 billion to Universities). Transfers to Technical and Vocational Education and Training (TVET) colleges amounted to R2,5 billion, and Community Education and Training (CET) colleges R141,0 million. In terms of economic classification, the highest spending was recorded under Transfer payments (R71,5 billion) and Compensation of Employees (R6,0

billion). Of the R12,4 billion received from Skills Levy collections, R9,9 billion was transferred to the Sector Education and Training Authorities (SETA) and R2,4 billion to the National Skills Fund (NSF).

Table 2: Overview of budget allocation and expenditure for the 2025/26 Third Quarter

Status of expenditure per programme	Adjusted Appropriation R'000	Actual expenditure R'000	Balance Available R'000	% Spent
Administration	653 875	472 290	181 585	72.23%
Planning Policy and Strategy	2 313 161	740 358	1 572 803	32.01%
University Education	96 011 772	81 268 896	14 724 876	84.66%
TVET	13 845 662	10 593 102	3 252 560	76.51%
Skills Development	346 293	231 303	114 990	68.79%
CET	3 270 944	2 380 365	880 579	73.09%
Direct charges (Skills Levy to SETAs and NSF	25 978 559	18 827 362	7 151 197	72.47%
Total	**142 420 266**	**114 541 676**	**27 878 590**	**80.43%**

Source: DHET 2026

The Department's total expenditure as at 31 December 2025 amounted to R114,5 billion, or 80.43%, inclusive of voted funds and direct charges (skills Levy). Underspending during the reporting period was R3,1 billion due to transfer payments to Higher Education Institutions that were not made as projected and low spending on compensation of employees.

The spending trend on operational expenditure (Good & Services and Capital Expenditure) was R631,5 million, or 76.0%. The highest expenditure was recorded under University Education at an amount of R81,2 billion or 84.7%, of which R39,0 billion was transferred to NSFAS and R42,3 billion transferred to Universities. Transfers to TVET colleges amounted to

R4,0 billion and to CET colleges R187,2 million. In terms of economic classification, the highest expenditure was recorded on transfer payments amounting to R86,0 billion (excluding Direct Charges) and Compensation of Employees (R9,0 billion). Of the R18,8 billion received from Skills Levy collections, R15,0 billion was transferred to SETAs and R3,7 billion to the NSF.

2.2 OVERVIEW OF THE DEPARTMENT'S NON-FINANCIAL PERFORMANCE FOR THE 2025/26 SECOND AND THIRD QUARTERS

The Department set 51 targets for the 2025/26 financial year. In the Second Quarter, 15 direct targets were planned, and all were successfully achieved, reflecting a 100% success rate. In addition, two system targets (Medium-Term Development Plan (MTDP**)**) were planned, and both were achieved, also recording a 100%. In the Third Quarter, 17 direct targets were planned, of which 14 were achieved, resulting in an 82% success rate. For system targets, 18 targets were planned, and seven (7) were achieved, recording a 39% success rate.

a) Programme 1: Administration

The purpose of the programme is to provide overall management and administration of the Department. In the Second Quarter, the programme had eight (8) targets, all of which were achieved. In the Third Quarter, six targets were planned, of which four (4) were achieved, reflecting a 75% success rate. The targets that were not achieved and the reasons for variance are as follows:

Target	**Actual performance**	**Reason for Variance**
80% of disciplinary cases are resolved within 90 days.	62.5%	Delays due to the unavailability of the parties involved. Changes in officials' trade union memberships, including the resignation of implicated officials. **Corrective Action:** Communication will be strengthened, and the appointment of the chairperson will be discussed at the upcoming Labour Relations workshop
100% of valid invoices received	One invoice was misfiled	**Corrective Action:** The payment

from creditors paid within 30 days.		register is checked daily against payments processed the previous day.

b) Programme 2: Planning, Policy and Strategy

The purpose of the programme is to provide strategic direction in the development, implementation and monitoring of departmental policies and the human resource development strategy for South Africa. In the Second Quarter, the programme had one direct target planned, which was successfully achieved. For the Third Quarter, the programme did not have any planned targets.

c) Programme 3: University Education

The purpose of the programme is to develop and coordinate policy and regulatory frameworks for an effective and efficient university education system. To provide financial support to universities, the National Student Financial Aid Scheme (NSFAS) and the National Institutes for Higher Education.

For the Second Quarter, the programme did not have any planned targets. For the Third Quarter, the programme had two direct targets, and achieved one, reflecting a 50 per cent success rate. The targets that were not achieved and the reasons for variance are as follows:

Target	**Actual performance**	**Reason for variance**
Turnaround Strategy to reform and improve NSFAS administration submitted to the Minister for noting by 30 November 2025	NSFAS presented an update to Cabinet on addressing challenges at the entity	The Cabinet Memorandum was intended to serve as the Turnaround Strategy, but was not detailed enough to fulfil that purpose. **Corrective Action:** The Department will ensure alignment between the Technical Indicator Descriptor (TID) requirements for future targets.

For system targets, 13 targets were planned, and four were achieved, recording 31% success rate.

MTDP targets not achieved and reasons for deviations

Q3 planned targets	Achievement	Reason for deviation and corrective action
1 133 868 Students enrolled in universities.	1 115 580 (98%)	The target was not achieved, suggesting that resources to support students may be inadequate. **Corrective action:** The new enrolment plan (2026-2030) with revised targets has been approved by the Minister.
249 509 University students who completed a qualification.	237 571 (95%)	Students switch qualifications, extending their time in the system. Variations in graduation rates are not unusual. **Corrective action:** The Department will continue to support institutions through the University Capacity Development Programme/Grant (UCDP/UCDG).
2 460 Students funded by NSFAS (student loan).	27 (0.1%)	Of confirmed eligible students, registration data was only received for these students. **Corrective action:** NSFAS to work with institutions to publicise the loan scheme and enable greater take-up.

572 000 University students who received funding through NSFAS bursaries.	567 687 (99%)	Some returning students did not qualify for continued funding due to failure to progress to the next level of study. In terms of NSFAS policy, returning students are required to progress to the next level of study to sustain their funding. **Corrective action:** Set targets are reviewed, considering the available tuition allocation and trends for NSFAS bursary recipients.
14 735 Graduates in Engineering Sciences from universities	10 805 (73%)	Reasons for the lower graduate numbers than expected are investigated. There could be several different reasons for the deviations, including a post-COVID dip in enrolments and other factors such as extended programmes, extended time to graduation in STEM fields, switching of courses, and lower initial enrolment due to levels of NSC pass rates in maths and science. Limited funding causes some students to drop out, resulting in fewer graduates. **Corrective action** The enrolment plan with revised targets has been approved by the Minister. The Department will, in partnership
9 934 Graduates in Human Health Sciences from universities.	8 663 (87%)	
32 937 Graduates in initial Teacher Education from universities.	31 657 (96%)	
4 010 Doctoral graduates from universities.	3 973 (99%)	
15 426 Masters' graduates from universities.	14 726 (95%)	

		with institutions, establish the primary causes of the reduced graduate numbers in these fields, and explore interventions to support improved graduation.

d) Programme: 4 TVET

The purpose of the programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for TVET. In both the Second and Third Quarters, the programme had one direct target planned, and each was successfully achieved.

For the MTDP system targets, the programme had three planned targets, of which two were achieved, reflecting a 67% success rate. The target not achieved is reflected below:

Q3 planned targets	**Achievement**	**Reason for deviation and corrective action**
269 314 TVET college students who received funding through NSFAS bursaries per academic year	263 428 (98%)	Some returning students did not qualify for continued funding due to failure to progress to the next level of study. In terms of NSFAS policy, returning students are required to progress to the next level of study to sustain their funding. **Corrective action:** The Department will implement a structured academic support and early warning system to identify academically at-risk students

		within the first assessment cycle, ensuring timely intervention. Students who fail to meet progression benchmarks will be placed on academic development plans, supported through expanded tutorial programmes, peer mentoring, and lecturer-led classes in high-risk subjects.

d) Programme 5: Skills Development

The purpose of the programme is to promote and monitor the national skills development strategy and develop skills development policies and regulatory frameworks for an effective skills development system. In both the Second and Third Quarters, the programme had one direct target planned, and each was successfully achieved.

e) Programme: 6 CET

The purpose of the programme is to plan, develop, implement, monitor, maintain and evaluate national policy, programme assessment practices and systems for community education and training. In the Second Quarter, the programme had four direct targets planned and achieved 100%. For the Third Quarter, the programme had five direct targets, and all were achieved**.**

For the MTDP system targets, the programme had two targets and achieved one, a reflecting 50% success rate.

Target not achieved:

Q3 planned targets	**Achievement**	**Reason for deviation and corrective action**
142 877 Students enrolled in CET Colleges annually	129 677 (91%)	• Limited funding is adversely affecting the sector's potential to maximise on enrolments. CET

		Colleges are underfunded by 71%. • The CET Sector lacks own physical infrastructure, reliable data management system and the necessary ICT infrastructure. **Corrective action:** • There is an urgent need to increase CET mainstream funding, as CET colleges currently receive only 2% of the overall DHET budget. • The R1 billion CET Infrastructure programme will assist in building 3 colleges. Partnerships with TVET colleges to use their premises and facilities is also assisting. MIC-SETA has also been requested to assist. Partnership with SENTECH and ICASA to establish ICT infrastructure and improve connectivity.

3. OBSERVATIONS

The Portfolio Committee, having considered the 2025/26 Second and Third Quarter expenditure and non-financial performance reports of the Department of Higher Education and Training, makes the following observations:

3.1 Programme: 1 Administration

- The Department's achievement in meeting all Second and Third Quarter targets related to public procurement set aside for women-owned businesses, youth-owned businesses, black-owned businesses, businesses owned by persons with disabilities, and Small, Medium and Macro Enterprises (SMMEs) is commendable. This is particularly noteworthy in areas where challenges have historically persisted, such as procurement from youth, persons with disabilities, and SMMEs.

- The decline observed in the Third Quarter in the public procurement set aside for women and youth-owned businesses, including businesses owned by people with disabilities, although the overall targets were still met, remains concerning. The Committee has consistently advocated for targeted support to overcome barriers faced by these groups, and this trend reinforces the need for sustained and focused intervention.
- Limited human resource capacity has a profound negative impact on the Department's operations and the overall performance of the key delivery programmes.

3.2 Programme 2: Planning, Policy and Strategy

- The improved performance in the 2025/26 Second and Third Quarters on the Department's direct targets was commendable. However, the underperformance of the system targets, especially in the Third Quarter, where only 39% of the targets were achieved, was concerning.
- The Department has set annual performance plan (APP) targets that are not aligned with the Specific, Measurable, Achievable, Relevant, and Time-bound (SMART) criteria. Many of these targets fall outside the Department's control, making them unattainable. As a result, the Department is unable to achieve certain objectives because they are not matched to its available resources and operational capacity.
- Over the past five financial years, Programme 2 has consistently underperformed in meeting infrastructure and legislation-related review. Despite this recurring trend, the Department has failed to implement adequate consequence management measures to address the underperformance."
- Persistent delays by the Department in transferring infrastructure grants to PSET institutions remain a critical concern, undermining efforts to expand and modernise facilities. These delays have resulted in significant setbacks to refurbishment projects and the construction of new infrastructure, leaving institutions to contend with overcrowded student residences, strained lecture halls, and a growing maintenance backlog.
- Inadequate capacity and expertise within the Planning Branch continue to hamper the planning, implementation, and monitoring of infrastructure development projects in the PSET sector. Fewer than 10 employees are currently responsible for overseeing infrastructure projects across the entire system.

- The Department's plan to request additional expertise and support from the Construction Education and Training Authority (CETA) to strengthen infrastructure development projects was noted.
- Construction of the three new CET colleges in Gauteng, Northern Cape, and Western Cape has not yet commenced, despite the Department's commitment over the three financial years.
- The Department's approach of sourcing implementing agencies to address capacity constraints was acknowledged. However, overreliance on agencies such as the Independent Development Trust (IDT) to manage CET infrastructure projects is concerning, given the persistent delays.

  The Committee raised concerns regarding the R400 million budget allocated for appointing a contractor, emphasising that the amount was disproportionate to the financial year's targets and constituted overbudgeting. By the end of the Third Quarter, the Programme had spent only R21.7 million, equivalent to 5.4% of the CET infrastructure allocation.

3.3 Programme 3: University Education

- The 31% achievement of the system targets (MTDP targets) was noted with concern. In particular, the underachievement of the target for students enrolled in universities is seriously concerning, given the high number of matriculants who pass with good grades.
- The extremely low uptake of the NSFAS student loan scheme for missing middle students, only 27 out of the targeted 2,460, raises serious concern. Many students in this category continue to face financial exclusion from universities. Yet, NSFAS is still grappling with administrative delays and persistent functionality issues within the loan system. Compounding the problem, a significant number of students were not adequately informed about the availability of the loan scheme.
- The lower-than-targeted number of graduates in scarce and critical skills programmes is a deeply concerning trend. This requires urgent intervention by the Department in collaboration with universities.
- Persistent delays in finalising the NSFAS turnaround strategy remain a serious concern, particularly given the pressing need to restructure the entity's operations to ensure

financial sustainability. The reasons provided by the Department for the deviation were inadequate and showed poor planning.

- Universities faced sporadic disruptions at the start of the 2026 academic year, largely due to thousands of students being financially excluded as a result of unpaid debts. Many of these students are self-funded and required to settle part of their debt before registering. However, most lack the financial means to do so, leading to exclusions even among final-year students. The financial concessions proposed by universities often fail to provide meaningful temporary relief, leaving indebted students unable to register.
- The NSFAS decision not to fund Advanced Diplomas at Universities of Technology (UoT), on the basis that they are classified as postgraduate programmes, has had a negative impact on many students. This policy has contributed to mounting student debt and increased risks of drop-out within the higher education sector.

3.4 Programme 4: TVET

- The shortfall in achieving the target number of students funded through NSFAS bursaries, 263,428 students supported against the target of 269,314, is concerning. This underperformance highlights the significant demand for financial assistance within the TVET sector and underscores the impact such gaps have on student access and success.
- The Department's partnership with Allan Gray, aimed at fostering entrepreneurship within TVET colleges, has been positively received. In addition, the Department is establishing Entrepreneurship Hubs at TVET colleges in collaboration with the Education, Training and Development Practices SETA, further strengthening support for innovation and enterprise development in the sector.

3.5 Programme 6: CET

- The CET sector continues to suffer from severe underfunding and inadequate resourcing, despite its vital role in providing education and training opportunities for adults and out-of-school youth.
- CET colleges face a critical shortage of infrastructure, with more than 95% of facilities operating within Department of Basic Education (DBE) schools. Of the 1,700 community learning centres (CLCs) nationwide, the Department owns only 68. This limited ownership has created significant barriers to delivering quality education and

training. Compounding the challenge, progress on constructing the nine new CET colleges has been slow, further constraining the sector's growth.

- Enrolment figures remain below target, with only 129,677 students registered against the planned 142,877. This underperformance highlights a serious concern about the sector's ability to meet its mandate and expand access to lifelong learning.
- The student profile within the CET sector has shifted significantly over the years, with young people now making up the majority of enrolments (78%). Unlike universities and TVET colleges, however, CET students do not benefit from financial support such as transport, accommodation, food, or personal care allowances. Despite this lack of assistance, they are still expected to attend classes regularly and perform academically.
- At the same time, the high number of unqualified lecturers remains a pressing concern. This challenge is particularly critical as the CET sector continues to evolve, expanding its programme offerings to address the country's growing skills deficit.

4. SUMMARY

For the 2025/26 financial year, the Department has 51 direct targets and 31 system targets. For the Second Quarter of the year under review, the Department had 15 targets, and all were achieved, marking the first time the Department achieved 100% quarterly performance. During the Third Quarter, the Department achieved 14 of 17 targets, reflecting 82% achievement rate. The Department's performance for both quarters under review showed improvement compared to the previous financial years. The Department is also committed to implementing corrective measures where gaps have been identified to mitigate against deviations.

On financial performance, the Department's total adjusted allocation for the 2025/26 financial year amounts to R142 billion, comprising R116,4 billion of voted funds and R26 billion from the skills levy. The Department spent R77,9 billion during the Second Quarter, including skills levy, which equates to 54.7% spending. The lower-than-expected spending was attributed to delays in transfer payments to Higher Education Institutions and low spending on compensation of employees. For the Third Quarter, the Department spent R114 billion, which equates to 82.2% percent of its budget. The bulk of the expenditure during the Quarter under review was recorded in Programme 3: University Education, which spent R81,2 billion or 84.6% of the expenditure during the Third Quarter.

5. RECOMMENDATIONS

The Portfolio Committee, having considered the 2025/26 Second and Third Quarter expenditure and non-financial performance reports of the Department of Higher Education and Training, makes the following recommendations:

5.1 Programme 1: Administration

- The Department should speed up the process of filling vacant positions and provide additional capacity and expertise, with particular emphasis on Programme 2.

5.2 Programme 2: Planning, Policy and Strategy

- The Department should expedite the transfer of infrastructure grants to PSET institutions to prevent underspending. Timely transfers enable institutions to meet their obligations and minimise risks associated with delays in project completion.
- The Department should engage its implementing agency (IDT) to finalise procurement processes and appoint contractors for the construction of the three new CET colleges in Gauteng, Northern Cape, and Western Cape.
- The Planning Branch should include experts with specialised knowledge in the built environment and engineering sectors. These experts will be responsible for monitoring infrastructure development projects across the PSET system and ensuring compliance with safety standards.

5.4 Programme 3: University Education

- The Department should ensure that the NSFAS turnaround strategy is finalised and submitted to the Minister before the end of the 2025/26 financial year.
- The Department should engage universities to review their financial concessions, ensuring that academically deserving students are not financially excluded due to unpaid historic debts.
- NSFAS should launch advocacy campaigns to raise awareness among students about the student loan scheme and its benefits. In addition, the processing of loan applications should be expedited, given that NSFAS has a functioning loan management system.
- Advanced Diploma students should be encouraged to apply for the student loan scheme as NSFAS no longer funds the programme, as it is regarded as the second qualification.

- The Department should strengthen its oversight and monitoring of universities to hold them accountable for the proper use of public resources. Institutional autonomy should not be misused at the expense of public accountability.

5.5 Programme 4: TVET

- The Department, working in collaboration with NSFAS, should expedite the finalisation of TVET students' appeals.
- The Department should support TVET colleges in ensuring the timely submission of students' results and registration data.

5.6 Programme: 6 CET

- The Department should review the funding model of PSET institutions so that CET college students can also be provided with scholar transport and nutrition.
- The Department should strengthen its efforts to transform CET colleges into institutions of choice by increasing investment in funding and infrastructure, which are vital to increasing access.
- The Department should improve its advocacy campaigns to better promote CET college programmes to both youth and adults who are out of school.
- The Department should provide additional support, such as reskilling and upskilling opportunities to CET lecturers so that they are well prepared to deliver short-term skills programmes and occupational programmes introduced in the sector.

Report to be considered.

4. REPORT OF THE PORTFOLIO COMMITTEE ON HIGHER EDUCATION ON THE WORLDSKILLS SOUTH AFRICA NATIONAL COMPETITION, CONFERENCE AND CAREER FESTIVAL 2026, DATED 30 APRIL 2026

The Portfolio Committee on Higher Education and Training (hereafter referred to as the Committee), having attended the World Skills South Africa National Competition, Conference and Career Festival on 8 – 10 March 2026 at the Durban International Convention Centre (DICC), reports as follows:

1. INTRODUCTION

1.1 A delegation of the Portfolio Committee on Higher Education attended the World Skills South Africa National Competition, Conference and Career Festival on 8 – 10 March 2026 at the Durban International Convention Centre (DICC) in Durban, KwaZulu-Natal.

1.2 The delegation comprised the following members of the Portfolio Committee on Higher Education: Hon WT Letsie: Chairperson (ANC), Hon M Msezane (MKP), Hon K Khakhau (DA), Hon S Ngubane (MKP) and Hon S Zondo (IFP).

1.3 The member of staff who formed part of the delegation was Mr A Kabingesi (Committee Secretary).

2. BACKGROUND

Founded in 1950, WorldSkills is a global organisation dedicated to advancing vocational, technological and service-oriented education and training. Representing 72 member countries and regions, WorldSkills works with youth, educators, governments, and industries to prepare today's workforce and talent for the jobs of the future. Through international competitions, WorldSkills brings youth, industries, and educators together to give youth the chance to compete, experience, and learn how to become the best in their chosen skill. From traditional trades to cutting-edge technology careers across industry and service sectors, supported by partners, industries, governments, volunteers, and educational institutions, WorldSkills is making a direct impact on raising the level of skills throughout the world.

In South Africa, the WorldSkills South Africa (WSSA) initiative is championed by the Department of Higher Education and Training (DHET). Although South Africa has participated in WorldSkills International (WSI) events since 1990, WSZA was formally established in April 2013 by the Deputy Minister of the Department of Higher Education and Training. Within the South African context, participation in the WorldSkills competition holds significant potential to enhance the development and employability of the South African Youth. It also serves as an effective platform for raising awareness of apprenticeships and artisanal careers, while driving improvements in the standards of vocational education and training and artisanal skills. This initiative aligns closely with the Department of Higher Education and Training (DHET): 'Decade of the Artisan' programme. The event also brings together government, industry, training institutions, social partners and young people from across the country.

The main objectives of WorldSkills South Africa (WSSA) are to:

- Promote artisanal skills;
- Address critical skills shortages; and
- Elevate the standard of TVET colleges to meet international benchmarks.

The Committee was invited to gain firsthand insight into skills competitions, engage with key stakeholders and assess progress towards national priorities in artisan development and youth empowerment. The competition brought together 230 competitors from various TVET colleges and universities of technology (UoTs), who showcased their expertise in 27 different artisan skills. The competition served as a platform to prepare the 27 competitors representing Team South Africa to participate in the 48th WorldSkills International Competition to take place in Shanghai, China, from 22 to 27 September 2026.

3. Opening ceremony

3.1 Address by the Chairperson of the Committee

Hon W Letsie, MP – Chairperson of the Committee, delivered a message of support on behalf of the Committee. In his remarks, the Chairperson expressed gratitude to the Department for inviting the Committee to participate in the event and emphasised the importance of the Committee in gaining insight into the activities of the conference and competition. He noted that one of the Department's weaknesses lies in effectively communicating and promoting the

success stories of the post-school education and training (PSET) system to the public, particularly the National Skills Fund (NSF) skills development interventions.

In relation to the World Skills Competition, the Chairperson indicated that Team South Africa did not perform well at the 47th WorldSkills Competition held in Lyon, France, in September 2024. He attributed the outcome to insufficient support from the Department and inadequate mentorship to the competitors by SETAs, many of whom did not accompany the competitors to Lyon. In addressing these shortcomings, the Chairperson recommended that competitors receive enhanced support from the Department; SETAs should adopt all competitors and provide them with the necessary resources to enable optimal participation in the World Skills Competition, and additional training opportunities should be offered prior to the main competition in Shanghai to prepare the competitors adequately.

3.2 South African Technical and Vocational Education and Training Students Association (SATVETSA)

Ms K Chokoe: President SATVETSA, delivered a keynote address on behalf of students in the TVET sector. She highlighted that South Africa currently produces 20,000 qualified artisans annually, while the National Development Plan (NDP) sets a target of 30,000 artisans by 2030. She emphasised that competitions such as this one are vital engines to help bridge that gap. She congratulated the competitors for this stage in the competition, noting that artisans hold the key to addressing the nation's unemployment challenges.

The President acknowledged that many students continue to struggle with in-service training and workplaces for work-integrated learning. She urged industry partners and SETAs not only to observe the competition but to actively open their doors to students. Beyond internships, she called for a co-leadership model that forges strong partnerships and guarantees direct pathways from workshops to permanent employment. She indicated that the competitors are the best ambassadors for the TVET sector, capable of attracting more young people and positioning TVET institutions as the preferred institutions of choice. Ms Chokoe concluded by stressing that the competition should be a transformative platform, one that changes the lives of participants and inspires them to use their skills to change lives, uplift their institutions and communities.

3.3 Address by the Deputy Minister

Dr N Dube-Ncube: Deputy Minister, provided a brief background on the WorldSkills South Africa Competition. She acknowledged that Team South Africa did not perform well at the competition held in Lyon, France, in 2024, but emphasised that valuable lessons had been learned. The Department intends to apply these lessons to strengthen future participation, particularly in preparation for the upcoming competition in Shanghai, China, in September 2026. To enhance readiness, the Department will leverage international collaborations and partnerships, while Higher Health has been tasked with providing psychosocial support to all competitors to ensure their well-being and improved preparedness.

The Deputy Minister highlighted that the competition aligns with the President's call to expand artisan training as a means of addressing South Africa's critical skills shortages and reducing high youth unemployment. With South Africa aggressively expanding its infrastructure projects, the Deputy Minister stressed the need for the PSET system to provide the skills required for every area of development. The Department will pursue strategic interventions aimed at modernising artisan development in the TVET sector. She further noted the Department would coordinate efforts to fully support South Africa's participation in the WorldSkills Competition. In closing, the Deputy Minister officially declared the competition open.

4. Site Walk-about World Skills South Africa Exhibition Centre

The Committee conducted a site walkabout at the exhibition centre, where competitors from various TVET colleges and universities were assessed on their competencies and skills. The exhibition centre showcased 27 artisan trades, alongside public and private skills development providers forming part of the artisan development value chain. Stations visited by the Committee included hospitality, electrical engineering, plumbing, welding, mechatronics, fashion technology, mobile robotics, fitting and turning, auto body repairs, mechanical repairs, aircraft maintenance, carpentry, water technology, systems development and programming, bricklaying, hairdressing and beauty, renewable energy, and boiler-making.

These programmes are typically delivered through the National Certificate (Vocational) [NC(V)] at levels 2–4, the Report 191 (NATED) courses (N1–N6), and Occupational Qualifications programmes. With the phasing out of the NATED programme, it was noted that most colleges were admitting their final intake before the programme's complete discontinuation.

Key challenges identified during the site walk-about included outdated or missing equipment, limited financial resources to acquire modern tools necessary for adequately preparing students for competitions, and low participation in certain categories, for example, only two competitors were registered in refrigeration and air-conditioning.

5. Discussion

The following are the key issues from the discussion:

- The offering of outdated and irrelevant programmes in the PSET system remains a serious concern and creates significant challenges in relation to the placement of students in workplaces.
- Some workplaces fail to provide an enabling environment for work-integrated learning (WIL), making it difficult for students to complete the practical components of their studies.
- A critical gap exists between TVET institutions and industry needs, resulting in graduates who lack the specific competencies employers require. The availability of workplaces is central to apprenticeship programmes, yet limited opportunities hinder the number of apprentices produced.
- The weakening of state-owned entities (SOEs) has negatively affected the training and development of artisans in the country.
- TVET colleges struggle to expand apprenticeship programmes due to accreditation hurdles, a lack of resources and the absence of industry and workplaces in rural areas to support artisan training compounds the situation.
- Producing 30,000 artisans annually would require an estimated R10 billion in funding each year.
- The introduction of occupational programmes has created funding dilemmas, as many colleges lack the infrastructure, equipment, and capacity to deliver them effectively.
- Government policies are not sufficiently supportive or adaptive to innovation, slowing progress in the development and expansion of innovative programmes aligned with emerging industry needs.
- The country invests more in training the unemployed than in upskilling employees already in workplaces, raising concerns about efficiency and impact.

- The current skills levy is inadequate compared to the growing demand for training, upskilling and reskilling in the country.
- SETAs have over R20 billion, and NSF R15 billion in cash reserves. These funds could be better deployed to expand training opportunities, rather than being invested for interest accumulation.

6. Recommendations

The following are recommendations made:

- Training within the PSET system should focus on occupations that are critical for career growth, economic development, and innovation.
- Improvements in the expansion of localised skills, which are tailored to the specific economic, social and environmental context of a region or community, should be expedited.
- Equipping youth, especially in the TVET colleges, with artisanal and related skills is not sufficient. There is a need to support students with entrepreneurial skills to enable new venture creation and enhance their contribution to economic development.
- There is a need to create a pipeline for vocational education and training through addressing misalignment between DHET and the Department of Basic Education (DBE) by reinforcing technical high schools and fostering collaboration across the PSET system to build a sustainable artisan training model.
- State-owned enterprises (SOEs) and municipalities should be encouraged to open their workspaces for artisan training and development.
- There is a need to move beyond compliance with numerical targets for artisan training and prioritise the achievement of high-quality training outcomes.
- A robust workplace training culture should be established to enhance artisan development through practical, hands-on learning.
- TVET colleges should be provided with the necessary resources required to expand and improve artisan training programmes.
- There is a need to prioritise strategic investment, especially in rural-based PSET institutions, to strengthen artisan training and address regional disparities.

- Skills development interventions should be linked to the manufacturing industry, ensuring responsiveness to technological advancements and the demands of the Fourth Industrial Revolution.
- Curriculum development for the PSET system should be industry-driven to enable seamless transition of graduates into workplaces.
- The TVET colleges and universities graduates' workplace readiness should be enhanced through practical exposure and stronger industry partnerships.
- TVET college lecturers need to be placed in industry to gain industry experience, enabling them to transfer practical knowledge and insights to students.

Report for noting

5. JOINT REPORT OF THE PORTFOLIO COMMITTEES ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, STANDING COMMITTEE ON PUBLIC ACCOUNTS, AND THE STANDING COMMITTEE ON THE AUDITOR GENERAL ON OVERSIGHT VISIT TO THE GAUTENG PROVINCE, 04 – 05 SEPTEMBER 2025, DATED 5 MAY 2026

Having undertaken a two-day joint oversight visit to the Gauteng province, from 04-05 September 2025, the Portfolio Committees on Cooperative Governance and Traditional Affairs (COGTA), Standing Committee on Public Accounts (SCOPA), and the Standing Committee on the Auditor-General (SCOAG) report as follows:

1. BACKGROUND

- In May 2025 the Auditor-General of South Africa (AGSA), tabled in Parliament the *Consolidated General Report on Local Government Outcomes* in respect of the 2023-24 financial year. The key message emanating from the report was that the poor audit outcome trend has continued. There continued to be lack of consequences, which was most evident in the areas of poor and slow responses to investigating allegations of financial and supply chain management misconduct and fraud indicators; not investigating and/or not properly dealing with unauthorised, irregular, and fruitless and wasteful expenditure; and material non-compliance with legislation on consequence management.

- Poor political and administrative leadership was reported to have contributed to the poor performance at local government level. The Auditor-General noted that the desired impact of national and provincial interventions to help financially distressed municipalities to deal with their challenges has not yet been realised. The support needed to be intensified as there was a direct link between improved audit outcomes and the support provided.

- Pursuant to the tabling of the 2023-24 Municipal Finance Management Act (MFMA) audit outcomes, and the ensuing recommendations, it was resolved that Parliament's oversight strategy be modified to ensure more focused attention on consequence management and more emphasis on accountability by the provincial political leadership in respect of their legislated

responsibilities, particularly the Premier and the Member of the Executive Council (MEC) responsible for Cooperative Governance and Traditional Affairs.

- Mindful of cooperative government and intergovernmental relations and the principle of legality, as underscored in Parliament's Oversight and Accountability Model, Parliament has opted to implement the modified oversight strategy through a joint approach led by the National Assembly Portfolio Committee on Cooperative Governance and Traditional Affairs, in partnership with the Standing Committee on Public Accounts, Standing Committee on the Auditor-General, the Speaker's Office in the Provincial Legislatures and the Provincial Legislatures' Portfolio Committees on Cooperative Governance and Traditional Affairs.

- In this vein, the Speaker of the National Assembly directed that the House Chairperson (Committees, Oversight & ICT) convenes the respective Committees and request their response to the Auditor-General's recommendation to the effect that ministers and members of the executive councils responsible for finance and local government, together with Parliament and provincial legislatures, should enhance their intervention and oversight to achieve tangible improvements.

2. OVERSIGHT DELEGATION

2.1. Portfolio Committee on Cooperative Governance and Traditional Affairs

- Hon. Z.L. Mkhize (Chairperson and Delegation Leader: African National Congress)
- Hon. D. Direko (African National Congress)
- Hon. P. Ndamase (African National Congress)
- Hon. Z. Mthethwa (uMkhonto weSizwe)
- Hon. J. Mtolo (uMkhonto weSizwe)
- Hon. M. van Zyl (Democratic Alliance)
- Hon. C. Labuschagne (Democratic Alliance)
- Hon. H. Mkhaliphi (Economic Freedom Fighters)
- Hon. S. van Wyk (Patriotic Alliance)

Support staff:

- Ms. S. Cassiem (Committee Secretary)
- Mr. A. Sokomani (Content Advisor)

- Mrs. N. Twala (Committee Assistant)
- Ms. N. Dinginto (Executive Secretary)
- Ms. A. October (Communications Officer)

2.2.Standing Committee on Public Accounts

- Hon. P. Atkinson (Democratic Alliance)
- Hon. T. Kubheka (uMkhonto weSizwe)
- Hon. N. Maduna (African National Congress)
- Hon. (African National Congress)
- Hon. N. Mente (Economic Freedom Fighters)

Support staff:

- Ms. A. Matutu (Researcher)

2.3.Standing Committee on the Auditor-General

- Hon. E. Spies (Democratic Alliance)
- Hon. S. Mwali (uMkhonto weSizwe)
- Hon. T. Nontenja (United Democratic Movement)

Support staff:

- Ms. Z. Arnold (Committee Secretary)

2.4. Gauteng Provincial Legislature

- Hon. A. Fuchs (Standing Committee on Public Accounts)

2.5.Gauteng Provincial Executive

- Hon. P. Lesufi (Premier)
- Hon. J. Mamabolo (MEC: Cooperative Governance, Traditional Affairs and Human Settlements)
- Hon. L. Maile (MEC: Finance and Economic Development)

2.6.Municipal council delegations

- The list of municipal council delegations is annexed at the end of the report.

3. STATEMENT OF OBJECTIVES AND ANTICIPATED OVERSIGHT OUTCOMES

3.1.Standing Committee on Public Accounts

- The committee reported to be honoured and privileged to participate in the oversight visit. Its oversight role emphasized facilitating the efficient use of limited public resources, and in this regard, municipalities have been found wanting as indicated in the Auditor-General's reports. Those able to achieve clean audits and unqualified audit opinions were few. The key issue for the committee was not the lack of capacity but the inability to ensure that the available funds are spent diligently and are accounted for. The accountability process is supposed to be rigorous and the role of leadership in this regard is essential. The oversight presented an opportunity to learn more about the challenges, frustrations and the successes experienced.

3.2.Standing Committee on the Auditor-General

- The committee's role was first and foremost to support the Auditor-General's office to fulfil its duties. Part of this endeavour is fostering a cooperative working relationship between the Auditor-General and municipalities, including encouraging the latter to pay outstanding audit fees as to avoid hampering the former's work. The committee anticipated an open and honest discussion as to identify areas for improvement. Its commitment to a coordinated oversight approach was emphasized, with particular interest in demanding accountability on repeat disclaimers and poor quality annual financial statements. The intent was to provide support with a view to enhancing municipalities' ability to deliver services and exercise better governance including adherence to laws and regulations, payment of creditors and third parties, and eschewing the use of consultants where no value for money was derived. This aspiration was to be realised through positive criticism rather than seeking to apportion blame.

4. ENGAGEMENT WITH THE GAUTENG PROVINCIAL EXECUTIVE

4.1.Premier

- The Premier, Hon. P. Lesufi, appreciated the oversight engagement as it contributed towards expediting the process of improving municipal governance. In 2024, the province convened a local government summit that culminated in a shared vision and agreement on key focal areas. Integral to these was a coordinated, ward-focused and information technology driven service delivery system; promoting the optimal use of resources; and strengthening the relationship with Gauteng residents by responding to their concerns. Over the last two years, the province has consolidated a list of 13 key critical challenges facing it, known as the Great 13. These include

unreliable water supply, cable theft, vandalism, defective traffic lights, potholes, crime, informal settlements, unreliable electricity supply, gender-based violence, drug abuse, poor hospital services, shortage of schools, failing infrastructure, and unemployment. The dolomite issue in the West Rand was later added to make it the Great 13+1.

- The joint committees' presence came amidst the need to accelerate the resolution of these matters and coincided with the province's attempt to put its best foot forward as it prepared to host the 2025 G20 Summit. Each municipality was expected to provide weekly feedback relating to its service delivery activities. This was less of a consideration for the G20 visitors than the provincial executive's intent to establish an accountability foundation. The provincial government had an extensive list of support measures implemented to assist municipalities in the province to fulfil their responsibilities. For example, Emfuleni was identified for urgent intervention and was engaged on this basis. Consequently 40 its roads have been fixed as these were the starting point for economic development.

- In the city of Johannesburg, the provincial government's intervention involved an agreement with City Power, which culminated in the repair of 202 non-functional transformers and the reopening of closed power stations. The province has further supported municipalities to fight crime, including the development of a crime-fighting strategy that has been approved and adopted by all the municipalities. This has been concomitant with the quadrupling of associated resources such as vehicles and drones, which has enabled law enforcement to apprehend 170 of the most wanted criminals. Partnerships with healthcare providers such as a clinics and ambulance services had also been concluded.

- In the Premier's view, the current local government funding model is outdated as it is detached from contemporary realities such as the fact that those who can afford to pay for electricity have migrated to solar energy to ensure stable energy supply. This has disrupted the traditional municipal funding patterns. Undocumented foreign nationals from the continent and abroad was another concern as the numbers were too high. The proliferation of informal settlements and the hijacking of buildings presented another challenge. A major disaster is waiting to happen in the city of Merafong as half of the municipal area is dolomitic. However, the affected residents were not receptive to the current relocation proposals as their current houses were superior to the alternative accommodation offered in terms of the current government housing policy. Solving this problem required innovative thinking. The province was also confronted with the advent of

whistleblower assassinations that necessitate measures to protect municipal officials and those at risk due to exposing corruption.

- Ten municipalities in the province were governed through coalitions, which were not stable in councils such as Johannesburg, Ekurhuleni and Sedibeng. Particularly challenging were the votes of no confidence that caused political instability and weakened municipal performance. Last highlighted was the high number of customers that could afford to pay for municipal services but falsely claimed indigency. In conclusion, the Premier affirmed the provincial government's commitment to work with the joint committees noting that collaboration with the South African Local Government Association on pre-audit preparations yielded improvements in audit outcomes. There was also an increase in the number of provincial government departments attaining clean audits.

4.2.Department of Cooperative Governance and Traditional Affairs

- The MEC responsible for Cooperative Governance and Traditional Affairs in the province, Hon. J. Mamabolo, felt that the Premier's remarks aligned with most of what he had to say, except for two points he wished to amplify. The first related to the provincial local government summit of 23 – 24 October 2024, which set the provincial government's overarching approach to turning local government around. The hallmarks of the summit's success included the appointment of workstreams and the development of municipal turnaround plans, which were being monitored through weekly Intergovernmental Relations meetings. While the support provided to municipalities involved handholding, it was also robust and emphasized consequence management. There was also emphasis on the intergovernmental relations approach as no single sphere of government could deal with all the challenges singlehandedly.

- The MEC further highlighted weaknesses relating to municipalities' communication with residents. The province has committed to integrated service delivery, which was also being monitored weekly. The community safety function was now centralised in the Premier's office. Weekly intergovernmental water monitoring partnerships with Rand Water and the Department of Water and Sanitation had up then enabled the province to avoid day zero. The MEC's department also worked with Treasury to administer training for Municipal Public Accounts Committees.

- In the MEC's view, the audit process should not be a once-off exercise but an event that should happen more frequently (at least twice a year) to encourage municipalities to interact with the Auditor-General regularly. The Auditor-General also supported this principle. The Department was also actively engaging on labour-related matters with the South African Municipal Workers Union and municipal corporate services. Tensions between Rand Water and municipalities, as well as between Rand Water and Eskom, have been subject to the Department's mediation. The provincial government was due to launch a campaign around the G13 matters, which the Premier had earlier outlined. This would also be monitored through the weekly intergovernmental meetings. The new method of weekly intergovernmental relations meetings was proving effective. A high level of cooperation was enjoyed but this did not render the challenges less severe.

- In conclusion, the MEC reiterated the provincial government's commitment to attend to, and report back on, the several specific issues raised by the joint committees. Reports and plans would be submitted in connection with both the issues that were specific to the province and those that were directed at municipalities. The latter would be assisted to develop clear timelines. Upon the conclusion of the process led by the Department of Cooperative Governance's Direct General, the joint committees would be furnished with the reports pertaining to the appointment of senior managers in the cities of Tshwane and Ekurhuleni. On the provincial executive's behalf, the MEC undertook to intensify oversight and ensure that municipalities were fully compliant, respected the audit process and dealt with the issues raised by the Auditor-General. The MEC took note and accepted the concern raised around the non-attendance by the Speaker of the Provincial Legislature and the relevant portfolio committees in the legislature.

4.3. Department of Finance

- The input by the MEC responsible for Finance in the province, Hon. L. Maile, focused on the effective management of municipal finances. Poor revenue collection continued to constrain municipal cashflow. Unlocking collection was thus deemed critical. The passing and adoption of unfunded budgets remained a serious challenge with Tshwane, Johannesburg, Ekurhuleni and Midvaal being the only municipalities with funded budgets. The Lesedi local municipality requested a re-assessment of its budget funding status, and the Department was due to finalise this by mid-September 2025. To remedy the passing of unfunded budgets, municipalities have been directed to submit their draft budget strings data to the Department before tabling in the

municipal council. Although not all municipalities have responded positively, the exercise has improved the number of municipalities that have adopted funded budgets.

- The Department has also launched an accelerated programme relating to annual financial statements, including convening workshops on the Generally Recognised Accounting Practices for municipal officials in the Budget and Treasury Offices. All the 11 municipalities in the province have submitted their 2024-25 annual financial statements by the legislated date. Training and capacitation of Municipal Public Accounts Committees has been administered across the province. Consequence management implementation remained a serious challenge and the Department found this transgression unacceptable. Municipalities were also supported in connection with addressing unauthorised, irregular, fruitless and wasteful expenditure. Section 38 of the Municipal Finance Management Act has been invoked on municipalities that have persistently breached the measures established in terms of section 216(1) of the Constitution.

4.4.Deliberations on the provincial executive's inputs

Having received the provincial government's inputs, the joints committees raised the following key issues:

- ***Crime, corruption and governance***. The provincial executive was invited to elaborate on how it was dealing with the assassination of whistleblowers who exposed corruption as happened in the Ekurhuleni metropolitan municipality. Members expressed concern around corrupt officials and sought a way forward on how to deal with this. The insourcing of services was proposed as a feasible solution. The results of the province's crime strategy needed unpacking. Why the Special Investigating Unit was registered as the provincial government's service provider also needed to be explained.

  In response, the Premier emphasized that corruption was a very serious problem and reminded that service providers were also part of the equation. The province has dedicated time and resources to fighting corruption, including intensifying the application of law enforcement. This was no easy endeavour. Gauteng was the only province where all the MECs were subjected to vigorous lifestyle audits. The two new MECs were also undergoing the process. Six Heads of Department whose integrity was found suspect were removed. Having placed supply chain management at the centre of corruption-related transgressions that have paralysed state capacity,

the province has conducted lifestyle audits on 256 supply chain management officials in bid to rebuild the lost capacity.

To circumvent tender-related corruption, the province has resolved to use the community to implement most of its projects. An open tender system where bids above R2m were adjudicated publicly had led to a drastic reduction in irregular, fruitless and wasteful expenditure. Some joint committee members felt that the open tender system was a public relations stunt, a view which the provincial executive disputed. While the system was far from perfect, the public relations stunt allegation was unfounded as the provincial government deliberately refrained from populism.

To eliminate human interference in supply chain, the province was also piloting a digitised municipal supply chain management process. Municipalities were set to be advised on this process. The province has also established a Gauteng Ethics Advisory Council comprising of independent experts, the Public Protector, the Special Investigating Unit and the Auditor-General. A report on provincial government officials doing business with the state has been released and there was a plan for this exercise to be cascaded down to the local government level.

The Special Investigating Unit had also completed its investigation into allegations of corruption, fraud and maladministration relating to supply chain management processes at the Tembisa Hospital under the Gauteng Health Department. The province has entered into a Service Level Agreement with the law enforcement agency. This has assisted significantly as it has enabled the province to access the Special Investigating Unit's investigative and forensic services without having to obtain the statutory three quotations. The Presidential proclamation made this possible, which has made things easier. The partnership with the Special Investigating Unit was critical and was the basis on which the lifestyle audits were conducted. A total of 77 forensic reports has been produced.

- Regarding the assassination in the Ekurhuleni metro, the Premier advised that law enforcement had apprehended those that had pulled the trigger; however, the question around the masterminds behind the crime still needed to be resolved. The metro also presented a good example of consequence management implementation. The province was seized with the question of how best to honour the lives lost due to exposing corruption. A political killing task team has also been established to attend to the phenomenon of councillors that were being killed with impunity.

Some joint committee members welcomed this development and expressed the wish that it could be replicated in other provinces.

Resources from all municipal councils have been pooled and three helicopters were provided to the police. Of the 250 criminals that have been profiled, 118 have been arrested and 18 were deceased. Recent statistics indicated that Gauteng was the only province that had recorded a reduction in crime. Kidnapping and sexual assault remained intransigent. If crime in the province could not be overcome, nothing meaningful could be achieved. The high politicisation of the municipal administration was raised as a serious concern and the Premier agreed that this was at the heart of the problems faced at the local government level. The coalitions bill needed to address this matter.

- ***Community engagement.*** Having identified the weakness relating to the lack of communication between municipalities and residents, there seemed to be no clear explanation on how this was accommodated in the provincial government's new intergovernmental relations approach. In response, MEC Mamabolo stated that there was previously no committee focused on communication and this had recently been rectified. The committee sat on Mondays, with the Government Communication Information System also represented in the intergovernmental relations meeting convened in the Premier's office. Municipalities had made little investment in communication, with some having assigned only one communicator for the whole institution. In the municipal space, communication was a make-or-break issue.

- ***Financial management.*** How the province dealt with municipal billing system problems was of interest to the joint committees. Concern was also expressed around the high electricity prices, which poor people struggled to afford. The non-compliance relating to unauthorised, irregular, fruitless and wasteful expenditure was deemed painful. Invoices were reportedly not paid. The current division of revenue model among the three spheres of government was queried. Debt owed to municipalities by provincial government departments was to be indicated. Treasury was to respond on the possibility of withholding the grants, which municipalities had failed to spend. There province was also to indicate whether there were any councillors and municipal officials with municipal arrear debt of more than 90 days. The action taken to address municipal overreliance on consultants was to be specified.

In response, MEC Maile indicated that the province had made significant strides in dealing with the billing issue, including work on a digitised billing database. While the high electricity prices

were beyond the province's control, every opportunity with the National Energy Regulator of South Africa was used to argue the affordability issue. All provincial departments used an electronic system to pay their invoices within 30 days and some even did so within 15 days. This was recorded in the last Auditor-General's Public Finance Management Act report. The Premier reiterated the need for the local government funding model to be overhauled. Having the municipalities in the province to all be metros would significantly address the revenue issue.

Departments owing municipalities should be switched off. All the mayors have been granted permission to do this. However, communication should also be prioritised as there were instances where some departments were not aware of the unpaid debt. A committee tasked with monitoring the payment of municipal rates and taxes has been established. The withholding of unspent grants would not resolve the underlying root cause of which it was a symptom. The reasons for the failure to spend needed to be identified and addressed. The provincial treasury was investigating the legality of imposing prohibition of councillors and municipal officials from having municipal debt older than 90 days. Training of municipal officials was conducted to the Department's best ability as to address the overreliance on consultants. However, the law circumscribed the Department's scope in this regard.

- ***Service delivery.*** The city of Johannesburg was reeling from the effects of dilapidated infrastructure. The rehabilitation of the Lilian Ngoyi street took two years to complete. Illegal foreigners of all nationalities had rendered the city unmanageable, and this needed intervention. The whole province had been taken over by undocumented foreign nationals, and it needed to be accepted that South Africa should be for South Africans. Members further to sought to establish whether there was a 'dialectical' relationship between improved audit outcomes and service delivery. The statement to the effect that the water crisis was not the provincial government's responsibility needed clarification.

  In response, the Premier alluded to a Johannesburg revitalisation team and indicated that he was not invited to the unveiling of the Lilian Ngoyi street. Incomplete infrastructure projects were costing government billions of rand. There was also an infrastructure vandalism problem perpetrated by syndicates targeting copper. Currently more time was spent in courts on arguments relating to who should be appointed as a service provider, and this acutely highlighted the need and urgency of building state capacity. The joint committees were urged to watch the space

regarding the issue of illegal foreigners. Part of the intervention into this was the repurposing of the visa regime started by Minister Motsoaledi.

On the relationship between service delivery and improved audit outcomes, the Premier emphasized that the latter was a foundation of good governance. Water provision was not the provincial government's constitutional responsibility; however, this did not stop the province from establishing a war room to deal with the water crisis and ageing water infrastructure. A new water treatment plant was in the pipeline, and the Lesotho Highlands water scheme was to be involved. Rand Water was also assisting to unlock the challenges. The problem was not water supply shortage but illegal connections, non-payment and ageing water infrastructure.

- ***Disaster management.*** Joint committee members noted that the dolomite problem in the province has been many years in the making. Illegal mining by the *zama zamas* has exacerbated the situation and was responsible for the explosion in Lilian Ngoyi Street. The province needed to indicate what it has done about the *zama zamas*. In response, the Premier indicated that the province had been hard at work to address the dolomite problem, which also required disaster management intervention at the national government level. The problem did not originate with government. Its source was the mining companies. It was incorrect to assume that the *zama zamas* caused the explosion in Lillian Ngoyi Street. The issue should not be politicised. The South African National Defence Force was seized with the *zama zama* matter.

5. ENGAGEMENT WITH MUNICIPAL LEADERSHIP

5.1. City of Johannesburg

Overview by the municipal leadership:

- The Acting Executive Mayor and Member of the Mayoral Committee responsible for Human Settlements, Cllr. M. Mabaso, indicated that the city took the matters raised by the Auditor-General very seriously and acknowledged the concerns raised. The Acting City Manager, Mr. K. Kekana, summarised the city's detailed report in response to the issues raised by the Auditor-General. The city's report had been submitted to the joint committees ahead of the oversight visit. Among the issues of emphasis was the city's roadmap towards a clean audit. Two city group entities, Joburg Water and Joburg Theatre, were already clean audit recipients. Although the city has been receiving unqualified audit opinions, it relied on the audit process to do so. A clean audit committee was monitoring and attending to the matter. The city had also been placing more

emphasis on infrastructure investment, with half of its budget being allocated to the infrastructure department.

Key issues raised by joint committee members:

- ***Service delivery***. The status of the metro's bus service and the controversial R972m Rea Vaya bus contract as well as the involvement of the mayoral committee member Cllr. K. Kunene was queried. The city's buses were noted to be unlicensed and unroadworthy. Members also wished to understand why the Lilian Ngoyi Street was repaired with pavers. The city was also to explain the purpose of its 'bomb squad' vis-à-vis the Presidential Working Group. Concern was expressed around the city's high water losses due to illegal connections and weak by-law enforcement. The stoppage of water infrastructure projects was decried, and the city was invited to indicated whether its sewer pipe renewal initiative was still going ahead. It was emphasized that water infrastructure was a municipal responsibility. The percentage of the capital budget spent on infrastructure maintenance was to be specified.

  City Power was understood to be spending more than it earned and had a R16bn overdraft facility that was used to finance infrastructure. The facility cost R1.3bn in interest and since its inception in 2016, the utility has been piling up a R1bn annual liability, which was forecast to grow to R4bn. A legal opinion around this matter was needed. The utility's gross margin was severely challenged due to a cash shortfall. The current tariff structure was also not assisting. It was consequently considered preferable for the electricity reticulation function to be handed over to Eskom and for City Power to undergo an institutional review.

  In response the question relating to the implementation of the metrobus service the city cited the taxi industry as a hampering factor. The Special Investigating Unit has also completed an investigation with which the city had cooperated. The final report was awaiting the President's signature, which would enable the financial disciplinary board to commence with disciplinary cases. Pavers in Lilian Ngoyi Street were used deliberately to ensure sustainability, improved water drainage and traffic volume containment. The 'bomb squad' was a group of retired municipal professionals invited by the Executive Mayor to provide strategic service delivery support. Their role differed from that of the Presidential Working Group, which focused on administrative matters.

The city acknowledged that, at 35 percent, its water losses were indeed very high. The 10 percent of unbilled consumption was also a problem. The non-revenue and revenue water losses combined accounted for 45 percent of the city's water losses. More resources needed to be channelled to pipe replacement, which would amount to 200 kilometres of pipes per annum. Migration from post-paid to pre-paid meters was also under consideration. Infrastructure spending as a percentage of property, plant and equipment amounted to 6.5 percent and the city intended to increase this to the recommended 8 percent. There was a case for City Power to be put under business rescue. The entity had been unable to increase tariffs due to a dispute with Eskom, which has since been resolved through a court settlement. The city has started a conversation with Eskom and has also begun exploring alternative energy sources. The matter needed to be considered against the whole value chain rather than in isolation.

Additional energy was to be added in the form of the Kelvin power station repurchase. More detailed discussions on resolving City Power's problems were underway. Having been questioned on the benefits of the Kelvin power station buyback, the city explained that City Power's financial difficulties led to the sale of the facility to the private sector back in 2000. A study has since revealed that Eskom's 30 percent administrative charge would be reduced if the entity were to buy back the power station. The study was due for consideration by City Power's board.

- ***Supply chain management.*** The city was known to have made prohibited awards to suppliers owned or managed by other state officials. There also remained unresolved material irregularities. In response, the city indicated that the matter involved a transversal contract for laptops that resided with the State Information Technology Agency. To prevent future recurrence, the city has developed a digital tool that will enable it to vet any supplier irrespective of whether or not the contract was transversal. The digital tool came into operation in 2024-25 and the conflict-of-interest instances it has already picked up have demonstrated its benefits. The city also conducted probity reviews to ensure reliability of specifications. Only one material irregularity remained outstanding as all others had been resolved.

- ***Consequence management***. The city was noted for having poor consequence management. The existence of an audit committee was queried. Joint committee members alluded to three years of non-action by the Municipal Public Accounts Committee and sought to establish what would be done to rectify the situation and the timeframe by which this would be completed. In response, the city reported to be stepping up its consequence management efforts. In this regard, the city

was seized with 44 disciplinary matters and 68 criminal cases that were under investigation by the city's forensic firm. The non-implementation of action plans to address audit findings was receiving attention. The city's financial disciplinary board was approved in early 2024, and over the last 18 months its functionality had improved significantly. The board was seized with 18 financial misconduct cases that were still at the investigation stage. Six investigation reports have been finalised, including those relating to the protea glen fire station and irregular payments for fire engines as well as the MTN contract.

All this demonstrated that the financial disciplinary board was active and functional. Increase in the frequency of the board's sittings was being considered. Councillors were also urged to familiarise themselves with the Code of Conduct for Councillors. The city confirmed that audit committees existed both at the group and entity levels. There was effort to ensure that audit committee recommendations were debated in council. There were also initiatives to capacitate members of the Municipal Public Accounts Committee as to strengthen internal capacity and correct the deficiencies seen over the last three years. All the city's oversight committees were properly constituted. Attendance and compliance with reporting deadlines were monitored.

- ***Human resources.*** Members sought to establish whether the city still employed Ms. Helen Botes, the Joburg Property Company's former Chief Executive Officers who was implicated in allegations of procurement irregularities and corruption as well as irregular promotion practices within the city of Joburg Property Company. The city was also to indicate how long the city manager had been acting and apprise the joint committees on the appointment of a substantive incumbent. Whether City Power's Chief Financial Officer met the statutory requirements for the position was also to be indicated. The city's overall vacancy rate was of further interest. The Cutting Edge Programme aired an episode exposing the involvement of city officials in loan shark debt. The city's role in this regard was to be explained.

  In response, the city indicated that Ms. Helen Botes was no longer in its employ. The acting city manager was seconded by the provincial government to the metro on 30 June 2025. Interviews for the appointment of a substantive city manager had been concluded, and council was due to deliberate on the recruitment report. All the metro's executives, including City Power's Chief Financial Officer, satisfied the competency requirements as prescribed in the Municipal Systems Act. The city's overall vacancy rate was at 6.6 percent and well below the 10 percent maximum threshold set by the Public Service and Administration department.

On the filling of senior management positions, the city reported to be not doing too well as there was a 20 percent vacancy rate. On the loan shark saga, it was explained that some city employees, under the lead of the South African Municipal Workers' Union, entered into legally binding loan agreements with four different money lenders. The city was not a party to these contracts; however, being concerned about the irresponsible lending that has seen one of the employees having simultaneous loans with four different microlenders, the city has reported the matter to the Competition Commission as to prevent issuing of further loans.

- ***Financial management.*** The city's compliance with the Municipal Standard Chart of Accounts was queried. The outstanding debt owed to the city amounted to R67bn and joint committee members wished to ascertain whether the debt collection war room made any difference. Members also understood that the city took debt to pay debt. Whether there were any councillors or city officials with municipal arrear debt older than 90 days was to be indicated. An increase in the city's unauthorised, irregular, fruitless and wasteful expenditure was noted. The city was to further indicate whether it had reported to law enforcement all instances of criminal irregular expenditure as required by the Municipal Finance Management Act. Concern was expressed around the city's stagnation on unqualified audits and its reliance on the audit process to achieve these. The salary bill as a percentage of the city's operating budget was to be indicated. Joint committee members further questioned the metro on its use of an antiquated billing system.

  In response, the city indicated that there was progress made in the implementation of the Municipal Standard Chart of Accounts. The city was also making headway in terms of the war room, which was starting to yield results given the 93 percent collection rate. However, the city was targeting a collection rate of 96 percent or R5.6bn per month. The city was to involve the country's four big banks in its debt collection drive. The outstanding debt has been categorised by region as to identify the areas where the city's collection was lagging. It was true that there were lawless areas where debt collecting city officials were threatened by gunmen. There were also illegal connection kingpins who sold energy cheaply. In these instances, the city has engaged the South African Police Service and the Johannesburg Metro Police Department, which have effected some arrests.

  The Premier's directive on cutting of non-paying government departments was to be implemented after intergovernmental relations processes were exhausted. These processes were in the meantime yielding positive results. Taking on debt to pay debt was prohibited in terms of

Regulation 35 of Municipal Supply Chain Management Regulations. Arrear debt owed by councillors and city officials for more than 90 days amounted to R87m. The debt was being recouped from performance bonuses. The city did report criminal instances of irregular expenditure to the South African Police Service. The spike in fruitless and wasteful expenditure related to the South African Revenue Service and City Power disputes.

A strategy to reduce unauthorised, irregular, fruitless and wasteful expenditure was in place, with emphasis on prevention and accountability. For the city to achieve a clean audit it only needed to eliminate the audit findings around compliance and performance. There were no repeat audit findings from the prior years. The salary bill as a percentage of the city's operating budget amounted to 28 percent or R21.6bn, which was within the Treasury norm. The city had 39 000 employees. The city agreed that its billing system was old, having been introduced at the time of Project *Phakama* in 2010. A new billing system was set to be launched in November 2025.

- ***Urban decay***. While Johannesburg was Africa's richest city, the Central Business District was a far cry from that reality. The inner city was disastrous, unsafe and run by non-South Africans. The city's by-laws were flouted, with business licences issued to foreign nationals that did not meet the statutory requirements. An update on the state of the Joburg Art Gallery was to be provided. In response, the city alluded to various inner city rejuvenation interventions involving several departments. Issues such as illegal immigration were beyond the city's mandate.

  In evicting unlawful property occupants, the city was legally obliged to offer temporary alternative accommodation, and this has proven to be a challenge. The matter has been escalated to the national Human Settlements department. The Johannesburg Metro Police Department has been despatching officers to restore law and order; however, the available resources were not commensurate with residents' expectations. Unauthorised issuing of business permits to foreign nationals was not allowed. The Joburg Art Gallery was undergoing refurbishment and there were no plans to sell it. The main challenge was around the transportation of the art collection to a safe temporary location.

Summary:

- The joint committees urged the city to focus on getting its financial management and internal controls in order. The reliance on the audit process to achieve unqualified audit outcomes was to be addressed, the quality of published performance reports improved, and the post-audit action

plan implemented. The achievement of a clean audit should be linked to a specific time horizon. Supply chain management irregularities, including the issue of prohibited awards, was to be resolved. The city was further invited to focus on strengthening oversight structures including the Municipal Public Accounts Committee, improving the municipal disciplinary board's functionality, and on revising the audit committee's terms of reference as advised by the Auditor-General. Actions taken to effect consequence management in connection with investigations by the Municipal Public Accounts Committee to be detailed.

- To be further indicated are criminal investigations into fraud and corruption and whether these emanate from the city's own internal control mechanisms or triggered by external audit findings. A written response to the question raised around the R972m Rea Vaya bus contract to be provided. The city should demonstrate evidence to the effect that all unauthorised, irregular, fruitless and wasteful expenditure was investigated, and show how it will practically reduce incurring these types of expenditure going forward. Plans to reduce the city's revenue and non-revenue water and electricity losses should be provided and the implications, legal or otherwise, of migrating from prepaid to post-paid meters considered. The 93 percent revenue collection rate was noted and the city needed to balance this against the protection of indigent customers.

- All requested reporting matters are to be submitted through the provincial executive. The MECs to apprise the joint committees on the total debt owed to Gauteng municipalities and the extent to which the Premier's credit control directive has assisted.

5.2.City of Tshwane metropolitan municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. N. Moya noted that city had been hard at work since Parliament's last oversight visit in November 2024. There was dedicated focus on improving the metro's audit outcome following receipt of an adverse audit opinion in 2020-21 and qualified audit opinions in 2022-23 and 2023-24. In 2023-24, the city reduced the audit qualification areas from 13 to six. An audit tracking committee has been established. Unauthorised, irregular, fruitless and wasteful expenditure amounting to R14bn in 2024-25 was investigated and the municipal financial disciplinary board strengthened. Having not released a report since 2019, the board has since tabled an investigation report on financial misconduct cases dating back to 2010. The city has also established a consequence management committee chaired by the executive mayor. After

three years of passing unfunded budgets, the city finally managed to achieve a funded budget (a financial year earlier than scheduled) notwithstanding the legal challenge to its city cleansing levy.

Key issues raised by joint committee members:

- ***Financial management***. The city was invited to clarify its going concern status at the time of the adverse audit opinion and over the next four years. The city's plan or strategy to address the consecutive audit qualifications was to be provided. Members further noted that the city was owed R28bn as of 30 June 2024 and that 72 percent of the debt was unlikely to be recovered. The city was also understood to have wasted around R200m through the ineffective use of consultants. Considering the high number of graduates seeking employment it was not clear why the city was not insourcing. The city was to also indicate whether any performance bonuses had been paid. Concern was also expressed around the quality of the annual financial statements submitted for auditing. There were councillors with municipal arrear debt older than 90 days, and the city needed to explain what was being done about this. Whether the city was still billing for the cleaning levy was to be clarified.

  In response, the city assured the joint committees that it was a going concern despite the court challenge to its cleaning levy. The levy was to be imposed on the residents that had opted out of the city's refuse collection service but still used its landfill site to dump waste. In this regard, the city believed that these residents were still part of its waste management value chain, but the court did not agree. The city was weighing its options on whether to appeal the judgment. The going concern was an important consideration in the improvement of the city's economic outlook from negative to stable. All audit qualification areas raised in the prior years have been addressed.

  Regarding the debt owed to it, the city reported to be experiencing a silent community boycott premised on billing disputes where residents felt that they were being charged based on estimates. The city has offered a debt relief scheme for child-headed households, which has attracted 22 000 applications. These were to be tabled in council for consideration. In terms of debt recovery, the city enjoyed better cooperation from provincial government departments than from national government departments. A list relating to the latter was to be provided to the joint committees. The city dealt with the R28bn debtors' book as part of its financial recovery plan. Of the city's R6bn Eskom debt, only R500m had been settled leaving a R5.5bn balance. The interest accruing from the outstanding debt accounted for the city's fruitless and wasteful expenditure. Honouring

the Eskom payment agreement was a key priority for the city and this has been made a court order such that interest waivers would be frozen if the current account was not honoured.

Regarding the ineffective use of consultants, the city stated that there was no justification for relying on unreliable consultants. No performance bonuses had been paid since the city manager, Mr. J. Mettler, came into office in August 2022. The city reported to be putting considerable effort in improving the quality of its reporting information. Councillor arrear debt came to the speaker's attention in early October 2024. All the councillors involved were subsequently engaged on this breach of Councillor's Code of Conduct. A letter was received from the Public Protector inquiring on what would be done regarding councillors that had failed to honour repayment agreements. The city has since been deducting 10 percent from the affected councillors' salaries. At the time of the joint oversight visit, all the outstanding amounts had been paid in full except for the case of a councillor that owed R1m. The matter was addressed and a report was being awaited.

- ***Human resources***. The length of the city manager's tenure in the municipality was queried, the intent being to establish whether he had presided over the adverse audit opinion. The city's overall vacancy rate was to be indicated. Attention was further drawn to the irregular appointment of senior managers, including the city manager, the chief financial officer, and the chief audit executive. How the city resolved the matter relating to the insourcing of security guards was to be clarified. Whether there were any lifestyle audits conducted on city officials was to be also indicated. Overpayments were reportedly made to 78 employees and the facts around the matter needed to be provided.

  In response, the city clarified that the city manager was appointed in August 2022 whereas the adverse audit opinion was received during the 2020-21 financial year, which predated his tenure. The overall vacancy rate had increased over the years, with critical service delivery departments being affected. At the time of the oversight visit, the overall vacancy rate amounted to 39 percent, which was said to be lower compared to the previous financial year. The finance department had a vacancy rate of 23 percent while the water and sanitation department was nearly 50 percent vacant.

  The irregularities in the appointment of senior managers arose due to the presence of two councillors in the recruitment panel's composition. This was considered common practice in the municipality. The MEC had been approached for guidance on the matter, but he was in turn awaiting the Minister's advice. There were 4000 security guards identified for insourcing;

however, the city was working with 1283. These guards were employed on perpetual fixed contracts with no Unemployment Insurance Fund benefit, hence the decision to insource. The insourcing, however, was effected without the provision of personal protective equipment. Lifestyle audits were fairly expensive to conduct, and the city had therefore approached the Special Investigating Unit for assistance. The city's human resources department was seized with the employee salary overpayment matter. The executive mayor was also affected and had offered to repay the excess amount.

- ***Supply chain management, fraud, corruption and consequence management***. Joint committee members sought to be apprised of consequence management actions taken in connection with the city's R15bn irregular expenditure and the awarding of tenders to unqualifying bidders. The number of cases pursued in this regard were to be specified. Members further sought clarity regarding the deputy executive mayor's implication in a security contract. The city was also to apprise the joint committees on its payroll fraud cases. The speaker was alleged to be obstructing section 79 committees from executing their responsibilities and the actual facts around the matter needed to be provided. The city was to further clarify whether it had blacklisted any of the companies involved in fraud relating to the Rooiwal wastewater treatment works tender. Joint committee members were further interested in the outcome of the forensic investigation into the procurement of the city's CCTV cameras.

  In response, the city assured members that consequence management was being pursued. Of the R15bn in irregular expenditure, R14bn was investigated as part of the city's drive to improve audit outcomes. The municipal financial disciplinary board, established in 2019, was reported to be 60 percent functional but had finalised 240 cases and 129 of these came before council for consideration. Sixty-five disciplinary cases were reportedly in progress. Although the board was not yet where it was supposed to be, the city took comfort in the fact that its reports were now suitable for tabling in council.

  To minimise opportunities for procurement corruption, the city was piloting an online tendering system. Probity checks on tenders over R20m were being conducted. The outcome of an investigation into the allegation surrounding the deputy executive mayor's implication in a security contract was due for release on 05 September 2025. Payroll fraud amounting to R53m was identified as a material irregularity and a written report could be furnished to the joint committees in this regard. The allegation that the speaker obstructed some council committees

from conducting their work was not true. The forensic investigation into the city's CCTV cameras pertained to a contract dating to before 2019. In November 2025, the President issued a proclamation for the Special Investigating Unit to investigate the matter.

The Auditor-General had found no value for money in respect of work done at the Rooiwal wastewater treatment works. Fraud was also found to have been perpetrated as the requisite processes were not followed diligently. In 2022, the Special Investigation Unit also concluded an investigation where five city employees were implicated. The city feels that the sanctions meted out to these officials were relatively lenient and was awaiting the courts to pronounce whether it had a case for the imposition of harsher penalties. The city has since learned from the Rooiwal matter and there were now comprehensive procedures in place. A full package regarding the blacklisting of the three implicated companies was to be submitted to national Treasury.

- ***Service delivery.*** Attention having been drawn to the municipality's water and electricity distribution losses, the city cited its aged infrastructure, which was more than 50 years old as well as the challenge around being geographically the third largest city region in the world. Particularly challenging were the non-technical water distribution losses, which amounted to 39 percent. Being the most impoverished and densely populated, the city's Region 1 was particularly problematic in this regard. The region contributed 47 percent to the over abstraction that was cited as a contributing factor to the city's high water losses. The city was obliged to provide water to 530 informal settlements; however, the infrastructure was inadequate. Of the R2bn per annum needed to replace old pipes, the city could only afford 25 percent. Reference was made to the city's partnership with the Danish government focusing on leak repair and pressure management.

  Tshwane was the only city in the province that did not rely on Rand Water for abstraction. The augmentation of the city's water sources would reduce the remaining dependencies on the water board. All the city's wastewater treatment works were operating below 50 percent, but this was set to improve over the next financial year. With the joint committees also having asked about the insourcing of water provision to curtail criminal elements in water tankering, the city stated that water tankering was unsustainable and alternative water supply solutions were needed. Different technologies were to be explored and rainwater harvesting practiced. The city confirmed the existence of water tankering mafia and to counter this, it was set to procure 15 emergency water tankers. A similar approach to waste management was to be adopted as part of

building the city's own internal capacity. Academic institutions were to assist the municipality to conduct a cost-benefit analysis of having its own fleet.

Joint committee members further sought an update on the city's plan around the resolution of the water crisis in Hammanskraal. In response, the city submitted that the water supply problem in Hammanskraal remained a thorny issue. Magalies Water, the lead implementing agent for the Hammanskraal interim water infrastructure project, was reported to have been resorting to a litany of excuses, leading to delays that amounted to broken promises to the people of Hammanskraal. Technical engagements with the Department of Water and Sanitation, which is funding the project, were being held on a daily basis. On whether the city had laid any formal complaint against Magalies Water, the answer was in the negative. In this regard, the city was reminded that the cholera outbreak previously experienced in Hammanskraal was a consequence of management failure. Members asked whether another cholera outbreak must be awaited before decisive action was taken. Provable steps demonstrating that the city had raised the Magalies Water issue sharply with the Water and Sanitation Minister were demanded.

Electricity distribution losses amounted to 17 percent, which was reported to be an improvement compared to the previous financial year. The non-technical distribution losses here also presented a major problem. The electricity service also witnessed what the city characterised as transformer mafia, kingpins that operated as 'mini-Eskoms' and charged for use of their illegal transformers.

- ***Local Economic Development***. The city reported that the Tshwane-Bronkhorstspruit cross-boundary matter had stalled economic development. The issue of title deeds relating to properties straddling the Gauteng, Mpumalanga and Northwest provincial boundaries was not yet resolved. Consequently, there were properties, which the Gauteng provincial of government and the City of Tshwane were funding but were located in the other provinces. Conversely, some properties and assets were located in Gauteng but belonged to the Northwest. With the joint committee members having inquired on the city's plan to address unemployment, it was indicated that the metro had been experiencing rising unemployment levels. The city was responsible for providing 85 percent of the jobs in the Gauteng province and the leadership was intent on capitalising on this advantage. An investment summit was to be convened and was envisaged to attract an estimated R5bn.

- ***Intergovernmental relations***. Questioned on its participation in intergovernmental relations structures, the city affirmed its commitment and active participation in all the intergovernmental

relations structures. It took part in weekly meetings with the provincial government to discuss performance, budget and general support related matters. As per the provincial government's directive regarding the G13 matters, the city reported every Tuesday on service delivery related issues. Participation in the quarterly Premier's Coordinating Forum and the South African Local Government Association Forums was cited. The city's police commissioner coordinates work relating to the provincial cooperative governance agreement on fighting crime. In this regard, the city had worked with all the municipalities in the province to pool resources in preparation for the hosting of the G20 Summit.

Summary:

- The joint committees felt it important to note and commend the city for its high revenue collection rate as everything depended on it. The question of political stability was not sufficiently discussed. It was critical for the city to maintain political stability to ensure that service delivery was not destabilised. Those responsible for destabilisation should face consequences. The city was encouraged to maintain its funded budget and going concern status. Post audit action plans should be implemented and monitored by council. The executive mayor should play her role in this regard. The joint committees expect improved audit outcomes. Treasury's consequence management and accountability framework should be applied as to foster an accountability culture.

- The MEC to monitor the city's targets and timelines to address the high vacancy rate. A consultant replacement plan should be in place. There should be a plan to prevent sewer contamination of fresh water sources. Allowing such contamination to occur amounted to negligence. The provincial government to also receive and monitor the city's plan to eliminate its high water and electricity distribution losses. An audit should be conducted into the city's water provision fleet including a cost-benefit analysis of water tankering services and a documentation of illegal activity from both city staff and contractors. The city had alluded to the existence of transformer cartels and should provide further reporting around this.

- A formal submission on the Rooiwal wastewater treatment works project, as well as a list of fraud and corruption cases (with case numbers) that have been investigated to be tabled. The cases picked up the city's own internal controls versus those identified by the Auditor-General should be specified. In addition to reporting on the issues around the irregular appointment of senior management and the deputy executive mayor's implication in an irregular security contract, the

MEC should also provide a multi-year comparative list of the government departments owing the municipality. The joint committees were encouraged by the Premier's directive to municipalities to cut off services from non-paying departments and are therefore keen to establish the extent to which the city has taken advantage of this injunction.

5.3.City of Ekurhuleni

Overview by the municipal leadership:

- Noting that he had been in office for just over a year, the executive mayor, Cllr. N. Xhakaza, brought to attention the city's programme of action, which consisted of six pillars. A service delivery war room had been established and the city conducted mayoral *izimbizo.* The city maintained an unqualified audit opinion with no findings on the quality of financial statements and performance information. No other metro in the province was able to achieve this. However, there were supply chain related audit findings in connection with two contracts. A robust diagnosis of root causes was reportedly conducted. The city's two entities – a housing and a water entity – both achieved clean audits.

- The leadership reported to be working well with the Municipal Public Accounts Committee. The city had incurred over R1bn in unauthorised, irregular, fruitless and wasteful expenditure. A new finding in this regard pertained to excessive consumption by indigent households who could not always be switched off. Irregular expenditure mainly related to historic amounts. Over the last ten years, the city had not incurred any unauthorised expenditure and did not foresee a repeat of the excessive indigent consumption finding. One material irregularity was incurred and this related to the city's fresh produce market.

Key issues raised by joint committee members:

- ***Financial management***. Having been questioned on its billing challenges, the city explained that it had embarked on a digitisation process that resulted in material financial losses amounting to R2bn. Of this amount, R200m related to accounts that had been subject to tampering. The city has since improved its billing accuracy from 84 percent to 97 percent. Back-billing was being implemented to recoup the financial losses. In short, the city had attended to the billing matter robustly. While the city's budget was always funded, there was a risk to its ability to receive payments on time. Customers did not always pay on time, and this affected cashflow negatively. Six councillors had municipal arrear debt outstanding for more than 90 days, which amounted to

R119 000. The municipality collected over 90 percent of its revenue and had an annual budget of R68bn although it could not exercise credit control in Eskom supply areas. Over the years, the city's liquidity position has worsened as its surplus has dropped from R6bn to R650m.

About 200 000 households were deemed indigent and 50 000 were still to be registered. Determining who qualified as indigent was a complex matter because the majority of residents had no wills as they could neither meet the financial threshold to access the Master of the High Court services nor afford a lawyer. A revenue enhancement programme was in place as the traditional funding streams were no longer sufficient to sustain the institution. The joint committees disputed the submission that the city's budget was funded as the reports by the Auditor-General, Treasury and the Department of Cooperative Governance indicated otherwise. The matter will be followed up with the MEC.

Members expressed concern around the city's growing fruitless and wasteful expenditure and the city indicated that it had reduced its opening irregular expenditure balance. R1bn of the irregular expenditure pertained to transactions concluded between 2010 – 2014. The matter was receiving the Municipal Public Accounts Committee's attention, which was reported to be fully functional. However, the individuals involved were no longer in the municipality's employ. The irregular expenditure incurred in 2023-24 amounted to R32m. R66m of the R68m in fruitless and wasteful expenditure was cumulative and covered the last five years.

Regarding a question around its use of consultants, the city indicated that it prepared its annual financial statements internally but did use consultants for the asset register and actuarial services. Accounting for a metro's asset register was a fairly complex endeavour for which internal capacity could not cater. Over the last six years, the city has had no material findings on the quality of its annual financial statements despite the 29 percent vacancy rate in the finance department. A paragraph on supply chain management was the only matter preventing the city from achieving a clean audit.

- ***Service delivery***. Asked about its water and electricity losses, the municipality explained that these were mainly non-technical losses associated with transformer and cable theft as well as illegal connections by informal settlements. Water distribution losses amounted to 25 percent while 15.5 percent of electricity was lost. The non-technical losses relating to the latter amounted to R2.2bn. Reliable electricity distribution was the lifeblood of the city's revenue. The city reported to have a robust water conservation and demand programme. The question raised around

the length of the city's pipe network and how much of this was replaced over the last two years required consultation with engineers and would be answered in writing. Members observed that the narrative around electricity theft was unbalanced as business was also guilty of this practice. Mechanisms to establish consumption patterns across the different customer groupings were needed.

Members also noted that the municipal roads were poorly maintained, to which the city responded by indicating that 97 percent of its roads were tarred. The roads in the east side townships remained a problem, particularly during the rainy season. Service delivery Fridays were used to attend to this and other service delivery related matters. The city spent 6.5 percent of its capital budget on infrastructure maintenance. On the question raised relating to the administration of clinics, the city indicated that these facilities presented an unfunded mandate as the function rested with the provincial government. The city built 97 clinics at the cost of R1.6bn and only got back R200m in reimbursement. Members found the city's response on this matter troubling.

- ***Governance, crime and corruption***. Council oversight was deemed inadequate and the city contended that it had an effective robust council. There was a separation of powers and section 79 Committees were effective, including the Municipal Public Accounts Committee. The city was invited to explain its measures to protect officials following the assassination of the audit executive for possibly exposing tender corruption. In response, the city advised that the South African Police Service has responded to the matter. It was not only the audit executive that was killed. A bid adjudicator was also murdered, and the chief financial officer survived a hail of bullets. On consequence management implementation, the city indicated this would be effected upon receipt of forensic investigation reports. The city dismissed as false the media reports brought to its attention in connection with the employment of incompetent people and a 60 percent senior management vacancy rate.

- ***Human resources.*** On the questions raised relating to its workforce, the city indicated that it employed 20 000 staff and that there was a 26 percent overall vacancy rate, which equated to approximately 5000 vacant posts. Of the 15 senior management positions, four were reportedly vacant. There was a consideration around the insourcing of security guards, cleaners, and waste management staff. The payment of performance bonuses was last effected in respect of the 2021-22 financial year. A question having been raised around the presence of three councillors in the

constitution of the panel that recommended the chief financial officer's appointment, the city indicated that the executive mayor, the MEC and the Minister had agreed on an intergovernmental process to resolve the matter. That the chief financial officer was also the acting municipal manager was not palatable to the joint committees as this rendered him a supervisory referee and player.

Summary:

- The joint committees called on the MEC to support the city towards improved financial management and internal controls, and link this to specific timelines. Council oversight over the budget needed to be improved. No unfunded budget should be considered acceptable. In this regard, a proper budget analysis should be undertaken and a determination made on whether there was a deliberate attempt to mislead Parliament on this matter. The audit findings preventing the municipality from achieving a clean audit should be addressed. The functioning of the Municipal Public Accounts Committee should be strengthened to ensure that all unauthorised, irregular, fruitless and wasteful expenditure is investigated and consequence management effected. The joint committees' interest is to build an accountability culture.

- As a metro, the city should have no problem attracting skilled and suitably qualified professionals. The filling of senior management vacancies should therefore pose no major challenge. The overall vacancy rate that is equivalent to approximately 5000 posts should be given attention. Reports on the employees facing criminal charges to be provided. The MEC to report on the chief financial officer's appointment. A list of violent attacks on staff and their areas of work, including progress made on related investigations, to be furnished to the MEC. To be also provided are the city's service delivery plans, targets and timelines on addressing water and electricity distribution losses, road rehabilitation, and drain unblocking.

- A status report on the allegation of corruption and political interference relating to a housing project to be provided. There should be further reporting around municipal arrear debt owed by staff and councillors. The allegations relating to interference with the city Information Communication Technology system, where there was tampering with accounts and billing, should be investigated.

5.4.Merafong city

Overview by the municipal leadership:

- The executive mayor, Cllr. N. Best noted that the city had been a recent beneficiary of electricity smart meters, with assistance from the Department of Cooperative Governance and Treasury, which agreed on an off-balance sheet financing model for the project. While the smart meter installation was still in progress, the city used a revenue estimation methodology. The audit finding relating to the poor quality of annual financial statements and performance reports was acknowledged. The migration to a new Municipal Standard Chart of Accounts-compliant financial system contributed to this. As a remedy, the city was due to introduce a second level review of annual financial statements and performance reports. Improvement was noted in respect of record-keeping resulting in movement from a disclaimed to a qualified audit opinion. At 97 percent, grant expenditure was reportedly good.

- The approved budget was unfunded but there was a budget funding plan. The reasons for the unfunded budget pertained to debt owed to Eskom and Rand Water. Discussions were underway with Rand Water regarding a Special Purpose Vehicle arrangement and a Distribution Agency Agreement with Eskom was due for consideration by council. At 56 percent, the collection rate was also low. The city further experienced high water and electricity distribution losses owing to compromised meters and infrastructure damage due to illegal mining activities. Further eroding the city's financial base were ongoing valuation roll disputes with mining houses. The municipality was not receiving any property rates and taxes from these customers pending a decision by the valuations appeal board. In the meantime, the payments due to the municipality were redirected into a trust account. These factors have resulted in the municipality being categorised as financially distressed.

Key issues raised by joint committee members:

- ***Financial management***. Having been invited to explain the rationale for the approval of an unfunded budget and how this would be prevented from recurring, the municipality indicated the matter was of great concern to it. The implications of approving and adopting an unfunded budget were well-known to the city and National Treasury was engaged in this regard. It was impossible to resolve the matter in a day as there were a plethora of issues involved. The most pertinent of these was the fact that a funded budget required adequate revenue collection. There was no adequate collection due to dilapidated and non-existent sanitation and electricity infrastructure.

The long-running valuation roll dispute between the municipality and the mines, which was then at its thirteenth year, compounded the problem. The matter was still awaiting adjudication by the valuation appeals court. The mines have withheld property rates and taxes from the municipality to the value of R6.8bn. The joint committees were invited to advise the municipality on what could be done in this regard. The municipality could not levy villages as these dwellings were not registered with the deeds office. This would remain so until there was a legislative framework to formalise these dwellings. Councillors, staff and provincial government departments were also indebted to the municipality. A by-law on revenue collection was in progress. Eskom and Rand Water were owed R1.4bn each. The municipality's going concern uncertainty was directly linked to these issues. The joint committees' advice to the effect that the digitisation of the municipality's indigent register could assist towards better verification was noted.

In response to a question raised around the ineffective use of consultants, the municipality explained that it was it was necessary to appoint a consultant to attend to its fixed asset register as the vacancy in the asset manager position had previously resulted in two consecutive disclaimers. The municipality has since appointed an asset manager and consultant use has been duly discontinued. The consultant was also contractually obligated to transfer skills, and this was honoured.

Having been asked to explain the unauthorised expenditure amounting to R1.5bn, the municipality indicated that only R77m of this amount related to cash. The rest were impairments. Of the R144m incurred in fruitless and wasteful expenditure in 2023-24, R142m pertained to Eskom and Rand Water debt interest. Although the joint committees did not find the municipality's qualified audit outcome acceptable, the improvement from consecutive disclaimers was welcome. The municipality advised that it was convening monthly meetings to deal with the post-audit-action-plan items.

- ***Governance and corruption.*** Asked whether the Municipal Public Accounts Committee was functional, the municipality responded in the affirmative, citing investigations that had been conducted. However, there was a concession to the effect that the committee had not been functional in 2023-24. A sense of improvement was noted as the committee had just started investigations, including the irregular appointment of consultants. On the matter raised around the rehabilitation of a sinkhole, it was indicated that the issue had been under investigation by

both the Special Investigating Unit and the Public Protector. All the relevant information to assist the investigations was provided. The sinkhole was rehabilitated for R11m.

- ***Human resources.*** In response to a question raised on how it was addressing its vacancy rate, the municipality submitted that it had advertised the vacant positions. Only one senior management position was vacant. The municipality reported to have introduced a QPR performance management system that enabled better tracking of targets and achievements. Engagements with the Department of Cooperative Governance regarding the finalisation of the municipality's organisational structure were ongoing. Regarding the joint committees' query regarding the deputy chief financial officer position, the municipality noted that the provincial Portfolio Committee on Cooperative Governance and Traditional Affairs had deemed the position irregular as it had no legislative basis. The municipality disagreed, stating that this was a temporary fixed term contract position, which was not part of senior management. All the relevant information was provided in this regard, and the Auditor-General did not raise any findings.

- ***Service delivery.*** With clarity having been sought around the kilometres of water pipes that had been replaced over the last two years, the municipality indicated that it had no infrastructure master plans, which meant that there was no capital expenditure plan. Consequntly, water pipe replacement was done on ad hoc basis rather than as part of a master plan. The municipality was seized with developing road, water, and electricity master plans. Copper cables were being replaced with aluminium to curtail theft. This was part of the municipality's security plan to address theft and infrastructure vandalism. Rand Water had implemented a 40 percent water restriction as part of its credit control.

Summary:

- The municipality's financial instability, going concern uncertainty and monumental outstanding debt to Eskom and Rand Water required critical intervention. The capacity and functionality of the Municipal Public Accounts Committee and the Municipal Financial Disciplinary Board, including the adoption of their reports by council, was to be addressed. A report, with specifics and timelines, on consequence management pursuant to the investigations conducted by these structures to provided. The municipality to further detail how it dealt with corruption and whether there were any referrals to the criminal justice system in this regard. The municipality's ability

to detect transgressions ahead of the external audit team is a key litmus test of its seriousness about fighting corruption.

- Vacant posts should be filled with urgency. Being part of the Gauteng province, the city should not be struggling to attract suitably qualified candidates. The intervention in terms of section 139 of the Constitution and how it has assisted the municipality is of interest to the joint committees. Plans to address water and electricity distribution losses to be provided. The MEC to enlist the provincial government's support to assist in dealing with mining houses that were not paying their municipal rates and taxes. The matter was now beyond the municipality's sphere of control.

5.5.Emfuleni local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. S. Radebe, highlighted that in 2018 the municipality was subject to intervention in terms of section 139(1)(b) of the Constitution. A financial recovery plan was imposed in January 2019 to stabilise the municipality's finances. The constitutional intervention lapsed in 2022, and the municipality has since developed a financial viability strategy. The Municipal Public Accounts Committee was said to be active. A strategy responding to the municipality's water and electricity supply challenges was reportedly in place, including a Distribution Agency Agreement with Eskom, which has seen a R1.9bn Eskom debt write off as a result of the municipality's compliance with the stipulated conditions. A second write off tranche was expected. The Distribution Agency Agreement was an outcome of a July 2023 court verdict. Water supply was subject to a Special Purpose Vehicle arrangement with Rand Water. A water masterplan had been developed. In 2024-25, the municipality spent 100 percent of its Municipal Infrastructure Grant. In 2023-24, this was impossible to achieve due to the municipality's bank account attachment. The bank account attachment was also the reason why one of the municipal office blocks was temporarily closed as rental money could not be accessed.

Key issues raised by joint committee members:

- ***Human resources.*** Joint committee members understood that in 2024, there was a court case instituted by the former chief financial officer against the supply chain manager who was believed to be a senior member of a political party. Facts around this matter were to be provided. In response, the municipality indicated that it was not cited in the court case as this was a private matter between the two individuals. Asked about the existence of ghost workers, the municipality

reported that it had no evidence of such. The municipality was then challenged to explain the R40 000 paid to an accountant and a R65 000 paid to an engineer who had not rendered any services.

The given explanation was that the two employees had absconded and were consequently dismissed. No action was taken against their supervisor, and the monies were never recovered. Although the joint committees needed to know the supervisor's identity, the matter also implicated those in charge of the supervisor. The municipal leadership indicated that none of them were in office at the time of the incident and asked to be given a chance to investigate the matter. Joint committee members observed that the municipality's overall vacancy rate was too high. The municipality agreed but added that some staff has since been appointed, leading to the reported improvement in grant expenditure. On whether any performance bonuses had been paid to officials over the last several years, the municipality responded in the negative.

- ***Fraud and corruption***. With members having drawn attention to forged documents and fake permission licences issued by municipal officials to spaza shop owners, the municipality advised that it had dealt with the matter, which involved 17 officials. Three section 56 managers had since been dismissed. On a question raised concerning diesel theft that also implicated municipal officials, the municipality stated that disciplinary processes were underway.

- ***Service delivery.*** Members noted that the municipality was awash with litter, with almost every corner akin to a dumping site. The municipality agreed with this observation, citing fleet challenges. A new landfill site was reported to be under design. With attention having been drawn to its 62 percent water losses, the municipality conceded that the percentage was high and attributed the problem to aging infrastructure, unmetered households and the previous absence of a water masterplan, which encouraged focus on reactive rather than proactive maintenance. The municipality's action plan in this regard included the development of a water masterplan as well as water conservation and demand management plan. The Special Purpose Vehicle arrangement with Rand Water was also assisting to address the matter.

  Asked about the sewer pollution in the Vaal River, the municipality explained that the river straddled three provinces and Emfuleni was located downstream, implying that it could not be held solely responsible. Nonetheless, the municipality had improved the functioning of its 39 pump stations. The South African Huma Rights Commission was addressed on this matter during

a meeting held on 02 April 2025. The Commission had brought to the municipality's attention sewer spillage cases reported by the community.

- ***Financial management***. Concern was expressed around the legality of the municipality's R6.2bn unauthorised expenditure write-off and clarity sought on the consequence management instituted in this regard. In response, the municipality indicated that 91 percent of the expenditure in question was not yet written off the municipal books but was recorded as an impairment. Both Treasury and Auditor-General officials agreed that the municipality had correctly accounted for the impairment in line with the Municipal Finance Management Act and the Generally Recognised Accounting Practices. On the question raised concerning its unfunded budget, the municipality explained that it lost 60 cents for every rand spent. Being only able to recover 40 cents from the R1 led to the unfunded budget. At least than 20 percent, the collection rate in the municipality's former black townships was worse, thus hampering the municipal cashflow.

  Councillors were in arrear debt older than 90 days to the value of R987 000, while the equivalent amount for staff was R27m. Payment arrangements had reportedly been made. Being owed R200m by the provincial health department, the municipality called on the joint committees to persuade Treasury to extend the invocation of section 216(2) of the Constitution to indebted government departments. ArcelorMittal's closure has had a serious knock-on effect as most of the municipality's economic activities were built around steel production. To assist with the recovery process, a Special Economic Zone was to be designated. The municipality took 771 days to pay creditors, versus the statutory 30 days, due to the R7.6bn Eskom and Rand Water debt that had been outstanding since 2017. However, this only applied to 54 percent of the municipality's invoices. The rest were paid within the statutory 30 days. As part of its revenue enhancement initiative, the municipality has participated on Treasury's RT29 smart metering contract.

  Regarding its use of consultants, the municipality indicated that it paid external people to maintain the subsystem that ran the asset register. These were not considered consultants. Asked about its monthly security related expenditure, the municipality stated that security personnel guarded 181 municipal sites at a monthly cost of R12m. Responding to a question on outstanding payments to pension funds, the municipality informed the joint committees that it was in dispute with the South African Local Authorities pension on fund in connection with an amount that was

allegedly not paid in 2015. The pension fund had not furnished any further details to the municipality. Payments to the Municipal Councillors' Pension Fund were reportedly up to date.

Summary:

- Reiterating the fact the Auditor-General had triggered the joint oversight approach as to reinstate a culture of proper audit outcomes for all municipalities, the joint committees outlined several reporting requests on which updates are to be provided every three months. Firstly, political instability was a major issue in Emfuleni leading to poor political oversight. Financial management and internal control issues, as arisen from the discussion and highlighted by the Auditor-General, were also critical including the keeping of proper records, debt management, weak revenue collection, unauthorised expenditure and the resolution of the unfunded budget. The timelines by which the municipality will resolve the unfunded budget to be specified. Irregular appointment of service providers and maladministration to be given attention. There should be deliberate focus on improving audit outcomes.

- The Municipal Public Accounts Committee should be strengthened and capacitated to investigate unauthorised, irregular, fruitless and wasteful expenditure, including some of the unauthorised expenditure that was written off. Consequence management to be instituted to instil an accountability culture. Without action, no culture change is possible. Attention to be given to the filing of senior management vacancies. The MEC to assess the impact of the section 139(1)(b) intervention to establish whether it had cured the ailment.

- Although Rand Water had already briefed Parliament on the Special Purpose Vehicle arrangement with the municipality, more details are needed from the municipality's point of view regarding its configuration. The municipality to further report on its security contracts, the chief financial officer's expulsion, payments to the two employees who had allegedly absconded and the related fraudulent worksheets. The fact that the employees' supervisor did not take any action was now irrelevant. The accounting responsibility rests on those mandated to oversee the supervisor.

5.6.Conclusion

- Addressing concerns raised by the AGSA needs to be understood as a responsibility of all public representatives in the legislative and executive arms of government across the three spheres of government. Elected public representatives must take collective responsibility and ensure

accountability by all. Parliament must undertake to ensure that all spheres collectively and individually are held accountable. The joint committees welcome all the commitments and undertakings that have been made. Some of the matters arising, such as the advent of grant dependent municipalities, need to be escalated to the level of the Minister for Cooperative Governance and Traditional Affairs. Consequence management should be instituted both internally and externally. Councillors should take responsibility for their capacitation and acquisition of the relevant skills set.

6. JOINT COMMITTEE RECOMMENDATIONS

- Having deliberated on the inputs by the Gauteng Premier, the MECs for Cooperative Governance, Human Settlements, and Traditional Affairs and Finance, and the submissions by the leadership from the province's local authorities, the Joint Committees recommend and direct that, within three months of the date of this report, the following must be effected:

6.1. Minister of Cooperative Governance and Traditional Affairs

a) Undertake to end all disclaimers, unfunded budgets and late or non-submission of statutory documents to the Auditor-General of South Africa.

b) Intervene immediately and decisively to stop political interference, associated causes of political and administrative instability, to enforce discipline and professionalism in management of municipalities.

c) Introduce a decisive intervention to assist poor municipalities with no revenue base, financial systems, shortage of critical skills, poor service delivery capacity and demonstrable public discontent.

d) Launch immediate investigations into cases of corruption and maladministration to be followed by internal disciplinary processes and referral to criminal justice authorities. Regular reports must be provided.

e) Ensure audit readiness by providing national departmental support to municipalities long ahead of the arrival of the Auditor-General's team. This approach must focus on improving administrative capacity and systems so that audit readiness be done as a normal way of municipal administration and service delivery systems.

6.2. Provincial executive

a) Undertake to end all disclaimers, unfunded budgets and late or non-submission of statutory documents to the Auditor-General of South Africa.

b) Intervene immediately and decisively to stop political interference, associated causes of political and administrative instability, to enforce discipline and professionalism in management of municipalities.

c) Introduce a decisive intervention to assist poor municipalities with no revenue base, financial systems, shortage of critical skills, poor service delivery capacity and demonstrable public discontent.

d) Launch immediate investigations into cases of corruption and maladministration to be followed by internal disciplinary processes and referral to criminal justice authorities. Regular reports must be provided.

e) Ensure audit readiness by providing departmental support to municipalities long ahead of the arrival of the Auditor-General's team. This approach must focus on improving administrative capacity and systems so that audit readiness be done as a normal way of municipal administration and service delivery systems.

f) Set targets and timelines for each municipality to establish functioning audit-related performance structures such as the Municipal Public Accounts Committees, Disciplinary Boards, Audit Committees, and related structures to ensure progress towards achieving improved audit outcomes. These are critical in ensuring that accurate annual financial statements and performance reports are provided.

g) Monitor and ensure investigations of all unauthorised, irregular, fruitless and wasteful expenditure by Municipal Public Account Committees in each municipality — inspect relevant council resolutions to consider the outcome of investigations and the remedial steps and prevention of similar transgressions in future**.** For all transgressions reported by the Auditor-General there must be report of consequences that will act as deterrent against future transgressions. In the absence of these, the higher authorities need to intervene decisively and report to provincial legislatures or national parliament.

h) Set timelines and targets for filling of all vacancies in management including the filling of critical posts in the staff establishment such as financial management and auditing to ensure that municipalities identify these posts and set timelines and targets for support, monitoring and reporting by provincial and national authorities, as well as terminate the proliferation of acting senior management appointments.

i) Furnish the joint committees with the promised reports pertaining to the irregularities in the appointment of senior managers in the cities of Tshwane and Ekurhuleni.

j) Apprise the joint committees on the total debt owed to Gauteng municipalities and the extent to which the Premier's credit control directive has assisted.

k) Enlist the provincial government's support to assist in dealing with mining houses that were not paying their municipal rates and taxes. The matter was now beyond Merafong City's sphere of control.

l) Assess the impact of the section 139(1)(b) intervention in Emfuleni to establish whether it had cured the ailment.

m) Determine targets, timelines and monitor and report every three months on the fulfilment of the actions in relation to the matters outlined below.

6.3. City of Johannesburg

a) It was indicated that the municipal financial disciplinary board was seized with 18 financial misconduct cases that were still at the investigation stage. The joint committees to be furnished with the latest progress made in this regard as well as any other consequence management cases that have been pursued.

b) An update to be provided regarding the resolution of the financial crisis that had engulfed Joburg City Power.

c) The city had agreed that its billing system was old, having been introduced at the time of Project *Phakama* in 2010. A new billing system was set to be launched in November 2025. An update in this regard to be provided to the joint committees.

d) The city's plan to curb its 45 percent revenue and non-revenue water losses to be provided to the joint committees.

e) The city to furnish the joint committees with a detailed written report in connection with the R972m Rea Vaya bus contract as the oral response provided in this regard was not found satisfactory.

6.4.City of Tshwane

a) At the time of the joint committee oversight visit, the overall vacancy rate in the city amounted to 39 percent. The finance department reportedly had a vacancy rate of 23 percent while the water and sanitation department was nearly 50 percent vacant. The joint committees to be apprised of progress made in the filling of these vacancies.

b) The city had submitted that the water supply problem in Hammanskraal remained a thorny issue due to failure by Magalies Water to meet the expected deadlines. However, the city had not laid any formal complaint against the water board. The joint committees therefore demand provable steps demonstrating that the city had raised the Magalies Water issue sharply with the Water and Sanitation Minister.

c) The city had indicated that the outcome of an investigation into the allegation surrounding the deputy executive mayor's implication in a security contract was due for release on 05 September 2025. An update in this regard to be provided.

d) The city had assured joint committee members that consequence management was being pursued. The municipal financial disciplinary board was reported to be 60 percent functional and 65 disciplinary cases were reportedly in progress. An update on the board's functionality and the status of the disciplinary cases to be provided.

e) The city to furnish the joint committees with a report in connection with the R53m payroll fraud cases.

f) The city had indicated that it has had more success with recovering debt from provincial government departments than from national government departments. The list of non-paying national government departments to be forwarded to the joint committees as promised.

g) The city to update the joint committees on the matter relating to the councillor in arrear debt of R1m for over 90 days.

h) The city had undertaken to submit to national Treasury a full package regarding the blacklisting of the three companies involved in the Rooiwal wastewater treatment works fraud. An update to be provided to the joint committees in this regard.

i) With attention having been drawn to the irregular appointment of senior managers, including the city manager, the chief financial officer, and the chief audit executive, the city indicated that it had approached the MEC for guidance on the matter, who was in turn awaiting the Minister's advice. The joint committees to be furnished with the latest developments in this regard.

6.5. City of Ekurhuleni

a) The city had undertaken to consult its engineers and provide a written response to the question raised around the length of its water pipe network and how much of this was replaced over the last years.

b) The city had indicated that it employed 20 000 staff and that there was a 26 percent overall vacancy rate, which equated to approximately 5000 vacant posts. Four of the 15 senior management posts were reportedly vacant. The joint committees to be updated on how far the city has gone in addressing this.

c) The joint committees to be furnished with status reports on the city employees facing criminal charges.

d) The city to further provide the joint committees a status report on the allegation of corruption and political interference in a housing project.

e) The joint committees were unclear as to how the city's budget was managed. The city to update the joint committees on how it has performed in terms of its budget.

6.6.Merafong city

a) A report, with specifics and timelines, on consequence management pursuant to the investigation and consideration of the Municipal Public Accounts Committee's and the Municipal Financial Disciplinary Board's investigation reports, to be provided.

b) The municipality to also detail how it has dealt with corruption and whether there were any referrals to the criminal justice system in this regard.

c) The city's plans to address water and electricity distribution losses to be provided.

6.7.Emfuleni local municipality

a) In response to a question raised concerning diesel theft that implicated municipal officials, the municipality had indicated that disciplinary processes were underway. The joint committees to be updated on the outcomes of these disciplinary processes.

b) Having been challenged to explain the R40 000 paid to an accountant and a R65 000 paid to an engineer who had not rendered any services to the municipality, the municipality had indicated that the two employees had absconded and were consequently dismissed. No action was taken against their supervisor, and the monies were never recovered. Although the joint committees needed to know the supervisor's identity, the matter also implicated those in charge of the supervisor. The municipal leadership indicated that none of them were in office at the time of the incident and asked to be given a chance to investigate the matter. An update to be provided in this regard.

c) The municipality to specify the timelines by which the unfunded budget will be resolved.

d) The municipality to favour the joint committees with concrete information on correcting its water and sanitation problems, including the role of Special Purpose Vehicle.

Report to be considered

REPORT ANNEXURE: MUNICIPAL LEADERSHIP DELEGATION LIST

1. City of Johannesburg
- Cllr. M. Mabaso (MMC Human Settlements and Acting Executive Mayor) - Cllr. M. Arnolds (Speaker) - Cllr. L. Masuku (MMC: Finance) - Cllr. N. Mnisi (MMC: Economic Development) - Cllr. E. Mgcina (MMC: Development Planning) - Cllr. K. Chauke (Chief Whip) - Mr. K. Kekana (Acting City Manager) - Mr. T. Moraka (Group Chief Financial Officer)
2. City of Tshwane
- Cllr. N. Moya (Executive Mayor) - Cllr. M. Ndzwanana (Speaker) - Cllr. G. Ratikwane (Chair: Municipal Public Accounts Committee) - Cllr. O. Matshiane (Chair of Chairs) - Mr. J. Mettler (City Manager Manager) - Mr. N. Mqoqi (Acting Chief Financial Officer) - Mr. V. Zitumane (Chief Operations Officer)
3. City of Ekurhuleni
- Cllr. N. Xhakaza (Executive Mayor) - Mr. K. Lerutla (Chief Financial Officer and Acting City Manager)
4. Merafong city
- Cllr. N. Best (Executive Mayor) - Cllr. T. Mphithikezi (Speaker) - Mr. D. Mabuza (Municipal Manager) - Ms. M. Mmeko (Deputy Chief Financial Officer)
5. Emfuleni local municipality

- Cllr. S. Radebe (Executive Mayor)
- Cllr. S. Soxuza (Speaker)
- Cllr. H. Mako (MMC: Finance)
- Cllr. M. Kantso (MMC: Agriculture, Local Economic Development, Planning, and Tourism)
- Cllr. B. Jantjie (Chief Whip)
- Mr. A. Ntuli (Municipal Manager)
- Mr. M. Maseanoka (Chief Financial Officer)

6. JOINT REPORT OF THE PORTFOLIO COMMITTEES ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, STANDING COMMITTEE ON PUBLIC ACCOUNTS AND THE STANDING COMMITTEE ON THE AUDITOR GENERAL ON OVERSIGHT VISIT TO THE NORTHWEST PROVINCE, 01-03 SEPTEMBER 2025, DATED 5 MAY 2026.

Having undertaken three-day joint oversight visit to the Northwest province, from 01-03 September 2025, and having concluded the process through virtual and physical meetings in Parliament, the Portfolio Committees on Cooperative Governance and Traditional Affairs (COGTA), Standing Committee on Public Accounts (SCOPA), and the Standing Committee on the Auditor-General (SCOAG) report as follows:

1. BACKGROUND

- In May 2025 the Auditor-General of South Africa (AGSA), tabled in Parliament the *Consolidated General Report on Local Government Outcomes* in respect of the 2023-24 financial year. The key message emanating from the report was that the poor audit outcome trend has continued. There continued to be lack of consequences, which was most evident in the areas of poor and slow responses to investigating allegations of financial and supply chain management misconduct and fraud indicators; not investigating and/or not properly dealing with unauthorised, irregular, and fruitless and wasteful expenditure; and material non-compliance with legislation on consequence management.

- Poor political and administrative leadership was reported to have contributed to the poor performance at local government level. The Auditor-General noted that the desired impact of national and provincial interventions to help financially distressed municipalities to deal with their challenges has not yet been realised. The support needed to be intensified as there was a direct link between improved audit outcomes and the support provided. Pursuant to the tabling of the 2023-24 Municipal Finance Management Act (MFMA) audit outcomes, and the ensuing recommendations, it was resolved that Parliament's oversight strategy be modified to ensure more focused attention on consequence management and more emphasis on accountability by the provincial political leadership in respect of their legislated responsibilities, particularly the Premier and the Member of the Executive Council (MEC) responsible for Cooperative Governance and Traditional Affairs.

- Mindful of cooperative government and intergovernmental relations and the principle of legality, as underscored in Parliament's Oversight and Accountability Model, Parliament has opted to implement the modified oversight strategy through a joint approach led by the National Assembly Portfolio Committee on Cooperative Governance and Traditional Affairs, in partnership with the Standing Committee on Public Accounts, Standing Committee on the Auditor-General, the Speaker's Office in the Provincial Legislatures and the Provincial Legislatures' Portfolio Committees on Cooperative Governance and Traditional Affairs.

- In this vein, the Speaker of the National Assembly directed that the House Chairperson (Committees, Oversight & ICT) convenes the respective Committees and request their response to the Auditor-General's recommendation to the effect that ministers and members of the executive councils responsible for finance and local government, together with Parliament and provincial legislatures, should enhance their intervention and oversight to achieve tangible improvements. Following the conclusion of the first joint oversight to the Free State province, the joint committees have duly tabled the first report to the Assembly for consideration.

2. OVERSIGHT DELEGATION

2.1. Portfolio Committee on Cooperative Governance and Traditional Affairs

- Dr. Z.L. Mkhize (Chairperson and Delegation Leader: African National Congress)
- Hon. D. Direko (African National Congress)
- Hon. P. Ndamase (African National Congress)
- Hon. S. Masiu (African National Congress)
- Hon. Z. Mthethwa (uMkhonto weSizwe Party)
- Hon. J. Mtolo (uMkhonto weSizwe Party)
- Hon. M. van Zyl (Democratic Alliance)
- Hon. C. Labuschagne (Democratic Alliance)
- Hon. H. Mkhaliphi (Economic Freedom Fighters)
- Hon. S. van Wyk (Patriotic Alliance)
- Prince. Z. Buthelezi (Inkatha Freedom Party)

Support staff:

- Ms. S. Cassiem (Committee Secretary)

- Mr. A. Sokomani (Content Advisor)
- Mrs. N. Twala (Committee Assistant)
- Ms. N. Dinginto (Executive Secretary)
- Ms. A. October (Communications Officer)

2.2.Standing Committee on Public Accounts

- Hon. P. Atkinson (Democratic Alliance)
- Hon. T. Kubheka (uMkhonto weSizwe)
- Hon. K. Madlala (uMkhonto weSizwe)
- Hon. N. Maduna (African National Congress)
- Hon. J. Bila (African National Congress)
- Hon. C. Nontenja (United Democratic Movement)

Support staff:

- Mr. D. Bowman (Committee Secretary)
- Ms. A. Matutu (Researcher)
- Mr. Lungisa Balfour (Committee Assistant)

2.3.Standing Committee on the Auditor-General

- Hon. E. Spies (Democratic Alliance)
- Hon. S. Mwali (uMkhonto weSizwe)

Support staff:

- Ms. Z. Arnold (Committee Secretary)
- Mr. S. Hlekiso (Researcher)

2.4. Northwest Provincial Legislature

Presiding officers:

- Dr. D. Mohono (Speaker)
- Hon. M. Rosho (Chief Whip)

Members of the Provincial Legislature

- Hon. K. Makgokgowa (Chairperson: Portfolio Committee on Cooperative Governance & Human Settlement & Traditional Affairs)
- Hon. N. Oliphant (Chairperson: Portfolio Committee on Premier and Finance)
- Hon. Smuts Matshe (Chairperson: Standing Committee on Provincial Public Accounts)
- Hon. M. Khunou (Chairperson: Portfolio Committee on Economic Development, Environment, Conservation and Tourism).
- Hon. C. Moema (Economic Freedom Fighters)
- Hon. C. Steyl (Democratic Alliance)
- Hon. M. Botswe (Economic Freedom Fighters)

2.5.Northwest Provincial Executive

- Hon. K.L. Mokgosi (Premier)
- Hon. G.O. Molapisi (MEC: Cooperative Governance, Traditional Affairs and Human Settlements).
- Hon. K. Mosenogi (MEC: Finance)

2.6.Municipal council delegations

- The list of municipal council delegations is annexed at the end of the report.

3. LEGISLATURES' STATEMENT OF OBJECTIVES AND ANTICIPATED OVERSIGHT OUTCOMES

3.1. Speaker of the Northwest provincial legislature

- The Speaker of the Northwest provincial legislature, Dr. Mohono, noted that joint committees' oversight visit came against the background of negative reports on the poor state of municipal governance in South Africa, a fact that has been confirmed by a recent Governance Performance Index Report (2024) by Good Governance Africa. This deterioration has seen the municipal administration taking control of the municipal council, even to the extent of having no scruples about bribing councillors to prevent them from raising issues in council. The teething problems facing local government were not unique to the Northwest but cut across the whole South African provincial landscape.

- The South African Human Rights Commission has been taking a strong stand against municipalities found to have been violating human rights, particularly the right to water and the right to a healthy environment. This has served as a wakeup call for many of the municipalities

in the province. The visit by the joint committees was to be understood as a fact and solution finding mission, informed by the understating that the state of local government can only improve when all the relevant oversight structures pull in one direction. Dr. Mohono expected the joint oversight to change the state of municipalities in the province for the better. The joint committees were encouraged to speak freely as the resolution to the problem at hand hinged on frank discussion. The Speaker committed to elevating the matters arising from the discussion to the status of house resolutions.

3.2. Portfolio Committee on Cooperative Governance and Traditional Affairs

- The Portfolio Committee on Cooperative Governance and Traditional Affairs anticipated that, following the oversight visit, the Premier would meet with the Auditor-General and advise on the action to be taken to address the matters raised by the joint committees. The Premier, MEC Molapisi and MEC Mosenogi were expected to make an undertaking to the effect that, in 2024-25, there shall be no disclaimed audit opinions in the province. The joint committees were to be given the assurance that the province will address issues relating to the non-investigation of unauthorised, irregular, fruitless and wasteful expenditure, allegations of corruption, and financial misconduct. Where wrongdoing was found, consequence management was expected to follow.

- The Committee envisaged that, by the time the joint committees left the province, the provincial executive would have attended to the dysfunctions occasioned by political instability, council in-fighting, and contestation of political and administrative offices. Noting some municipalities' tendency to advance technical arguments against audit findings, the Committee emphasized that its interest was not so much in audit technicalities than in soliciting commitment from both the provincial and municipal political leadership to the effect that issues of financial mismanagement and allegations of corruption will be addressed.

3.3.Standing Committee on Public Accounts

- The Standing Committee on Public Accounts stated that its expectations for the oversight visit were aligned to those expressed by the Portfolio Committee on Cooperative Governance and Traditional Affairs. The Committee championed the values of accountability and a performance ethic that ensured citizens were receiving the services due to them. The Committee's standard operating procedure is to match the information received with the reality on the ground, with

emphasis on practical solutions rather than good-sounding phrases and rhetorical responses. The Committee expected an honest and fruitful engagement and had no interest in embarrassing the municipal leadership. Known for being less kind when it comes to demanding accountability, the Committee was not prepared to tolerate any dishonesty and evasiveness.

3.4.Standing Committee on the Auditor-General

- The Standing Committee on the Auditor-General emphasized that its primary role was first and foremost to support the Office of the Auditor-General in fulfilling its duties, including fostering a positive and cooperative working relationship between the Office and municipalities (the auditees). The Committee also anticipated an open and honest discussion, with emphasis on identifying areas for improvement, such as repeat disclaimed audit opinions and submission of poor quality annual financial statements for auditing. The Committee's commitment to a joint and coordinated oversight approach and its interest in working collaboratively to enhance municipal ability to deliver services were reaffirmed. Accountability and positive criticism, rather than fault-finding, were the Committee's overarching intent.

4. ENGAGEMENT WITH THE NORTHWEST PROVINCIAL EXECUTIVE

4.1.Premier

- The Premier of the Northwest province, Hon. K.L. Mokgosi, started by assuring the joint committees that the municipalities that had submitted unsatisfactory reports were convened and directed to resubmit. This directive was duly honoured. Hon. Mokgosi proceeded to detail the provincial government's interventions to enforce municipal accountability and consequence management, prefacing this input by noting improvements in access to drinking water, sanitation and electricity. The provincial government's municipal interventions were also to be seen against the backdrop of a sluggish national economy characterised by plummeting commodity prices and closure of several mining operations, which has left municipalities in the province in dire straits.

- The labour sending districts of Ngaka Modiri Molema and Dr. R.S. Mompati in particular were severely affected. Mining companies such as Glencore and Samancor have also announced their intention to suspend operations in their smelters due to high input costs and a decline in ferrochrome prices. The erosion of the mining industry's multiplier effect has led to high levels of indigency and this, coupled with population growth explosion, has made it difficult for

municipalities to meet their developmental objectives. These circumstances necessitate a review of the Division of Revenue Act as to address the developmental challenges facing poor provinces.

- The joint oversight visit came in the wake of the launch of the provincial government's accelerated service delivery drive, known as Thuntsha Lerole Programme. This involves bi-weekly visits to the province's 18 local municipalities and four districts to assist with addressing service delivery backlogs, with strong emphasis on accountability and sustainable service provision. Prompted by the lack of investment in bulk municipal infrastructure, especially water and sanitation, this initiative has yielded some improvements with respect to water and sanitation infrastructure delivery. Two of the province's districts – Bojanala Platinum and Dr. Kenneth Kaunda – function as Water Services Authorities. However, challenges relating governance, finances, aging and unreliable water infrastructure, have impeded the effective exercise of this function.

- Section 154 of the South African Constitution enjoins the provincial government to provide support to municipalities in terms of managing their own affairs and performing their functions. The Provincial Executive Council is seized with this support and monitoring function including ensuring receipt of regular reports on the provincial Treasury and the provincial department of Cooperative Governance, Human Settlements and Traditional Affairs' interventions to support local government. Where section 139(5)(c) of the Constitution had been invoked, the province has appointed provincial executive council representatives to lead the implementation of Financia Recovery Plans. These representatives are former accountants who had undergone a rigorous selection process, including vetting. Their responsibilities are detailed in a government gazette of 2023. The financial recovery plans are anchored on four pillars, namely, service delivery, financial management, institutional capacity and governance.

- This intervention commenced in 2023, targeting the municipalities of Madibeng, Mahikeng, Kgetleng Rivier, Ramotshere Moiloa, Tswaing, Naledi and Dr. R.S. Mompati. While the Mahikeng local municipality was yet to have an approved financial recovery plan, implementation in Ramotshere Moiloa has seen the municipality being elevated to the stabilisation phase. It has also qualified for Eskom debt relief to the value of R20m. The outcome of financial recovery plan implementation in the Dr. R.S. Mompati District was also encouraging and similarly warranted the district's elevation to a stabilisation phase. The implementation of financial recovery plans in the rest of the municipalities showed moderate progress. Through the

Office of the Finance MEC, the provincial government has established a political oversight committee to address the instances of resistance experienced in the implementation of financial recovery plans, as well as ensuring the functionality of the various technical war rooms and the advisory committees meant to respond to the identified challenges.

- Institutionalisation of the District Development Model continued to be a critical consideration for the provincial government. Where the provincial government's support measures had been exhausted, sections 139(7) and 139(1)(b) of the Constitution were to be invoked. This was to be the province's recourse in respect of the institutional challenges faced in the local municipalities of Ditsobotla, Ratlou and Lekwa-Teemane respectively. The Premier concluded his input by soliciting the joint committee's collective wisdom and constructive criticism that would assist to steer the municipalities of the Northwest in the right direction.

4.2.Department of Cooperative Governance, Human Settlements and Traditional Affairs

- The Member of the Executive Council responsible for Cooperative Governance, Human Settlements and Traditional Affairs in the Northwest, Hon. G.O. Molapisi, started by indicating that the focus on municipalities to deliver on their mandate is a subject that has occupied the provincial government since the beginning of the current 7th Administration. Following a joint roadshow with the Finance MEC to assess municipalities on the six back-to-basics pillars, two parallel realities emerged. On the one hand there was commendable progress across the six pillars but there also remained serious governance, financial management, service delivery and institutional stability challenges. The MEC expressed appreciation for the joint oversight visit, which contributed to strengthening the province's interventions and served as an impetus to its quest for ideal municipalities. It was indicated that the province had responded to all the questions directed to it.

- Due to poor financial management, eight of the province's 22 municipalities were placed under mandatory intervention in terms of section 139(1) of the Municipal Finance Management Act (2003) read with section 139(5)(a) and (c) of the Constitution. Most of the municipalities in the province enjoyed political stability, characterised by consistent statutory meetings and improved compliance reporting. About 60 percent of Municipal Public Accounts Committees were functional, which was an encouraging development as far as oversight and accountability were concerned. A threat to these gains has been the unsustainable growth of unauthorised, irregular, fruitless and wasteful expenditure.

- The Premier's interventions on water debt, in line with an initiative spearheaded by the Water and Sanitation Minister, led to the settlement of R86m of the outstanding debt to Water Boards such as Magalies Water. Eight months into the 2023-24 financial year, 97 percent of the Municipal Infrastructure Grant had been spent. In 2024-25, the Grant expenditure has improved to 99 percent, which was the highest seen over the last six financial years. Collaborative work with the South African Local Government Association has seen improvements in the expenditure of available grants by municipalities. Various service delivery related projects undertaken over the medium term were highlighted, including: 111 roads and stormwater projects where R331m was spent; eight projects relating to waste management that accounted for R8m in expenditure; 57 water and sanitation infrastructure projects whose expenditure totalled R882m; and five projects on economic infrastructure where R7m was spent.

- Of the 148 Senior Management positions in the province, 107 have been filled, indicating a vacancy rate of 27.8 percent. Gender representation at this level remains concerning and needs attention as only 28 percent of the senior management position were held by women. Regarding the general state of municipalities in the province, the provincial government has isolated as critical hotspots the local municipalities of Ditsobotla, Kagisano-Molopo, Mamusa, Tswaing, and Ramotshere Moiloa. Nationally, Ditsobotla is among the top ten municipalities that have been classified as distressed. Key governance structures in the municipality are non-functional. A support package has been extended to Ditsobotla in line with section 154 of the Constitution and its uptake is contingent on council approval.

- Kagisano-Molopo has been beset with senior management vacancy challenges as well as court battles between the municipal manager and the municipal council. The municipality has regressed from a qualified audit opinion in 2022-23 to an adverse audit opinion in 2023-24. These developments are symptoms of profound dysfunction to which the provincial government has responded by issuing a directive in terms of section 139(1)(a) of the Constitution. The municipality is cooperating fully in this regard. Like Ditsobotla, Mamusa is also one of the top distressed municipalities in the country as it struggled to pay salaries and creditors, had high levels of irregular expenditure, and witnessed political instability, among other things. It is also involved in a legal dispute with a former municipal manager. The municipality has also been served with a firm section 139(1)(a) directive for immediate action.

- Tswaing has been engulfed in a governance and financial crisis as well as a litigation turmoil that has paralysed the municipal leadership. Unauthorised, irregular, fruitless and wasteful expenditure amounted to R1.5bn. Creditors such as Eskom remained unpaid and villagers faced severe water shortages. As an interim measure, the provincial government has directed that an acting municipal manager be appointed to drive the immediate implementation of a financial recovery plan. Until the recent dualism in mayors, Ramotshere Moiloa had been doing reasonably well. In the week before the joint oversight visit, the provincial government convened a meeting with the municipal council and the police in bid to resolve the forceful occupation of municipal premises by dozens of hired gunmen.

- All the municipalities in the province have been subject to governance, financial management, institutional stability and service delivery related interventions as part of the provincial government's 360-degree intervention and support plan. A comprehensive skills audit has been administered in all but two municipalities (Mamusa and Kagisano-Molopo), revealing gender workplace imbalances, incorrect employee placements, lack of staff retention strategies, insufficient capacity building programmes, and under representation of people with disabilities. A post graduate internship programme has been launched, with a core mission of addressing municipal skills and capacity deficiencies. The post-graduates are qualified in the disciplines of public administration, local government, information technology, accounting, environmental health, civil engineering, developmental studies, and risk management.

- The Department's strategic partnership with the Manufacturing, Engineering and Related Services Sector Education and Training Authority has yielded benefit to 44 unemployed youth qualified in electrical engineering. This is envisaged to contribute towards increased municipal capacity in the technical departments where these graduates have been placed. The provincial government has resolved to act decisively against both the perceptions and the realities of corruption and poor governance. Following serious allegations of maladministration, investigations have been authorised in respect of four municipalities in the province (Tswaing, Madibeng, Greater Taung, and Matlosana) in line with section 106 of the Local Government: Municipal Systems Act (2000). In Greater Taung, the investigation was completed. In conclusion, MEC Molapisi emphasized that the catalogued interventions were not merely a reaction to the Auditor-General's findings, nor meant to achieve compliance for its own sake. Rather, they constituted the provincial government's ultimate aim of bettering service delivery to the people of the Northwest.

4.3. Department of Finance

- The Member of the Executive Council responsible for Finance in the province, Hon. K. Mosenogi, agreed that the state of municipalities in the province is a concern, noting that the report by MEC Molapisi covered most of the actions taken in response to this reality. There remained significant challenges around the achievement of better audit outcomes and the passing of credible funded budgets, to which the province has responded by adopting a multi-pronged approach underpinned by cooperative governance and oversight principles. The approach involves providing technical support through the deployment of provincial executive council representatives in line with section 154 of the Constitution.

- Audit readiness programmes that include review of draft annual financial statements, capacity building workshops, on-job training and providing feedback to the auditees before submission to the Auditor-General are also part of the multi-pronged approach. Disclaimed audit opinions have reduced significantly, from nine in 2020-21 to three in 2023-24. For the financial year ended on 30 June 2025, all municipalities submitted their annual financial statements for auditing by the legislated date. This is an improvement from 2023-24 where two municipalities (Ditsobotla and Kagisano-Molopo) submitted their annual financial statements very late. Working with the Auditor-General Office's, Department was seized with assessing the quality and content of the submitted annual financial statements. The provision of support on Generally Recognised Accounting Practices and standards has seen gradual improvements in financial reporting. An increase in the number of municipalities attaining qualified audits, coupled with a decrease in the number of municipalities receiving disclaimed audit opinions, has been observed in the last five audit cycles.

- Madibeng has improved from adverse audit opinion in 2022-23 to a qualified audit opinion in 2023-24 while the Bojanala district has improved from qualified to an unqualified audit opinion (with findings) over the same period. None of the municipalities falling under the Bojanala and Dr. K. Kaunda districts have received disclaimers. Maquassi Hills moved from a disclaimer to an adverse audit opinion, a condition that remains concerning for province. There was an undertaking to move the municipality from adverse to a qualified audit opinion and, ultimately, to an unqualified audit opinion with no material findings. There is a focused programme to ensure tangible improvements during the next audit cycle. Areas targeted for improvement include the correction of post audit action plans that have been poorly implemented and lacking in detail. All

municipalities are now required to use Treasury's web-based post audit action plan tool that is envisaged to mitigate the identified shortcomings. Post audit action plans that have not been approved by the chief financial officer and the internal audit unit - as seen in the cases of Maqussi Hills, Dr. K. Kaunda, Kagisano-Molopo and Ditsobotla - were not considered acceptable.

- Despite these interventions, progress has remained uneven. Progress in the completion of the action items in the post-audit action plans was 50 percent. Even the completed action plan items had not yet gone through internal audit verification. Ditsobotla has failed to improve from consecutive disclaimed audit opinions over the last five years. Problems at the municipality's Budget and Treasury Office, lack of institutional leadership, non-compliance with legislation, as well as political and administrative instability, were cited among the factors contributing to the audit impasse at Ditsobotla. A multi-disciplinary team despatched to the municipality has successfully reconstructed and re-integrated transactions that were concluded from outside the core municipal financial system. These transactions occurred over a three-year audit cycle and, ordinarily, the reconstruction task should have been the responsibility of municipal officials.

- In terms of consequence management, the provincial executive representative intervened and placed Ditsobotla under mandatory intervention following an assessment to the effect that the municipality met the conditions for such an intervention. In Lekwa-Teemane where there has also been stagnation on consecutive disclaimed audit opinions over the last three financial years due to, among other things, inadequate record keeping, unsupported financial balances, and weak internal controls. To improve internal controls, the province has provided support around developing standard asset management procedures and giving guidance on how to apply standard operating procedures on daily operations. Practical workshops were administered to ensure that officials understood their internal control roles and responsibilities. The support measures also emphasized alignment with Treasury guidelines and financial control frameworks.

- Regarding consequence management, an assessment revealed that Lekwa-Teemane met the statutory requirements for a municipality in financial distress as determined by indicators such as constant cashflow failures, inability to meet financial obligations, and poor financial management. Consequently, a decision was made to invoke section 139(5)(a) of the Constitution, which involves the imposition of a financial recovery plan to secure the municipality's ability to meet its service delivery obligations and financial commitments. Ratlou, the third and last municipality in the province that has also been disclaimed for more than five consecutive years,

has been supported to address internal control weaknesses through engagements with its senior management to ensure buy-in, accountability and ownership.

- Besides focusing on the worse performing auditees, the province has also been advancing a clean audit support programme targeting the three municipalities that had achieved unqualified audit opinions (with findings) and demonstrated good institutional capacity, namely Bojanala, Dr. K. Kaunda and Moretele. The Department – together with the South African Local Government Association, the Department of Cooperative Governance, Human Settlements and Traditional Affairs, and the Premier's Office – has convened dedicated sessions with these three municipalities to ensure customised and targeted support that would close the remaining gaps. It also envisaged that the 13 qualified municipalities – including, amongst others, Matlosana, JB Marks, Mahikeng, Greater Taung, Ngaka Modiri Molema, Moses Kotane and Dr. R.S. Mompati - will be supported to progress to the unqualified category. Compliance units and champions have been tasked to assist in driving the clean audit support programme.

- The second serious challenge relates to the adoption of unfunded budgets despite the budget funding plans that have been prepared. There remained unrealistic revenue projections due to overstated collection forecasts, failure to implement cost containment measures, spending on non-core operational priorities, unrealistic budget assumptions, implementation of non-cost reflective tariffs, and high water and electricity distribution losses. Where financial recovery plans had been adopted, it was rare for the political leadership to take ownership and institutionalise these. There is a misapprehension that financial recovery plans were the responsibility of the provincial executive committee representatives. Naledi represented one of the few instances of financial recovery plan institutionalisation. Maquassi Hills, Matlosana, and Mamusa still remained in the rescue phase of financial recovery plan implementation.

- Experienced finance officials have been sent to guide the concerned municipalities to prioritise programmes that serve the municipality's core mandate, strengthen budget and treasury office capacity, provide hands-on technical support to address recurring audit findings, and improve the quality and timeliness of annual financial statement submission. The prevalence of unauthorised, irregular, fruitless and wasteful expenditure was attributed to inconsistencies in the functionality of Municipal Public Accounts Committees. Where these Committees and the municipal financial disciplinary boards were functional, the municipal councils were slow to act on the recommendations made. The provincial Treasury has issued a directive for municipalities to

revise their UIFWE reduction strategies and furnish detailed implementation plans to address historical UIFWE by 31 August 2025. In this regard, the relevant UIFWE reduction tools and templates were provided to internal audit unit and budget and treasury office staff.

- The institutionalisation of good contract management remains inadequate due to insufficient skills and capacity, dearth of qualified personnel and expertise to manage complex contracts, non-enforcement of contractual obligations, persistent non-recovery of double payments where the obligation to recover has not been adequately exercised, and extension of contracts without following due processes. Lack of synergy between finance, supply chain and the core municipal departments was also a contributing factor. Some of these issues have been raised with the concerned municipalities on numerous occasions. As part of its effort to address these contract management deficiencies, the provincial treasury reported to have implemented structured support focused on capacity building and compliance monitoring and facilitated the resuscitation of contract management committees within municipalities.

- The MEC perceived no clear commitment by municipalities to reduce the use of consultants for financial reporting. Dependence on consultants was growing despite the existence of officials assigned to fulfil the duties and responsibilities assigned to the consultants. The provincial government's interventions to address this were highlighted; however, the MEC emphasized that these initiatives can only succeed when well received by the municipalities concerned.

4.4.Deliberations on the provincial executive's inputs

Having received the provincial government's inputs, the joint committees raised the following key issues:

- ***Relative council stability***. The provincial executive was invited to unpack the reported relative council stability in the context of the debts owed to creditors, and the dualisms of mayors and speakers. Clarity was to be provided around the steps taken once the MEC becomes aware of dualisms. The legitimacy of the leadership elected on 05 March 2025 in Ditsobotla was questioned on the basis that the presiding municipal manager, Mr. O. Bojosinyane, was not authorised to do so as the municipality was appealing the labour court judgment that had overturned his dismissal from Ditsobotla. There were also allegations that this meeting did not actually take place as there were no records. Members further sought clarity as to whether the resolution of the dualisms in Ramotshere Moiloa had been considered for replication in

Ditsobotla, which also suffered from a similar malady. In cases where the parallel structures also involved two municipal managers, clarity was to be provided as to whether both received remuneration.

In response, MEC Molapisi explained that there was relative stability because the previous non-submission of statutory reports had ceased. The dualisms seen in Ditsobotla – where there were two mayors, two speakers and two municipal managers - were not happening for the first time and were fuelled by political differences among the political parties represented in the troika. Following intervention by the MEC and the Premier, there had since been one mayor and one speaker, and the individuals that had taken the matter to court were no longer part of the Ditsobotla council as they had been expelled from their political parties. The substantive municipal manager, Mr. O. Bojosinyane, whose employment had been terminated had since challenged the matter in the labour court and won. Upon his return to work, he terminated the acting municipal manager's appointment. There were no instances of dual remuneration. The council meeting of 05 March 2025 called by the municipal manager for the election of the current mayor, Cllr. M. Morutse and the current speaker, Cllr. E. Bogatsu was convened legally.

The dualism phenomenon was indeed also witnessed in Ramotshere Moiloa where it was found that the council sitting convened by the speaker, Cllr. P. Letshufi, for the election of the mayor, Mr. Moarabi, was procedurally flawed as it did not comply with council's rules of order. Correspondence alerting the speaker's office to this flaw, and the provincial executive's consequent non-recognition of the council matters resolved therein, was dispatched. Following this intervention, the Ramotshere Moiloa municipal council consequently had one mayor, one speaker and one municipal manager. The joint committees felt it important to emphasize that the role of political parties ended outside the municipal council. Within the municipal council itself, the MEC was in charge and was therefore expected to intervene to ensure compliance with legislation.

- ***Functionality of Municipal Public Accounts Committees***. The joint committees sought to be furnished with the reasons why 40 percent of Municipal Public Accounts Committees in the province were non-functional. In response, MEC Molapisi indicated that the reasons for dysfunctionality in the 40 percent of the Municipal Public Accounts Committees mainly related to poor capacity within the Committees. The high turnover of Committee chairpersons renders the training provided to them futile. In some instances, the Committees' reports to council were

not adopted. However, compared to previous years, the functionality of Municipal Public Accounts Committees in the province has relatively improved.

- ***Unauthorised, irregular, fruitless and wasteful expenditure.*** The provincial executive was challenged to explain why, if 60 percent of Municipal Public Accounts Committees were functional, there were such high levels of unauthorised, irregular, fruitless and wasteful expenditure. The top seven offenders in this regard accounted for R50bn. The provincial executive was to apprise the joint committees on whether any comprehensive investigations into the root causes had been undertaken, the extent to which the losses had been recovered, and on whether any consequence management had been instituted against those found guilty. In Ditsobotla, transactions were allegedly concluded outside the municipal financial system, and the municipality reportedly used eight different bank accounts.

  In response, MEC Mosenogi indicated that a comprehensive assessment of unauthorised, irregular, fruitless and wasteful expenditure required joint effort between the municipal public accounts committee, the municipal financial disciplinary board, and the accounting officer. The provincial treasury has raised a major concern around the recovery of financial losses from unauthorised, irregular, fruitless and wasteful expenditure. Municipalities have repeatedly failed to act on the recovery of these losses and councils have not been acting on the reports tabled by the financial disciplinary boards. However, there were unfolding investigations handled at the level of law enforcement agencies whose outcomes were still awaited.

  MEC Molapisi also acknowledged that there were still challenges experienced around unauthorised, irregular, fruitless and wasteful expenditure despite the comparative improvements in the functionality of Municipal Public Accounts Committees. On the transactions concluded outside the financial system in Ditsobotla, MEC Mosenogi confirmed such instances and noted that interventions in the municipality have been met with resistance. When that happens, the intervention was unlikely to work. To the MEC's best knowledge there was only one bank account in operation at the municipality, but this was to be further ascertained.

- ***Audit outcome improvements***. Specific areas of audit improvement and the relationship to service delivery were felt to warrant further detail. MEC Mosenogi indicated that there were indeed some audit improvements, but these were not satisfactory. For example, in 2020-21 there were nine disclaimed auditees, but this has reduced to three in 2023-24. While the Auditor-General has raised concerns around performance information relating to service delivery, no clear

assessment has been made regarding the correlation between improved audit outcomes and improved service delivery. A collaborative effort with the Department of Cooperative Governance, Human Settlements and Traditional Affairs to address the identified challenges around service delivery performance information was underway.

- ***Irregular appointments***. The joint committees understood that the acting municipal manager, who is the substantive director responsible for corporate services in Lekwa-Teemane, had a criminal record pertaining to assault. Mr. R. Mooketsi, the acting municipal manager in Ditsobotla at the time of the joint oversight visit, was also known to not have received the MEC's concurrence. The joint committees further understood that, in Mamusa, the province seconded an acting municipal manager despite the existence of a substantive incumbent and questioned whether any investigation had been instituted in respect of the acting municipal manager's VIP security. The delay in seeking a declaratory order to nullify the irregular appointment of the municipality's chief financial officer was also to be explained.

The joint committees further sought to be apprised on the facts around the issue of the municipal manager and the mayor in Naledi. The acting municipal manager in Tswaing, Mr. S. Maroga, was noted for having had a chequered history, as he had been recalled from Ditsobotla due to poor performance. His track-record at Madibeng and Kagisano-Molopo also left much to be desired. Members wished to establish whether there was any detailed track-record around Mr. Maroga's previous stints as municipal manager at the various municipalities.

In response, MEC Molapisi indicated that a substantive municipal manager in Lekwa-Teemane had seen since been appointed. The then acting municipal manager's criminal record was unknown to the MEC as due diligence is only conducted on substantive appointees. The latter response was not found convincing as members understood that the MEC is legally obliged to monitor and oversee both acting and substantive appointments. Regarding the appointments in Ditsobotla, the MEC clarified that Mr. Mooketsi was not seconded by the provincial government but appointed internally by the municipality. Whether or not he was a municipal employee at the time of his appointment is a matter that will be followed up. The substantive municipal manager did not receive concurrence and there was an ongoing court case in this regard.

On Mamusa, MEC Molapisi clarified that there were no dual municipal managers as the secondment from the province was effected after the termination of the substantive municipal manager. The council was issued with a directive in terms of section 139(1)(a) of the Constitution

to correct the irregular appointment of officials, including the unprocedural termination and reappointment of the substantive municipal manager. This approach was less time-consuming than the declaratory order process. The MEC was not aware of any facts around the acting municipal manager's alleged VIP security and undertook to seek more information in this regard.

MEC Molapisi undertook to re-trace Mr. Maroga's performance history and revert with a detailed report. However, the feedback received from the councillors in Tswaing indicated that he had performed exceptionally well to the extent that his three-month acting contract was felt to warrant extension. This was not Mr. Maroga's first appointment as the acting municipal manager in Tswaing as he had previously served on a similar capacity. In Naledi, there was no concurrence on the appointment of the municipal manager as the process did not comply with the relevant regulations. This has been the basis of numerous court judgments against the municipal manager.

- ***Mineral resource exploitation.*** Clarification was sought around the province's role in connection with the issuing of mining permits for unexploited mineral resources in the province, especially given the importance of mining in poverty alleviation. The notion that mining companies, particularly those involved in the platinum group of metals, were leaving the province and the idea that the mining sector was a 'sunset' industry, were argued to be misleading. There was no observed exodus of mining companies from the Northwest, and this was inconsistent with the claim that the demand for platinum group metals had dampened. There needed to be focus on land ownership patterns, the extent to which traditional leaders and their communities derived benefit from the mining activities taking place in their land, and the economic development of the mining labour sending areas, many of which remained impoverished. Reference was made to specific traditional leaders that had submitted land claims, backed by title deeds, and yet still denied land ownership.

  In response, the Premier indicated the provincial government's role is limited to that of a facilitator and while it interacted with communities and traditional leaders regarding mining opportunities, it preferred that potential applicants deal directly with the Petroleum and Mineral Resources Department. The provincial government facilitated forums for the discussion of urgent critical matters such as social labour plans, and illegal mining, with emphasis on key areas such as the Bojanala district platinum belt. There needed to be cognisance of the fact that the minerals will be depleted at some point. In this regard, mining houses and investors have been challenged to develop plans to deal with post-mining contingencies, including plans around skills

development, Small Medium and Micro Enterprises programmes (other than Social Labour Plans), and catalytic projects.

It was not enough to have social labour plans on creches, paving and the like. As a demonstration of its commitment to investment in the Northwest, the provincial government has led by example and launched a development fund with a seed capital of R100m. Contributions by several mining companies to infrastructure related projects, including those pertaining to roads and water, were noted to be an outcome of the provincial government's serious engagements around these matters. The Premier agreed that there would not be much progress if the issue of land ownership is not discussed. The Agriculture, Land Reform and Rural Development Department had a critical role to play in this regard.

- ***Financial recovery plans***. The reported lack of ownership and institutionalisation of financial recovery plans was flagged as a concern that warranted a plan of action from the provincial executive. Clarity was further sought around the tabling of these plans in the provincial legislature. Further details on the multi-pronged support plan were to be provided. In response, MEC Mosenogi assured the joint committees that the financial recovery plans were tabled in the provincial legislature, including quarterly progress reports.

- ***Examples of intervention successes***. The provincial executive was asked to provide at least three examples where its interventions yielded positive results, and instances where dissolution had been invoked on councils that fulfilled the conditions for such action. In response, MEC Mosenogi cited several cases of improvement following the provincial government's interventions. In Ramotshere Moiloa, there was transition from an unfunded budget in 2023-24 to a funded budget in 2024-25. The municipality opted to participate in Treasury's municipal debt programme and has adhered to all the programme's terms and conditions. Consequently, R29m of its Eskom debt will be written off.

  The implementation of the financial recovery plan in the Dr. R.S. Mompati district progressed from a rescue phase to the stabilisation phase, demonstrating the district's ability to implement the plan. As a result, the provincial executive representatives seconded to the municipality were being phased out. In Naledi, the debt owed to the municipality by government departments has been resolved. Both at the municipality's administrative and political levels, there was full ownership and monitoring of the financial recovery plan, which also qualified Naledi's movement to the stabilisation phase of implementation.

The Bojanala Platinum district was supported to move from a qualified audit opinion in 2022-23 to an unqualified audit opinion (with findings) in 2023-24. The district is one of the three unqualified municipalities that stood a realistic chance of progressing to clean audits in the next auditing cycle. In Madibeng there was progress from an adverse audit opinion in 2022-23 to a qualified audit opinion in 2023-24. Over the same period, there was movement from a disclaimer to an adverse audit opinion in Maquassi Hills. The latter two movements were not considered satisfactory but nonetheless represented gradual improvement.

On examples of municipal council dissolutions, MEC Molapisi cited the case of Ditsobotla, which was likened to a crime scene where many people were employed irregularly and administrators, and even law enforcement officers, were assaulted. The municipal council has been dissolved on several occasions, but the election of new councillors did not alter the fundamental conditions leading to the dissolution. The alternative was to upscale to a section 139(7) intervention where the national Department of Cooperative Governance assumed overall responsibility.

- ***Municipal debt crisis and unjustified use of consultants.*** The joint committees noted the staggering debt owed to Eskom and Magalies Water and the fact that this debt has been accumulating over many years. MEC Mosenogi attributed the municipal debt crisis to illegal connections, the setting of non-cost reflective tariffs, and non-adherence to debt repayment plans. These gaps needed to be closed. Consultants were contracted for services that did not need consulting. The MEC attributed the reluctance to use existing internal capacity to bad decisions at both the political and administrative levels. The provincial government's insistence on municipal consultant reduction strategies was not yet gaining traction.

- ***Withholding of the equitable share***. The joint committees queried the support provided to the municipalities whose equitable was withheld in line with section 216(2) of the Constitution as well as the measures to prevent this from recurring. The problem was understood to be related to ill-discipline rather than lack of skills. Early warning mechanisms existed but there appeared to be no consequence for failure to heed these. Deficiencies in political leadership were identified as the elephant in the room. The underlying problems were political in nature, and the interventions did not seem to be sufficiently responding to this reality.

MEC Mosenogi agreed that bad financial decisions, such as prioritising payment of less critical items, were responsible for the invocation of section 216(2) of the Constitution. This was largely a cashflow management matter to which the provincial government has responded by encouraging municipalities to establish cashflow management committees as to ensure correct prioritisation of creditors. Because the net effect of equitable share withholding was generally on those that did not participate in the bad financial decisions, members felt that something should have happened to the financial decision-makers before Treasury resolved on section 216(2).

- ***Job creation and low-cost housing crisis***. Clarity was sought around the reported 6000 employment opportunities created in the Dr. K. Kaunda district as these workers were reportedly bussed in from other provinces. The unemployment rate figure provided by the Premier was understood to be incorrect. In response, the Premier clarified that the unemployment figure in the province was currently just above 52 percent but was 54 percent during the second quarter. Eighty percent of the 6000 workers were sourced from the Northwest, and the remaining 20 percent came from the Free State and the Eastern Cape. An unresolved low-cost housing crisis was noted, to which the Premier responded by citing budget shortfalls coupled with the provincial government's principled decision to unblock all incomplete housing projects while balancing this against the demand for new projects.

- ***Secondment of provincial exco representatives***. The joint committees sought to ascertain whether there was value for money in the secondment of Provincial Executive Council Representatives. In response, MEC Mosenogi stated that the secondment of Provincial Executive Council Representatives in the municipalities was a transparent and robustly competitive process where the opportunity was advertised as to afford a chance to all those who qualify, the key requirement being that the candidates must be accountants. Where provincial executive representatives were seconded, there was indeed a demonstration of value for money as it led to the institutionalisation of financial recovery plans.

  On a related point, MEC Molapisi added that, previously, the province targeted individuals that had previously worked in municipalities for secondment as acting municipal managers. However, this attracted audit queries and consequently the province was now exploring the use of a panel of experts from which it can draw on when secondment became necessary. Alternatively, the province has considered seconding internal departmental officials from both the Department of

Cooperative Governance, Human Settlement, and Traditional Affairs and Treasury, depending on the nature of the problem to be resolved and the relevant skills needed.

- ***Postgraduate programme and vacancy rates***. It was noted that none of the problematic municipalities in the province - including the disclaimed municipalities of Ratlou, Lekwa-Teemane and Ditsobotla – seem to have benefited from the provincial government's post graduate programme. In response, MEC Molapisi explained that the list of problematic municipalities was dynamic and changed from time to time. It would therefore be futile to assign graduates on the basis of this list. On the question raised relating to the filling of vacant positions, the MEC submitted that municipalities had been directed to fill all vacant positions and specific deadlines were given in this regard. At the same time the province was cognisant of the budgetary constraints that hampered the implementation of this directive.

- ***Poor contract management***. The joint committees observed that the provincial Treasury's report did not specify the actions to be taken to deal with lack of consequence management, having cited this as one of the underlying root causes of poor contract management for the municipalities in the province. The allusion to 'interference' in the procurement process, resulting in contracts being awarded to unqualified service providers, was noted to be vague and euphemistic as no specific actors were mentioned. The term was commonly used to describe illegal interference by politicians in the municipality's administrative affairs. No details were provided regarding the specific contracts that were poorly managed, the individuals involved, and the action taken against them.

  In response, MEC Mosenogi undertook to furnish the joint committees with the province's contract register, including the analysis, evaluations and findings made. One example of the findings made was that, where double payments occurred, municipalities generally did not demonstrate having taken action to recover the monies. The resuscitation of contract management committees was cited among the interventions to address poor contract management. The 'interference' alluded to was not proven but alleged and the appropriate phrase should have been 'alleged interference.' The provincial government has brought these matters to the municipal council's attention where the ultimate authority on consequence management resided.

Summary:

- The provincial executive is expected to table for discussion in the provincial legislature and share with the joint committees various reports, including the Premier's accelerated service delivery plan; a plan of action on the filling of the large number of senior management vacancies; action plan to support the functionality of Municipal Public Accounts Committees beyond the 60 percent mark; resolution of unauthorised, irregular, fruitless and wasteful expenditure with targets and timeliness in respect of all the municipalities in the province; and a list of illegal appointments that had to be taken to court and the feasibility of imposing a surcharge or punitive measure on those responsible for these appointments. The two MECs should further collaborate around a programme to replace consultants and provide progress reports every three months.

- The MEC for Finance should provide more specifics around actions to be taken to address the lack of consequences for poor contract management. The specific instances where the alleged interference in the procurement process was observed, and where double payments occurred, should be detailed. Consequence management plans against those responsible for the bad financial decisions prompting Treasury to withhold the equitable share to be also indicated. There also needs to be a clear assessment around the correlation between improved audit outcomes and improved service delivery.

5. ENGAGEMENT WITH MUNICIPAL LEADERSHIP

- The joint committees proceeded to deliberate with the province's 22 local authorities as follows:

5.1. Mahikeng local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. T. Mphehlo, highlighted that the municipality is 75 percent rural; does not have an electricity distribution license and a vehicle licensing function; and is not a water services provider, meaning that these traditional municipal revenue streams were inactive in Mahikeng. As a non-delegated municipality, Mahikeng reports directly to National Treasury and the department has assisted towards recovering the close to R1bn debt owed to the municipality by government departments. After a decade of adopting unfunded budgets, the municipality finally adopted a funded budget in 2024-25 and 2025-26. The revenue collection rate has improved from 45 percent to 65 percent and creditors are paid within 30 days. Following the Magalies Water Board debt write-off and the payment of the balance owed, the municipality does not owe any Water Boards.

- There is an ongoing Special Investigating Unit investigation into dubious contracts dating back to 2015. Also in progress is an investigation into the illegal investment made and lost in the Venda Burial Society Mutual Bank. These matters precede the current administration's tenure. The municipality prepares its annual financial statements internally and does not rely on external consultants. There was a dispute relating to an interest amount charged on a R15m loan concluded in 2006. The interest exceeded the loan amount, and this has been resolved through a R12m settlement agreement, which the municipality has honoured. At the time of the engagement, the municipality only had one vacancy, and this related to the Senior Manager: Planning and Development Directorate which has been vacant since 2024.

- Expenditure on salaries constituted 35 percent of the municipality's operational budget, which was within the 25 - 40 percent Treasury norm. The municipality is involved in high-level ligation-related matters with significant financial implications, including land restoration claims, illegal sale of municipal land, and an alleged breach of contract in connection with the installation of water meters in 2015. Various initiatives relating to service delivery acceleration were reportedly underway, including re-surfacing and re-gravelling of roads, both in towns and villages, and engagements with the private sector around enhancing local economic development.

Key issues raised by joint committee members:

- *More budget spent but fewer targets achieved*. Members understood that the misalignment between the budget spent, and targets achieved resulted from the implementation of activities outside the municipality's 2023-24 annual performance plan. The municipality was therefore to disclose whether there was any list of planned activities that could not find expression in the budget due to the expenditure on non-planned items. In response, the chief financial officer, Mr. E. Khesa, explained that the audit transgression resulted from purchasing equipment for a waste management project planned for the 2024-25 financial year. In its written response to the joint committees, the municipality had also indicated that the purchase was not financed from the original budget but from additional funds received during the financial year. This implied that the transgression had no budgetary effect on the planned activities.

- *Prohibited awards*. The municipality was asked to indicate the action envisaged to be taken to prevent or combat the illegal awarding of tenders to service providers in the service of other state institutions. In response, the municipal manager, Adv. D. Mongwaketse, highlighted that the municipality had embarked on a new process to verify service providers' interest declarations

rather than accepting these at face value, as done previously. Public awareness campaigns around conflict-of-interest regulations will be conducted to supplement this initiative. Instances where the Consolidated Audit Trail system used by the Auditor-General identified people that were no longer in the municipality's employ were also noted.

- *Non-investigation of unauthorised, irregular, fruitless and wasteful expenditure.* Joint committee members were informed that, following the December 2023 tabling of the Municipal Public Accounts Committee's investigation report into unauthorised, irregular, fruitless and wasteful expenditure, council convened on 05 February 2024 and 30 June 2024 to consider the Committee's report. Some of the amounts relating to the cumulative R3.2bn UIFWE could not be reconciled and the balancing done by consultants prior to 2023-24 may have contributed to this. Treasury has been approached to assist with determining the amounts to be written off. The UIFWE transgressions, with emphasis on unauthorised expenditure, mostly emanated from the years when the municipality passed unfunded budgets. Unauthorised expenditure related to impairment and depreciation, non-cash items that presented no financial loss, while fruitless and wasteful expenditure pertained to interest arising from overdue payments.

- *Financial health*. While the municipality was commended for raising the revenue collection rate from 45 percent to 65 percent, it was noted that it took an average of 76 days to pay creditors and that 99 percent of the debt owed to it was unlikely to be recovered. It was also understood that the municipality's current liabilities exceeded its current assets. The inherent interest charged to the municipality by some creditors also appeared to be undue enrichment on the part of those charging it. In response, the municipality advised that the status had changed from 2023-24 and current liabilities no longer exceeded current assets and reiterated that it was not owing any creditors but was aware of one individual who never had a contract with the municipality but claimed to be owed.

  The municipality was targeting an 80 percent collection rate; however, it would assist if there was another mechanism, analogous to section 216 of the Constitution, that could be invoked when municipalities were not paid the debt owed to them. Government departments were responsible for approximately R900m of the R1bn plus debt owed to the municipality**.** Over 90 percent of household debtors were government employees and the municipality believed that a re-direction of these employees' housing allowances towards municipal coffers would significantly mitigate

the problem. In the meantime, the municipality has embarked on a 60 percent debt write-off incentive scheme that concludes in October 2025.

The were also councillors and officials whose debts to the municipality were more than 90 days old. A workshop on this was underway, and thereafter the municipality was intent on deducting these monies from salaries, provided that consent was first obtained. This is in cognisance of the Basic Conditions of Employment Act, which stipulates that deductions may not exceed 25 percent of an employee's salary and should be effected upon receipt of an employee's written consent. The municipality's litigation costs amounted to R10m during the period under review. Of the R83.4m lost to the VBS Mutual Bank, the liquidators have thus far recovered and paid back R5.5m. Following performance assessments and council resolution, performance bonuses were paid to those appointed between 2016 and 2023. The municipality agreed that the inherent interest charged indeed constituted undue enrichment to the creditors charging it and has reached an amicable agreement with the Auditor-General to only pay what it owes without the inherent interest.

- *Irregular appointments.* Members understood that there were two correspondences from the MEC, one dated 26 August 2020 and the other 25 February 2025, alerting the municipality to instances of irregular appointments. A senior manager from the mayor's office was also alleged to have been unduly appointed in the municipal manager's office as an acting senior manager for operations in what was seen as a manifestation of the prevalent politicisation and de-professionalisation of the administration in the province. In response, the municipality indicated that, in respect of concurrence, it differed with the MEC's interpretation of the law and has taken the matter for mediation.

MEC Molapisi stated that it is a legal requirement for senior management appointments to receive the MEC's concurrence and warned that should the outcome of the mediation process be in the MEC's favour, those responsible for the irregular appointments will be held individually liable. On the politicisation of the administration, the municipality stated that no undue appointment had been made that could politicise the administration. The municipality was committed to promoting meritocracy and depoliticising the administration. Regarding the matter of a corporate services manager who was reportedly under investigation by the Directorate for Priority Crimes Investigation, the municipality indicated that no charges have been instituted and that there was no case number. All current employees were screened, and none had a criminal record.

- *Extension of security contract.* On whether there was any unauthorised expenditure and proper approval relating to the extension of the municipality's R63m per annum security contract, the municipality responded that the extension followed a council resolution and that the security company's outstanding Value Added Tax registration was resolved. Asked to clarify whether the security company was contracted without VAT registration and paid more than the tender amount, the municipality explained that at the time of contracting, the contract value was below the R1m VAT registration threshold. The joint committees requested for a better articulated response in writing as the given explanation was found unsatisfactory.

- *Fraud and corruption, and audit qualification.* Members noted that the former municipal manager, Mr. Smith, had been released on R150 000 bail following a court appearance in connection with illegal sale of municipal land. Clarity was to be provided as to whether the transaction had been reversed. In response, the municipality indicated that Mr. Smith's case was still ongoing, and the outcome was still awaited. While the municipality was commended for preparing its annual financial statements and asset register in-house, there appeared to be no plan to move it out of the qualification zone. In response, the municipality assured the joint committees that it was on its way to attaining an unqualified audit opinion in 2025-26. This could not be achieved in 2024-25 due to three audit paragraphs from 2023-24, which were not resolved.

- *Service delivery*. Several service delivery-related deficiencies were noted including non-functional street and traffic lights, a 34.6 percent refuse collection rate that saw widespread dirt and litter, and sewer spillages in the Denville area. The municipality was noted to have overlooked key performance areas relating to water and sanitation. Reference was also made to the municipality's disputes with traditional leaders over land ownership and clarity sought around whether intergovernmental relations platforms, rather than expensive legal processes, have been utilised to resolve these. In response, the municipality indicated that a service provider had attached its yellow fleet following a payment dispute. On assuming office in 2022, the new administration had to therefore start from scratch in terms of yellow fleet acquisition. Only four compactor trucks were operational, and the municipality faced an illegal dumping crisis that demanded a serious waste management awareness campaign. Of Mahikeng's 28 traffic lights, 22 were due for operating system replacement.

  Cable theft and vandalism were said to be responsible for the non-functional streetlights, and the municipality was in the process of procuring a cherry picker to attend to the repair of high mast

lights. The municipality committed to providing timelines in this regard. Within the Mahikeng town there were no sewer spillages other than occasional blockages that were usually resolved within a day. Denville is built on marshland where the water table levels sometimes rise to the surface, giving the impression of a damaged pipeline. However, there was a problematic pump station, which the municipality has been addressing through assistance from the Ngaka Modiri Molema district. A portion of the Disaster Management Grant has been spent on a project to address the matter. The municipality reported to be in the process of attending to the land-related legal disputes with traditional leaders as it supports the restitution and restoration of land to the rightful owners.

Summary:

- The questions around alleged nepotism and the VAT registration were two main issue that caused agitation among joint committee members. Members that had raised the nepotism allegations needed to bring forward evidence for investigation by MEC Molapisi. The joint committees were not satisfied with the chief financial officer's response around the contracting of a security company without VAT registration. From the committees' perspective the contract appeared to be non-compliant, but members are open for experts to prove otherwise. In this regard, the MECs should conduct a proper investigation into the matter.

5.2.Tswaing local municipality

Overview by the municipal leadership:

- The mayor, Cllr. N. Mahlangu, started by highlighting the key challenges facing the municipality, such as high poverty and unemployment levels resulting from overall economic decline. Indigents accounted for 9922 households and the municipality envisaged to register a total of 20 000 indigent households during the 2025/26 financial year. The municipality was mainly grant-dependent as bulk water and sanitation services resided in the Ngaka Modiri Molema district. As Water Services Provider, Tswaing provides water to the three towns within its jurisdiction. A revenue collection rate of 39 percent contributed to the passing of an unfunded budget in 2025-26. The municipality has no cash reserves, meaning that in the event of a financial shock, its ability to deliver services or honour its financial commitments would be compromised. The remedy to this was to increase the municipality's revenue, capacitate Budget and Treasury Office staff, cleanse the billing data, adopt a budget funding plan and establish a cashflow management committee.

- The municipality's salary bill amounted to 34 percent of the total operating expenditure. Fraud allegations against the mayor, as reported in the *City Press*, were under investigation. Short water supply was another critical challenge cited, with the municipality mainly reliant on boreholes. A Member of the Mayoral Committee responsible for water in the district has been tasked to assist the municipality. Roads were degraded due to inadequate budget allocation to the Technical Services department. Refuse removal capacity was also stretched due to the inclusion of previously excluded areas. In conclusion, the mayor affirmed the municipality's commitment to addressing the matters raised by the Auditor-General as to improve its performance and audit outcomes.

Key issues raised by joint committee members:

- *Fraud and corruption*. In response to the question around the *City Press* article where it was reported that the mayor and the speaker, Cllr. Letlakane, faced corruption charges, the municipality indicated that no case had been opened against the speaker. A case against the mayor that was opened and closed in 2022 has been reopened, and the investigation was ongoing with the mayor's full cooperation. The Directorate for Priority Crimes Investigations was also investigating a transgression emanating from the previous administration relating to the signing of an Acknowledgment of Debt by the mayor. However, in the Speaker's view, the mayor's Acknowledgement of Debt was consistent with section 45(2)(a) of the Municipal Finance Management Act, which states that a municipality may incur short-term debt only if a resolution of the municipal council, signed by the mayor, has approved the debt agreement. At the time, the municipality was facing litigation from a service provider who had not been paid.

- *Illegal electricity tariff.* Members also understood that the municipality charged a prepaid electricity tariff that had not been approved by the National Energy Regulator of South Africa. The latter had directed the municipality to credit the R30m owed to the affected customers, but this was not effected. In response, the municipality indicated that this was a historical matter for which Tswaing was investigated and found to have transgressed. The municipality reported to be at an advanced stage of investigating the implementation of a corrective measure to reverse the illegal tariff and envisaged to have completed the reversal by December 2025.

- *Audit performance*. Noting the municipality's stagnation on qualified audit opinions, members sought to be apprised of the MECs' intervention to address this. The existence of a post-audit-

action plan to address the matters raised by the Auditor-General was also queried. In response, the municipality confirmed the existence of a post-audit-action plan, noting that it was developed in response to the 2023-24 audit report. The action plan items have been incorporated into senior managers' key performance indicators, and the plan was being updated regularly. An annual financial statements steering committee has been established to oversee audit compliance, and this has become part of the municipality's weekly standard operating procedure. Further efforts to improve the municipality's audit outcomes include the preparation of interim annual financial statements and allowing the Auditor-General to commence with the audit process earlier. The municipality did not attract any material irregularities during the period under review. Consequence management was instituted against the supply chain and public safety managers in connection with financial misconduct.

- *Unauthorised, irregular, fruitless and wasteful expenditure.* Members drew the municipality's attention to its 2023-24 audit report where it was found that losses resulting from fruitless and wasteful expenditure were written off as irrecoverable without being certified by council to that effect. The non-investigation of unauthorised and irregular expenditure was also raised as a concern. In response, the municipality acknowledged that there was a backlog on the investigation of unauthorised and irregular expenditure by the Municipal Public Accounts Committee. A deadline for the tabling of investigation reports to council was set for end September 2025. As one of the participants in Treasury's municipal debt relief programme, the municipality was granted a debt write-off by Eskom. In recording this write-off in the annual financial statements, the administration included the fruitless and wasteful expenditure associated with the late payment of the Eskom amount that been written off. That the amounts written off were not taken to council for approval was only realised during the auditing of the annual financial statements. The error was subsequently corrected through the adjusted annual financial statements where the R80m write-off was reversed.

- *Financial health*. Members noted the auditor-general's expression of doubt regarding the municipality's ability to continue as a going concern. This was viewed as a serious indictment. The mayor and the speaker were understood to have been insufficiently responsive to the provincial Treasury's approved mandatory intervention to address the municipality's going concern problem. This was detailed in a correspondence addressed to the municipality by former MEC Rosho. Members further understood that the municipality owed R7.3m to pension funds and sought to be favoured with a plan to settle this outstanding payment as well as prevent future

recurrence of the problem. The joint committees also wanted to know how the municipality planned to prioritise debt owed to other third parties. A question was also raised relating to the non-payment of the valuer responsible for compiling the municipality's valuation roll.

In response, the municipality indicated the former MEC's letter was two years old, suggesting that it had been overtaken by events. The letter had warned the speaker and the mayor against refusing the provincial mandatory intervention. The municipality denied refusing the intervention, stating that it had a good working relationship with Ms. Moutse, the provincial executive committee representative seconded to it. To the municipality's dismay, the representative was withdrawn soon after receipt of the MEC's letter – a move that was found perplexing. This has since been corrected as the representative was reappointed in February 2025.

Hon. Rosho acknowledged writing the correspondence and redirecting the provincial executive representative to the Mamusa local municipality, but this was unrelated to the intervention resistance which the mayor had in fact instigated. Hon. Rosho reported to have acted out of concern in response to the municipality's insistence on the implementation of a job evaluation report that would have exacerbated Tswaing's financial crisis. The replacement provincial executive representative unfortunately resigned, having taken up the position of Director in the Premier's Office. Responding to further questions raised around financial matters, the municipality indicated that it had not paid any performance bonuses during the period under review. Litigation costs amounted to R6.4m and the bulk of this related to municipal disciplinary processes. There were indeed councillors and officials that were indebted to the municipality for over 90 days. Letters have been written to these councillor and officials, with some responding positively while others disputed the amounts owed.

The municipality was unable to pay its creditors within the three-month norm but has concluded payment arrangements with third parties such as pension funds, the Auditor-General and BCX. For the months of April, May and June 2023 the municipality could not honour its commitments to the pensions funds, resulting in the outstanding R7.3m payment. In some instances, the municipality honoured its current accounts but sometimes failed to do so. The development of a budget funding plan, revenue management strategies, roll-out of smart meters, traffic fine collection, the establishment of a cashflow management committee, and the appointment of debt collectors were reportedly some of the measures being instituted to address the municipality's financial health crisis.

A dispute resolution committee has been established to address the identified discrepancies in the municipality's billing system. A steering committee that includes representation from ratepayers' associations regularly engages the dispute resolution committee on its work. From July 2025, the municipality introduced a new valuation roll, which had been certified and handed over to the municipality in January 2025 as required by law. Of 50 valuation disputes lodged, 21 remained unresolved, but these were not indicative of a municipal valuation roll crisis. The municipality initially could not pay the valuer, but the matter has since been resolved.

- *Senior management vacancies.* Members understood that the position of manager revenue has been vacant for an extended period, leading to incorrect and inconsistent revenue billing. There were also various other critical senior management vacancies, which were not filled. Members further sought to establish whether the acting municipal manager, Mr. B. Phutiyagae, was appointed legally, had the requisite senior management experience to serve as a human resources manager and acting corporate services director, and whether he had received a handover report from the former acting municipal manager, Mr. S. Maroga. The municipality was also known to have kept the latter beyond the regulated period, a matter which MEC Molapisi had brought to the mayor's attention. Members further sought to find out why Mr. Maroga was paid the municipal manager's salary given that he had been seconded from the province where he was remunerated at a lower level.

  In response, the municipality clarified that the acting municipal manager possessed the necessary senior management experience, having previously served in the municipality as a corporate services director from 2001 to 2006, and a chief audit executive at KPMG for three years. Between 2016 and 2021, Mr. Phutiyagae was a councillor (Speaker) in the municipality and in 2022 was appointed temporarily as a human resources manager. From 2023 to date, he has been serving as an acting corporate services director, to which the joint committee members responded by querying the acting appointment's envisaged duration. Mr. Phutiyagae was appointed as an acting municipal manager on 28 August 2025 and received a handover report on the same date. His employment history did not involve any dismissals and the process for his acting appointment complied with the relevant prescripts. Some members noted that the cumulative experience provided did not add up sufficiently for the senior management experience required to serve in the positions occupied.

It was further clarified that the substantive municipal manager, Mr. Mere, was under precautionary suspension to which members responded that the disciplinary hearing had acquitted him. The municipality confirmed that the municipal manager was indeed acquitted and the disciplinary hearing's outcome was accepted. However, there were other charges which the council decided to press against the municipal manager, and these led to the precautionary suspension. Joint committee members sought to be furnished with the precautionary suspension letter. On keeping Mr. Maroga beyond the regulated period, the mayor explained that this was a function of a consideration to afford the individual ample opportunity to conclude the close-out report. Regarding his remuneration at the municipal manager level, the chief financial officer indicated that Mr. Maroga's letter of appointment had been requested from the corporate services department as to facilitate determination of salary payment level. As the requested letter was not forthcoming, the municipality proceeded to pay on the understanding that any over- or under-payment would be reversed. Mr. Maroga undertook to sign an acknowledgement of debt if found that his remuneration exceeded what was due.

The chief financial officer and technical services director positions were filled. The contract for the Director: Community Services was terminated and is subject to a court challenge. The position of Director: Corporate Services was vacant as the candidate received an alternative offer elsewhere. While the municipality had not yet appointed a revenue manager, there was an acting incumbent. The municipality was also making use of consultants to mitigate its capacity challenges.

- *Supply chain management*. Members noted that the municipal council allegedly did not know anything about the value of the municipality's fleet contract with Europcar and sought to establish why this could not be revealed to council. Councillors were also reported to have participated in procurement committees illegally. In response to the latter, the municipality explained that there were instances where the Auditor General's CAAT system identified individuals that were previously councillors but subsequently became employed in the municipal administration. The existence of 'parallel councils' during the previous administration also reportedly contributed to this problem. Joint committee members clarified that the notion of 'parallel councils' was an incorrect characterisation of the matter as the election process always yielded one municipal council. The response was therefore better expressed by reference to a 'divided council'. The municipality confirmed use of rented fleet for which there were monthly reports and invoices that

could be availed to the joint committees. There was a plan to procure vehicles for the mayor and the speaker.

- *Discrepancy between targets achieved and budget spent, and death of municipal workers.* Explanation was sought around the misalignment between budget expenditure and service delivery targets achieved, as the municipality's 2023-24 audit report indicates that 43 percent of targets were achieved but 70 percent of the budget was spent. Regarding a project relating to the construction of the Ganalaagte community hall, members noted that no project cost overrun or underrun was indicated and that project progress was reported to be at 65 precent while project expenditure amounted to zero. Similarly, the figures relating to the expenditure incurred in the upgrading of the Delareyville sports ground were too exact, with no overruns or underruns, which was unusual in project management practice. Members expressed concern around two municipal workers that died on duty in the Ganalaagte area. The municipality's explanation of the incident left much to be desired.

  On the Ganalaagte community hall construction, the municipality clarified that the budget was R7.9m of which R7.3m was spent at the time. The construction was still in progress and could not yet be reported as 100 percent complete. Regarding the upgrading of the Delareyville sports ground, it was indicated that the whole project amount had been spent. The municipality offered to furnish the joint committees with the exact amounts spent in lieu of the rounded figures.

- *Sewer spillages*. Businesses and households in the Tswaing municipal area were said to be contending with constant sewer spillages that flowed into houses and business premises. The municipal leadership was invited to comment on this, but this was not done.

Summary:

- Issues to be monitored by the MECs in connection with the Tswaing local municipality include the appointment of managers without proof of qualification; non-development of staff establishment; the functionality of the Municipal Public Accounts Committee and the Disciplinary Board including the investigation of unauthorised, irregular, fruitless and wasteful expenditure; the reduction of the 28 percent vacancy rate; further discussion with the Auditor-General around the finding on councillors possibly participating in procurement committees in contravention of the law; expenditure records relating to Europcar hire; and the precautionary suspension of the substantive municipal manager, Mr. Mere.

- The Ganalaagte project where 65 percent progress was reported but zero percent of the budget spent, warranted a site visit by the members of the provincial legislature. A proper record of the acting municipal manager's employment history and the suitability of his qualifications and experience also needed to be provided. Hon. Rosho' response to the mayor's concern around the withdrawal of a provincial executive representative from the municipality was noted to have been adequate and the matter therefore did not need to be pursued any further. The Premier should take interest and apply his mind in connection with the prepaid electricity tariff illegally charged to municipal customers as this had the potential to explode into a serious problem.

5.3.Ratlou local municipality

Overview by the municipal leadership:

- The executive mayor's, Cllr. M. Jafta, overview alluded to the municipality's predominantly rural nature constituted of 26 villages and commercial farms with a total revenue of R220m, most of which came from government grants. The Municipal Infrastructure Grant amounted to approximately R38m in 2025-26. At 43 percent of the operating budget, the municipality's salary bill was above the Treasury norm. This was attributed to an increase in the wage bill, following the implementation of a job evaluation process. As part of its revenue enhancement drive, the municipality was focusing on law enforcement in connection with traffic offenses and also obtained accreditation to operate a driving license testing centre and process driving licence cards renewals.

- All senior management vacancies were filled except that of the Chief Financial Officer where the recruitment process was at an advance stage. The municipality's overall vacancy rate amounted to 10 percent and mostly related to general workers. Having operated without an approved organisational structure for an extensive period, the municipality subsequently remedied this deficit and now operates an approved and funded organisational structure in line with the new regulations. In this process, the municipality benefitted from assistance by the South African Local Government Association and therefore did not have to appoint a service provider.

- Considering the consecutive disclaimers obtained, the municipal leadership was compelled to admit that the municipality had not been doing well. Nevertheless, the leadership maintained the confidence and hope that a better audit outcome would be achieved, following the efforts put towards this end with assistance from the Auditor-General, provincial treasury and the

Department of Cooperative Governance, Human Settlements and Traditional Affairs. Promising signs included the fact that the municipality was now preparing its annual financial statements internally.

Key issues raised by joint committee members:

- *Non-investigation of unauthorised, irregular, fruitless and wasteful expenditure*. Members sought to establish the reasons for the non-investigation of unauthorised, irregular, fruitless and wasteful expenditure as reported in the municipality's 2023-24 audit report. The municipality's unauthorised, irregular, fruitless and wasteful expenditure levels of approximately R200m were also noted be too high, giving the impression that the organisation's R220m budget was mostly spent on unauthorised, irregular, fruitless and wasteful endeavours. In response, the municipality cited shortcomings in the functionality of the Municipal Public Accounts Committee, which consequently led to the Committee's dissolution and re-establishment. Following the re-establishment, some progress was registered. To address the high unauthorised, irregular, fruitless and wasteful expenditure levels, the municipality reported to have adopted a UIFWE reduction strategy and a detailed implementation plan. A records management system has been introduced in response to the audit finding relating to the absence of records. Supply chain management automation was anticipated to reduce human error and consequently lessen unauthorised, irregular, fruitless and wasteful expenditure levels.

- *Lack of consequence management*. In response to a question members raised around the lack of consequence management regarding non-compliance with supply chain management processes, the municipality explained that, in terms of section 32(4) of the Municipal Finance Management Act, the consequence management responsibility also rested with the accounting officer. In exercising this responsibility, the accounting officer has issued warning letters to transgressing employees, as identified in the auditor-general's report, and effected the chief financial officer's dismissal following the extension of a service provider's scope without following proper supply chain management regulations.

- *Senior management vacancies.* In response to concerns members raised in connection with the prevalence of numerous acting appointments, the executive mayor acknowledged that the municipality had previously operated without substantive senior management but had since addressed this and expected to be applauded for doing so. Members noted that this did not warrant applause as the municipality had done what it was ordinarily expected to do. The executive mayor

advised that once the recruitment process for a substantive chief financial officer has been finalised, the municipality will have a full senior management staff complement. The joint committees would be favoured with a report on the recruitment process. The senior management appointments were yielding positive impact, and this was anticipated to address some of the factors contributing to the consecutive disclaimed audit opinions. The overall vacancy rate in the municipality amounted to 10 percent.

- *Irregular appointment of the municipal manager.* Joint committee members brought to the municipality's attention a *City Press* article of 17 November 2024 where the Auditor-General was reported to have flagged the irregular appointment of the municipal manager, Mr. L. Leoko, who allegedly did not have the requisite qualifications. Members further revealed to be in possession of the council short-listing document, which indicated that Mr. Leoko had no requisite experience, only possessed matric, and had not completed the Certification Programme for Municipal Development. The fact that there was a letter of concurrence from the MEC was decried.

  In response, the municipality indicated that the story around the municipal manager's qualifications was widely publicised and consequently caught the Auditor-General's attention. An investigation was conducted and found that the municipal manager had the requisite qualifications, which the municipality will furnish to the joint committees. The municipality manager also wished to delve into the factors driving the publication of the story but refrained from doing so after being advised to avoid over-elaborating on the responses. The municipal manager also indicated that he had both an honours and a master's degree in public administration but also added that he was still pursuing the public administration master's degree.

- *Ineffective use of consultants.* Members considered it an embarrassment for the municipality to be in receipt of consecutive disclaimed audit opinions despite utilising consultants at the cost of R10.6m in 2023-24. In response, the municipality indicated that the R10.6m was inclusive of consulting services for annual financial statements preparation, landfill site, and post-retirement benefits. It was acknowledged that the annual financial statements consultants in particular did not provide value for money and the municipality was still owed a set of outstanding documents. Legal action was being considered to recover the monies lost. The contract with the consultants was valid for three years, having commenced in 2023 and due to expire in 2026. The municipality has since been preparing annual financial statements internally and these have been submitted by the legislated due date. Due to concerns around the quality of the 2024-25 annual financial

statements submitted for auditing, MEC Mosenogi could not commit that the municipality would progress to a better audit opinion during the financial year in question.

- *Financial health*. In response to a question joint committee members raised around the municipality' status as a going concern, the non-implementation of a financial recovery plan, and the retention of a R100m overdraft facility without any buffers, the municipality submitted that it was a financially stable organisation despite not receiving rates and taxes from residents owing to its rural nature. For the same reason, neither councillors nor municipal officials owed the municipality any debt. Additionally, no performance bonuses were paid. The municipality's budget was fully funded, and the organisation had no overdraft facility. The requisite financial controls were in place and there was a service provider contracted to attend to the asset management register and post-retirement benefits.

- *Supply chain management.* Joint committee members sought to be clarified around reports to the effect that a previous acting chief financial officer's spouse did business with the municipality. In response, the municipality noted that there was much confusion around the matter and clarificatory information was consequently provided to the Directorate for Priority Crime Investigations. This information could also be shared with the joint committees. Reference was also made to the municipality's poor decision-making in connection with the procurement of 22 laptops to the value of R730 000. In response, the municipality indicated that the laptops were indeed procured through the State Information Technology Agency as required in terms of the law. The price was determined by the laptops' particular specifications. With joint committee members having found this response incomprehensible, the municipality undertook to provide further detail in writing.

- *Incomplete projects and non-implementation of municipal support and intervention plan.* In response to its imputed failure to account for incomplete projects including a taxi rank project, the municipality conceded that there were several incomplete projects, but these have since received attention. The municipality's submission to the joint committees had detailed the status quo in relation to all the service delivery projects being implemented in Ratlou. Joint committee members further noted that the municipality was not implementing the municipal support and intervention plan, as indicated in the auditor-general's report.

- *Security services.* Given the municipality's rural nature, the joint committees were keen to establish how much the municipality spent on security services and whether the expenditure

reconciled with the number of municipal properties owned. In response, the municipality requested to be given time to prepare a detailed report with attachments.

- *Consecutive disclaimed audit opinions.* The joint committees established that the municipal political leadership had been in office since 2021 and during this time presided over consecutive disclaimers. From 2023, the municipal manager also presided over a disclaimer. It was incorrect to think that these disclaimers only reflected negatively on the leadership qualities of those that were previously at municipality's helm. The current leadership needed to take responsibility, introspect and ask itself whether it was fair for it to be still running the municipality. It needed reflect on whether it had the credibility to persuade the joint committees to believe that there will be a movement away from disclaimers. The joint committee did not have a reasonable basis to assume that the same leadership that presided over at least two or three disclaimers could deliver a different result. In response, the mayor reiterated that the interventions made thus far gave them the confidence that there will be improvements. These interventions included the appointment of senior management and the introduction of systems to ensure that records are available to the auditors.

Summary:

- Having presided over at least three of the consecutive disclaimers, the current municipal leadership ought to accept responsibility for the municipality's dismal audit performance. It was not advisable for the joint committees to expect this same leadership to turn things around. The matter was ripe for escalation to the level of the MECs. The joint committees would do well to task the MECs with the responsibility to turn the state of the municipality around and institute consequence management for the transgressions committed. From the municipality itself, not much could be expected in terms of action to address the suboptimal performance. There were several other matters that could not be explained to the joint committees' satisfaction including the question relating to laptop procurement and the existence of a R100m overdraft facility. These issues are to be redirected to the attention of the MECs for further investigation.
- The joint committees could not reconcile the reported municipal vacancy rate of 10 percent with the staff establishment problems identified during the 2023-24 audit cycle. The municipality needed to address this and report back to the MECs in this regard. The non-implementation of the municipal support and intervention plan, as raised in the auditor general's report, also needed the MECs' attention as the joint committees could not count on the same leadership that failed to implement the plan. Joint committee members also wished to know what would be done

differently to ensure a functional and effective Municipal Public Accounts Committee and municipal financial disciplinary board. The MECs should also monitor the investigation of unauthorised, irregular, fruitless and wasteful expenditure as well as the implementation of consequences management. The municipal manager's appointment process and the cost of security services should also be clarified.

- The joint committees noted but could not accede to MEC Mosenogi's plea to defer commitment to move the municipality out of consecutive disclaimers to the 2025-26 financial year due to concerns around the quality of the 2024-25 annual financial statements submitted for auditing. Agreeing to such would have been tantamount to formally endorsing another disclaimer, which defeats the purpose of the oversight.

5.4.Ramotshere Moiloa local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. D. Pitso, informed the joint committees that the municipality had experienced political and administrative stability challenges. Although the new council was convening regular sittings, there remained a challenge around the implementation of council resolutions. Of the 24 council resolutions made in the current term, only nine were fully implemented. The situation in the municipality remained volatile as seen in the 25 August 2025 shooting between the municipality's security contractor and gunmen who had forcefully occupied the municipal building. The gunmen were known to be the bodyguards of Mr. Moarabi, an expelled councillor. Assistance from the South African Police Service was not forthcoming, and the municipality consequently resorted to using its security services to remove the illegal occupants. The conflict's genesis centred on the processing of a motion of no confidence against the executive mayor, the chief whip, the speaker and the municipal manager. This was first tabled in November 2024.

- Legal advice was obtained to the effect that the motion did not comply with council's standing rules of order due to the fact that, of the 19 councillors who had signed the motion petition, six had withdrawn their signatures. However, the speaker, Cllr. P. Letshufi, proceeded to convene a council sitting to process the motion and this took place on 09 July 2025. After the morning council chamber sitting failed to quorate, the speaker resumed the meeting in the afternoon at a venue outside the municipal premises where the election of Mr. Moarabi as the executive mayor

was facilitated. As the latter meeting was convened without any notice and had no administrative staff present to minute it, Cllr. Pitso described it as a "bogus", and the shooting of 25 August 2025 as its apogee.

- As far as the speaker was concerned, the executive mayor and the municipal manager did not inform her about the shooting. Consequently, she did not have the relevant details and relied on hearsay. However, the speaker did not think that the shooting and the council sitting of 09 July 2025 were related. On the day of the council meeting of 09 July 2025, the executive mayor and her faction of councillors deliberately absented themselves. As they did not want the council sitting to continue, they invited hooligans into the municipal premises to cause chaos, disorder and disruption. The invitees were catered in the executive mayor's office and escorted in and out of the municipal building. As some of these characters carried knives and threatened stabbing, the council sitting was continued off the municipal premises. This was a normal operating procedure that was carried out previously when the municipal manager felt unsafe in the council chamber.

- It was not true that the executive mayor and other councillors were not informed about the continuation of the meeting at an outside venue. The motion in question was not new and dated back to 2023 and 2024. Every time a sitting was convened to discuss it, there was disruption. The speaker was not aware of any legal advice against the motion. For the 09 July 2025 sitting, 19 of the municipality's 38 councillors were in attendance, and the meeting culminated in a decision to oust Cllr. Pitso and elect Mr. Moarabi as executive mayor. Cllr. Pitso was re moved because she had absented herself from the meeting and was also alleged to have appointed senior managers illegally. The speaker survived the motion of no confidence because she was there to speak for herself.

- The municipal manager, Mr. L. Lekgatlhe, reported to have alerted the speaker to the fact that only 14 of the municipality's 38 councillors signed the attendance register for the morning session. The speaker's submission to the effect that 19 councillors were in attendance was incorrect. As the attendance failed to satisfy the simple majority of 50 plus one, continuing with the sitting was inconsistent with council's standing rules of order and procedure. There was also no new notice issued in connection with the afternoon sitting held off the council chamber. For these reasons, the municipal administration did not participate in the off-site council sitting and refused to recognise the illegal resolution to elect Mr. Moarabi as executive mayor.

- Since his purported election as executive mayor, Mr. Moarabi had hijacked the municipal premises with the help of more than 40 armed bodyguards who have been stationed there for more than 40 days, hampering the municipality's ability to deliver on its service delivery mandate and leading the municipal workforce to fear for its safety. The municipal manager, who had no bodyguards, could not go to the office as Mr. Moarabi's bodyguards demanded their pay from him. At the time of the joint committees' oversight visit, the situation still prevailed. MEC Molapisi reported that he, together with the Premier and the MEC responsible for Safety and Security, had engaged Cllr. Pitso and the speaker on the matter. It was clear from the interaction that the council sitting held off the municipal precinct was inconsistent with council's standing rules of order. The sitting was unnecessary and illegal, and so was Mr. Moarabi's forceful occupation of the municipal building. The speaker was informed accordingly. The Premier added that, factually, Mr. Moarabi and his accomplice were no longer councillors in the municipality as they had been dismissed by their political party. Despite the Independent Electoral Commission's communication of the vacancies and the election of new councillors, there has been resistance. While the acting provincial police commissioner had been brought in, the police could only act once affidavits had been deposed. The municipal manager were advised to attend to this as a matter of urgency.

- As a Water Services Provider, the municipality has experienced service delivery protests relating to water supply, which thrived in the absence of a water master plan and water management plans. However, most of the protest triggers related to bulk water supply, which rested with the Ngaka Modiri Molema district – the Water Services Authority. The municipality's adoption by Infrastructure South Africa was anticipated to assist in attending to poor road conditions, particularly in wards 15 and 16 as the Municipal Infrastructure Grant was only meant for rural wards. Inadequate cashflow hampered the municipality's ability to pay creditors within the statutory 30-day period. However, the municipality paid third parties without fail. A mandatory intervention based on the criteria set out in Section 140 of the Municipal Management Finance Management Act had been instituted in connection with the municipality's serious breach of obligations to meet its financial commitments. This triggered the preparation and implementation of a mandatory financial recovery plan, focusing on four key pillars of governance, institutional arrangements, service delivery, and financial viability.

- At R94m owed, Eskom was the municipality's largest creditor, accounting for 86 percent of the municipality's creditors' balance sheet. The municipality was adhering to the conditions for

participation in Treasury's municipal debt relief programme, including paying its Eskom current account. This has yielded a R29m Eskom debt write-off. A municipal financial misconduct board has been established. The provincial treasury has administered training on records management, which has assisted the municipality to address the material irregularity raised by the Auditor-General. An investigation report into the irregular appointment of a consultant to prepare annual financial statements was due to be tabled in the council sitting of 31 July 2025, but the sitting never materialised.

- While all vacant senior management positions in the municipality were filled, there was litigation around the appointments of the directors responsible for technical, community and corporate services. A municipal staff establishment has been developed and submitted to the Department of Cooperative Governance for approval. Salaries accounted for 33 percent of the municipality's total operating budget. The municipality has passed unfunded budgets for three consecutive years but has approved a funded budget for the 2024-25 and 2025-26 financial years. The revenue collection rate remained low due to valuation disputes. Both the Ngaka Modiri Molema district and government departments were part of the municipality's outstanding debtors. The matter has been escalated to the Finance MEC's office.

Key issues raised by joint committee members:

- *Political instability.* Members denounced the political developments in the municipality as cancerous, shameful, disappointing, sad, pathetic, shocking, and embarrassing, and no amount of explaining could persuade the joint committees to tolerate the reported paralysis. Dissolution or national intervention was warranted as the political leadership was not focused on improving service delivery and achieving better audit outcomes. The political leadership was good as non-existent. In this context, the resolution of the matters raised by the Auditor-General in the 2023-24 audit report was impossible. Given what has been reported, it was irrelevant and futile to pursue these matters any further. The governance machinery was not holding, and the joint committees could not trust that the municipal leadership was equal to the task. The municipality was therefore excused from answering any further questions as this would not have made any difference. It was almost certain that the executive mayor and the speaker would never get along, and this political conflict alone was enough stifle service delivery, paralyse council and make it inoperable.

The unrest in the municipality was a function of the tone set by the political leadership. That the municipal premises were still under hostage, even as the joint committees sat, was difficult to fathom and the forceful entry by outsiders should have been, on its own, a sufficient basis for intervention in terms of section 139 of the Constitution. The provincial executive was culpable, with some members reporting to have received correspondence from the community alleging that MEC Molapisi's had acknowledged Mr. Moarabi in a letter dated 19 August 2025. The Premier allowed the illegality to persist for a long time, and this political impotence was tantamount to undermining the authority vested on him by the Northwest electorate. The reported meeting between the Premier, MEC Molapisi, the acting provincial police commissioner, and the municipal leadership was belated and reactive. Were it not for the joint committees' oversight visit, it was unlikely that the matter would have been resolved.

The situation in the municipality needed immediate intervention to prevent further escalation and service delivery deterioration, and this needed to be effected within the next 48 hours. However, the joint committees should not be put in a position to fight party political battles. Addressing the situation and effecting consequence management was the responsibility of the Premier, the MEC and the political parties involved. The Premier was directed to come back the following day with a plan of action. The speaker's disappointing actions not only warranted her removal but also the institution of criminal charges. The temerity of the speaker's comment to the effect that the joint committees were not expected to discuss politics came as a shock. The comment was unacceptable and was tantamount to undermining the National Assembly. The speaker also lied about the number of councillors in attendance at the off-site council sitting. With such attitude and character, the speaker was unsuitable for the position she occupied.

Having been aware that the speaker's action was illegal, the municipal manager needed to explain why a case was not opened with the police. The violation of the Councillors' Code of Conduct by the councillors who had colluded with the speaker also needed action from MEC Molapisi. Members further sought to establish whether MEC Molapisi had convened a council sitting to clarify the legitimate executive mayor.

In response, the Premier reported that after the joint committees had adjourned the session with Ramotshere Moiloa the previous night, the provincial executive met with the provincial police commissioner and agreed to establish an ad hoc committee to investigate the breach of the councillors' code of conduct by the speaker and the councillors involved. The committee is

expected to recommend the appropriate sanction to be invoked. As the joint committees' proceedings continued, the police were expected to be in the municipal premises to restore law and order. An update to the community would be communicated in the afternoon. A council meeting would soon be convened to communicate the Premier's decision, followed by a stakeholder meeting to provide assurance on the restoration of municipal stability. Over the next three days, the Premier would be having his finger on the municipality's pulse.

Summary:

- The Premier's intervention and report back was welcome and should be communicated to the public. An update report was to be submitted to the joint committees and the provincial legislature in a week's time, followed by reports from the MECs within three months.

5.5.Ditsobotla local municipality

Overview by the municipal leadership:

- The mayor, Cllr. M. Morutse, indicated that the municipal council established after the 2022 local government elections was dissolved. The subsequent by-election of 2022 yielded a coalition government of four political parties that constitute the municipality's seven-member executive committee. The new coalition has committed to ensuring compliance with all legislation. Under the new leadership, the municipality has adopted a funded budget for the first time and submitted annual financial statements for auditing by the legislated date. Revenue collection amounted to 48 percent as of 30 June 2025. Ditsobotla is predominantly rural and mainly relied on the local government equitable share to fund its operations.

- A Mahikeng High Court order compelled the provincial executive to intervene in the municipality in terms of section 139(5) of the Constitution and implement a mandatory financial recovery plan. An intervention plan dated 26 April 2024 was subsequently signed. As part of Treasury's municipal debt relief programme, the municipality has concluded a distribution agency agreement with Eskom in respect of repairing and upgrading ageing electricity infrastructure. However, the municipality remained at risk of being disqualified from the programme due to failure to honour the payment arrangements made with Eskom.

Key issues raised by joint committee members:

- *Financial performance*. Members sought to ascertain a series of financial performance related matters including the payment of performance bonuses over the last five years; the percentage of salaries vis-à-vis the total operating budget; councillors and municipal officials owing the municipality in rates and taxes; debt owed by government departments; progress on the implementation of the mandatory financial recovery plan across the four pillars; the plan to grow the revenue collection rate; debt owed to Eskom; payment of third parties including the South African Revenue Service, the Auditor-General, pension funds, and medical aids; the costs associated with the preparation of annual financial statements, which was believed to have amounted to R2.5m; under expenditure on the Municipal Infrastructure Grant and the impact on service delivery; the cost of security services in the context of two security companies that had fought for control of the municipality's security contracts; gross abuse of power in the withholding of salaries due to councillors; receipt of consecutive disclaimers since 2019; and a settlement amounting to R395 000 irregularly paid to attorneys.

  In response, the municipality indicated that salary payments constituted 57 percent of the total operating budget and that no performance bonuses were paid. The municipality has identified councillors and officials that owed it over R1m in rates and taxes, and repayment arrangements had been made. The withholding of salaries to councillors related to non-attendance of council sittings and the matter was being subjected to a legal evaluation. National and provincial government departments owed R97m, and the Premier had been engaged on the matter. There were monthly fluctuations in the cost of security services depending on the level of volatility experienced in the municipality, with the last payment amounting to R1.4m. The implementation of the mandatory financial recovery plan was delayed for reasons that could not be detailed due to the limited time available.

  The collection rate was below 50 percent. Eskom debt amounted to R1.4bn and this was being addressed through a distribution agency arrangement, which the municipal manager was due to sign. The distribution agency agreement was expected to assist the municipality to fund the installation of smart electricity meters as its smart meter grant application to National Treasury was unsuccessful. There were outstanding amounts owed to pension funds due to a cashflow crisis; however proper payment agreements were in place. Progress regarding the points of disagreement with the South African Revenue Service had been made and the matter was now nearing resolution. This disagreement culminated in the South African Revenue Service

withdrawing the Municipal Infrastructure Grant that had been transferred to the municipality, and this was why the grant was underspent. The Auditor-General was successfully paid.

Interventions reportedly pursued to achieve sound financial health include the establishment of a cashflow management committee to scrutinise the invoices to be paid and ensure value for money, maintenance of an up-to-date general valuation roll to ensure lawful property rates levies, the procurement of smart meters, improving billing accuracy, disconnecting electricity and restoring power only when 60 percent of the outstanding debt had been paid. No expenditure was incurred in the preparation of annual financial statements over the last two financial years as these were compiled with assistance from the Local Government Sector Education and Training Authority, which facilitated the municipality's adoption by the Southern African Institute of Government Auditors. MEC Mosenogi surmised that the R2.5m could have related to the 2020-21 financial year, but this was on the Southern African Institute of Government Auditors' account.

The municipality extended appreciation to the provincial treasury and particularly the provincial executive council representative for helping with the submission of the 2023-24 financial statements by the legislated date. In 2021-22 and 2022-23, the municipality had failed to submit its annual financial statements for auditing and was consequently audited for three financial years simultaneously. The municipality was working towards preparing its annual financial statements internally but did not yet have the requisite internal capacity, pending skills transfer from the Southern African Institute of Government Auditors consultant. Previously, it was difficult to compile credible annual financial statements due to transactions conducted outside the municipality's financial system. The municipality was now hopeful that the Auditor-General will have something better to say about Ditsobotla. There remained historical challenges, but the municipality was working on resolving these.

- *Investigation of unauthorised, irregular, wasteful and fruitless expenditure.* In response to questions raised around the investigation of unauthorised, irregular, wasteful and fruitless expenditure (of which the cumulative amounts were equivalent to the municipality's total budget) by the Municipal Public Accounts Committee and the implementation of consequence management, the municipality advised that, while the Committee has undergone training and appointed a new chairperson, no investigation had yet started. Consequence management has been instituted in connection with unlawful signing of settlement agreements, illegal extension of contracts and payment of suppliers without following proper supply chain management

procedures. Among the affected officials were the former municipal manager, the former acting chief financial offer and the project management unit manager. There were also seven officials undergoing disciplinary action in connection with disrupting municipal operations.

- *Political instability.* Members noted that, despite dissolution, the municipality was still plagued by leadership disputes, violent service delivery protests, corruption and intimidation by criminal elements. Based on the Premier's allegedly negative media comments about Ditsobotla, it was questioned whether the municipality was enjoying any support from the provincial executive. In response, the municipal leadership indicated that it was proud to be enjoying relative political stability as there was now one mayor and one speaker. The matter had been contested in court. Payment of salaries was up to date and no employee was owed. Following an analysis of the situation, the municipality has isolated the criminal elements. Most of these individuals have since been jailed while others are undergoing disciplinary action. MEC Molapisi reiterated that Ditsobotla was last dissolved in 2022, following a series of previous dissolutions. Rather than another dissolution, the province supported national intervention in terms of section 139(7) of the Constitution.

- *Material irregularities.* The municipality was known to have been issued with six material irregularities, including failure to keep full and proper records, and the joint committees sought to be apprised on how these were being resolved. Members further sought to establish whether there were any arrests in connection with the burning of municipal records. In response, the municipality stated that the records keeping material irregularity has since been resolved following the creation of an online cloud-based portal for records storage. The incident relating to the burning of records occurred before the current leadership came into office and therefore no factual account was available at its disposal.

- *Service delivery and interface with the community*. On questions raised around the municipality's poor water infrastructure, the municipality indicated that it had signed a service level agreement with the Ngaka Modiri Molema district to fix the water infrastructure. Regarding the resolution of challenges around electricity provision, the municipality indicated that electricity supply was stabilising and power outages were being addressed timeously unlike previously where towns such as Coligny and Lichtenberg experienced month-long outages. On refuse removal, where members noted that Zone 3 residents in the Itsoseng township were not receiving any waste collection service, the municipality cited cashflow and fleet mechanical problems. However, the

South African Local Government Association was assisting the municipality to attend to the matter. The municipality's relationship with residents was improving compared to the period prior to the new leadership. This was an outcome of the new leadership's commitment to engage the community, including having one-on-one meetings as done in Itsoseng.

- *Senior management vacancies and human resources management*. The joint committees wished to be updated (inclusive of timelines) on the filling of vacant senior management positions including the chief financial officer and the four vacant director positions. MEC Mosenogi needed to look into the general proliferation of acting chief financial officers in the province. It was also understood that, as of 30 June 2024, the municipality had an overall vacancy rate of 37 percent, with the finance unit accounting for 25 percent. The appointment of the current municipal manager, Mr. O. Bojosinyane, was legally contested and did not enjoy the MEC's concurrence. The appointment of Mr. R. Mooketsi as acting municipal manager was questioned on the basis that a previous council had dismissed him back in 2021. Members also understood that, historically, 74 percent of the municipal workforce did not meet minimum competency requirements. The staff establishment was also known to be bloated and the municipality needed to be specific on how it planned to address both the lack of minimum competency and the supernumerary staff.

  In response, the municipality indicated that timeliness have been set for the filling of the vacant senior management posts. MEC Molapisi had provided the assurance that the province was ready to give support in terms of section 154 of the Constitution and ensure that there were substantive directors and a chief financial officer. On the supernumerary staff, the municipality confirmed that it had undertaken a personnel headcount and established that there were 46 ghost workers. The matter has been referred to the Local Labour Forum and was due for tabling in council. Non-management of overtime and standbys also exerted an upward pressure on the municipality's wage bill.

  Although the reappointment of the previously dismissed Mr. Mooketsi occurred three months before the current mayor's arrival, it was confirmed that the incident was part of the municipality's chequered history. The person was taken from nowhere and appointed as an acting municipal manager. How this happened was the first question the current mayor asked upon his arrival in the municipality. Mr. Mooketsi was presumed to have been one of those individuals with whom a former acting municipal manager, Mr. M. Ledwaba, made illegal out of court

settlements. Mr. Ledwaba has since been served with charges in this regard. The contestation around the current substantive municipal manager's appointment was before the courts and the provincial Department of Cooperative Governance, Human Settlements and Traditional Affairs led the legal challenge.

- *Local economic development strategy.* The municipality was asked to indicate its Local Economic Development strategy, including a plan to attract investors. In response, the municipality confirmed the existence of a two-month-old local economic developments strategy (developed in collaboration with investors) outlining the roadmap towards the development of Ditsobotla, with emphasis on roads and sustainable water and electricity provision. An agribusiness company, Agrico, which had once threatened to leave Ditsobotla was now staying and has pledged its support. The municipality enjoyed a cordial and good working relationship with the farming community and has communicated its commitment to curb farm theft, a problem which the farmers had previously raised.

Summary:

- The reported relative political stability in the municipality was inconsistent with the report that councillors were not attending council sittings leading to the withdrawal of salary payments. This discrepancy needs to be reconciled and a report to that effect provided. In this report, the MEC's should also look into whether the withholding of councillors' salaries was the correct decision. The provincial portfolio committees should follow up on the Municipal Public Accounts Committee's investigation of unauthorised, irregular, fruitless and wasteful expenditure and consequence management. There was insufficient emphasis on the mandatory financial recovery plan and how it assisted with strengthening the municipality's finances.

- The MECs should commit that there will not be another disclaimer; fulfil the undertaking to address the senior management vacancies; oversee a skills audit of the municipal staff establishment; and deal with the R97m debt owed to the municipality by provincial and national government departments. The joint committees note that the MECs are already seized with the contested appointment of the current municipal management and will await an update on the final outcome. A report on the issues raised around the former acting municipal manager, Mr. Moeketsi, will also be awaited. Whether the municipality's R1.4m monthly security costs were legitimate also needs consideration.

5.6. Ngaka Modiri Molema district

Overview by the municipal leadership:

- The executive mayor, Cllr. K. Molefe, emphasized that the municipality was grant-dependent, as government grants accounted for 92 percent of its revenue. As a Water Services Authority, the district has entered into Service Level Agreements will all the local municipalities within its jurisdiction, except Ratlou on account of its 100 percent rural nature. The Service Level Agreements included collaboration in the construction of a water testing laboratory. In terms of emergency services, the district was saddled with an unfunded disaster management mandate, a function that should be performed by local municipalities. The Municipal Public Accounts Committee had been reconfigured as to address its non-functionality. The Committee has since tabled its investigation report on unauthorised, irregular, fruitless and wasteful expenditure in council. Irrecoverable amounts were subsequently written off and the rest referred to the municipal financial disciplinary board, which was said to be functional.

- A strategy to reduce unauthorised, irregular, fruitless and wasteful expenditure was in place. The district has moved from a disclaimer to an adverse audit opinion, which has improved to qualified audit opinions over the last two financial years. This improvement was insufficient; however, the district was on the right track to achieve an unqualified audit opinion. The district uses Treasury's web-based portal to monitor the implementation of the post-audit action plan. Expenditure on the Municipal Infrastructure Grant was 100 percent. Certain matters in the district were subject to investigation by the Special Investigating Unit. Consequence management was to be instituted against the affected officials after the investigation's conclusion. The district reported to have made progress in collapsing a syndicate that was vandalising its water infrastructure. Seventy-four criminal cases have been opened with the police in this regard. The district council was politically stable and was the only one in the Ngaka Modiri Molema area that had no political infighting.

Key issues raised by joint committee members:

- *Financial health.* Members welcomed the district's encouraging audit outcome trajectory. The district was to explain why its non-grant income was only 2 percent of the total budget. The municipality was noted to be taking too long to pay creditors. Clarity was to be provided around the authorisation of a R20m payment to a financial consultant and on the payment of performance

bonuses. In response, the district indicated that it was looking into conducting cost of supply studies and optimising billing for bulk charges to remedy its reliance on grant income. The late payments were mainly in respect of the Magalies waterboard account, but the district has since settled the outstanding amount and was consequently not owing the waterboard. The district confirmed the payment for financial consulting and cited the lack of skills in 2019-20 as the trigger. Of the five positions in the district's Budget and Treasury Office, only one was filled and R20m was therefore spent on augmenting the division's capacity. The municipality reported to have since turned the corner in this regard, culminating in the appointment of the current chief financial officer, Mrs. G. Moroane. Financial consultants were still used as they had been appointed on a three-year contract. No performance bonuses were paid; however, there was a related historical matter that was being challenged in court.

- *Material irregularities*. The joint committees sought to establish the consequence management action taken in connection with the municipality's 18 material irregularities, including an overpayment on water tankering services. In response, the district indicated that it was seized with the water tankering matter but has encountered resistance in recouping the funds from the service provider. The responsible officials have undergone disciplinary hearing and given that the transgression amounted to slight negligence, written warnings were considered the appropriate sanction. The Auditor-General has been advised on the action taken to resolve the material irregularity.

- *Service delivery.* Members sought explanation in connection with the construction of Ventilated Improved Pit latrines to the value of R359m and on the district's plan regarding waterborne sanitation. Most Wastewater Treatments Works were reportedly non-functional leading to significant water pollution and runaway sewage that posed serious health risks. There was a tendency to rely on emergency repairs rather than the development of a holistic rehabilitation plan. The roads in Mahikeng were noted to be unpleasant to drive on due to pothole non-repair. The 2023-24 audit report also found that the municipality achieved fewer basic service delivery targets but spent the bulk of the allocated budget. Members further sought to ascertain the number of boreholes drilled in the current year, the costs thereof, as well as the extent of customer service delivery satisfaction and how this was measured. The closure of the district's offices due to employee disgruntlement with leadership was to be explained.

In response, the district stated that spending the reported amount on Ventilated Improved Pit latrines was unacceptable. This has since been changed such that 80 percent of the funds were spent on water augmentation projects to facilitate waterborne sanitation, with the Ventilated Improved Pit latrines accounting for the remainder. The potholes in Mahikeng used to be worse but have since improved following a series of road sealing initiatives. The municipality now scored at least seven out of ten in terms of road rehabilitation. The discrepancy between achieved service delivery targets and the budget spent was attributed to misalignment between the Service Delivery and Budget Improvement Plan and the Integrated Development Plan; unplanned interventions relating to infrastructure failures and the Deelpan flooding disaster; and the implementation of court orders affecting Tswaing and Ditsobotla.

The gaps relating to the functionality of Wastewater Treatment Works were to be closed once sufficient Regional and Bulk Infrastructure and Water Services Infrastructure grant funding had been secured. These grants were currently administered in term of Schedule 6B of the Division of Revenue Act where the transferring Department of Water and Sanitation was spending the grants on the district's behalf. This process has taken a significant funding stream away from the municipality and a process was underway to restore these grants to their original Schedule 5B status. Tswaing was the district's main sewer spillage hotspot, and the contemplated final solution was sewer reticulation. Ngaka Modiri Molema is water scarce district. Of the more than 2000 boreholes at its disposal, 84 percent were functional. Dried-up ground water accounted for the non-functional boreholes. The requested information on the number of boreholes drilled in 2025 and the costs thereof would be availed in writing within two hours. The district used surveys, and direct community interactions to gauge customer service delivery satisfaction. The executive mayor confirmed the closure of district offices but assured the joint committees that the matter was receiving attention.

- *Fraud and corruption.* It was alleged that the chief financial officer by-passed processes in connection with the re-direction of the district's R1.4bn budget and that the executive mayor had solicited a R300 000 bribe. The extension of Expanded Public Works Programme contracts and the adjustment of programme budget from R5.6m to R8.2m was interrogated. The district's contract with CCG systems on the implementation of the Municipal Standard Chart of Accounts was alleged to have been extended without following due processes. Member further sought to ascertain the district's experience with construction mafia.

In response, the executive mayor categorically stated that he did not solicit a bribe. In the video clip purported to have recorded him doing such, the executive mayor was discussing table allocation for a fundraising event for his political party and no rands and cents were mentioned. Under budgeting was cited as the reason for the readjustment of the Expanded Public Works Programme budget. All contract extensions followed due processes and were reported accordingly. Regarding construction mafia, there was a question of people fighting for their rightful participation in the economic opportunities in the area. There were also well-organised syndicates who had been ransacking municipal water infrastructure of which 72 criminal cases have been opened, with no record of success.

- *Unauthorised, irregular, fruitless and wasteful expenditure*. At R15bn, the amount of unauthorised, irregular, fruitless and wasteful expenditure, including the amounts written off as irrecoverable, were noted to be staggering. Whether the municipal disciplinary board was functional and had the requisite capacity to deal with this expenditure needed clarity. Members sought to establish how many officials had been charged in connection with this transgression. The district also needed to apprise the joint committees on the action taken to address non-compliance with legislation. In response, the district reiterated that the amounts written off were certified by council as irrecoverable. A compliance risk management plan has been developed in response to the non-compliance deficit.

Summary:

- The district should attend to the payment of third parties, especially retirement funds; devise a plan on strengthening the Municipal Public Accounts Committee; furnish a report on consequence management in connection with unauthorised, irregular, fruitless and wasteful expenditure; provide a concrete plan for the replacement of consultants; and furnish a written report on the list of referrals to the criminal justice system including the 72 cases opened on the vandalization of water infrastructure. The foregoing information should come from the MECs for tabling in the provincial legislature, followed by in loco inspection by provincial legislature portfolio committee members.

5.7.Mamusa local municipality

Overview by the municipal leadership:

- The mayor, Cllr. S. Chelechele, emphasized the municipality's financially constrained position owing to a 50 percent unemployment rate in Mamusa. Due to the small revenue base, service delivery has not been functioning optimally. There was only one vacant senior management position, which the municipality has been struggling to fill for over two years. Refusal removal staff shortages was another key challenge. As part of investing in its future, the municipality was running key projects with the arts and culture department with the ultimate aim of creating jobs, promoting tourism, cutting waste and employing more permanent staff. The municipality's former Municipal Public Accounts Committee chairperson has been removed as the committee had not been sitting to prepare reports for tabling in council. Cllr. L. Motlapele was the new Committee chairperson. Investigations have since been conducted and this is set to reduce the non-investigated unauthorised, irregular, fruitless and wasteful expenditure. Previously stalled disciplinary cases were being resuscitated. At the time of the report, the municipality was stable, both politically and administratively. Compliance with laws was impossible when employees embarked on industrial action.

Key issues raised by joint committee members:

- *Human resources*. Joint committee members sought clarification regarding the legal instrument used to reinstate the substantive municipal manager, Mr. R. Gincane, and on whether he had completed a Certificate Programme in Municipal Development. It was also understood that the municipal manager did not enjoy much favour with the community. In response, the municipality explained that Mr. Gincane's reinstatement followed a council decision to reverse his dismissal on the basis that due processes were not followed in terminating his employment. The reinstatement decision came in March 2025, two months after the dismissal. Mr. Gincane had completed the Certificate Programme in Municipal Development and there was a transcript to this effect. The idea that the municipal manager did not enjoy favour with the community was not supported by data, including Facebook reviews. When Mr. Gincance's appointment was terminated, the municipality collapsed.

  MEC Molapisi indicated that he had advised the Mamusa municipal council to rescind its decision to appoint Mr. Gincane. When the MEC went to the municipality to communicate the provincial executive's directive, the sitting was disrupted and the province consequently resorted to a convening virtual meeting to communicate the provincial executive's resolution. In Mr. Gincane's absence, the Department had seconded a municipal manager who was subsequently

removed following Mr. Gincane's reinstatement. That council had rescinded its decision to terminate Mr. Ginance's contract had not previously been communicated to the MEC and the provincial executive.

- *Financial health.* The municipality was to explain why it did not pass the 2025-26 budget and what action would be taken to rectify the situation going forward. Clarity was also sought around several financial related matters including salary costs vis-à-vis the total operating budget; the revenue collection rate; the debt owed to Eskom and the prioritisation of service providers over third parties such as the South African Revenue Service and pension funds; non-payment of salaries; and the circumstances leading to the receipt of an adverse audit opinion despite paying consultants to the value of R6m for annual financial statements preparation.

  In response, the municipality indicated that the revenue collection rate had grown from 4 percent in April to 11 percent in May, and to 39 percent by June 2025. The annual average collection rate amounted to 59 percent. Eskom debt amounted to R355m, establishing the utility as the municipality's largest creditor. The municipality has applied to participate in National Treasury's transversal smart meter contract to address both the Eskom debt and improve revenue collection. At 34 percent, the salary to operational budget ratio was within the Treasury norm The 2025-26 budget has since been approved and adopted but is unfunded. The adverse audit opinion resulted from inadequate records, a deficiency emanating from an arson attack on the municipal building.

  A service provider has been appointed to assist the municipality to reconstruct the burnt records, and indeed consultants were paid to assist with annual financial statements preparation and asset register compilation. The movement from a disclaimer to an adverse audit opinion, while not a reason to celebrate, was an indication of the modest progress being made. It was the first time the municipality had obtained anything other than a disclaimer since its establishment. The construction of new municipal headquarters was 90 percent complete and the relocation to new premises was anticipated to resolve the records-keeping deficiency. In June 2025, National Treasury withheld the municipality's equitable share pending the finalisation of payment arrangements with the South African Revenue Service and pension funds. The conditions for the equitable share's release have since been fulfilled and the allegation that the municipality prioritised payment of service providers over third parties was untrue. Inflated prices contributed to the municipality's inability to pay pension funds.

- *Fraud and corruption.* Members sought to establish whether there had been any investigation into the substantive chief financial officer in connection with the irregular appointment of a security company to the value of nearly R3m per annum. It was questioned why the chief financial officer was hired despite not meeting the requirements for the position and not receiving the MEC's concurrence. It was also understood that suspended municipal employees transacted on the municipal bank account.

  In response, the municipality indicated that the chief financial officer was suspended on allegations pertaining to the irregular procurement of VIP security services amounting to R230 000 per month and the purchasing of computers at excessive prices. The appropriate sanction would be determined by the investigation report, which was expected in a few days. The Directorate for Priority Crime Investigations is also involved in the matter. The municipality noted the MEC's nonconcurrence on the chief financial officer's appointment, the issuing of a directive in terms of section 139(1)(a) of the Constitution, and the intention to seek a declaratory order against the appointment, which the municipality will not oppose. MEC Molapisi confirmed that correspondence dated 01 October 2024 was served on the municipality indicating his department's non-support for the chief financial officer's appointment. The municipality confirmed that suspended municipal officials indeed performed unauthorised transactions on the municipal bank account in collusion with bank employees.

- *Service delivery*. The municipality was requested to update the joint committees on the current status of the Mamusa landfill site and its compliance with environmental standards, as well as on its waste disposal management strategy. Sewage was reportedly running past people's houses openly. The municipality only had one honey sucker truck, which was woefully inadequate. In response, the municipality stated that the landfill site was an eyesore given the proximity to the main road, a human settlement, and a golf course. The site was non-compliant with environmental and licensing laws and would be relocated pending the acquisition of the requisite funding. As a Water Services Authority, the Dr. R.S. Mompati district was responsible for bulk sewer supply and the municipality's role was limited to water services provision.

- *Political stability*. Members sought to ascertain the last time the municipality convened an ordinary council sitting. Municipal portfolio committees were allegedly not sitting. In response, the municipality indicated that the last ordinary council sitting was held on 31 October 2024, with the next meeting scheduled for end of September 2025.

Summary:

- The municipality was saddled with political and administrative instability undercurrents that needed to be addressed directly. This was clearly demonstrated in the substantive speaker's removal and the queries around the municipal manager and the suspended chief financial officer. These, and the fact that an ordinary council sitting had not been convened for almost a year, were all harbingers of dysfunctionality. A proper legal opinion around the municipal manager's appointment, termination, reappointment, and possession of suitable qualifications as well as a report on the suspended chief financial officer's appointment should be provided.

- Attention should be given to proper financial controls, filling of senior management vacancies, revenue collection, and debt management. The Municipal Public Accounts Committee's investigation plan and progress report, with timeframes, as well as a full report on the unauthorised bank transactions conducted by suspended employees should be provided. Service delivery turnaround in connection with sewer spillages, refuse removal and water provision should be reported on. Quarterly reports on the municipality's consultant replacement strategy to be provided. No answer was provided regarding the question on the R10m spent on a sports field and this should be submitted in writing.

5.8.Lekwa-Teemane local municipality

Overview by the municipal leadership:

- The mayor, Cllr. S. Motlhabi, noted that Lekwa-Teemane is a 'hung' municipal council constituted of 14 councillors. The municipality is financially constrained as evidenced by the adoption of an unfunded budget. A R585m debt from the Department of Water and Sanitation was being disputed on the basis that the municipality is not a Water Services Authority. The function resided with the district. The dispute has been escalated to the courts. While the municipality was also in dispute with Eskom regarding billing, it was still part of the Treasury's municipal debt relief programme. Of the R260m debt owed to Eskom, R36m had been paid. The municipality was at risk of forfeiting its participation in the debt relief programme due to non-compliance with the conditions, including servicing the Eskom current account. Financial constraints were cited as the reason for the non-compliance as the municipality could realistically collect only 56 percent of its revenue.

- A post-audit action plan was in place to address the Auditor-General's findings. Of the 184 findings from the management report, there were approximately ten that had not yet been started. Unauthorised, irregular, fruitless and wasteful expenditure incurred from 2015-16 to date has been investigated. No investigation has been conducted in respect of unauthorised, irregular, fruitless and wasteful expenditure incurred in or before 2014-15. A water crisis was being experienced in the towns of Christiana and Bloemhof due to water rationing by the Magalies waterboard. The rationing had no plausible justification. The district mayor and Premier's interventions on this matter have not yielded a fruitful result.

Key issues raised by joint committee members:

- *Financial health.* The municipality was invited to explain why the ten post-audit action plan items had not yet been started, and whether it considered the unfunded budget normal and acceptable, as no intervention around it was mentioned. Consequence management instituted in connection with unauthorised, irregular, fruitless and wasteful expenditure was to be specified. Other financial health related matters raised by the joint committees pertained to spending on infrastructure maintenance; payment of performance bonuses; a recent fire's impact on municipal financial records; the municipality's ability to continue as a going concern; appointment of service providers to assist with debt collection; the adoption of a voluntary financial recovery plan; and debt owed to Eskom.

  In response, the municipality indicated that the revenue enhancement work done to address the unfunded budget was not yet sufficient and therefore not amenable to be detailed in the report. However, the joint committees were assured that the municipality was implementing a budget funding plan. The municipality was not a going concern as its R500m debt exceeded its R471m revenue. At R256m, Eskom debt accounted for over half of the total municipal debt; however, the municipality disputes this debt arguing that Magalies Water's unpaid electricity charges were being passed down to it. Over 40 percent of the municipality's customers were indigents. An indigent subsidy had been received from the district, but the required business plan had not yet been submitted. Owing to lack of internal capacity, the municipality has appointed a service provider to assist with collecting debt that has been outstanding for more than 90 days, with emphasis on business debt. The use of conventional meters has been a source of billing disputes, and this has compelled the municipality to seek participation in National Treasury's RT29 smart

meter contract. The municipality would never reject a voluntary financial recovery plan and disputes any suggestions to the contrary.

Only 0.5 percent of the municipality's capital budget was spent on infrastructure maintenance. The municipality's financially constrained position was not conducive to meeting the recommended 8 percent Treasury norm of infrastructure maintenance spending as a percentage of the capital budget. No performance bonuses were paid during the period under review. The ten post-audit action plan items not yet started related to historical audit findings and progress was hampered by missing records from prior years. Of the municipality's 22 audit paragraphs, 14 have been resolved.

Regarding consequence management on unauthorised, irregular, fruitless and wasteful expenditure, the municipality cited missing registers from 2014-15, and earlier, as a constraining factor. To remedy this, the municipality was transitioning to a paperless records management system that will ensure that no information was lost. The recent fire did not affect the municipality's financial records. Consequence management was also difficult to apply in respect of fruitless and wasteful expenditure arising from interest on late payment of bulk accounts. An unauthorised, irregular, fruitless and wasteful expenditure reduction strategy was in place. The Municipal Public Accounts Committee has investigated all unauthorised, irregular, fruitless and wasteful expenditure from 2015-16 to 2023-24 and tabled the reports, along with recommended write-offs, in council. Council has since written off all the investigated unauthorised, irregular, fruitless and wasteful expenditure. Internal control deficiencies, such as inadequate monitoring of compliance with tender specifications, were among the contributing factors to the unauthorised, irregular, fruitless and wasteful expenditure. A municipal financial disciplinary board was in place.

- *Human resources*. Concern was expressed around senior management instability due to vacancies, to which the municipality responded by highlighting the interventions made in this regard including the appointment of the municipal manager who had started work the previous day as well as the finalisation of several other senior management appointments. Members also understood that the corporate services manager had a criminal record. This was also the municipality's understanding, having found out that the manager in question was arrested in 2005 in connection with speeding. However, at the time of the appointment, this was not known to the municipality as the screening was confined to the four items listed in the regulations for the

appointment of senior managers. Concerning the query around the arrest of his former driver and former municipal chief financial offer, the mayor confirmed having heard about the incidents but was not privy to the details as the personnel in question were no longer in the municipality's employ. On whether the municipality had conducted a skills audit, the answer was in the affirmative. Consultations with the Local Labour Forum had been concluded in this regard.

- *Service delivery*. In response to the question raised around the stalled housing projects, the municipality indicated that human settlements was the implementing department and the stoppage followed the termination of an underperforming contractor. With members having also noted an abandoned construction of a R30m multi-purpose centre in Bloemhof where material was left unsecured, the municipality advised that the contractor was terminated due to non-performance. Regarding a question raised around the Christiana townhall that had burned down on more than one occasion, the municipality confirmed the incident, noting that the insurance payout of R900 000 was far less than the R10m required to rebuild. The municipality consequently used the insurance payout to purchase mobile offices. On the question regarding deteriorated streets in Christiana, the municipality advised that it would be using its brick-making machine to produce pavers to fix the problematic streets. Attention having been brought to a family that was left homeless after their house was demolished, the mayor regretted the painful situation stating that no leader would favour such action.

- *Alleged misconduct*. Reference was made to a stalled ad hoc committee investigation into the mayor's alleged misconduct pertaining to renting a vehicle without a council resolution and political interference in the administration. Allegedly, the investigation was collapsed clandestinely and swept under the carpet. Members demanded to know why the ad hoc committee's chairperson resigned and why the deputy chairperson did not continue with the investigation. In response, the municipality indicated that the ad hoc committee chairperson had cited personal reasons for the resignation. There was no intention to collapse the ad hoc committee.

Summary:

- The demolition of a family home and the family's subsequent contestation of the matter in court is an issue for the provincial legislature to follow up. The MECs to monitor political stability; deal with the implementation of the post-audit action plan; consider the imposition of a mandatory financial recovery plan to address the going concern uncertainty and debt

management; monitor infrastructure grant expenditure; address the municipality's unfunded budget; supervise consequence management; commit to reverse the disclaimed audit opinion; and address the concern that the chairperson of the ad hoc committee set to investigate alleged misconduct against the mayor may have been pressured to resign.

5.9.Kagisano-Molopo local municipality

Overview by the municipal leadership:

- The acting mayor, Cllr. M. Diphikwe, assumed the position in July 2025, more than six months after the substantive mayor's resignation in December 2024. Following the suspension of the substantive municipal manager in April 2024, council appointed the acting municipal manager in March 2025 and, with the MEC's concurrence, extended the appointment to September 2025. The municipality had inadequate cashflow that led to the adoption of an unfunded budget and use of the Municipal Infrastructure Grant for non-intended purposes. Senior management vacancies were endemic, with almost all positions filled by acting incumbents. The municipality is neither a water services provider nor a water services authority.

Key issues raised by joint committee members:

- *Non-compliance with legislation*. The municipality was invited to explain why its 2023-24 annual financial statements were not submitted for auditing by the legislated date. The non-investigation of unauthorised, irregular, fruitless and wasteful expenditure also raised a concern regarding the Municipal Public Accounts Committee's functionality. The municipality's plan to improve its stagnation on qualified audit opinions was to be outlined. In response, the municipality attributed the failure to submit annual financial statements for auditing by the legislated date to a protracted strike relating to the municipality's grading. The municipality prepares its annual financial statements internally. The transgression has since been corrected. The Municipal Public Accounts Committee was partially functional. The accounting officer has investigated unauthorised, irregular, fruitless and wasteful expenditure up to 2011 when the Kagisano and Molopo municipalities were amalgamated. To be still dealt with was irregular expenditure incurred before the municipalities were merged. The audit committee's non-functionality contributed to the lack of improvement in audit outcomes. The non-functionality was corrected in the current year, and 80 percent of the audit issues raised were resolved.

- *Human resources*. The municipality's chronic inability to appoint senior managers was decried. Appointments allegedly made without assessment of previous work experience were also flagged as a concern. In this regard, the joint committees questioned whether the municipality's long list of acting incumbents met the requirement for the positions. Members also wished to be favoured with an update on the court matter pertaining to the appointment of the substantive municipal manager, Mr. A. Gaborone, as well as the timeline for the appointment of a substantive mayor.

  In response, the municipality stated that the questionable appointments were a legacy of the political and administrative instability previously experienced in Kagisano-Molopo. Regarding the filling of vacant senior management positions, the municipality has been issued a directive in terms of section 139(1)(a) of the Constitution. The municipality's predominantly rural character presented limited socio-economic activities and made it difficult to attract and retain skilled personnel. Its low grading exacerbated the difficulty. Posts have been advertised on more than four occasions, and the process has yielded no appreciable result. Where successful appointments were made, the retention period was typically not more than two years. There were some recommended candidates awaiting council's appointment. The finalisation of another recruitment round was also underway. Judgement was reserved on the Mr. Gaborone matter, and the municipality was awaiting final judgement.[1] The municipality deemed the prolonged absence of a substantive mayor unsustainable. The incumbent went on unauthorised sick leave in April 2024 and subsequently resigned in December 2024. The mayor had absconded from work with full pay. Council was directed to appoint a substantive mayor but wound up resolving on an acting mayor.

- *Financial health*. The payment of performance bonuses; the revenue collection rate; the wage bill as a percentage of the operating revenue; and the finance portfolio committee's last sitting were queried. In response, the municipality advised that no performance bonuses were paid. The wage bill accounted for 37.7 percent of the operating budget while the revenue collection rate was only 21 percent. Discrepancies in the municipal valuation roll contributed to the low revenue collection rate. The finance portfolio's committee's last sitting was on 30 July 2025, which was also the day of the last ordinary council meeting.

Summary:

[1] The Northwest High Court delivered the judgment in October 2025 where Mr. Gaborone's appointment was reviewed and set aside due to irregularities involving fraudulent competency assessments. A new proper recruitment process was ordered.

- The proliferation of acting positions in Kagisano-Molopo was a manifestation of political and administrative instability at its worst and warranted both the provincial executive and the Minister's intervention. On its own, the municipality was unlikely to resolve the challenge posed by its rural setting and the consequent inability to attract and retain skilled and qualified senior managers. Part of the challenge was beyond the municipality's control, and the blame could therefore not be directed to the institution exclusively. The absence of substantive managers has dire implications for institutional memory, long-term planning, and service delivery improvement. Beneath the seemingly calm exterior lurked a forceful political undercurrent that discouraged people from assuming mayoral responsibility. Both the national and provincial executive authorities should look into this matter.

- Investment into the municipality's financial management system is essential to addressing the identified financial health problems. The MECs should also oversee targets and timelines pertaining to correcting the matters raised by the auditor-general, including the weaknesses identified in the internal audit, audit committee, and the Municipal Public Accounts Committee as far as the investigation of unauthorised, irregular, fruitless and wasteful expenditure was concerned. There should be no debate on this. The question of consequence management is critical. Consequently, the actions taken to foster a culture of proper management should be specified. A skills audit should be conducted to ensure that staff has the requisite skills for the positions occupied. A report on these matters to be furnished to the provincial legislature and the joint committees within three months.

5.10. Naledi local municipality

Overview by the municipal leadership:

- The mayor, Cllr. C. Groep, started by declaring his intent to avoid portraying a perfect picture of the municipality. Several milestones were recounted, including the conclusion of payment arrangements with third parties – a culture which the municipality was intent on maintaining. With the appointment of the current leadership, the municipality progressed from a disclaimer to a qualified audit opinion. Through the employment of capable officials to assist with record-keeping, implementation of a detailed post-audit action plan, and monthly reconciliations, the municipality hoped for an improved audit outcome. An investigation into the misuse of supply management deviations was underway. Although part of Treasury's municipal debt relief

programme, the municipality was failing to comply with some of the conditions, including being up to date with the Eskom current account. A good financial recovery plan was in place. There was an implementation of a smart meter programme to the value of R52m. Some municipal officials and councillors' municipal accounts were in arrears for over 90 days, and these balances were to be deducted from salaries. The municipality adopted and passed an unfunded budget; however, there was a budget funding plan. As part of its revenue enhancement measures, the municipality has embarked on the sale of municipal land, which had thus far yielded an income of R9m.

Key issues raised by joint committee members:

- *Financial health*. In response to the issues raised around its financial health, the municipality indicated that sector departments owed it R35m. Its revenue collection rate amounted to 75 percent and overdue accounts were to be handed over to lawyers. The municipality was compliant with the Municipal Standard Chart of Accounts. There was a billing backlog and a billing accuracy problem, including the inclusion of deceased people in the municipality's debtors' book.

- *Human resources*. Clarity was sought around the filling of vacant senior management positions and the invalidation of municipal manager's appointment by the Northwest Division of the High Court where the municipality was ordered to initiate a new recruitment process. In response, the municipality advised that other than the director for community services, all senior management positions were filled. The process surrounding the municipal manager's appointment was riddled with political interference and the premier was personally involved. The joint committees were favoured with a WhatsApp message purporting to show that the premier had influenced the municipality's corporate services director, Mr. T. Appolus, to contest the municipal manager's appointment. The municipality had appealed the High Court judgement, and the matter was being heard at the Supreme Court of Appeals.[2] Cognisant of the gravity of the alleged political interference by the premier, joint committee members immediately convened a closed session to deliberate on the way forward.

Summary:

[2] In a Judgement delivered on 15 November 2025, the Supreme Court of Appeals dismissed the municipality's appeal against the High Court Judgement, with the speaker, Cllr. P. Gulane, and the municipal manager, Mr. M. Segapo, being ordered to personally pay the appeal's costs. On 17 November 2025, the council convened a special meeting to appoint an acting municipal manager.

- Having considered the political interference allegations levelled against the premier, the joint committees concluded that the matter was, in its totality, sub-judicare. There were many facets to the matter over which the joint committees had no jurisdiction or capacity to manage. As a way forward, it was proposed that the chief whip in the provincial legislature, Hon. Rosho, tables a request for the provincial legislature joint committee members to meet within 48 hours. The meeting would discuss the tabling of a recommendation to the provincial legislature speaker regarding the establishment of an ad hoc committee to investigate the premier's alleged political interference. The matter should form part of the report to be considered by the Minister of Cooperative Governance and Traditional Affairs. The mayor was urged to report the matter to the relevant authorities, including law enforcement. The matter was serious, and the joint committees would not discuss it any further.

- Salient matters which the joint committees would like the municipality to prioritise include financial management such as the management of Eskom and third-party debt; recovery of the debt owed to the municipality by provincial government departments; implementation of the financial recovery plan; improving the Municipal Public Accounts Committee's effectiveness and working together with the MECs to address unauthorised, irregular, wasteful and fruitless expenditure; consequence management implementation; and service delivery improvement. The latter did not receive adequate emphasis.

5.11. Greater Taung local municipality

Overview by the municipal leadership:

- The mayor, Cllr. T. Gaoraelwe, emphasized the municipality's rural character, where 80 percent of the settlements were villages. The municipality experienced no political and administrative instability as council committees were sitting. The mayoral committee, audit committee, financial disciplinary board, the Local Labour Forum, and the Municipal Public Accounts Committee were operational. There were no senior management vacancies. Weekly refuse removal was on schedule, and there was bulk and retail water supply although there were service delivery protests relating to water. The protests were also about roads; however, most of these were not municipal roads. The municipality received four qualification paragraphs on its 2023-24 annual financial statements, and its 29 post-audit action plan items respond to this qualification.

Key issues raised by joint committee members:

- *Financial health*. Key financial health related matters raised included a R313m unauthorised, irregular, fruitless and wasteful expenditure write-off; performance bonus payments; percentage of salaries vis-à-vis the operational budget; percentage of infrastructure maintenance expenditure vis-à-vis the capital budget; the revenue collection rate; justification for the R8m paid on consultants; grant dependency; reasons for the municipality's R29m deficit; justification for spending on outsourced security services; revenue enhancement measures; and Municipal Infrastructure Grant expenditure.

  In response, the municipality submitted that no performance bonuses were paid. While the revenue collection rate amounted to 69 percent, the salary bill accounted for 44 percent of the municipality's operational budget, which was above the recommended 25 – 40 percent Treasury norm. Non-compliance in the composition of the municipality's bid adjudication committee resulted in irregular expenditure and this affected all the tenders concluded during the 2021-22 financial year. An investigation by the Municipal Public Accounts Committee established that the tenders delivered value for money despite the irregularity. This also answered the question as to whether the Committee was functional. The flaw in the bid adjudication committee's composition has since been addressed and resolved. Spending on infrastructure maintenance accounted for six percent of the total capital budget, which was also below the recommended 8 percent Treasury norm. For the consultants, the municipality spent R3m while the monthly fees for the maintenance of the municipal financial system amounted to R5.3m per annum.

  The municipality spent R44m per annum on security services, which was benchmarked against the rates determined by the Private Security Industry Regulatory Authority. The cost was justified on the basis that there was a need to secure the community halls and sports facilities, which serviced the municipality's vast scattered villages. There were 63 community halls, four cemeteries, libraries and other municipality properties under watch by a total of 222 security personnel. These were employed by one security company, which had entered into a three-year contract with the municipality, starting from 2023. The municipal properties were prone to vandalism and fencing theft. The municipality admitted to having done no studies on the financial costs of theft and vandalism vis-à-vis the cost of the security services. The focus had been on how to minimise security costs while maximising the safeguarding of municipal property. Since doing business with the municipality in 2019, the security company had cost Greater Taung

approximately R200m, which the municipal manager, Mr. M. Makuapane, thought to be excessive.

In April 2025, the municipality had informed the company that its services were no longer affordable. A benchmarking exercise with the Naledi local municipality was being considered as a step towards insourcing the security services. The municipality was generating only 10 percent of the expected revenue, leading to the financial difficulties experienced. As part of its revenue enhancement measures, the municipality had embarked on formalising Extensions 6 and 7 for billing purposes. Sale of municipal stands and the acquisition of an electricity provision license would also contribute towards improving revenue generation. Eskom supplied 80 percent of the electricity in Greater Taung, and the municipality was intent on assuming this function in respect of newly established settlements, with Extension 1 being the first project. Expenditure on the Municipal Infrastructure Grant amounted to 100 percent.

- *Corruption and maladministration.* The findings of an investigation into the municipality in line with section 106 of the Municipal Systems Act were to be detailed. Joint committee members also understood that a service provider received payment from the municipality despite there being no Service Level Agreement in place. In response, the municipality indicated that the Municipal Public Accounts Committee would investigate the latter. The municipality reported having no knowledge of a section 106 investigation; however, it was aware of a directive issued to it in terms of section 139(1)(a) of the Constitution, which had since been lifted. MEC Molapisi confirmed that an investigation in terms of section 106 of the Municipal Systems Act had been conducted and the report was presented. The report and its terms of reference would be shared with the joint committees.

- *Political instability*. Members noted that the municipal council failed to adopt an oversight report containing the council's comments on the municipality's 2022-23 annual report as required in terms of the Municipal Public Finance Management Act. In response, the municipality attributed this transgression to the political instability experienced in the municipality at the time.

- *Service delivery*. In response to a question raised around a schedule for the completion of service delivery projects, the municipality advised that the main backlog was in respect of roads. As indicated in the overview, these were not the municipality's responsibility. The incomplete access road to the Molelema village has since been completed. The joint committees were also keen to understand why some key performance indicators were not included in the municipality's Service

Delivery and Budget Implementation Plan and the Annual Performance Plan. In response, the municipality indicated that the provision of some services, such as sanitation, fell outside of the municipality's service delivery spectrum. Consequently, the key performance indicators relating to these services were not included in the plans. However, in 2025-26 the municipality has included all the key performance indicators as it was now providing the services on the district's behalf.

- *Human resources.* The transfer of skills to the finance staff and the auditing of the skills present in the municipal staff establishment were queried. In response, the municipality advised that a skills audit had been conducted. The transfer of skills is included in the consultant's terms of reference where there is a provision that the last invoice would not be paid if there was no skills transfer. The municipality envisages that within the next two years annual financial statements will be prepared internally.

Summary:

- The municipality was encouraged to maintain political stability and to ensure that the Municipal Public Accounts Committee remained strong. The non-adoption of the oversight report over the municipal annual report is a matter that should not arise again. Support was needed to assist the municipality to address its grant dependency. The building of internal capacity to curb reliance on consultants was emphasized. The costs incurred on consultants versus those relating to the maintenance of the municipality's financial system should be separated. The municipality can live with the latter, but the former is not a necessity. The MEC to follow up on his undertaking to favour the joint committees with the investigative report concluded in line with section 106 of the Municipal Systems Act. It is unclear why the mayor felt that this investigation did not occur.
- The security services tender warrants further scrutiny as the award to one security company does not seem to have been a good decision. The MEC should look into whether the company tendered the lowest bid, its guards were audited and were known for certain to be at their guard posts, and whether there was a cost benefit analysis of the security services costs versus the costs of theft and vandalism. The provincial legislature joint committee members should follow up on the municipality's infrastructure backlogs, including incomplete roads and the issue around water supply, as to ensure that these matters are addressed.

5.12. Dr R.S. Mompati district

Overview by the municipal leadership:

- The executive mayor, Cllr. M. Maje, reported that the district had adopted an unfunded budget due to a R1.3bn water debt owed to Magalies Water. The district was disputing more than 50 percent or R667m of this debt. The waterboard itself reportedly confirmed that it could not substantiate R400m or 30 percent of the debt. Regarding the undisputed debt portion, the municipality has entered into a debt relief agreement with the waterboard. Of the R150m lost through the wrongful investment in the Venda Burial Society Mutual Bank, the liquidator has thus far recovered and paid R37m back to the district. The compensation of employees accounted for 42 percent of the district's operating budget. A post-audit action has been implemented to address the matters raised in the district's 2023-24 audit report. No performance bonuses were paid to senior managers. An investigation into the call centre irregularity was underway. The matter pertaining to an inflated invoice for work done at the Vryburg wastewater treatment plant was still in court.

Key issues raised by joint committee members:

- *Service delivery*. In response to a concern raised around sewer spillages in Bloemhof, the district assured the joint committees that the matter had been given attention. The Department of Water and Sanitation had ligated against the Lekwa-Teemane local municipality on this matter, and the district was joined as a respondent. On the question around the security of the district's water assets, the response was that where it was practical to do so, the assets were guarded. Not all the assets were located in areas where it was feasible to deploy security personnel.

- *Financial health*. Having been asked to explain the R22m spent on consultants, the municipality indicated that these fees were incurred in connection with the preparation of annual financial statements and the hiring of Value Added Tax consultants to address an audit finding relating to the matter. The speaker, Cllr. K. Sereko, was invited explain the premature depletion of the municipality's public participation budget. In response, the speaker cited the unfunded budget as having contributed to the inability to carry out some of the budgeted public participation activities. Efforts to migrate the district from the unfunded budget were underway, with assistance from Treasury and the Financial Recovery Plan committee. In this regard, the district has progressed from the rescue phase to the stabilisation phase of financial recovery.

On the status of the outstanding debt to Magalies Water, the district reiterated that a repayment agreement with the waterboard had been reached, although a longer repayment term was under negotiation due to inability to pay. The municipality was successfully honouring the Magalies current account payment. Magalies Water was the district's only outstanding creditor. The district was intent on installing smart bulk water meters to replace the cost re-imbursement model and thereby prevent future disputes. Further financial health related matters to which the joint committees sought answers included the going concern question where the district's liability exceeded its assets and the monthly cost of water tankers.

In response, the district advised that as of 30 June 2025 it was now a going concern following the R400m debt write-off by Magalies Water. However, it remained heavily reliant on the equitable share, as the interest from its investment bank account was miniscule. In the previous financial year, water tankers cost the municipality R6m a month and the district was compelled to use tankers as its main water abstraction point had dried up. The district has since purchased its own water tankers to minimize the risks associated with outsourcing the service.

- *Fraud and corruption*. Members understood that in August 2025, law enforcement agencies arrested two suspects in the employ of the district. In response, the district advised that no such arrests took place. The Directorate for Priority Crime Investigations only came to conduct interviews in connection with the call centre irregularity. The call centre is a prefabricated structure built for R2m and reported in the media as R38m. The district nevertheless believes that it was overcharged for the structure, and that proper procurement processes were not followed. Disciplinary processes for the identified officials were underway, and the district was cooperating with the Directorate for Priority Crime Investigations on the matter. On the inflated invoice pertaining to work done at the Vryburg wastewater treatment plant, the district re-iterated that the matter was still in court, while the implicated chief financial officer, municipal manager, and the technical director were no longer employed in the district. The project began in 2015, and ten years later the plant is 98 percent complete and non-functional. The Special Investigating Unit has approached but has not yet tabled its investigation report to the council.

- *Human resources*. On the question relating to whether all senior managers had signed performance agreements, the district answered in the affirmative. However, of the district's six senior management positions, only two were filled. Having been asked to clarify its dispute with the expenditure manager, the district explained that the official was aggrieved by the outcome of

a salary bracket negotiation and took the matter to the Public Protector and the Bargaining Council. All ruled in the municipality's favour.

Summary:

- A proper report on the inflated invoice pertaining to the work done at the Vryburg wastewater treatment plant to be furnished to the joint committees. The sewer spillages in Bloemhof, Lekwa-Teemane, should be resolved. The MEC and the Minister should intervene on the district's excessive senior management vacancies as the matter has reached a crisis point. Other critical matters to be addressed include the issue of staff earning above the municipal manager; financial management and internal controls; internal capacity to address the district's overreliance on consultants; unfunded budget; debt management and payment of third parties; supply chain management irregularities; gaps in the functionality of the Municipal Public Accounts Committee including the non-investigation of unauthorised, irregular, fruitless and wasteful expenditure; and consequence management. Council's non-adoption of the oversight report over the district's 2022-23 annual report is a matter that should not recur.

5.13. Moses Kotane local municipality

Overview by the municipal leadership:

- The mayor, Cllr. N. Nkotswe, emphasized the municipality's rural character and the challenges experienced in providing access to adequate drinking water. Being not an electricity provider, the municipality had no revenue from electricity sales. For the same reason, the municipality did not owe any debt to Eskom. Only two townships could be charged for the municipal services rendered and this represented a significant billing problem. Aging infrastructure, vandalism, and illegal connections posed a further challenge. Consequently, the municipality could only collect 44 percent of the revenue due to it, which made timely payments to creditors difficult. A payment arrangement with Magalies Water was in place. Critical vacancies were filled.

Key issues raised by joint committee members:

- The joint committees resolved to engage the municipality at a later date.

5.14. Moretele local municipality

Overview by the municipal leadership:

- The mayor, Cllr. G. Manyike, indicated that rural villages accounted for 88 percent of the municipality's settlements. The municipality had made significant strides in terms of financial governance, having passed unfunded budgets for four consecutive years and achieved unqualified audits (with findings) for three consecutive years. A clean audit was most likely to be achieved following the municipality's active participation in the clean audit initiative by the South African Local Government Association and the provincial treasury. Quarterly reports were provided in respect of the municipality's post-audit action plan. Politically, the municipality had a stable council whose meetings were always quorate.

- The municipal financial disciplinary board was functional, and so was the Municipal Public Accounts Committee, having investigated all unauthorised, irregular, fruitless and wasteful expenditure. Although consequence management was anticipated to follow, no timelines were provided. A strategy to reduce unauthorised, irregular, fruitless and wasteful expenditure was in place. The municipality was also administratively stable, with all five senior management positions filled. Skills capacity gaps were, however, noted. Cash reserves had declined and the municipality's revenue generating capacity was constrained, leading to high reliance on the equitable share. Conditional grant expenditure, including disaster management grants, was at 100 percent. The municipal leadership affirmed its commitment to building developmental local government.

Key issues raised by joint committee members:

- The joint committees resolved to engage the municipality at a later date.

5.15. Kgetlengrivier local municipality

Overview by the municipal leadership:

- The mayor, Cllr. T. Jacobs, highlighted a series of challenges facing the municipality, including five senior management vacancies; systemic financial challenges; legal disputes with ratepayers; high levels of indigents; an unfunded budget for six consecutive years; Eskom debt; and irregular expenditure. The revenue collection rate amounted to 68 percent. While the municipality had improved from a disclaimer to a qualified audit opinion, material misstatements on assets was still a major audit issue. A strategy to reduce unauthorised, irregular, fruitless and wasteful expenditure was in place. A municipal financial disciplinary board was established.

Key issues raised by joint committee members:

- The joint committees resolved to engage the municipality at a later date.

5.16. Bojanala Platinum district municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. S. Nthangeni, indicated that the district was wholly dependent on government grants. The budget was funded and the wage bill, inclusive of 268 permanent employees and temporary expanded public works programme employees, accounted for 45 percent of the total operating budget. Key service delivery commitments included the rehabilitation of internal roads; refurbishment of the wastewater treatment works in Moretele local municipality; water interventions in the various local municipalities under the district's jurisdiction; as well as executing general support and local coordination responsibilities in line with the district's legislated mandate. Assurance structures such as the audit committee and the internal audit unit had been established. The implementation of 71 post-audit action plan items was in progress.

- Consequence management was reportedly instituted against two former municipal managers and six officials in connection with financial mismanagement. Two implicated Information and Communication Technology officials resigned before disciplinary action could be finalised. All senior managers had been appointed. Historic unauthorised, irregular, fruitless and wasteful expenditure from 2012-13 to 2023-24 was under investigation and some progress had been registered in this regard as the Municipal Public Accounts Committee tabled some investigation reports in council. The municipal financial disciplinary board has also tabled a report on financial misconduct. A strategy to reduce unauthorised, irregular, fruitless and wasteful expenditure had been approved.

Key issues raised by joint committee members:

- *Human resources*. The district was invited to explain why the post-audit action plan items were not incorporated into senior managers' performance agreements. The municipal council's failure to hold the municipal manager accountable for unauthorised, irregular, fruitless and wasteful expenditure incurred in prior years was to be also explained. In response, the municipality

indicated that the non-incorporation of post-audit action plan items on senior manager's performance agreements was corrected in the 2024-25 financial year, and in 2026, the district will maintain this the practice. The municipal manager could not be held accountable because he was not appointed by the district council but was seconded from the Department of Cooperative Governance and Traditional Affairs.

Summary:

- The district should be invited for a physical meeting as it demonstrated lack of preparedness.

5.17. Rustenburg local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. S. Mabale-Huma highlighted that Rustenburg was a 'hung' municipal council led by a coalition government. The municipality had a long-term programme – the city at work programme - to address service delivery backlogs including improving the city's overall cleanliness. Illegal electricity disconnections were also a key aspect of the municipality's service delivery commitments.

Key issues raised by joint committee members:

- *Financial performance and financial health*. Joint committee members enquired on the municipality's audit performance, noting that financial statements were still poor despite the use of consultants to the value of R13m. At 53 percent, the municipality's non-revenue water losses were deemed to be very high. The municipality's R6.6bn irregular expenditure needed to be explained. Other key financial matters raised related to the development of a financial recovery plan and payment of rates and taxes by mining houses.

  In response, the municipality indicated that it had been receiving qualified audit opinions over the last three financial years. Improvements in addressing the qualification matters were noted, with 175 of the 207 audit findings having been addressed. The consultants were used for Value Added Tax reconciliation and asset management and the fees had gone down from R30m to R13m. The municipality had a plan to reduce the use of consultants. Weekly annual financial statements preparation sessions and the incorporation of post-audit action plan items into senior manager's performance contracts were some of the measures introduced to improve audit

performance. To reduce the water losses, the municipality has adopted a water demand conservation strategy. The municipality felt compelled to distinguish between its 53 percent non-revenue water losses and its 21 percent revenue water losses.

Regarding the R6.6bn in irregular expenditure, it was explained that the amounts were historical, dating back to 2011. The municipality reported to have invited national treasury to conduct a forensic investigation in this regard. On the development of a financial recovery plan, the municipality indicated that in May 2025 it had resolved to develop the recovery plan and the implementation thereof was in progress. The mining houses were reportedly paying their dues.

- *Fraud and corruption.* In response to an invitation to apprise the joint committees on the irregular sale of municipal land, the municipality indicated that the issue was scheduled for discussion in the council sitting of 24 June 2025, but the meeting was not successful and had to be adjourned. The speaker was expected to convene another council meeting within seven days, as per the municipality's standing rules of order and procedure. This did not happen. The person implicated in the irregularity had since resigned from the municipality. The executive mayor was awaiting an investigative report from the municipal manager in this regard. The joint committees were assured that the relationship between the executive mayor and the municipal manager was cordial. Members further sought to be apprised of the disciplinary process in connection with the financial mismanagement of the Rustenburg Rapid Transit project. In response, the municipality indicated that, of the eight implicated officials, only one remained employed in the organisation. The disciplinary process was still ongoing.

- *Service delivery*. Members noted that illegal electricity connections remained pervasive in areas like Karlien Park. Questions were raised around the status of the Rustenburg Water Services Trust. In response, the municipality advised that the illegal electricity connections were more extensive and not limited to Karlien Park. The Rustenburg Water Services Trust was awaiting the appointment of new trustees, as the previous trustees' term had expired. The appointment process would be concluded by end September 2025. The Trust was established to unlock water and sanitation related development, including re-routing the discarded 25 megalitres of wastewater to the mines.

- *Political stability*. The municipality's section 79 committees, which were deemed critical for improving council functionality, were understood to be non-functional. In response, the municipality indicated that it had not budgeted for these committees, but this would be corrected

by end of September 2025 when the committees were envisaged to be established. The MECs noted that the budgeting for the establishment of section 79 committees was not only a challenge in Rustenburg but across many municipalities in the province.

Summary:

- The municipality should address the implementation of the financial recovery plan; effectiveness of the Municipal Public Accounts Committees; and provide timelines for the reduction of unauthorised, irregular, fruitless and wasteful expenditure. Consequence management implementation should translate into behavioural change and have a meaningful impact on the audit outcomes. The MEC should ensure that a council meeting is convened to discuss the report relating to the irregular sale of municipal land that was scheduled for the council sitting of 24 June 2025. The appointment of the trustees for the Rustenburg Water Services Trust to be effected. Strategies to reduce the use of consultants, water and electricity losses should be developed with specific timelines attached thereto.

5.18. Madibeng local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. D. Maimane indicated that the municipality had lost two senior managers and these were the substantive chief financial officer and director responsible for technical services. Having previously obtained consecutive disclaimers for seven consecutive years, the municipality has over the last two financial years improved on its financial performance. The municipality was under intervention in terms of section 139(5)(a) &(c) of the Constitution with a Provincial Executive Representative being domiciled at the institution. A municipal financial disciplinary board and an audit committee were established.

- The budget remained unfunded; however, council had adopted a resolution to stop the passing of unfunded budgets. There was a proliferation of informal settlements, the key pull factor being the burgeoning mining development in the area. These informal dwellings presented a series of challenges including a payment culture deficit and illegal connections. The municipality has embarked on revenue enhancement initiatives such as operation *bhatala.* A dispute has been registered with the Tshwane metropolitan council in connection with municipal infrastructure that was wrongfully allocated to it. The municipality's participation in Treasury's municipal debt relief programme was suspended due to non-adherence to the programme's conditions.

Key issues raised by joint committee members:

- *Political stability.* In response to members' enquiry around the functionality of council structures, the municipality emphasized that the municipal council had been functioning effectively, with 62 council meetings held since the start of the current local government term. There was only one unsuccessful council meeting and construing this as an indication of dysfunctionality was inaccurate. The Municipal Public Accounts Committee was first established in December 2021, reconfigured in October 2024, and once again reconfigured recently although 90 percent of the personnel were part of the Committee's first iteration.

  The Committee's participation in capacity building training programmes, including enrolment with the National School of Government, did not yield the anticipated result, as unauthorised, irregular, fruitless and wasteful expenditure was still not interrogated and increased daily. Following the recent reconfiguration, the Committee has tabled two investigative reports in council on 28 August 2025. The Committee was noted to be also functional in terms of reviewing the auditor-general's reports. That the speaker, Cllr. D. Mbezi, allegedly obstructed the Committee from performing its duties was said to be untrue. With members having expressed interest in knowing the outcome of the previous intervention invoked in line with section 139(1)(b) of the Constitution, the municipality indicated that the intervention yielded little to no result. Hence the municipality was now under a section 139(5)(a) &(c) intervention involving the secondment of provincial executive representative.

- *Human resources.* The municipality alluded to instability experienced at the senior management level, which has seen been resolved through an intervention by the Department of Cooperative Governance. However, the municipality was generally not doing well in terms of filling vacancies. The vacancy rate was too high, and this was a consequence of the municipality's inadequate budget. Members also understood that the municipal manager's, Mr. Q. Kgatla, appointment did not obtain the MEC concurrence. The municipality responded to say that correspondence was dispatched requesting the MEC's concurrence, but no response was received. MEC Molapisi confirmed having written a letter dated 16 July 2025 advising the municipal council that he did not concur with the appointment of Mr. Kgatla as the municipal manager.

- *Financial health.* Regarding a question raised around the municipality's Eskom debt, it was indicated that Madibeng received extra undue charges from the utility. To address this, Eskom

invoices were being subjected to auditing. Non-payment for items outside the municipality's budget and refraining from procuring services without purchase orders were reportedly part of the measures instituted to safeguard the municipality's financial health. Having been asked to explain the use of consultants to the value of R45m, the municipality indicated that the consultants were used to complement municipal capacity in respect of Value Added Tax recovery, asset management, and preparation of annual financial statements. The consultants were contracted for a maximum period of three years.

In response to an invitation to explain its non-compliance with Treasury's municipal debt relief programme, the municipality noted that its weak financial position constrained its ability to comply. Treasury has been requested to afford the municipality a second chance. Regarding the salary bill as a percentage of the operational budget, the municipality indicated that this amounted to 22 percent. However, this was still too high for the municipality considering its poor financial condition. On the question around the municipality's unfunded budget, it was explained that this was an outcome of financial overcommitment and a low collection rate. The municipality was desperate to find money, hence the launch of the operation *bhatala* revenue enhancement initiative. All the municipality's financial ratios were problematic and boiled down to the issue of revenue. The resolution of the municipality's revenue crisis would also address the going concern question.

Members were concerned that operation *bhatala* started by targeting townships where the ability to pay was low. Large power users, who could better afford to pay, were treated more favourably. In response, the municipality explained that the collection campaign started in the townships because this was where the illegal connections were most prevalent. The industrial users were next line; however, the municipality was willing to consider that it may have erred in choosing which areas to target first. On the question regarding the number of its bank accounts, the municipality cite two – one with the First National Bank and the other with ABSA.

- *Service delivery.* The charging of an incorrect electricity tariff was brought to the municipality's attention. In response, the municipality indicated that it was aware of the complaint to this effect. On having spent more budget but achieving fewer basic service delivery targets, the municipality cited misalignments between the budget and the Service Delivery and Budget Improvement Plan, which was corrected through revisions made to the latter. Members made mention of sewer

contamination, which involved discharge of raw sewerage into the Crocodile River and the drowning of children in sewer pits with Damonsville being the site of the latest incident.

In response, the municipality advised that it had met with the South African Human Rights Commission to discuss the issue. There were monthly pump breakages in the Brits Wastewater Water Treatment Works and the municipal manager submitted that since his (relatively recent) arrival, the problem was resolved. Asked about its yellow fleet inventory and its monthly costs, the municipality indicated that there were 208 fleet items at its disposal and that the monthly costs would be provided in writing. On issues raised around overgrown cemeteries and illegal dumping sites, the municipality indicated that the matters fell within the Department of Public Works and Infrastructure's jurisdiction. Should the municipality obtain a funded mandate to take over these functions, it would do so.

- *Fraud and corruption*. A query was raised around the contracting of an information technology company called Sizwe IT. In response, the municipal manager indicated that he had commissioned an investigation report and a legal opinion that advised against the continued use of Sizwe IT. Following the investigation, the municipal manager was suspended on allegations relating to a R15m security contract, an illegal settlement, and the administration of an electrification project. This afforded Sizwe IT an opportunity to remain in the municipality. When the municipal manager returned from suspension, he found that the matter was under investigation in terms of section 106 of the Municipal Systems Act. The investigation was not yet finalised at the time. MEC Molapisi confirmed that the irregular IT contract was part of the section 106 investigation.

  Members further sought to be apprised of the status of the investigation into the municipality's illegal investment in the liquidated Venda Burial Society Mutual Bank. In response, the municipality stated that R50m was invested in the Bank in 2017 followed by the opening of a criminal case and investigation in 2018. In 2019, the chief financial officer was served with charges but was cleared after the process was restarted in 2021. The curator has approved the municipality for receipt of recouped monies. The Auditor-General has also closed the material irregularity relating to the matter.

- *Intergovernmental relations*. With members having quired the support received from intergovernmental structures, the municipality confirmed that the Department of Cooperative Governance had facilitated its cross-border dispute with the Tshwane metropolitan council; the

provincial treasury has supported the municipality with annual financial statements review, invoice collection and addressing unauthorised, irregular, fruitless and wasteful expenditure; the provincial government has also seconded a provincial executive representative into the municipality.

Summary:

- The Speaker felt that the municipal representatives provided creative answers that belied the fact that Madibeng was one of the worst performing municipalities in the province. Joint committee members emphasized the importance of ensuring that political stability was maintained. Internal capacity to obviate the need for consultants was to be prioritised and the financial recovery plan to be implemented to address the unfunded budget and ensure long-term financial viability. Non-compliance with Treasury's municipal debt relief should not recur. Attention should be given to strengthening the Municipal Public Accounts Committee to ensure that it operates effectively and conducts investigations as expected. Expenditure on items that were not part of the municipality's budget emerged as a source of frustration for Treasury. The municipality should curb this.

- The filling of critical positions should be addressed within specific timelines. The appointment of managers without checking their previous records needs to be corrected. The MECs should also assess the progress made following the section 139 intervention in the municipality. Plans to address water losses, water provision, billing inaccuracies, sewer spillages and illegal connections should be provided. A written response on the municipality's monthly fleet management costs to be furnished. The inclusion of the irregular Information Communication Technology contracts in the MEC's section 106 investigation, as well as the MEC's letter of non-concurrence in the municipal manager's appointment, were noted. Provincial joint committee members were to formally table the self-enrichment allegations made and conduct follow up visits on the matters warranting further oversight.

5.19. City of Matlosana

Overview by the municipal leadership:

- The executive mayor, Cllr. F. Mahlophe highlighted that the municipality experienced high levels of electricity and water distribution losses that made it impossible to service bulk water and electricity accounts, specifically those relating to Eskom and Midvaal Water. Aging and vandalised infrastructure presented a significant challenge, with the rapidly growing population

adding further strain. The municipality has attempted to curb infrastructure vandalism through the contracting of private security services. In addition to passing an unfunded budget, the municipality was saddled with unfunded functions. The municipality's operational deficit amounted to R323m, while government, business and household debtors owed Matlosana R10bn. The highest revenue collection rate registered was 76 percent. The municipality's 2024-25 annual financial statements were submitted by the legislated date.

- Only one senior management vacancy was not yet filled. Grant expenditure was at 94 percent. Council committees were functional and the speaker later added that there were no council oversight portfolio committees. The Municipal Public Accounts Committee filled this oversight gap. The fraud and money laundering case against the municipal manager, Ms. L. Seametso was withdrawn; however, council resolved to recoup the moneys lost. The chief financial officer, Ms. M. Phetla, had been released on bail following arrest on charges, which council has since cleared. She was re-arrested on unrelated charges and council resolved to put her on precautionary suspension. Having challenged the suspension, Ms. Phetla secured an award to return to work. The acting chief financial officer tabled serious allegations against Ms. Phetla who was reported to have also written a threatening letter to the acting incumbent. The council then resolved to institute a disciplinary process, which was not yet finalised. Three junior officials were also arrested in connection with dealings relating to a service provider named Variegated Pty (Ltd).

Key issues raised by joint committee members:

- *Fraud and corruption.* In response to the executive mayor's overview relating to her arrests and charges, the chief financial officer alleged that the executive mayor's allusion to the effect that she had been captured by a service provider amounted to misleading the joint committee sitting as this accusation had been withdrawn. Her refusal to make certain illegal payments did not sit well with the executive mayor and this was what made her unpopular. The culture in Matlosana was that individuals did procurement on their own as supply chain management was not centralised. The executive mayor advised that an investigation in terms of section 106 of the Municipal Systems Act was underway, and this would determine whether he had violated the law. Having been asked about her background in the Mamusa local municipality, Ms. Phetla confirmed that she had indeed been a chief financial officer in Mamusa where she made much positive impact.

However, a council that 'sat under the tree' resolved to suspended her but the courts ruled in her favour. She subsequently resigned from the municipality on her own accord. Responding to a question raised around an irregular R4.5m payment for the municipality's yellow fleet, the chief financial officer explained that the matter emanated from the Technical Services department. The service in question was rendered. On the R8m overpayment for paraffin procurement, the chief financial officer indicated that the overpayment amounted to R6m. With joint committee members having asked about the recovery of the money lost through an illegal sale of municipal land in Hartbeespoort, the municipal manager indicated that the sale value amounted to R3m and recovery process was underway. On the action she had taken regarding the allegations against the chief financial officer, the municipal manager advised that she had instituted a disciplinary process in connection with a R2.9m irregularity relating to Variegated Pty (Ltd).

The R4.5m pertaining to the municipality's yellow had been investigated by the Municipal Public Accounts Committee; however, no proper investigation report has been tabled. The Committee sittings could not quorate. With assistance from the Department of Cooperative Governance, Treasury and the provincial executive representative, the amount was eventually written off. The illegal transactions in the municipality's financial system have been addressed. The Speaker denied the allegation that she had prevented the chief financial officer matter from serving in council. Regarding unauthorised access to the municipality's bank account by people other than the chief financial officer and the municipal manager, the municipality confirmed that there were indeed such instances. The matter was reportedly referred to municipal manager on 10 August 2025 and had not yet been actioned.

- *Service delivery*. Asked to explain the reasons for the unresolved sewer contamination problems, the municipality cited its aging fleet whose maintenance cost more than the value derived from its use. The municipality has also been operating without a fleet manager. The introduction of a petrol card system and the resuscitation of the municipal garage were some of the key measures introduced to curb fleet costs. The aged infrastructure problem and its vandalism by illegal miners was reiterated.

- *Financial performance and health*. With members having asked the number of days it took for the municipality to pay its creditors, the answer was that it took more than 400 days. Regarding the R20m used on consultants, the municipality explained that the consultants were used for the preparation of annual financial statements and Value Added Tax recovery services. In explaining

the reason for the regression from an unqualified to a qualified audit opinion, the municipality indicated that there was only one qualification sentence regarding the paraffin overpayment, for which the municipality was issued a material irregularity. This was an issue of fair market price and service delivery value. The council has since terminated the contract with the paraffin service provider, and the material irregularity has been resolved.

Summary:

- The questions which the joint committees wished to pose to the municipality were not exhausted. The joint committee members from the provincial legislature would do well to conduct a follow-up visit to deal with all the outstanding questions. The municipality had the worst public image and a commitment to reverse this was needed. Financial controls were not respected, which was worse than not having controls at all. The municipality's bad culture detracted from a discussion on critical service delivery issues, including plans around water provision, addressing sewer contamination, and fixing damaged roads. The municipality needs to improve its revenue capacity; address the passing of unfunded budgets; improve internal capacity to minimise reliance on consultants and report to the MECs on its consultant replacement strategy; and inculcate a culture of discipline where people understand that they were not law unto themselves. The expenses associated with the chief financial officer's suspension, including legal fees and acting allowances, should be quantified and reported back to the joint committees.

- Action should be taken to ensure that the executive mayor holds the accounting officer responsible for the performance of her roles and responsibilities and the MEC should report on this, as well as on what will be done about the politicians who had asked the chief financial officer to implement illegal instructions. There should be further reports on the breach of supply chain management regulations and consequence management implementation in respect of irregular bid adjudication and evaluation appointments and unauthorised transactions in the municipality's bank account. Attention should be given to the instability in the Municipal Public Accounts Committee so that no reservations against the Committee's reports are entertained, and ensure that unauthorised, irregular, fruitless and wasteful expenditure is investigated.

- Other outstanding matters to be considered during the follow-up engagement relate to the general lapses at the senior management level, including the issue of the unqualified human resources assistant manager; staff management deficiencies; appointment of unqualified lifeguards; and dysfunctionalities within the municipality's technical and infrastructure department. Findings in

this regard to be shared with the National Assembly joint committee members. The momentum from the new oversight initiative should not be lost and public representatives should make it their responsibility to the turn the municipality around for the better.

5.20. Maquassi Hills local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. M. Feliti highlighted that the municipal council was fully functional. A municipal financial disciplinary board was established in November 2024. Key challenges experienced included water shortages, dilapidated sanitation infrastructure, three non-compliant landfill sites, aged electricity infrastructure, and a R55.6m Eskom debt. Social ills such as rising unemployment, joblessness, and growing crime and gangsterism also plagued the municipality. The revenue collection rate amounted to 51 percent. The municipality has lodged a dispute in connection with a R369m Magalies Water debt. The resolution of this dispute would significantly reduce the municipality's deficit.

- An urgent partnership with Magalies Water was needed to address the low water pressure, which resulted in the community living downstream receiving no water. This was a point of tension between the municipality and the community. The municipality needed at least 21 megalitres of water supply compared to the current nine megalitre capacity. The municipality owed the Auditor-General R3m. In 2023-24, the municipality moved from five consecutive disclaimed audit opinions to an adverse audit outcome with 131 findings. There were nine post-audit action plan items that remained in progress. The MEC was implored to assist the municipality in respect of blocked projects.

Key issues raised by joint committee members:

- *Financial health*. In response to a question raised around the ineffective use of consultants, the municipality indicated that it had terminated the contract as the consultants failed to transfer skills as per the Service Level Agreement. On the non-investigation of unauthorised, irregular, fruitless and wasteful expenditure since 2006, the municipality advised that some of this expenditure could not be investigated due to the lapse of time. A report was consolidated and tabled in council recommending that the expenditure be written off. With members having noted that the municipality's going concern was in doubt, the municipality cited high historical and current debt as the causal factor and reiterated that the resolution of the disputed R298m with Magalies Water

would address the going concern issue. The municipality had a good revenue base, but collection was a serious problem, especially in the townships. Reluctance to register for indigence was another challenge experienced. The use of prepaid billing to improve revenue collection was under consideration. Members noted that conditional grants were used for non-intended purposes; however, the municipality said this was not factual.

- *Fraud and corruption.* Joint committee members understood that the municipality incurred R137 000 in unauthorised expenditure in connection with a pre-G20 summit meeting held in Cape Town, which the executive mayor did not attend. The executive mayor explained that he was unable to attend and therefore had to delegate one of the Members of his Mayoral Committee in line with municipal delegation policy. Disciplinary proceedings were being instituted against officials that were not delegated to attend the meeting. An allegation relating to the abuse of the municipality's petrol card by the executive mayor, other councillors, and municipal officials was noted. In response, the municipality indicated that an investigation was conducted, which recommended disciplinary action against the councillors and the executive mayor. The report was tabled in council in council on 06 December 2024, where it was resolved that an ad hoc committee be established to deal with the mayor's case, which was due to be finalised by end of September 2025. The implicated officials were also undergoing disciplinary processes.

  The Speaker, Cllr S Nkatlo, had also called on the MEC to investigate the matter in line with section 106 of the Municipal Systems Act. A formal correspondence relating to the investigation's terms of reference was tabled to the MEC following the council sitting of 18 March 2025. The matter has since been finalised and a special council sitting was to be convened to deal with the rest of the issues. With joint committee members having pointed out that three councillors were paid R1.5m each for full-time and retrospective participation in the Municipal Public Accounts Committee while the municipality was struggling to pay salaries, the municipality explained that this occurred when the councillors were still municipal officials. An official named Tshanda was alleged to have a suspicious qualification to which the municipality responded by indicating that the matter was under investigation. Members also understood that the Chairperson of the Municipal Public Accounts Committee was arrested on extortion charges. In response, the municipality advised that the court dismissed the case and that it had nothing to do with municipal business.

- *Service delivery.* Having been invited to explain how the water crisis would be resolved, the municipality indicated that the matter was receiving attention from the Interministerial Task Team established by the Water and Sanitation Department. At the core of the problem was a water infrastructure that could no longer accommodate municipal population growth. It was reiterated that a water infrastructure capacity of at least 20 megalitres was necessary.

5.21. JB Marks local municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. G. Ka Qhele noted that the municipal council had established ten oversight committees, including an audit committee and a municipal financial disciplinary board. The Municipal Public Accounts Committee was also established; however, there were challenges related to its functionality. Despite this, the Committee had managed to table an oversight report and an investigation report on unauthorised, irregular, fruitless and wasteful expenditure. The municipality's budget was unfunded. There was a debt management plan, including a five-year repayment agreement relating to an Eskom debt amounting to R630m. The close to 30 percent tariff increase granted to Eskom by the National Energy Regulator of South Africa jeopardised the municipality's ability to honour the repayment agreement. The municipality incurred high water and electricity losses due to the prevalence of illegal connections in informal settlements.

Key issues raised by joint committee members

- *Service delivery*. Joint committee members noted that, in one year, the municipality had not built even a single housing unit. In response, the municipality cited 13 housing units built as part of the Extension 13 housing project. The limited output was attributed to geological hazards, particularly the dolomitic nature of the land surrounding the municipal area. Projects approved as far back as 2008 and 2009 were stalled due to insufficient cognisance of this dolomitic risk in building design. With members having drawn attention to the municipality's sewage crisis, the municipality attributed the problem to aging sewer infrastructure whose rehabilitation would need a budget of close to R100m. The land on which the 13 housing units were built was dolomite free.

- *Financial health*. The municipality was invited to explain the high levels of unauthorised, irregular, fruitless and wasteful expenditure. The response was that the expenditure had accumulated over many years due to lack of technical capacity that hampered investigation by

the Municipal Public Accounts Committee. The appointment of Committee members on a part-time basis presented a further drawback. Since appointing an independent firm to assist the Committee there has been some investigation movement. On the question raised around the municipality's ability to continue as a going concern, the municipality attributed the root cause to the 30 percent tariff increase granted to Eskom by the National Energy Regulator of South Africa. The resultant Eskom debt accounted for the uncertainty around the municipality's ability to continue as a going concern. The conclusion of a repayment agreement with Eskom was reiterated. The municipality was considering other revenue sources such as collecting penalty fees from properties that have been converted into student housing without municipal approval. Cable theft was also a serious challenge, and it cost the municipality R8m to replace stolen cables.

With explanation having been sought around the R54m paid to consultants and R94m for security services, the municipality submitted that the actual consultant fees amounted to R23m. It agreed that it could not rely on consultants perpetually. The security costs were in response to a material irregularity identified in connection with the safeguarding of municipal assets and were commensurate with the municipality's vast asset base; however, there were efforts to reduce the costs. In response to a question raised around a R2.1m cell phone allowance, the municipality indicated that it had done away with the cell phones and was now using a two-way radio communication system.

- *Fraud and corruption*. With members having sought to establish how much of the illegal overtime payments was recovered, the municipality confirmed that employees used overtime as a second salary. The overtime claims often made no sense. For example, a problem would be logged at 3pm and an overtime claim would indicate that work on it started at 10am on the same day when there would have been no problem yet reported. In response to the allegation that he had been arrested in connection with fraud amounting to R5m, the executive mayor indicated that he was last arrested as a political activist during apartheid. Members understood that in 2024 the Special Investigating Unit conducted a raid in connection with an investigation into the construction of a canal in a flood line. The municipality confirmed that there was indeed a canal built on a flood line at the cost of R500m and that this was under investigation by the Special Investigating Unit.

  Having been requested to provide a status update on the investigation into the costs of the project relating to the Sarafina stadium by the Municipal Public Accounts Committee, the municipality

advised that the matter was under investigation as it was among the three material irregularities identified by the Auditor-General. Attention was brought to the theft of municipal solar geysers under the watch of two security companies. Other geysers were crammed in the Lusaka Community Hall, preventing the community from using it. The municipality confirmed that some of the geysers were indeed at the community hall but with stolen components. The theft was under investigation. Members further enquired about a break-in and theft of a safe at the municipality's traffic department in Tlokwe. The municipality confirmed the incident, however an investigation report indicated that no money was stolen. On the question relating to the collapse of a dam in Tlokwe, the municipality indicated that three municipal officials were implicated as per the report of the Special Investigating Unit, which was publicly available.

- *Human resources.* Attention was drawn to the fact that the appointment of the municipality's senior management, including the municipal manager and the chief financial officer, did not enjoy the MEC's concurrence. In response, the municipality explained that the non-concurrence was due to differences in interpreting the timeframe envisaged in the Municipal Systems Act where the municipality used working days while the MEC acted based on calendar days. The municipality's interpretation relied on two previous court judgments on the subject. The MEC had since taken the matter to court, and he was better placed to explain in this regard. However, there was concurrence when the municipality extended an acting appointment for an additional three months. Provincial joint committees indicated awareness of the court judgments relating to the computation of days and would share these with the National Assembly portfolio committees. Asked about the vacancy rate, the municipality indicated that it had a total of 1587 positions of which 1237 were filled, leaving 350 positions vacant. Four of these vacancies related to senior management positions. Regarding a suspicious R25 000 car allowance for a director, the municipality said it had no knowledge of such a director.

5.22. Dr Kenneth Kaunda District municipality

Overview by the municipal leadership:

- The executive mayor, Cllr. N. Num highlighted that all the municipality's internal governance structures were functional, except the audit committee. The Municipal Public Accounts Committee was also functional. There was a proper separation of powers between executive and oversight functions. The district's section 80 committee was servicing three of its local municipalities. The District Development Model Council and the District Security Forum were

also functional. The district performed local municipal functions, such as fire and rescue services for Maquassi Hills, without any concomitant funding. These were among the erstwhile district functions that were, at the stroke of a pen under the hand of former Minister Mufamadi in 2002, devolved to local municipalities to the detriment of the district's financial health. The district had engaged Treasury and the Municipal Demarcation Board on the matter, but this has not led to any restoration of the decentralised powers. This remains a key issue for the district.

- The district raised its R13.8m capital budget on its own as the appropriated budget did not provide for capital expenditure. Revenue collection strategies were under consideration. The district's staff complement equalled 235 personnel. Most positions were filled, however, attracting candidates for senior management positions was a challenge. All senior managers had signed performance agreements. Over the last five years, the district has been focusing on re-engineering the administration. The district is not a Water Services Authority. The Municipal Public Accounts Committee has investigated unauthorised, irregular, fruitless and wasteful expenditure incurred between 2023 and 2011 and recommended a write-off amounting to R117m. Some fruitless and wasteful expenditure has been recovered while R10m was written off. No unauthorised expenditure was incurred in 2024-25. The root causes of poor audit performance have been identified and corresponding action plans developed.

Key issues raised by joint committee members

- *Financial health.* In response to an invitation to explain the challenges faced around infrastructure grant expenditure, the district indicated that the only infrastructure grant received was the Integrated National Electricity grant and this was for the first time. The grant amounted to R4m, and the district was able to spend it. Regarding the percentage of the operational budget spent on salaries, the figure amounted to 58 percent and went up to 63 percent when councillors' salaries were included. Of the district's R261m annual budget, R144m was earmarked for the payment of salaries. Members felt that the budget dedicated to the district's service delivery work was too small in comparative terms. The district agreed with this observation.

  Over the last 20 years, the district had been filling low level positions such as cleaners and these posts had not been evaluated. The municipal manager was now putting emphasis on correct employee placement and assignments to low level posts were being phased out to ensure optimum execution of the district's mandate. On the question of performance bonuses, the district submitted that no senior manager had received a performance bonus over the last five years. Only

13th cheques were paid, which some councillors mistook for performance bonuses. Regarding the non-investigation of unauthorised, irregular, fruitless and wasteful expenditure, the district indicated that this related to prior years. For the most recent period, the amounts have been investigated, and the district will provide the investigation reports.

- *Service delivery.* Members noted the district's challenges with service delivery and questioned why it should continue to exist and pay salaries if basic services could not be rendered. In response, the district stated that there was much work it performed on a daily basis, including local municipality functions that were undertaken with limited budgetary capacity. These functions were performed in the spirit of the District Development Model and related to infrastructure, district development plans, road master plans, overall disaster management coordination, district health services council, and supporting quarterly reporting in line with Municipal Finance Management Act timeframes. The district believes that it has performed these functions quite well and diligently so.

  Members cautioned the district against the 'conjugation of verbs' as it was felt that its coordination and intervention functions meant that the district was not involved in the full-service delivery chain. Coordination and intervention were not implementation and could not be sole reason for the district to exist. While the loss of the water services function warranted sympathy, the district should not absolve itself from its service delivery responsibilities. In response, the district maintained that although its bulk services function was devolved to its local municipalities, it did administer service delivery programmes relating to water provision such as the drilling of 20-30 boreholes across the district, installation of dry sanitation toilets and development of road and electricity master plans in Maquassi Hills, management of unpaved roads, and development of a spatial framework for the betterment of the district's communities.

  The district was also responsible for municipal health services, which involved dispatching 23 municipal services workers to inspect more than 5000 spaza shops for compliance. Compensation for the district's compliance officials accounted for the majority of the district's operational budget. Burials, exhumations, and water sampling were also part of the district's activities. On the question relating to the support provided to the distressed municipalities in the district, there were several support measures mentioned. Firstly, support was provided to the municipalities that were struggling to spend their budgets. Water was supplied to the farms in the JB Marks municipal area. The local municipalities were also supported to improve their audit outcomes.

There was not much the district could do address the challenges in Matlosana as the Departments of Cooperative Governance and Finance were already seized with the work, which the municipality would have done. There were engagements with Matlosana through the District Development Model; however, improvements in the municipality were still limited. The assistance provided to Maquassi Hills was reiterated. Where there was infrastructure collapse, the district has endeavoured to ensure a coordinated response by the affected departments. Support was also provided to municipalities that had faced litigation in connection their wastewater treatment plants.

- *Fraud and corruption.* With members having raised a question around councillors that were reported to have done business with the municipality, the district indicated that one of its councillors was implicated and this happened due to lack of interface with the Companies and Intellectual Property Commission's database. The speaker was reportedly addressing the matter.

- *Human resources.* Members understood that a senior manager was dismissed due to strained relations with the executive mayor. The matter had been mediated and conciliated by the Commission for Conciliation, Mediation and Arbitration; however, the municipality subsequently proceeded to issue a termination letter. This hinted at victimisation rather than an amicable resolution of the matter, raising a concern around whether all due processes had been followed. In response, the municipality confirmed that there was indeed a disciplinary process instituted against the manager, Mr. Metswamere, following a dispute between himself and the executive mayor. An independent entity investigated the matter and found Mr. Metswamere's case legally indefensible. Subsequent to a disciplinary process, the employee took the matter to the Commission for Conciliation, Mediation and Arbitration and the Labour Court, which both found in the municipality's favour.

- *Compliance with legislation*. Having been asked to explain why its annual financial statements were not submitted by the legislated date, the municipality indicated that the transgression resulted from the Auditor-General's late response to its query regarding the district's development agency, which had been set for winding down and closure. However, it turned out that financial reporting was still needed and the district has since complied. Over the last seven years, the municipality has been preparing annual financial statements internally. A new Municipal Standard Charter of Accounts compliant financial system has been procured. However, the municipality was compelled to hire a service provider to merge and transfer financial data to the

new system over a one-year period. Going forward, the district did not envisage using external financial consultants.

Summary:

- The municipality was advised to attend to the reduction of its high wage bill; share the Labour Court judgment relating to Mr. Metswamere; and deal with the issues raised by the Auditor-General, including the reliance on the audit process to achieve an unqualified audit outcome, and doing business with suppliers owned or managed by councillors. The latter should not recur. The late submission of annual financial statements for auditing should be addressed rather than debated. Consequence management following the investigation of unauthorised, fruitless and wasteful expenditure should be specified, with timelines provided. To be also specified are particular investigations into irregularities and corruption and whether the municipality's internal controls were able to detect these before the external auditors' work. The question around the audit committee's functionality should be resolved. The committee should be capacitated to do all the work expected of it.

5.23. Conclusion

- Addressing concerns raised by the AGSA needs to be understood as a responsibility of all public representatives in the legislative and executive arms of government across the three spheres of government. Elected public representatives must take collective responsibility and ensure accountability by all. Parliament must undertake to ensure that all spheres collectively and individually are held accountable. The joint committees welcome all the commitments and undertakings that have been made. Some of the matters arising need to be escalated to the level of the Minister for Cooperative Governance and Traditional Affairs. Consequence management should be instituted both internally and externally. Councillors should take responsibility for their capacitation and acquisition of the relevant skills set.

6. JOINT COMMITTEE RECOMMENDATIONS

- Having deliberated on the inputs by the Northwest Premier, the MECs for Cooperative Governance, Human Settlements, and Traditional Affairs and Finance and Economic Development, and the submissions by the leadership from the province's local authorities, the Joint Committees recommend and direct that, within three months of the date of this report, the following must be effected:

6.1. Minister of Cooperative Governance and Traditional Affairs

a) Undertake to end all disclaimers, unfunded budgets and late or non-submission of statutory documents to the Auditor-General of South Africa.

b) Intervene immediately and decisively to stop political interference, associated causes of political and administrative instability, to enforce discipline and professionalism in management of municipalities.

c) Introduce a decisive intervention to assist poor municipalities with no revenue base, financial systems, shortage of critical skills, poor service delivery capacity and demonstrable public discontent.

d) Launch immediate investigations into cases of corruption and maladministration to be followed by internal disciplinary processes and referral to criminal justice authorities. Regular reports must be provided.

e) Ensure audit readiness by providing national departmental support to municipalities long ahead of the arrival of the Auditor-General's team. This approach must focus on improving administrative capacity and systems so that audit readiness be done as a normal way of municipal administration and service delivery systems.

6.2. Provincial executive

a) Undertake to end all disclaimers, unfunded budgets and late or non-submission of statutory documents to the Auditor-General of South Africa.

b) Intervene immediately and decisively to stop political interference, associated causes of political and administrative instability, to enforce discipline and professionalism in management of municipalities.

c) Introduce a decisive intervention to assist poor municipalities with no revenue base, financial systems, shortage of critical skills, poor service delivery capacity and demonstrable public discontent. Consequence management plans against those responsible for the bad financial decisions prompting Treasury to withhold the equitable share to be also indicated. Collaborate around a programme to replace consultants and provide progress reports every three months.

d) Launch immediate investigations into cases of corruption and maladministration to be followed by internal disciplinary processes and referral to criminal justice authorities. Regular reports must be provided.

e) Ensure audit readiness by providing departmental support to municipalities long ahead of the arrival of the Auditor-General's team. This approach must focus on improving administrative capacity and systems so that audit readiness be done as a normal way of municipal administration and service delivery systems. There also needs to be a clear assessment on the correlation between improved audit outcomes and improved service delivery.

f) Set targets and timelines for each municipality to establish functioning audit-related performance structures such as the Municipal Public Accounts Committees, Disciplinary Boards, Audit Committees, and related structures to ensure progress towards achieving improved audit outcomes. These are critical in ensuring that accurate annual financial statements and performance reports are provided.

g) Monitor and ensure investigations of all unauthorised, irregular, fruitless and wasteful expenditure by Municipal Public Account Committees in each municipality — inspect relevant council resolutions to consider the outcome of investigations and the remedial steps and prevention of similar transgressions in future**.** For all transgressions reported by the Auditor-General there must be report of consequences that will act as deterrent against future transgressions. In the absence of these, the higher authorities need to intervene decisively and report to provincial legislatures or national parliament.

h) Set timelines and targets for filling of all vacancies in management including the filling of critical posts in the staff establishment such as financial management and auditing to ensure that municipalities identify these posts and set timelines and targets for support, monitoring and reporting by provincial and national authorities, as well as terminate the proliferation of acting senior management appointments. Further furnish a list of instances where municipalities made illegal appointments and the consequence management instituted on those responsible.

i) Furnish a contract register for the province including the analysis and findings made regarding poor contract management. Provide more specifics around actions to be taken to address the lack of consequences for poor contract management. The specific instances where the alleged

interference in the procurement process was observed, and where double payments occurred, should be detailed.

j) Update the joint committees in respect of the following: Despite meeting the criteria for financial distress, JB Marks, Rustenburg and Lekwa-Teemane were not included in the Provincial Executive's Committee's decision to place eight municipalities under mandatory intervention in terms of section 139 of the Constitution. The Executive Council is considering invoking appropriate intervention and/or support at the three municipalities in line with the applicable legislation.

k) Report back to the joint committees in respect of the undertaking to:

   i) Establish veracity of the alleged VIP security for the seconded acting municipal manager in Mamusa.
   ii) Re-trace Tswaing's former acting municipal manager's (Mr. S. Maroga) performance history and revert with a detailed report.
   iii) Provide a proper record of Tswaing's acting municipal manager's (Mr. B. Phutiyagae) employment history and determine if the requisite experience and qualifications were satisfied. Report on the circumstances surrounding the precautionary suspension of the substantive municipal manager, Mr. Mere, after being acquitted by a disciplinary hearing.
   iv) Investigate the number of bank accounts in operation at Ditsobotla and follow up on whether the then acting municipal manager, Mr. Mooketsi, was a municipal employee at the time of his appointment by council. An update on the legal proceedings against the current municipal manager, Mr. O. Bojosinyane, to be provided. Furnish a record of 05 March 2025 council meeting where Mr. Bojosinyane presided over the election of the current speaker and mayor.
   v) Look into the contracting of a security company without a VAT registration in Mahikeng and advise if the process was above board and conformed to the relevant prescripts.
   vi) Investigate the purchase of 22 laptops by the Ratlou local municipality at the cost of nearly R730 000; the non-implementation of the municipality's Municipal Support and Improvement Plan; the elimination of consecutive disclaimed audit opinions; the issue relating the municipal manager's qualifications and provide a report on the cost of the municipality's security services.

vii) Establish an ad hoc committee to investigate the breach of the councillors' code of conduct by the speaker and the councillors involved in Ramotshere Moiloa. Report on the sanctions invoked as per the committee's recommendation.

viii) Favour the joint committees with a report and terms of reference of the investigation conducted into the Greater Taung local municipality in accordance with section 106 of the Municipal Systems Act.

l) Furnish the joint committees with a proper legal opinion around the appointment, termination and reappointment of Mamusa's substantive municipal manager, Mr. Gincane, as well as a report on the suspended chief financial officer's appointment. Also look into whether Mr. Gincane has completed the Certificate Programme in Municipal Development.

m) Address the concern that the chairperson of the ad hoc committee set to investigate alleged misconduct against the Lekwa-Teemane mayor, Cllr. S. Motlhabi, may have been pressured to resign.

n) The security services tender in Greater Taung's warrants further scrutiny as the award to one security company does not seem to have been a good decision. The MEC should look into whether the company tendered the lowest bid, its guards were audited and were known for certain to be at their guard posts, and whether there was a cost benefit analysis of the security services costs versus the costs of theft and vandalism.

o) Ensure that a council meeting in Rustenburg is convened to discuss the report relating to the irregular sale of municipal land that was scheduled for the council sitting of 24 June 2025.

p) Furnish the joint committees with the outcome of the investigations conducted in Madibeng and Matlosana in line with section 106 of the Municipal Systems Act.

q) Report on action taken to ensure that the executive mayor of Matlosana holds the accounting officer responsible for the performance of her roles and responsibilities.

r) Follow up and report back to the joint the joint committees in connection with recommendations listed below:

6.3.Mahikeng local municipality

a) The joint committees were not satisfied with the chief financial officer's response around the contracting of a security company without VAT registration. The municipality to clarify whether it contracted a security company that was not registered for VAT and whether it paid more than the amount advertised in the tender.

b) Provide targets and timelines with respect to addressing the municipality's several service delivery-related deficiencies, including non-functional street and traffic lights, inadequate refuse removal and illegal dumping.

6.4. Tswaing local municipality

a) Having confirmed the use of rented fleet for which there were monthly reports and invoices, which can be availed to the joint committees, the municipality should accordingly furnish consolidated figures on the fleet rental's monthly cost.

b) The municipality had reported to be at an advanced stage of investigating the implementation of a corrective measure to reverse the prepaid electricity tariff that was charged without approval by the National Energy Regulator of South Africa. The reversal of the illegal tariff, including crediting the affected customers was envisaged for completion by December 2025. An update to be provided in this regard.

c) Having acknowledged that there was a backlog on the investigation of unauthorised and irregular expenditure by the Municipal Public Accounts Committee and having set the end of September 2025 as the deadline for the tabling of investigation reports, the municipality should update the joint committees as to whether this commitment has been realised.

d) The municipality to favour the joint committees with the precautionary suspension correspondence served on the substantive municipal manager, Mr. Mere, following his acquittal by an earlier disciplinary hearing.

6.5. Ratlou local municipality

a) The municipality to furnish the joint committees with:

   i) The promised detailed explanation in connection with the procurement of 22 laptops to the value of R730 000.

ii) Qualifications of the municipal manager, Mr. L. Leoko.

iii) A report on the recruitment process for a substantive chief financial officer.

iv) A report on the costs of the municipality's security services.

b) The joint committees could not reconcile the reported municipal vacancy rate of 10 percent with the staff establishment problems identified during the 2023-24 audit cycle. The municipality should address this and report back to the MEC for Cooperative Governance, Human Settlements and Traditional Affairs.

6.6. Ditsobotla local municipality

a) The municipality to furnish the joint committees with a progress report on the implementation of the mandatory financial recovery plan across the governance, institutional stability, service delivery and financial stability pillars.

b) The municipality reported that the payment of salaries consumed 57 percent of its operational budget. The joint committees to be furnished with a plan (with timeframes) to reduce this to the recommended Treasury norm of between 25 and 40 percent.

c) The municipal staff establishment was also known to be bloated, with the municipality confirming that it had undertaken a personnel headcount and established that there were 46 ghost workers. The matter was reportedly referred to the Local Labour Forum. An update to be furnished to the joint committees in this regard.

d) The joint committees understood that, historically, 74 percent of the municipal workforce did not meet minimum competency requirements. The municipality should be specific on how it plans to address this.

e) At the time of the joint committees' oversight visit, the Municipal Public Accounts Committee had not yet started with investigations into unauthorised, irregular, wasteful and fruitless expenditure. A progress update to be provided in this regard.

f) The reported relative political stability was inconsistent with the report that councillors were not attending council sittings leading to the withdrawal of salary payments. This discrepancy needs to be reconciled and a report to that effect provided.

g) The municipality's insistence on not paying any consultants to assist with financial reporting over the last two financial years was inconsistent with the Auditor-General's 2023-24 report, which indicated that R2.5m was in fact paid to this end. The municipality should provide a proper report in this regard.

6.7. Ngaka Modiri Molema district municipality

a) The district had promised to avail within two hours the requested information on the number of boreholes drilled in 2025 and the costs thereof.

b) Favour the MECs with a report on:

i) Consequence management in connection with unauthorised, irregular, fruitless and wasteful expenditure.
ii) A concrete plan for the replacement of consultants.
iii) The list of referrals to the criminal justice system including the 72 cases opened on the vandalization of water infrastructure.

6.8.Mamusa local municipality

a) The joint committees should be advised of the outcome of the investigation into the suspended chief financial officer in connection with the irregular appointment of a VIP security company to the value of approximately R3m per annum. The sanction served in connection with the transgression should be specified.

b) A full report on the unauthorised bank transactions conducted by suspended municipal employees should be favoured to the joint committees.

c) The municipality to submit a written response to the question raised regarding the R10m spent on a sports field.

6.9.Lekwa-Teemane local municipality

a) Having obtained a third consecutive disclaimed audit opinion, the municipality had indicated that, of the 184 findings from the management report, there were approximately ten that had not yet been started. Of the municipality's 22 audit paragraphs, 14 had reportedly been resolved. The joint committees to be furnished with the latest progress report in this regard.

b) Over 40 percent of the municipality's customers were reportedly indigents. An indigent subsidy had been received from the district, but the required business plan had not yet been submitted. The joint committees to be furnished with the latest progress report in this regard.

c) The municipality had indicated that it would be using its brick-making machine to produce pavers to fix the problematic streets in Christiana. The joint committees to be furnished with an update report in this regard.

6.10. Kagisano-Molopo local municipality

a) The municipality had inadequate cashflow that led to the adoption of an unfunded budget and use of the Municipal Infrastructure Grant for non-intended purposes. The joint committees to be advised on what has been done to correct this.

b) The municipality deemed the prolonged absence of a substantive mayor unsustainable. The incumbent went on unauthorised sick leave in April 2024 and subsequently resigned in December 2024. The mayor had absconded from work with full pay. Council was directed to appoint a substantive mayor but wound up resolving on an acting mayor. The joint committees to be updated on how this matter has been resolved.

c) The municipality' revenue collection rate was reportedly sitting at only 21 percent and discrepancies in the municipal valuation roll were cited as contributing factors. The joint committees to be apprised of the steps taken to correct the problem.

d) A skills audit should be conducted to ensure that staff has the requisite skills for the positions occupied. The joint committees to be favoured with a progress report in this regard.

6.11. Naledi local municipality

a) The municipality had reported that an investigation into the misuse of the supply management deviation was underway. The joint committee's to be apprised of the investigation's outcomes.

b) The municipality had drawn the joint committees' attention to a billing backlog and a billing accuracy problem, including the inclusion of deceased people in the municipality's debtors' book. A report on progress made to resolve this matter to be favoured to the joint committees.

6.12. Greater Taung local municipality

a) Joint committee members had understood that a service provider received payment from the municipality despite there being no Service Level Agreement in place. In response, the municipality had indicated that the Municipal Public Accounts Committee would investigate the matter. An update on how far the investigation had gone to be provided.

b) The municipality had reported to have received four qualification paragraphs on its 2023-24 annual financial statements, and that its 29 post-audit action plan items were responding to the qualification. A progress report to be provided on the implementation of these post-audit action plan items.

6.13. Dr. R.S. Mompati district municipality

a) As submitted by the Lekwa-Teemane local municipality, a water crisis was being experienced in the towns of Christiana and Bloemhof due to water rationing by the Magalies waterboard. The rationing had no plausible justification. The district mayor and Premier's interventions on this matter have not yielded a fruitful result. The joint committees to be furnished with a full report in this regard.

b) The district to update the joint committees on the progress the investigation into the call centre irregularities and the disciplinary processes for the implicated officials.

c) The district to furnish the joint committees with the promised report on the amounts involved in connection with the inflated invoice for work done at the Vryburg wastewater treatment plant.

6.14. Moretele local municipality

a) Having reportedly investigated all unauthorised, irregular, fruitless and wasteful expenditure, the municipality had indicated that consequence management was anticipated to follow. The joint committees to be furnished with the timelines in this regard.

6.15. Rustenburg local municipality

a) On the irregular sale of municipal land, the municipality had indicated that it was awaiting an investigative report from the municipal manager. The joint committees to be updated on the current status of the matter.

b) The municipality had indicated that it had not budgeted for section 79 committees, but this would be corrected by the end of September 2025 when the committees were envisaged to be established. The joint committees to be advised on whether this has been done.

c) The joint committees to be furnished with the timelines for the conclusion of the disciplinary process in connection with the financial mismanagement of the Rustenburg Rapid Transit project.

6.16. Madibeng local municipality

a) Asked about its yellow fleet inventory and its monthly costs, the municipality had indicated that there were 208 fleet items at its disposal and that the monthly costs would be provided in writing. The joint committee to be furnished with the promised written response.

b) The municipality's plans to address water losses, water provision, billing inaccuracies, sewer spillages, and illegal connections to be furnished to the joint committees.

6.17. City of Matlosana local municipality

a) The municipality to apprise the joint committees on the outcome of the disciplinary process against the chief financial officer.

b) With joint committee members having asked about the recovery of the money lost through an illegal sale of municipal land in Hartbeespoort, the municipal manager indicated that the sale value amounted to R3m and recovery process was underway. An update to be provided in this regard.

c) Regarding unauthorised access to the municipality's bank account by people other than the chief financial officer and the municipal manager, the municipality had confirmed that there were indeed such instances. The matter was reportedly referred to municipal manager on 10 August 2025 and had not yet been actioned. The joint committees to be favoured with the latest development on this matter.

6.18. Maquassi Hills local municipality

a) Joint committee members understood that the municipality incurred R137 000 in unauthorised expenditure in connection with a pre-G20 summit meeting held in Cape Town, which the executive mayor did not attend. Disciplinary processes were reportedly being instituted against

officials that were not delegate attend the meeting. An update to be provided on the current status of this matter.

b) The municipality indicated that an investigation was conducted in relation to the abuse of the municipality's petrol card by the executive mayor, other councillors, and municipal officials. Disciplinary action against the councillors and the executive mayor was recommended. Council resolved that an ad hoc committee be established to deal with the mayor's case, which was due to be finalised by end of September 2025. The implicated officials were also undergoing disciplinary processes. The joint committees to be furnished with the latest update in this regard.

c) An official named Tshanda was alleged to have a suspicious qualification to which the municipality responded by indicating that the matter was under investigation. The latest update on the matter to be provided to the joint committees.

6.19. J.B. Marks local municipality

a) With the municipality having confirmed that employees were using overtime as a second salary, the joint committees should be furnished with information indicating the amount of illegal overtime payments and how much of this has been recovered.

b) The municipality to provide a progress report on the investigation into the theft of municipal solar geyser components.

6.20. Dr. K. Kaunda district municipality

a) The municipality to furnish a copy of the Labour Court judgement that reportedly favoured it in the case involving a senior manager, Mr. Metswemere.

b) The district had indicated that one of its councillors was implicated among those that had done business with the municipality and this happened due to lack of interface with the Companies and Intellectual Property Commission's database. The speaker was reportedly addressing the matter. A progress report to be provided in this regard.

c) Consequence management following the investigation of unauthorised, fruitless and wasteful expenditure should be specified, with timelines provided.

d) To be also specified are particular investigations into irregularities and corruption and whether the municipality's internal controls were able to detect these before the external auditors' work.

Report to be considered

REPORT ANNEXURE: MUNICIPAL LEADERSHIP DELEGATION LIST

1. Mahikeng local municipality
- Cllr. T. Mphehlo (Executive Mayor) - Cllr. G. Mathe (Speaker) - Cllr. M. Moeti (Chief Whip) - Cllr. M. Jabanyane (MMC: Corporate Support Services) - Cllr. B. Mathe (MMC: Stakeholder Relations) - Cllr. D. Molema (MMC: Planning and Development) - Cllr. J. Daniels (MMC: Public Safety) - Mrs. M. Moloi-Tsae (Senior Manager: Infrastructure)
2. Tswaing local municipality
- Cllr. N. Mahlangu (Mayor) - Cllr. S. Letlakane (Speaker) - Mr. B. Phutiyagae (Acting Municipal Manager) - Mr. J. Mogoemang (Chief Financial Officer)
3. Ratlou local municipality
- Cllr. M. Jafta (Mayor) - Cllr. G. Leepo (Speaker) - Mr. L. Leoko (Municipal Manager) - Ms. P. Moruakgomo (Acting Chief Financial Officer) - Mr. S. Manoto (Senior Manager: Community Services) - Mr. A. Ntshekang (Senior Manager: Corporate Services)
4. Ramotshere Moiloa local municipality
- Cllr. D. Pitso (Executive Mayor)

- Cllr. P. Letshufi (Speaker) - Mr. L. Mokgatlhe (Municipal Manager) - Mr. S. Lekaba (Acting Chief Financial Officer)
5. Ditsobotla municipality
- Cllr. M. Morutse (Mayor) - Cllr. M. Bogatsu (Speaker) - Mrs. N. Moagi (Acting Chief Financial Officer) - Mr. O. Bojosinyane (Municipal Manager)
6. **Ngaka Modiri Molema district municipality**
- Cllr. K. Molefe (Executive Mayor) - Cllr. S. Nthabiseng (Speaker) - Mr. A. Losaba (Municipal Manager) - Mrs. G. Moroane (Chief Financial Officer) - Mr. T. Ramorei (Senior Manager: Planning and Development)
7. Mamusa local municipality
- Cllr. S. Chelechele (Mayor) - Cllr. T. Khwenenyane (Acting Speaker) - Cllr. L. Motlapele (Chairperson: Municipal Public Accounts Committee) - Mr. R. Gincane (Municipal Manager) - Mr. T. Keohithlese (Acting Chief Financial Officer) - Mr. J. Makade (Director: Corporate Services)
8. Lekwa-Teemane local municipality
- Cllr. S. Mothlabi (Mayor) - Cllr. M. Pilane (Speaker) - Ms. Z. Kgatlha (Municipal Manager)
9. Kagisano-Molopo local municipality
- Cllr. M. Diphikwe (Acting Mayor) - Cllr. P. Moirwagale (Speaker)

- Cllr. M. Mosarwa (Chairperson: Municipal Public Accounts Committee) - Mr. O. Ntsimane (Acting Municipal Manager) - Ms. K. Sekgome (Acting Chief Financial Officer) - Mr. D. Marumo (Acting Director: Local Economic Development and Tourism) - Mr. K. Motshwane (Acting Director: Basic Services and Infrastructure) - Mr. L. Bogodile (Acting Director: Planning and Development)
10. Naledi local municipality
- Cllr. C. Groep (Mayor) - Cllr. P. Gulane (Speaker) - Mr. M. Segapo (Municipal Manager) - Mr. K. Maruping (Chief Financial Officer)
11. Greater Taung local municipality
- Cllr. T. Gaoraelwe (Mayor) - Cllr. K. Moipolai (Speaker) - Mr. M. Makuapane (Municipal Manager) - Ms. N. Dibelane (Chief Financial Officer) - Mr. O. Mogapi (Director: Infrastructure) - Mr. T. Motase (Director: Community Services) - Mr. T. Makgolo (Director: Corporate Services)
12. Dr. R.S. Mompati district municipality
- Cllr. M. Maje (Executive Mayor) - Cllr. K. Sereko (Speaker) - Mr. I. Jonas (Municipal Manager) - Mr. L. Chacha (Acting Chief Financial Officer) - Mr. E. Matope (Acting Director: Engineering and Technical Services)
13. Moses Kotane local municipality
- Cllr. N. Nkotswe (Mayor) - Cllr. M. Matshaba (Speaker) - Mr. M. Letsoalo (Municipal Manager)

- Mr. M. Mkhize (Chief Financial Officer)
14. Moretele local municipality
- Cllr. G. Manyike (Mayor) - Cllr. F. Mapela (Speaker) - Cllr. L. Modise (Member: Municipal Public Accounts Committee) - Mr. S. Ngwenya (Municipal Manager) - Ms. B. Sathekge (Chief Financial Officer) - Ms. J. Mabuza (Chairperson: Audit and Risk Committee) - Ms. T. Mohalanyane (Director: Local Economic Development and Planning)
15. Kgetlengrivier local municipality
- Cllr. T. Jacobs (Mayor) - Cllr. M. Molefe (Speaker) - Mr. A. Pholose (Acting Municipal Manager) - Mr. T. Mogapi (Acting Chief Financial Officer)
16. Bojanala Platinum district municipality
- Cllr. S. Nthangeni (Executive Mayor) - Cllr. I. Madiba (Speaker) - Ms. M. Mmope (Acting Municipal Manager) - Mr. M. Khunou (Chief Financial Officer) - Ms. Monamodi (Director: Technical Services) - Ms. B. Makganye (Director: Corporate Support Services) - Mr. J. Masebe (Acting Director: Health and Environmental Services) - Ms. D. Lehari (Director: Community Development Services)
17. Rustenburg local municipality
- Cllr. S. Mabale-Huma (Executive Mayor) - Adv. A. Khuduge (Municipal Manager) - Mr. G. Ditsele (Chief Financial Officer) - Ms. T. Ncube (Director: Technical and Infrastructure Services)
18. Madibeng local municipality

- Cllr. D. Maimane (Executive Mayor)
- Cllr. D. Mbezi (Speaker)
- Cllr. S. Mohale (Chairperson: Municipal Public Accounts Committee)
- Mr. Q. Kgatla (Municipal Manager)
- Mr. S. Rikhotso (Acting Chief Financial Officer)

19. City of Matlosana local municipality

- Cllr. F. Mahlophe (Executive Mayor)
- Cllr. R. Thabanchu (Council Whip)
- Cllr. S. Mondlale-Ngwenya (Speaker)
- Ms. L. Seametso (Municipal Manager)
- Ms. M. Phetla (Chief Financial Officer)

20. Maquassi Hills local municipality

- Cllr. M. Feliti (Executive Mayor)
- Cllr. S. Nkatlo (Speaker)
- Ms. N. Mbonani (Municipal Manager)
- Mr. T. Modibedi (Acting Chief Financial Officer)

21. J.B. Marks local municipality

- Cllr. G. Ka Qhele (Executive Mayor)
- Ald. M. Dassie (Speaker)
- Mr. K. Kumbe (Municipal Manager)
- Mr. J. Monareng (Chief Financial Officer)

22. Dr. K. Kaunda district municipality

- Cllr. N. Num (Executive Mayor)
- Cllr. X. Nxozana (Speaker)
- Mr. M. Ratlhogo (Municipal Manager)
- Mrs. J. Brown (Chief Financial Officer)

7. BUDGET VOTE REPORT OF THE PORTFOLIO COMMITTEE ON COOPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS, DATED 05 MAY 2026

Having considered the Annual Performance Plans and Strategic Plans of the Departments of Cooperative Governance and Traditional Affairs and entities reporting to them, the Portfolio Committee on Cooperative Governance and Traditional Affairs reports as follows:

1. BACKGROUND

- In line with the oversight responsibility conferred upon it by the National Assembly, the Portfolio Committee on Cooperative Governance and Traditional Affairs considered the Annual Performance Plans and Strategic Plans of the Departments of Cooperative Governance and Traditional Affairs, the Municipal Infrastructure Support Agent, the South African Local Government Association, the Municipal Demarcation Board, and the Commission for Promotion and Protection of the Rights of Cultural, Religious, and Linguistic Communities. The deliberations, which took place from 21 - 29 April 2026, focused on the Departments and entities' budget allocations and service delivery commitments in respect of the 2026-27 financial year as well as the 2024 – 2029 Medium Term Development Plan period. Encapsulated below are the proceeding's main highlights.

2. DEPARTMENT OF COOPERATIVE GOVERNANCE

- In 2026-27, the Department of Cooperative Governance intends implementing a set of Annual Performance Plan indicators that respond to the 2024-2029 Medium Term Development Plan's priorities. These indicators are spread across the Department's five programmes, as follows:

2.1. Programme overview

- ***Administration.*** In terms of the administration programme, the key areas of emphasis are similar to the previous financial year, including the achievement of an unqualified audit opinion. A new emphasis area in 2026-27 relates to paying 100 percent of valid invoices within 30 days.

- ***Local government support and operations.*** The 13 indicators under this this programme are geared towards supporting district and metropolitan municipalities as well as those municipalities categorised as distressed. These encompass 20 rural district municipalities, four metropolitan municipalities – Buffalo City, Nelson Mandela, City of Johannesburg, eThekwini – and a targeted 12 priority municipalities. The support is premised on section 154 of the Constitution.

  Key areas of support include Municipal Infrastructure Grant expenditure, including its conversion from Schedule 5B to Schedule 6B of the Division of Revenue Act, and the use of the grant's portion (10 percent) for municipal infrastructure maintenance and repairs. There is also focus on supporting these municipalities to implement the Department of Water and Sanitation's corrective plans relating to the biennial Blue Drop, Green Drop and No Drop report findings. The Green Drop support focuses on measuring the quality of effluent from the sewer network. Because low quality effluent significantly increases water treatment costs, it has a negative impact on water pricing.

  The No Drop intervention relates to non-revenue water losses, which are the technical losses incurred during the distribution process. Reducing these losses is critical to improving revenue from the water trading service. The department's intervention in this regard has seen the eThekwini metropolitan municipality's non-revenue water losses reducing from 57 percent to 53 percent. Drinking water quality is at the centre of Blue Drop certification. The department leads one of the workstreams in the President's Water Crisis Committee. Energy cost of supply is another critical support dimension. There is also a move towards measuring the extent to which the rural districts' One Plans elevate youth, women and persons with disabilities.

- ***Policy, governance and administration.*** The programme's 16 indicators are focused on municipal policy, governance and administration related matters. Twenty-two municipalities are targeted for revenue enhancement. This encompasses credit control, debt collection, budget funding plan implementation, short term financial management recovery plan as part of the overall financial recovery plan, and Eskom debt support. The department emphasized that these are the practical ways in which it is addressing sustainability and good governance in municipalities.

  The department is also targeting to table the Local Government: General Laws Amendment Bill in Parliament by 31 March 2027. As part of promoting local government professionalisation,

the department has introduced an indicator relating to the establishment of a national database for dismissed municipal officials. This is to ensure that those guilty of wrongdoing do not resign and resurface elsewhere. Municipal Planning and Performance Management Regulations, and the institutionalisation of these by the provincial departments of cooperative governance and traditional affairs, is another key performance indicator.

The department is further targeting to implement 100 percent of the commitments relating to the review of the White Paper on Local Government. Certain priority municipalities are to be supported with post audit action plan implementation. An implementation plan on skills gaps is also envisaged. Ten intermediate municipalities are targeted for assessment of their spatial development frameworks, while 58 municipalities will be supported to develop credible indigent policies. Following engagements with Treasury and the Department of Planning, Monitoring and Evaluation, the department has introduced a new indicator relating to capital expenditure. The Integrated Development Plan's legal compliance is due to be also assessed on the extent to which youth, women, and persons with disabilities are included.

- ***National disaster management centre.*** In this programme there are no new indicators proposed in respect of the year under review. The overarching emphasis, as in the previous financial years, continues to be on the process of reviewing the national disaster management system. Cabinet is due to approve the review, which has long been in process. Once approved, the department intends operationalising a disaster functionality assessment tool.

- ***Community Work Programme.*** A key new development in this programme relates to a significant reduction in the number Community Work Programme participants, from over 250 000 in the previous financial year to 160 000 during the year under review. The reduction is in response to successive budget cuts, which previously led the department to incur unauthorised expenditure. This development had been communicated to the Department of Planning, Monitoring and Evaluation. The accounting officer emphasised that the department was not prepared to go below the target of 160 000 in the future.

2.2. Budget overview

- The main budget highlight during the period under review is the significant budget cuts the department has experienced over the medium term, which encompasses the 2026-27, 2027-28 and 2028-29 financial years. A breakdown of these reductions is tabulated below.

DETAILED BREAKDOWN OF BASELINE REDUCTIONS & ADDITIONS (R'000)

The analysis on reductions and additions are not across-the-board but targeted at specific economic classifications and transfers.

KEY REDUCTION AREA	2026/27	2027/28	2028/29	TOTAL
Compensation of Employees	-	-	(6 824)	(6 824)
Local Government Equitable Share	(571 360)	(1 182 188)	(2 816 514)	(4 570 062)
SALGA, MDB, MISA, SACN	(2 671)	(5 528)	(13 167)	(21 366)
Municipal Infrastructure Grant	(1 856 804)	(206 831)	(492 767)	(2 556 402)
Integrated Urban Development Grant	(7 158)	(14 811)	(35 287)	(57 256)
Disaster Grants	(2 950)	(6 104)	(14 542)	(23 596)
Community Work Programme	(187 045)	(36 034)	(86 355)	(309 434)
Municipal Systems Improvement Programme	(817)	(1 690)	(4 026)	(6 533)
Operational Budget (G&S)	(1 545)	(3 195)	(13 939)	(18 679)
TOTAL REDUCTIONS	(2 630 350)	(1 456 381)	(3 483 421)	(7 570 152)
ADDITIONS				**0**
Early retirement and voluntary exit programmes	4 346			4 346
Once-off Gratuity for non-Returning Councillors	300 000			300 000
Municipal Infrastructure Grant (6B)	535 566			535 566
TOTAL ADDITIONS	839 912	-	-	839 912
TOTAL	**(1 790 438)**	**(1 456 381)**	**(3 483 421)**	**(6 730 240)**

cooperative governance
Department: Cooperative Governance
REPUBLIC OF SOUTH AFRICA

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DDM DISTRICT DEVELOPMENT MODEL

The highest reduction is seen in 2028-29 where the department's budget allocation for critical economic classifications and transfers is set to decrease by R3.4bn. The period under review sees the second highest reduction, which amounts to R2.6bn. This is also the period in which the department lost R1bn to the Presidential Employment Stimulus Package. Over the 2026-27 medium period term period, the department loses R7.5bn. The accounting officer maintained that the department was not complaining about these baseline reductions as it was not the only organ of state experiencing such. It was understood that the economy is not growing and that most of the budget went to the security cluster. The way forward was to set deliberate expenditure priorities.

3. MUNICIPAL INFRASTRUCTURE SUPPORT AGENT

- The Municipal Infrastructure Support Agent's 2026-27 Annual Performance Plan consists of 24 output indicators that span three programmes, as follows:

3.1. Programme overview

- ***Administration.*** The programme is concerned with supporting the organisation around administrative, human resource, and financial related matters. Key focal indicators include an unqualified audit opinion, corporates services improvement, Information and Communication Technology matters, and the implementation of a procurement plan. An evaluation report on

the impact of the organisation's support programmes has been completed, and this will assist in determining the kind of support to be provided going forward.

- ***Technical support***. In terms of this programme, the organisation has dispatched technical support teams to the nine provinces, prioritising low capacity municipalities. The output indicators emphasize wastewater treatment infrastructure and infrastructure related technical skills training for 300 young graduates and apprentices as to improve their employment prospects. There is also emphasis on labour intensive construction with a view to enabling economic growth and facilitating employment opportunities. Support is to be further provided around energy security and just energy transition.

  Also targeted is municipal electricity access through the Integrated National Electricity Programme. Technical support is to be provided on electricity demand management to mitigate against electricity shortages. Indicators pertaining to the number of Water Services Authorities supported are also included. Ten municipalities – including, the Joe Gqabi district, City of Merafong, and Kannaland – are to be assisted to use a portion of their Municipal Infrastructure Grant to budget for repairs and maintenance. This complements the parent department's work.

  Support is to be further provided around infrastructure planning, project packaging, procurement and verification of work done as to ensure value for money. There is focus on supporting the development of spatial planning and land use management, with emphasis on compliance with the Spatial Land Use Management Act. The parent department's indicators concerning corrective action plans around the Blue Drop, Green Drop and No Drop report also find expression in this programme. The intervention involves training process controllers and emphasizing routine maintenance and repair of water infrastructure.

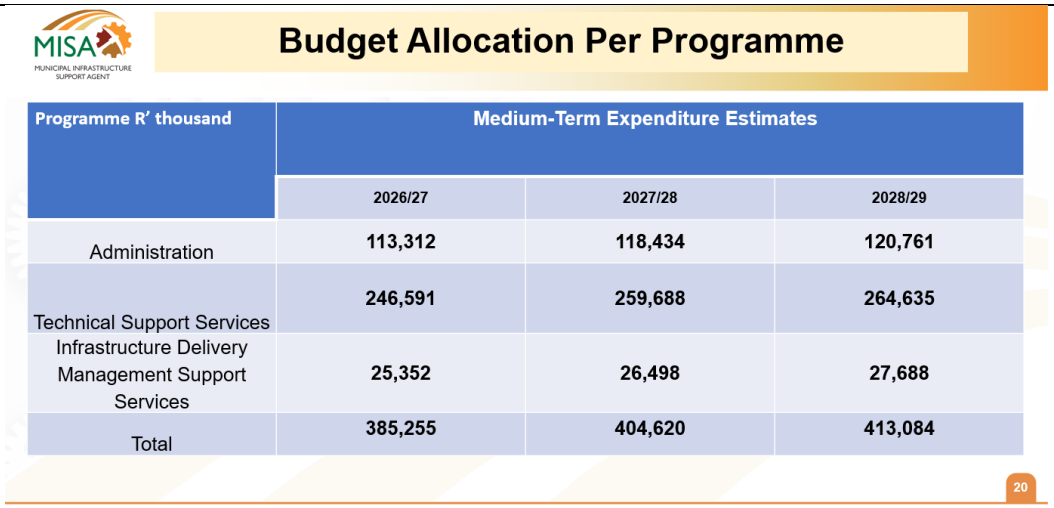
  Having been assigned the responsibility for the conversion of the Municipal Infrastructure Grant allocations from Schedule 5B to Schedule 6B of the Division of Revenue Act, the organisation is set to support 18 municipalities through this process. There is further emphasis on disaster and climate change adaptation measures to promote disaster resilience. The programme is also poised to respond to the gap identified in connection with the professional registration of municipal officials responsible for managing critical infrastructure. To encourage less municipal dependence on the organisation's technical support, infrastructure related technical skills capacity building is to be administered to the relevant municipal officials.

- ***Infrastructure delivery management.*** The output indicators in this programme are focused on addressing issues relating to infrastructure procurement, including attracting infrastructure financing from the private sector. Innovative mechanisms are to be used to mobilise infrastructure investment amounting to R500m. There is further focus around preparing municipal projects for bankability. Also included is a District Development Model output indicator relating to the Eastern Seaboard Development Programme involving the four districts of OR Tambo, Alfred Nzo, Harry Gwala and uGu. Several partnerships are in progress in this regard.

3.2. Budget overview

- Nominally, the organisations' budget allocation has increased but in real terms it has reduced. The resources are not matching the increased demand for the organisation's technical support as even metropolitan municipalities were now approaching the entity for assistance. Of the R150m additional funding received from the Department of Cooperative Governance, R92m has been earmarked as seed funding for the establishment of a Special Purpose Vehicle to drive the Eastern Seaboard Development Programme's implementation.

- During the period under review, R535m in Municipal Infrastructure Grants is set to be converted from Schedule 5B to Schedule 6B of the Division of Revenue Act. This is an addition to the R82m received in 2025/26 for use in 2026/27, yielding an available total of R617m in 6B funding. The intervention is fundamentally aimed at addressing non-compliance in wastewater treatment works. Tabulated below are the organisations' programme resource considerations over the Medium-Term Expenditure Framework period.



Budget Allocation Per Programme

Programme R' thousand	Medium-Term Expenditure Estimates		
	2026/27	2027/28	2028/29
Administration	113,312	118,434	120,761
Technical Support Services	246,591	259,688	264,635
Infrastructure Delivery Management Support Services	25,352	26,498	27,688
Total	385,255	404,620	413,084

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4. DEPARTMENT OF TRADITIONAL AFFARIS

- The Department of Traditional Affairs indicated that the period under review marked the second year of its 2024-29 strategic plan implementation. The plan responds to the Medium-Term Development Plan's third (building a capable, ethical and development state) and fourth (social cohesion and nation building) priorities and its implementation proceeds across three programmes as follows:

4.1. Programme overview

- ***Administration.*** The programme's key output indicators relate to strategic management and the setting of performance information. There is also focus on effective internal governance including compliance with financial and human resources related prescripts. The latter involves emphasis on continual departmental staff training.

- ***Research, policy and legislation***. The documenting of customary laws of succession genealogies is among the programme's key focal areas. The intent is to assist in mitigating against kingship, queenship, and senior traditional leadership succession disputes. As the department has already documented most kingships and queenship's customary laws of succession genealogies, there is now more focus on the level of senior traditional leaders. Capacitation of Local Houses of Traditional and Khoisan Leaders is also identified as a critical intervention.

  The programme further targets safe customary initiation practices where the department works collaboratively with the National Initiation Oversight Committee and the Provincial Initiation

Coordinating Committees to implement the Customary Initiation Act's provisions. In this regard, the Act's Regulations have been gazetted. Amendments to the Act are to be considered in response to the gaps identified during the implementation process. Monitoring and support is to be provided in connection with the screening of customary initiation role players. In this work, awareness campaigns are being emphasized as a critical element.

- ***Institutional support and coordination.*** Part of the output indicators envisaged in this programme relate to supporting 20 traditional councils in connection with the economic partnership agreements contemplated in section 50 of the Traditional and Khoisan Leadership Act. In this regard, there is emphasis on expanding the role of provinces and supporting the Local Houses of Traditional and Khoisan Leaders to play their statutory role. The involvement of traditional leaders in municipal governance is to be canvassed with the mayors' and speakers' offices. Training is due to be administered to traditional leaders in connection with Gender-based Violence and Femicide as well as on understanding their role in disaster management.

4.2. Budget overview

- The Department's total budget allocation during the year under review amounts to R342m. This is an increase from the previous financial year due to a once-off grant earmarked for the refurbishment of royal palaces. The budget allocation also partly accommodates an organisational structure review to create a dedicated chief directorate responsible for customary initiation as to enhance departmental capacity in this regard. The department is still responsible for the transfer to the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities. While the augmented resources are seen an improvement, they are not yet felt to be adequate. The Table below encapsulates the department's resource considerations over the Medium-Term Expenditure Framework period.

Description	Audit Outcome		Year Under Review	Ensuing Financial Year	Indicative Budget Allocations over the Medium-Term period	
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Programmes	R'000	R'000	R'000	R'000	R'000	R'000
Administration	68,806	62,344	69,687	67,715	71,300	78,291
Research, Policy and Legislation	26,102	28,617	31,055	55,185	56,870	56,701
Institutional Support and Coordination	91,905	90,320	94,788	219,166	137,281	139,396
TOTAL	**186,813**	**181,281**	**195,530**	**342,066**	**265,451**	**274,388**
Economic Classification						
Current payments	**137,351**	**132,627**	**145,941**	**290,473**	**211,799**	**219,069**
Compensation of Employees	90,921	92,752	106,320	144,113	150,578	155,730
Goods and Services	46,430	39,875	39,621	146,360	61,221	63,339
Transfers and Subsidies	**47,324**	**47,018**	**47,729**	**49,658**	**51,640**	**53,244**
Payments for Capital Assets	**2,138**	**1,636**	**1,860**	**1,935**	**2,012**	**2,075**
TOTAL	**186,813**	**181,281**	**195,530**	**342,066**	**265,451**	**274,388**

traditional affairs
Department: Traditional Affairs
REPUBLIC OF SOUTH AFRICA

DDM DISTRICT DEVELOPMENT MODEL

30 YEARS OF FREEDOM

2030 NDP

5. SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION

5.1. General overview

- For the South African Local Government Association, 2026 marks an important year for several reasons. Firstly, it signals the end of the 2021-2026 local government electoral term, meaning that it is the final year of implementing the strategic instrument used to guide the organisation's work. Secondly, the year coincides with the organisation's 30th anniversary since establishment in 1996. It is also two years since the organisation was delisted and deregistered as a Public Finance Management Act Schedule 3A entity in 2024. This is an important change that has enabled the organisation to be more agile and sustainable. The organisation is still registered as an employer body and is credited for maintaining labour stability in the local government sector.

- The organisation's lobbying and advocacy mandate has not been forsaken as the association continues to drive much of the capacity building taking place in the local government space. Support and advice continue to be provided, alluding to the organisation's role as a knowledge driver not only locally but also globally. The work around the profiling of municipalities also remains ongoing. The Organised Local Government Act, the founding legislation that empowers the organisation, remains in place. The organisation has contributed no less than 85 percent to the draft document relating to the review of the White Paper on Local Government.

- The 2026 local government elections inform the organisation's operational framework for the period under review. The framework's pillars include transitional support to ensure post-election governance continuity and thus safeguard election outcome integrity. The organisation is also set to lead a councillor integration programme for 10 500 councillors who are expected to assume office during the 2026 – 2031 local government electoral term. A training manual for the councillors to be onboarded is close to completion. The training manual is to be written in collaboration with the National School of Government and other tertiary education institutions. The training is anticipated to commence at the generic level and later proceed to portfolio based instruction. Councillors are set be to be incentivised to pursue further learning that would, by end of term, culminate in certification.

- Working with the University of Pretoria, the organisation has started to evaluate its 2021-2026 strategic plan. Key issues emerging from this evaluation include the need for more emphasis on spatial transformation and economic development models, with mayors at the forefront. Local government's financial sustainability is another flagged aspect where the organisation is already advancing proposals for fiscal allocations to the local government sphere to be increased. With climate change becoming a permanent reality and among the key contributing factors to the lack of local government financial sustainability, the organisation is set to isolate the matter for focused attention. Further emerging from the strategic plan evaluation is the need to professionalise and grow local government leadership.

- From the organisation's point view, the root causes of local government weaknesses can be ascribed to several factors. Amongst these is an unoiled local government service delivery machine owing to poor political leadership and weak administrative management. The District Development Model is geared towards addressing this weakness. Suboptimal revenue management and infrastructure degeneration due to lack maintenance are also known to underpin the current local government weaknesses. Other sector pressures relate to poverty, coalition government instability, the compliance burden and legal complexities arising from local government overregulation, and the pressure climate change exerts on municipal infrastructure resilience.

- In concluding its preliminary remarks, the organisation reported to have been encouraged by the positive tone emanating from a recent seminar convened with banks and property owners where all stakeholders signalled readiness to assist towards local government financial

improvement. Concerned with the increasingly litigious local government environment, the association has engaged the Justice Minister around the matter. There had also been a discussion with the Human Settlements Minister in connection with some departmental legislative instruments that needed revisiting. The organisation emphasized its commitment to heed the portfolio committee's advice and guidance around extending the organisation's performance gains to its member municipalities. A proposal around this would be worked out in collaboration with various role players.

5.2. Programme overview

- ***Advocacy and strategic profiling.*** The association is due to start tracking and documenting the extent of its media presence, counting both struggles and successes. This will be pursued across the entire municipal leadership landscape, with communicators to be activated across the 257 municipalities. This is done in cognisance of the election year and the importance of media influence.

- ***Multisectoral support.*** This programme is focused on targeted practical support towards improving municipal financial management and service delivery. This is where the organisation's largest delivery burden is said to rest. Also envisaged during the period under review are preparations to convene provincial members' assemblies as well as the delivery of an of end of term report.

- ***Employment relations and capacity building.*** The organisation is intent on continuing to uphold its commitments to the labour unions represented in its bargaining council. This approach, characterised by the signing of multi-year agreements, is credited for the labour stability seen in the local government sector over the last ten years. The push and pull inherent in any relationship between an employer body and labour representatives has been contained such that it has ceased being a destabilising factor.

- ***Business and product development.*** This programme focuses on scalable solutions where the organisation intends to lead by example. Cited in this regard was the registration of the organisation's staff members at tertiary education institutions and acquainting them to the use of Artificial Intelligence. This, together with remote working and the associated reduction in office space use, is anticipated to yield substantive efficiency and productivity gains as well as savings on office space rental.

- ***Administration.*** As part of its target to maintain sound governance, the organisation envisages achieving a fourteenth consecutive clean audit. There is also focus on the costing underpinning the Annual Performance Plan as to ensure that the budget is aligned to organisational priorities.

5.3. Budget overview

- Notwithstanding the Public Finance Management Act delisting, the organisation continues to receive a grant transfer from the Department of Cooperative Governance and income from event sponsorships, training workshops, and bank interest. The Local Government Sector Education Authority is also anticipated to provide an additional contribution. However, membership levies remain the predominant revenue source as the bulk of the organisation's R1bn budget is formulated around this parameter. At the same time, the financial resource constraints facing the member municipalities are increasingly having a negative effect on the membership fee collection rate. The membership levy increases annually, in line with the Consumer Price Index and other relevant considerations.

- The organisation strives to ensure that the budgeted expenses match the revenue collected. In this regard, the budget for period under review is fully funded. Employee related costs account for over 50 percent of the budget expenses as the organisation's operating model involves consulting, lobbying, and training, which are human resource intensive activities. The rest of the budget covers programme costs. The organisation's total assets amount to R982m, including the moneys still due to be collected. Displayed below is the organisation's budget parameters over the three-year Medium-Term Expenditure Framework period.

SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION SALGA *Inspiring service delivery*

MTEF 2026/27 – 2028/29 BUDGET PARAMETERS

Rthousand	Medium Term Estimates		
Budget Parameters	**2026/27**	**2027/28**	**2028/29**
Administrative Costs Growth Rate - Projected Consumer Price Index (CPI)	4.14%	4.36%	4.49%
Employee Costs Growth Rate - Projected Consumer Price Index (CPI plus 100 basis points)	5.14%	5.36%	5.49%
Direct Expenditure (Programme cost)	R514,555	R540,363	R558,180
Operating Expenditure	R514,922	R538,546	R566,969
Total Revenue	R1,029,893	R1,079,076	R1,125,393
Early Settlement Discount - Estimation based on prior year take up	R11,000	R11,000	R11,000
Net Membership Levies	R935,186	R979,728	R1,018,977
Government Grant - Executive Authority	R39,909	R41,501	R42,791
Membership Levy Formula (Proposed)	2026/27	2027/28	2028/29
Metropolitan Municipalities	Flat Rate plus CPI plus 1% using 2025/26 base year	Flat Rate plus CPI plus 1% using 2026/27 base year	Flat Rate plus CPI plus 1% using 2027/28 base year
Districts & Local Municipalities	Final prior year Salary Budget plus CPI using 2025/26 base year	Final prior year Salary Budget plus CPI using 2026/27 base year	Final prior year Salary Budget plus CPI using 2027/28 base year

6. MUNICIPAL DEMARCATION BOARD

6.1. General overview

- The Municipal Demarcation Board highlighted that it is a constitutional entity supported by the Local Government: Municipal Structures Act and the Local Government: Municipal Demarcation Act. Part of its institutional arrangements involve assigning Board members to each of the nine provinces. The Board's Annual Performance Plan was still aligned to the Government of National Unity's statement of intent. Its strategic plan is also located within the broader confines of government's strategy, meaning that the Board's strategic objectives and outcomes are linked to the Medium-Term Development Plan.

- For the period under review, the organisation is due to amplify its deliverables including increasing the number of research reports produced per annum. Over the years, research outputs had been increasing. Research had been submitted in connection with the Local Government White Paper review process where the Board has proposed eschewing the practice of putting municipalities under a district. Some municipalities are competent to function outside the district arrangement. The Board is further set to review the municipal capacity assessment methodology as to clarify the baseline for a functional municipality and the functionality criteria it should meet. The development of a downloadable application called 'know your ward' is envisaged to assist members of the public to easily identify their wards.

- For the 2024-25 financial year, the Board received an unqualified audit opinion. This is also the period in which awareness and education campaigns were pursued in connection with the ward delimitation process in preparation for 2026 local government elections. For these elections, there will be a total of 4488 wards, which marks a slight increase from the previous electoral cycle. The number of wards is a function of the formula determined by the Minister of Cooperative Governance and Traditional Affairs. All the targets set during this period were achieved. The Board is due to finalise ward handover to the Independent Electoral Commission in respect of municipalities where technical and legal obstacles were encountered. These were eThekwini, Inkosi Langalibalele and uKhahlamba.

- More than 90 percent of the work relating to the preparations for the 2026 local government elections has been completed and it was hoped that the event will be successful. Technical adjustments to the wards already handed over to the Independent Electoral Commission are

due to be made, in consultation with the Commission. There remains a high demand for the Board to be visible; however, the requisite funding is needed to support this demand. The Independent Demarcation Authority Bill also places additional demands on the institution. It is hoped that the legislation's costing will match the demands it imposes. The absence of a provincial footprint remains a major challenge for the Board.

6.2. Programme overview

- **Administration.** The programme gives expression to the Board's outcome around organisational excellence. Key indicators include a capability maturity assessment and putting in place the necessary governance systems and processes. Unqualified audit opinions are to be achieved at all times. The programme also targets to have a percentage of its procurement processes benefit enterprises owned by women, youth and persons with disabilities, as per national policy dictates. Service providers are to be paid within 30 days. Staff training is to be administered. Efficiency gains are to be realised through automation. A functional Information Communication Technology system is deemed critical for the organisation's growth and its ability to meet all its objectives. These indicators are to be monitored regularly over a five-year period.

- **Spatial transformation.** This programme represents the Board's core business, which is to facilitate the realisation of well-defined municipal spaces. A new approach to achieving this outcome will involve going back to the communities to provide feedback on previous municipal boundary determination decisions with a view to improving on public participation and stakeholder engagement performance. The other aspect involves assessing current spatial boundaries in light of population growth and the impact of other developments that may have transpired since the last boundary determination process. This is called municipal boundary assessments. It is legal and technical in nature and is meant to gather the lessons learned as to inform practice during the next municipal outer boundary determination cycle.

- **Research, spatial information, and intelligence development.** The programme's emphasis is on ensuring data accessibility to communities and municipalities, including developing an application to facilitate this process. The latter is among the catalogue of products offered in the Board's spatial knowledge hub. Thus, the Board's research outputs are not only set to increase but also to become more accessible. Seminars and workshops are also targeted for

research dissemination. Through this programme, the Board is further set to review its municipal capacity assessments as to align its approach with the ideas emerging from the Local Government White Paper review process regarding municipal powers and functions.

- **Civic engagement and communication.** Through this programme, the Board seeks to intensify stakeholder awareness within its resource availability confines. This will be a prelude to the municipal outer boundary determination process to be undertaken in preparation for the next local government electoral cycle. The programme is known to be financially demanding.

6.3. Budget overview

- The Annual Performance Plan is due to be implemented in the context of a severely constrained budget, which the Board understands to be a function of the state of the national fiscal environment. Over the Medium-Term Expenditure Framework, the Board's baseline has reduced, giving rise to liquidity pressures that have seen the organisations financing some of its activities through reserves. This practice risks having an adverse effect on the organisation's future financial sustainability. Where there were increases, these were inflation related and averaged R3,2m per annum.

- For the period under review, the Board's budget allocation amounts to R82m of which approximately R50m or 61 percent will be spent on employee compensation, R500 000 or 1 percent on capital expenditure including Information Technology equipment, and the remainder or 38 percent on goods and services. It was explained that the budget is skewed towards employee compensation because the Board, as a knowledge organisation, is built around the skills and expertise of its personnel. The organisation relies on its employees to do the work, including public awareness engagements, and does not use consultants. An accumulated R32m surplus supplements the R82m budget; however, going forward the surplus will not be available. Below is the foregoing narrative summarised in tabular form.

Relating expenditure to outcome

Classification	Audited Outcome 2023/24	2024/25	Approved Budget 2025/26	Medium Term Expenditure Framework 2026/27	2027/28	2028/29
Income						
Government grant	73 104 000	74 191 000	77 186 000	80 134 000	83 332 000	85 922 000
Interest	2 481 000	2 069 000	2 152 523	2 662 336	3 208 931	4 945 978
Other income	8 000	1 247 000				
Approved Surplus			32 686 654			
Total income	**75 593 000**	**77 507 000**	**112 025 177**	**82 796 336**	**86 540 931**	**90 867 978**
Total Expenditure	**76 212 843**	**82 599 887**	**112 025 177**	**82 796 336**	**86 540 931**	**90 867 978**
Compensation of Employees	*46 674 142*	*45 519 564*	*49 081 886*	*50 737 474*	*54 171 965*	*57 964 003*
Goods & Services	*29 193 701*	*35 516 323*	*57 540 813*	*31 558 863*	*32 168 966*	*32 214 873*
Capex	*345 000*	*1 564 000*	*5 402 477*	*500 000*	*200 000*	*689 102*

Overview of 2026/27 Budget

Economic Classification	Audit outcome		Approved Budget	Medium term Expenditure		
	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Revenue						
Government grant	73 104 000	74 191 000	77 186 000	80 134 000	83 332 000	85 922 000
Interest	2 481 000	2 069 000	2 152 523	2 662 336	3 208 931	4 945 978
Other income	8 000	1 247 000				
Approved Surplus			32 686 654			
Total Revenue	**75 593 000**	**77 507 000**	**112 025 177**	**82 796 336**	**86 540 931**	**90 867 978**
Programmes						
Administration	46 825	52 868	66 063	55 300	56 233	58 988
Transormation excellence	18 143	19 930	27 930	17 176	19 038	20 228
Intelligence development	3 829	3 705	5 186	4 175	4 937	4 715
Stakeholder engagement and communication	7 416	6 096	12 846	6 146	6 333	6 937
Grand Total	76 213	82 600	112 025	82 796	86 541	90 868

7. CRL RIGHTS COMMISSION

7.1. General overview

- Among the special projects that continue to be among the Commission's focal areas in 2026-27 is customary initiation. The Commission is statutorily designated to participate in the National Initiation Oversight Committee, and in this capacity has conducted oversight visits to customary initiation hotspots in the problematic provinces. It has supported customary initiation public awareness campaigns in partnership with the Provincial Initiation Coordinating Committees. The Commission also participates in the process of amending the Customary Initiation Act. A special plenary is due to consider the inputs through which the Commission can support the Minister of Cooperative Governance and Traditional Affairs' customary initiation interventions. This is part of the Commission's commitment to do all that is necessary to curb initiation related fatalities.

- The review of by-laws affecting cultural, religious and linguistic communities also continues to be an important project for the Commission. The achievement of the numerical targets set in this regard was said to be on track. Reflecting on performance over the 2025-26 Annual Performance Plan period, the Commission indicated that preliminary unaudited information suggests that all the targets set for this period had been achieved, unless the Auditor-General finds otherwise. An opportunity was requested for the Commission to brief the Portfolio Committee in detail about the consultation process invoked in terms of section 22 of the CRL Rights Act.

- The Commission's visibility and regional presence is still a significant challenge, notwithstanding the organisation's strong vision to have regional representation. With only 38 staff members to serve a constituency of 60 million people, the Commission's reach is severely limited. At the root of the problem is financial limitation, which hampers the Commission from executing its mandate fully. This has resulted in weak institutional impact and suboptimal stakeholder engagements. The Department of Cooperative Governance and Traditional Affairs had been alerted to this, and an undertaking was made to raise the matter with Treasury. The Commission remains hopeful that its plea for an increased budget will find favour.

7.2. Programme overview

- **Administration.** The outputs envisaged under this programme include the achievement of an unqualified audit opinion, the realisation of good corporate governance, implementation of recommendations from the Commission's plenary, review of internal audit reports, monitoring of performance agreements, payment of suppliers within 30 days, workplace skills development, and risk management.

- **Investigation and conflict resolution.** Through this programme, the Commission is set to handle a minimum of 80 percent of complaints received relating to cultural, religious and linguistic rights. A sample of the complaints received during the previous reporting period include those relating to the construction of informal settlements on top of graves. The review of 100 percent of bills affecting cultural, religious, and linguistic communities is also targeted. A total of 185 municipal by-laws affecting cultural, religious, and linguistic communities is also set to be reviewed. Similar work has been done in the Waterberg, Vhembe and the uMgungundlovu districts, among others.

- **Research and policy development.** An output of 20 research reports is envisaged during the period under review. In the previous reporting period, research was conducted in connection with the challenges faced by sign language learners due to, among other things, the shortage of qualified sign language interpreters and instructors. The practice of *ukuhlolwa* is an anticipated research engagement subject as the Commission seeks to distinguish the original practice from the degraded version.

- **Public education and advocacy.** Among the outputs envisaged under this programme are 300 information sessions with cultural, religious and linguistic communities. Similar educational sessions were convened in the Northern Cape in connection with Khoisan languages in preparation for their anticipated recognition as official languages. There is a scheduled benchmarking exercise on the protection of Khoisan languages, focusing on the case of the Nama language in Namibia which is recognised as an official language in that country. Community councils are also due to be established along cultural, religious and linguistic considerations.

- **Communication, marketing and information technology management.** Programme activities for the period under review involve holding exhibitions showcasing the Commission's work as well as tracking the institution's media coverage.

7.3. Budget overview

- The Commission's budget is constrained to the extent that the previous year's allocation was overspent. However, the over expenditure was funded from an accumulated surplus. The entity is increasingly compelled to fund its activities from retained earnings. The budget is growing marginally and is not aligned to the Commission's increased volume of activities. Tabulated below is the Commission's budget allocation per each programme, covering both the previous and the current Medium-Term Expenditure Framework periods.

8.1 Medium Term Expenditure Framework: Budget

R'000			Audit Outcomes			Adjusted Appropriation	Medium Term Expenditures Estimates		
			2022/2023	2023/2024	2024/2025	2025/2026	2026/2027	2027/2028	2028/2029
1	**Administration** (Executive Office, OCEO, Finance and Corporate Services)	Compensation of employees	16,406	18,486	18,328	23,452	23,866	20,713	21,624
		Goods and services	11,067	12,082	6,449	14,202	11,756	16,198	16,151
2	Investigation and Conflict Resolution (I&CR)	Compensation of employees	2,246	2,223	3,751	1,685	2,961	3,089	3,225
		Goods and services	510	500	308	569	621	637	671
3	Research Publication and Policy Development (RPPD)	Compensation of employees	2,481	2,520	2,910	2,775	3,026	3,157	3,295
		Goods and services	892	611	592	692	602	620	656
4	Public Education and Advocacy (PEA)	Compensation of employees	1,567	1,414	3,428	4,165	3,254	3,393	3,543
		Goods and services	2,258	3,601	1,570	1,492	531	547	581
5	Communication, Marketing & Information Technology	Compensation of employees	3,229	1,170	4,596	270	4,006	4,178	4,362
		Goods and services	2,589	2,866	2,481	-	823	896	960

8. COMMITTEE OBSERVATIONS

- Having received the presentations from the Department of Cooperative Governance, the Municipal Infrastructure Support Agent, the Department of Traditional Affairs, the South African Local Government association, the Municipal Demarcation Board, and the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, the committee observed as follows:

8.1. Department of Cooperative Governance

- ***Inclusive economic growth and job creation***. Members considered the Community Work Programme's target of creating 300 000 job opportunities over a five-year period to be low. The service delivery assumed to be taking place through this Programme was felt to be non-existent as the participants do not have the requisite equipment to do the job. Some are even seen sleeping during working hours. The Programme was also understood to be highly politicised. Whether the department still used the costly non-profit organisation as Community Work Programme implementing agents was to be clarified. As the programme seemed not to be progressing well in some municipalities, members sought to establish whether the department had a dedicated unit to drive programme implementation.

In response, the department indicated that the Community Work Programme plan was premised on the assumption that programme participants would not be permanent. The number may indeed appear low; however, the overarching purpose has been to provide training that would enable participants to create their own Small, Medium, and Micro Entreprises. The new Community Work Programme policy is re-emphasizing this direction.

However, the drastic budget cuts experienced in recent years were the main reason for the reduction of the target from 500 000 to 300 000 job opportunities. Further budget cuts over the next five years may lead to a further reduction in the targeted number of job opportunities. At the same time, the department was aiming to exceed the 300 000 job opportunities target by inviting assistance from service providers specialising in the training business. This is part of the new Community Work Programme policy's emphasis on smart partnerships, a concept that would need detailed unpacking at a later date.

Although the Community Work Programme policy permits, the department was no longer using 'middlemen' in the form of the non-profit implementing agents. All implementing agent contracts terminated in September 2025. The new Community Work Programme policy is more flexible in setting out how the department's 6000 Community Work Programme sites are to be managed as it allows the department to also work with profit organisations where it was more cost-effective to do so. The department admitted to not having done well regarding the provision of Personal Protective Equipment; however, there is now a R300m budget available towards productivity tools. Having on his arrival identified the Community Work Programme as a high risk area, the accounting officer's priority was to establish a fully-fledged dedicated Community Work Programme branch, which is currently led by Deputy-Director General, Mr. Matomela.

- ***Financial viability of metropolitan municipalities***. Noting that at least seven of the country's eight metropolitan municipalities were financially unstable, members sought to know how it will be possible for the department to resolve this matter in just five years. In response, the department indicated that the metros can be 100 percent financially viable if they could be made to collect at least 90 percent of what is owed to them, specifically targeting the water and electricity trading services which constitutes up to 80 percent of municipal revenue. The City of Tshwane was cited as an exemplary case. It started with an unfunded budget and ended up with a funded budget after targeting revenue collection from water and electricity trading

services. The department understood that financial non-viability was a function of inefficiencies on the metro system's revenue side. This include failure to install the correct metres and infrastructure to prevent water and electricity losses.

A five-year target around revenue collection was deemed imperative to resolve the financial viability crisis. The eThekwini metro was said to be moving in the right direction in this regard. The Nelson Mandela Bay metro also had the potential to increase its collection rate but was hampered by aged infrastructure. In the City of Johannesburg, the bulk of Joburg Water's revenue went into subsidising other services instead being reinvested. Overall, the department felt that the five-year target is feasible especially in the context of Treasury's trading services reform and the Presidential Working Group interventions. To set a ten-year target for the realisation of fully functional metros was deemed to be politically unpalatable as it would not be a fair deal to South Africans.

- ***Water supply***. Members questioned whether it was a wise decision to transfer the water services function from the King Sabatha Dalindyebo local municipality to the OR Tambo district. Attention was further drawn to the country's water crisis where there were communities that had now given up pursuant to having been without access to drinkable water for 15 years. Not much was said about water tankers, which appear to have become a permanent solution in cities like eThekwini.

  In response, the department indicated that, of the country's144 water services authorities, 105 have failed to adequately perform their functions. In view of this reality, the decision to transfer the water services function to districts may need review including possibly returning the function to the local municipalities. Water services authority does not have to be synonymous with water services provider. It also possible to have private water services providers, as seen in the iLembe district. The OR Tambo district needed the same arrangement; however, this was the accounting officer's personal view rather than a scientific conclusion.

  The department agreed that there is a national water crisis, which was reminiscent of the energy crisis. Just as the energy crisis led to the establishment of a national energy crisis committee, there was now a national water crisis committee, which the President had formed. The department presides over one of the water crisis committee's workstreams. As there was no shortage of water resources, the problem revolves around water reticulation. The department's plan to address this will involve paying focused attention to the 105 aforementioned water

services authorities. The department acknowledged the chronic use of water tankers and noted that it was not only prevalent in eThekwini. It was a nation-wide problem also driven by water tanker crime syndicates.

- ***Legislation and policy***. Members sought to understand why the Local Government: General Laws Amendment Bill would only be approved for tabling in Parliament in 2027. The department was to also indicate how long it will take for the Municipal Structures Amendment Bill ('Coalitions Bill') to be tabled in Parliament. The timeframes for the conclusion of the White Paper review process were to be specified. Update on the status of the District Development Model was to be provided. Some members felt that the model is a good concept albeit hampered by slow implementation as the outcomes were not yet visible in all provinces. A means of fast-tracking implementation was to be provided.

  In response, the department explained that the Local Government: General Laws Amendment Bill was first published for public comments in 2024 and involves amendments to the Municipal Structures Act, Municipal Systems Act, and the Municipal Property Rates Act. The department awaits recommendations from the Local Government White Paper review process, which will be incorporated into the three pieces of legislation. It expects to conclude this work by 31 March 2027 after which the tabling in Parliament would ensue.

  The revised White Paper on Local Government has been published for comments and was due to be presented to Cabinet on 28 April 2026. It is envisaged that by July 2026, an implementation plan with short, medium and long-term goals would have been developed. The revised White Paper is set to change the tone on how municipalities perform going forward. Competent administrative and political leadership will be imperative. It would no longer be tenable for a mayor to be unable to read the Auditor-General's report or review statutory financial reports. Due diligence on senior management appointments will also be essential.

  Owing to the Coalition Bill's loaded provisions, the department had sought four legal opinions in connection with the threshold options it had considered. The thresholds relate to, among other things, the minimum percentage of votes to be received for a political party to qualify for a municipal council seat, as well as the minimum votes to qualify a candidate for an office bearer position be it mayor, speaker, chief whip or other relevant designation. Also contemplated are minimum educational qualifications for councillors. With each of the legal opinions having flagged the threshold question as a major legal risk, targeted engagements with

the State Law Adviser are necessary before the Bill can be ready for tabling in Parliament. The Bill is set address the political instability that has seen councils in cities such as Johannesburg and Tshwane functioning below their potential.

There had since been a unanimous understanding on the District Development Model and on account of this, the model stands to be better coordinated. The gaps hitherto experienced were due to lack of unanimity. All provinces were now on board and District Development Model champions appointed. The department intends following up on these champions as to ensure that the District Development Model One Plans and One Budgets progress from paper to reality.

- ***Disaster management.*** The department was to update the committee on progress regarding the national disaster management system review process. In response, the department advised that it was due to table the disaster management system review memorandum to Cabinet on 28 April 2026. A full Cabinet briefing would ensue in May 2026. The revised disaster management model would be shared with Parliament once Cabinet has approved it. The political heads of the departments leading the review, namely the Departments of Cooperative Governance and Defence, had been briefed.

  The system's financing model remains embargoed as to not cause disturbance in the financial markets. The reviewed disaster management framework is poised to be a game changer as it is due to deliver the much needed timeous response. The department was seized with monitoring the large disaster management grant tranches disbursed to the Eastern Cape, Mpumalanga and Limpopo in the wake of the recent flood disasters. It was satisfied that the financial response was not inordinately long.

- ***State of local government report.*** The release of the state of local government report was observed to be chronically late by at least two years. Noting that the last state of local government report presented to the committee concerned the year 2023, members wished to ascertain whether there had been any subsequent developments in this regard. It was important for the Annual Performance Plan and the state of local government report to be aligned. In response, the department informed the committee that the 2023 state of local government report is the last official report available. The South African Cities Network was managing the outstanding 2024 state of local government report.

- ***Non-payment of suppliers in the city eThekwini.*** Certain contractors were reportedly not paid due to inefficiencies in the municipality's online payment system. Consequently, some of these contractors abandoned site exposing residents to safety hazards about which no one seemed to care. In response, the department undertook to follow the matter of up with the eThekwini city manager.

- ***Human resources.*** Members advised that the positions of municipal manager and chief financial officer should not be allowed to stay vacant for more than six months. Whether the department monitored the filling of section 57 manager positions was to be indicated. In the Maquassi Hills local municipality, a council meeting collapsed due to disagreements over the appointment of a chief financial officer and the director for community services. No concurrence had been granted regarding the latter's appointment, and the council speaker was unhappy with this. The department was to indicate how it dealt with such matters.

  Reference was made to a municipal worker in the Nongoma local municipality who was known to be terrorising communities. Attention was further drawn to an official, Mr. Khathida, in the provincial department of cooperative governance and traditional affairs who did not respond to communication. Disappointment was also registered in connection with the Minister's non-acknowledgement and non-response to an August 2025 correspondence from a committee member. If the Minister could not acknowledge and respond to a Member of Parliament, it meant that the prospects for ordinary members of the public were dim.

  In response, the department indicated part of professionalising local government is the to ensure that the municipal Budget and Treasury Offices are adequately staffed. The quality of the appointments was also emphasized, with the department having agreed with its provincial counterparts that where questionable appointments were made, concurrence would not be granted. Focused attention is also due to be given to interrogating the rationale for the chief financial officer's appointment if the responsibility is to be subsequently delegated to financial consultants. This practice would have been less aggravating if the consultants brought better audit outcomes, but this is often not the case. A line has been drawn against the non-submission of annual financial statements for auditing.

  On the filling of section 57 manager positions, the department indicated that it is constrained to act unless a position had been vacant for a very long time. The department is mandated to only act after council had made its appointment decision and the MEC had submitted the

relevant documentation. However, the department convenes a quarterly human resources forum with the South African Local Government Association, Treasury, and the provincial departments of Cooperative Governance and Traditional Affairs. The forum oversees all section 56 and section 57 appointments.

The matter involving a junior official in Nongoma local municipality is best handled through internal municipal processes and the criminal justice system. A concrete complaint is to be tabled to the committee in this regard. There was an undertaking to follow the Kathida matter up with the provincial department's accounting officer. There was no record of receipt of the correspondence by the portfolio committee to the Minister. The Minister indicated that he would certainly respond if the correspondence was dispatched to the correct address. The fact that the department was one of the few with zero outstanding questions for Parliament attested to its responsiveness.

- ***Budget reduction and impact on achieving Annual Performance Plan targets.*** The department was to clearly indicate which targets would not be achieved owing to the budget cuts. While members understood that the budget reductions are not unique to the department, it was important to have the assurance that the targets are not a mere aspiration or academic exercise but a feasible undertaking. The gap between glossy presentations and the reality on the ground needed to be closed. The department was to specify whether the Annual Performance Plan targets were based on service delivery need or budget availability. Members further sought to establish how the budget reductions compared to the return of unspent funds to the fiscus.

  In response, the department assured the committee that it would not come to present a half-baked Annual Performance Plan with unrealistic targets. The targets had been considered against the department's budget sensitivities. The budgets cuts mostly affected municipal funding instruments such as the Municipal Infrastructure Grant and the Integrated Urban Development Grant, which experienced a reduction amounting R930m. The R1.7bn taken from the department to fund the Presidential Employment Stimulus Programme mostly came from the Municipal Infrastructure Grant. However, the department was not contracting on municipalities' behalf. Municipalities are expected to do their own target-setting exercise and determine which targets needed reduction pursuant to the municipal grant downsizing.

The department's Annual Performance Plan targets were based on financial affordability. It was considered unfortunate that the targets were informed by budget availability rather than need. However, it was imperative that the Annual Performance Plan is informed by budget availability as to avoid an unfunded budget and thus set a good example for municipalities. Following an R187m budget loss in the Community Work Programme, the targeted number of programme participants had to be reduced from 250 000 to 160 000. Municipalities will have to follow a similar exercise through their Integrated Development Plans and Service Delivery and Budget Implementation Plans.

Unspent grants returned to the fiscus were insignificant compared to the budget reductions. Compared to all other grants, the Municipal Infrastructure Grant, for example, was the best performing grant whose average spending hovered around 85 percent. As of December 2025, expenditure on the Integrated Urban Development Grant was far above 70 percent. Owing to the relative insignificance of the amounts involved, the department does not favour Treasury's punitive measure of withholding the equitable share. It was better to move funds from a poor spending local municipality to the district to spend on the municipality's behalf, provided that that the district had proven spending capability.

- ***Municipal capacity***. Members sought to establish how the department assisted municipalities to develop in-house skills. With the department having responded to the effect that it encouraged municipalities to develop these in-house skills, members felt that a mere encouragement was not satisfactory. A more concrete plan needed to be provided. The department noted that, to build internal capacity overtime, municipalities may need to start with using external service providers. The Mnquma local municipality was cited as an example. Over the last five consecutive years, the municipality has been achieving clean audits after having built its internal capacity overtime.

- ***Indicator measurement***. The department was to explain how the achievement of the municipal stability target will be measured. Noting the reported 85 percent Municipal Infrastructure Grant expenditure, members cautioned that expenditure was not necessarily synonymous with value for money on the ground as the oversight experience has shown. Had value for money been realised in Municipal Infrastructure Grant expenditure, the neglect of infrastructure maintenance work would not have been possible, and sewerage would not be running freely on the streets. A distinction between outputs and outcomes was underscored. The department's

indicator measurements were noted to be skewed towards outputs, creating the impression that all was well done. Wrong things were being measured, and measurement was seemingly pursued for its own sake.

The decrease of dysfunctional municipalities from 66, for example, could not be considered a permanent variable as the situation could change at any given moment. It was also unclear as to whether the measurements relating to section 154 support distinguished between the provincial government and the national government's interventions. Members further wished to establish whether the department will be involved in monitoring Treasury's Circular 88 indicators. It was considered useful to embed in these indicators a certified register of actions taken in response to the Auditor-General's Municipal Finance Management Act report.

In response, the department alluded to the use of both financial and non-financial indicators as measures of stability, as had been done in the Makana and Ditsobotla local municipalities. Most of these indicators, which can be shared with the committee, can be found in the aforementioned state of local government report. Most technocrats contracted on outputs and left the political principals to take care of outcomes. The fact that there can be no outcomes without outputs suggested that the two are not mutually exclusive. The Annual Performance Plan is mostly based on outputs, which lead to outcomes.

Section 154 support involved all three spheres of government and was premised on governance, audit and service delivery related matters. Regarding the Circular 88 indicators, the department indicated that itself and Treasury were 'joined at the hip' on this endeavour. The proposed register of actions taken in response to the Auditor-General's findings is to be embedded in the draft Circular 88 Regulations, which had closed for public comments on 18 April 2026. This Minister is due to gazette the Regulations once the public comments had been incorporated.

- ***Infrastructure maintenance***. Members sought to be favoured with the number of municipalities due to receive direct support on infrastructure maintenance. In response, the department regretted the low budgeting for maintenance and repairs in municipalities. This was a sure way to degrade municipal infrastructure assets. The department encouraged municipalities to spend at least 10 percent of their Municipal Infrastructure Grant and Integrated Urban Development Grant on infrastructure maintenance.

- ***Municipal debt relief.*** The department was to indicate the number of municipalities that had participated in Treasury's municipal debt relief programme successfully. Measures to ensure that those struggling to comply with programme conditionalities are not disqualified were to be specified. In response, the department indicated that 13 or 14 municipalities had successfully exited the debt relief programme following the conclusion of Distribution Agency Agreements with Eskom. The Distribution Agency Agreement enabled the indebted municipalities and Eskom to find common ground. It was working well in municipalities such as Maluti-a-Phofung and Emfuleni. There were also 14 municipalities that were struggling to adhere to the debt relief programme's conditions. The department is reportedly working closely with these municipalities, impressing on them that non-compliance was not an option.

  Cognisance was also to be given to the fact that municipalities are also owed large debt by government departments, households and businesses. This has resulted in credit management challenges, with poor cashflow management as the typical symptom, where municipalities struggled to pay creditors such as Eskom and Water Boards on time. The department has reportedly encouraged municipalities to manage their creditors better and invest in revenue enhancement strategies. To demonstrate that it went beyond offering mere encouragement, the department cited examples of concrete plans in Nelson Mandela Bay, Buffalo City, eThekwini, Johannesburg, and Ditsobotla. Discussion with Treasury on increasing the allocations to the latter were underway.

  The department's presence in the top ten worst performing municipalities was emphasized. The rest of 28 municipalities also identified as distressed are receiving attention and regular reports tabled to the Interministerial Committee in this regard. There is also a plan to have all Distribution Agency Agreements signed by September 2026. The passing of unfunded budgets is also due to receive sustained attention as it was dishonest to promise service delivery targets when it was known that there are no funds. To continue like this would mean that the new councils stood to inherit a liability.

- ***Gender based violence.*** The department was to explain how the Annual Performance Plan responds to gender based violence. In response, the department indicated that there is gender based violence NATJOINTS, which is seized with the matter. The department participates in this structure, together with the Department of Women, Youth and People with Disabilities.

- ***Litigation***. Attention was drawn to the Gauteng High Court Judgement of 08 August 2024 regarding the matter between Insika Foundation and the department where the Minister and the accounting officer are cited as first and second respondents respectively. The Minister was to explain what steps had been taken in response to the judgment, which had found adversely against the department's actions and decisions. Noting that it had been almost two years since the judgement, members felt that the Court had been disregarded and questioned whether this conduct was constitutional. The Foundation has consequently approached Members of Parliament to intervene on its behalf.

  In response, the department explained that the Court had issued a mandamus to the effect that Insika submits a portfolio of evidence substantiating the amounts claimed. The Foundation has not responded to the mandamus, and the matter was therefore still in court. The department is also in dispute with Insika concerning departmental assets – including implements and vehicles – that were still in the organisation's custody. The Foundation needed to be honest and desist from perpetuating falsehoods.

  Furthermore, the department disputes the Foundation's invoices and assets register. Under these circumstances, settling the amount claimed would amount to committing a criminal offence that would warrant the accounting officer's arrest and imprisonment. The department is not in contempt of court but acted based on legal advice. There are many people that want to persuade the department to pay. It is prepared to pay provided that Insika honours its obligation to respond to the mandamus. Efforts may need to be channelled at assisting the Foundation to do what the court had ordered. Noting that the committee was raising the matter for the third time, the department pleaded for protection as the matter could become sub judicare.

- ***Infrastructure projects***. The department was to indicate whether it exercised any oversight over completed municipal infrastructure projects. Mention was made of the city of Matlosana where a reservoir had been completed but remained non-functional or semi-functional. A taxi rank that had been completed more than a year ago but remained unused and consequently vandalised. In response, the department undertook to verify the projects with the acting city manager.

8.2. Municipal Infrastructure Support Agent

- ***Water supply.*** Noting the Annual Performance Plan's predominant focus on wastewater, members felt that, in the context of the country's water crisis, priority should rather be given to drinking water. The entity was to also favour the committee with a list of municipalities supported on the Green Drop, Blue Drop and No Drop requirements. In response, the entity registered cognisance of the national drinking water crisis. In this regard, it is working with the Department of Water and Sanitation and other stakeholders to address the water reticulation challenge. The predominant focus on wastewater is aligned to the Water and Sanitation Department's directives. The list of municipalities supported on Green Drop, Blue Drop and No Drop will be provided to the committee.

- ***Aged infrastructure.*** Aged infrastructure was noted to be an ongoing problem. In response, the entity indicated that it is due to assess aged infrastructure, noting that the Municipal Infrastructure Grant was inadequate to respond to the challenge. The municipal uptake on the use of 10 percent of the grant for infrastructure maintenance was very slow. The process of converting the grant from Schedule 5B to Schedule 6B of the Division of Revenue Act has commenced in uThukela and Emfuleni but started off slow as to it took a while to defuse the municipalities' resistance against the perceived loss of funds.

- ***Evidence of impact.*** Members sought to be favoured with examples of projects which the entity had implemented successfully. In response, the entity indicated that it had already favoured the committee with a comprehensive reported detailing the areas where the organisation has registered impact. In six months, the entity will be in a position to provide specifics on the impact of Schedule 6B projects.

8.3. Department of Traditional Affairs

- ***Khoisan recognition.*** The absence of a dedicated budget responding to the Khoisan recognition matter was understood to be an indication that the matter is not being taken seriously. The Commission on Khoisan Matters is at a loss as to how it will give effect to the first restitution case. It was regrettable that there is still not a single Khoisan person that has been recognised despite the matter having been canvassed since 2002. No progress has been made since the all-inclusive Khoisan convention was held more than a year ago. It was consequently felt that the department has let the Khoi and San communities down.

In response, the Department alluded to a R10m budget that has been allocated to the Commission on Khoisan Matters. While the budget for the Khoisan is a legitimate question, its ultimate answer lies with Treasury. Treasury, in turn, has demanded to know where the Khoisan are. It was therefore advisable to avoid pre-empting the Khoisan Commission's work in this regard. The Commission was due to brief the committee in detail about all its pertinent operational issues and would answer for itself on matters of concern. No progress had been registered since the all-inclusive Khoisan convention because the resolution to establish an interim consultative Khoisan structure had since lost the original unanimity. Some groupings profess to never have agreed to such a structure and therefore will not nominate representatives, while others wish to submit more nominees than originally stipulated.

- ***Tools of trade.*** Concern was raised to the effect that the issuing of tools of trade to traditional leaders had become a subject of serious complaints. There is a growing perception that the process is politicised. Reference was made to the case of KwaZulu-Natal where some traditional leaders felt that the MEC had allocated vehicles based on political considerations. The matter is serious and may cause a problem if the department simply looks on as a spectator and does not intervene. In response, the department undertook to follow the matter up. On the allocation of vehicles, the committee committed to table a proper correspondence to the Minister but also engage the provincial departmental counterparts in the province concerned.

- ***Recognition of traditional leaders*.** Clarity was sought around the traditional leadership recognition process, with reference to the department's role on specific cases brought to it. In response, the department indicated that it only deals with complaints relating to kingships and queenships. All queries relating to traditional leadership positions below these levels are handled at the provincial level. The committee resolved to look at the specifics of the particular matter raised.

- ***Customary initiation*.** It was noted that, following the committee's intervention, the Department had amended its previous Annual Performance Plan to target zero customary initiation related deaths. The department was to update the committee on what has since transpired. Members were concerned that fatalities remained high but only three awareness campaigns were conducted. The department was invited to return at a later date to provide a short update on customary initiation. A concern was expressed to the effect that the envisaged

establishment of a dedicated customary initiation chief directorate may introduce an undesirable layer of bureaucracy.

In response, the department submitted that customary initiation related fatalities had decreased albeit the numbers were still too high. The 51 fatalities seen during the December 2025 initiation season was lower than the 62 recorded during the December 2024 season. The department is still committed to zero fatalities and casualties. The additional funding received from one of the Sector Education and Training Authorities during the period under review will enable the department to extend its tentacles and reach out to other institutions as to augment its response capacity. This is anticipated to go a long way towards achieving the zero deaths target. Also contemplated is a programme to target prospective initiates in schools, including extending the focus to primary schools.

An intensified screening process, including auditing of prospective initiate's details and an improved vetting process, is envisaged to address the connivance sometimes seen between some traditional leaders and parents to fraudulently alter a prospective initiate's age. The establishment of seasonal or periodic courts to process criminal customary initiation cases was among the proposals or resolutions emanating from the Minister's initiation stakeholder indaba convened recently. The number of initiation campaigns conducted were indeed three; however, the intensity has been higher than seen previously.

The heightened intensity is the outcome of involving the Government Communication Information System, which has spread the message through community radio. As part of intensifying its customary initiation interventions, the department is also due to partner with the relevant stakeholders to enlist the assistance of unemployed graduates who have undergone the custom. These graduates are to be contracted seasonally, and the department also understands this initiative to be part of addressing the graduate unemployment problem. The establishment of a customary initiation chief directorate responds to the need for dedicated centralised departmental capacity, which will enhance the interface with the National Initiation Oversight Committee. The heightened awareness campaign intensity and the additional resources received also necessitate this centralised capacity.

8.4. South African Local Government Association

- ***Membership levies.*** The association was invited to explain why municipalities should pay membership levies in the absence of tangible support. In response, the entity explained that there is more to the support it provided to municipalities than it seems. There were, for example, labour related interventions where the association sent teams to negotiate on municipalities' behalf, thereby attaining economies of scale. While not always successful in this endeavour, most municipalities are today stable due to this intervention. The association is also intervening by lobbying the Home Affairs Minister in connection with the city of Johannesburg's immigration crisis where an estimated 20 000 people arrived daily. The committee acknowledged the role the association played and encouraged it to continue to improve on the performance of the various municipalities supported.

- ***Innovation programme costs.*** With members having asked how much its innovation programme will cost and which municipalities stood to benefit, the entity emphasized that adding innovation was costly. In this regard, the Department of Energy and Electricity is due to be approached with a proposal to install solar energy in financially struggling households that may never afford to pay for electricity. Solar energy provision is not yet optimal.

- ***Local government funding model.*** The association was questioned as to why it advocated for the local government share of the nationally raised revenue to be increased to 18 percent while 95 percent of municipalities in the Western Cape were able to function at the current nine percent. At the same time, the committee took cognisance of the fact that the revision of the local government funding formula is receiving attention through the Local Government White Paper review process, and that the association's input in this regard has gained traction.

  In response, the entity indicated that 9 percent is not enough even if some municipalities, both within and outside the Western Cape, are functioning successfully at this rate. Both sides of the provincial divide are marked by both municipal successes and failures. There remain many municipalities that do not have a revenue base. The association will furnish the committee with a study reflecting on the challenges resultant from the 9 percent local government allocation inadequacy. Even by global standards, the current allocation formula is improper as the international local government allocation practice hovers between 20 and 22 percent.

- ***Cost of supply studies.*** The Development Bank of South Africa was understood to be undertaking cost of supply studies on municipalities' behalf, and if the association is also active on this front, the list of municipalities assisted with cost of supply studies is to be provided. In

response, the association indicated that approval of municipal tariff increases was based on cost of supply studies, which the entity undertook on poor municipalities' behalf. In this way, the association cross-subsidized these municipalities' weaknesses. The list of municipalities assisted with conducting cost of supply studies will be furnished.

- ***Municipal financial sustainability.*** Members sought to be favoured with a list of the worst performing municipalities that have received the association's financial sustainability support. Municipal dysfunctionality, both financially and generally, was noted to be still too high and the association needs to look at how it can supplement the provincial departments of cooperative government and provincial treasuries' interventions in this regard. The association's positioning as a local government funding agency also needed unpacking. The debt owed to Eskom by the Matjhabeng local municipality was cited as indication that the association's interventions were not convincing.

  In response, the association confirmed that the list of worst performing municipalities provided with financial sustainability support will be furnished. The list includes the Sekhukhune district municipality. The association has engaged President Ramaphosa on the issue of debt owed by municipalities. This is set to remain a vexing matter for some time. The association's positioning as a local government funding agency implied serving an agent to assist municipalities that do not have the capacity to draft funding proposals. This involves putting ideas on the table, advising on bankable projects, and relaying the proposals to the Development Bank of South Africa. This intervention is necessary because not all development finance institutions are prepared to assist small, remotely located municipalities.

- ***Labour disputes*.** Members noted that the feedback from municipal employees regarding resolution of labour disputes is not encouraging. Reference was made to a particular case involving an employee named Qaphile as well as the case of the Sol Plaatje municipal manager where human resources processes were not followed properly. Complaints were also registered to the effect that a particular demographic group dominates the bargaining council to the detriment of labour.

  In response, the association indicated that it is unaware of the specific disputes mentioned. However, the organisation is represented in the bargaining councils, and its employees are involved in the discussions. These personnel will be engaged as soon as the details of the specific cases mentioned are provided. The bargaining council comprises the association and

two workers' unions, the South African Municipal Workers Union and the Independent Municipal and Allied Trade Union. The association is not aware of any particular demographic group dominating the council and will follow the matter up.

- ***Water supply, disasters and waste management.*** Attention was drawn to the water challenges, disasters and waste management deficiencies experienced nationally and clarity sought on the association's role in this regard. In response, the organisation indicated that the water challenges, disasters and waste management deficiencies experienced are testimony to the fact that climate change has imposed itself. The association has been at pains to underscore the fact that the national disaster policy needs to change to accommodate this reality. A disaster imposes itself on the budget; however, the financial resources are often delayed and by the time they become available, another disaster had struck. EThekwini was cited as a case in point. The association has favoured the Department of Cooperative Governance with its proposals around disaster and waste management. The remedies are expensive and not easy to implement as most municipalities do not have the capacity.

- ***Consequences for lack of service delivery improvement.*** On the question relating to whether the association ensured accountability and administered consequence management in respect of municipalities that had benefitted from the entity's training but continue to register no meaningful service delivery improvement, the answer was in the negative. The municipalities concerned must themselves institute consequence management against the responsible officials.

- ***Municipal audit outcomes.*** In response to a query raised around municipal audit support, the entity reported to have targeted some specific municipalities in this regard and that changes have been effected. In some municipalities, the association has started implementing its own supply chain management system and hopes to see a different result during the next municipal audit cycle. The committee invited the entity to look at how to find common ground between its audit outcomes and those of member municipalities. A concrete commitment should be made to the effect that there shall be no more consecutive audit disclaimers.

- ***Councillor inductions.*** Having been invited to reflect on its past councillor induction programmes, the association alluded to its ability to support municipalities to constitute their councils. Without properly constituted councils, the legitimacy of election outcomes becomes questionable. The number of previously inducted councillors is testament to association's

success in this endeavour. For the upcoming local government electoral cycle, the organisation anticipates inducting 10 500 young councillors.

8.5. Municipal Demarcation Board

- ***Litigation.*** Concern was raised around the fact that local government elections were soon approaching while the court processes affecting Inkosi Langalibalele and eThekwini were still to be finalised, with the set court date being close to the election date. As a remedy, it was proposed that the Board persuades the court to hear the cases at an earlier date. In response, the Board assured the committee that the August court date for the demarcation cases involving Inkosi Langalibalele and uKhahlamba does not affect the ward delimitation processes for these municipalities. The court had not instructed the Board to halt the delimitation processes. The process in uKhahlamba was already complete while in Inkosi Langalibalele it was due to be concluded in the next few days. The eThekwini case, which had affected ward delimitation, has been resolved. However, the Board accepts the advice on engaging the courts for an earlier date to hear the Inkosi Langalibalele and uKhahlamba demarcation cases.

- ***Public consultation.*** Members noted that while the Board Chairperson is easily accessible and responsive, the entity's public consultation quality remains problematic. There is still a tendency to prefer remote surveillance technology over physical presence and the negative effect of this was illustrated with reference to wards 52, 53 and 57 in eThekwini. The Board was to also indicate whether there had been any successful objections to the splitting of communities.

  In response, the Board acknowledged that the quality of public consultation is indeed critical. To address its previous public consultation limitations, the Board is now disaggregating the municipal regions visited into smaller units. The Board has also taken the initiative to assist communities to better engage with its demarcation processes. The organisation strives to avoid splitting communities unnecessarily. In this regard, the Board has benefitted from the recent amendments to the Local Government: Municipal Structures Act, which has increased the deviation threshold to 30 percent. This makes the splitting of communities more preventable.

  There are many municipal boundary determination and ward delimitation cases that had been withdrawn on account of objections. During the current electoral cycle, 39 percent of published ward boundaries were amended owing to the success of objections. There is a growing number

of stakeholders whose understanding of the municipal demarcation criteria is deepening. Even when objections do not succeed, the Board takes it upon itself to explain the reasons in detail and propose alternative recourse. The Board also encourages face to face meetings with the unsuccessful objectors as to better explain technical details that are not amenable to a written exposition. This is all based on the understanding that wards belong to communities, not to the Board.

- ***Voting districts.*** Having been asked to indicate the number of voting districts in each of the municipal wards in eThekwini, the Board advised that the information can be obtained from the Independent Electoral Commission. While the Municipal Demarcation Board application can also be consulted, more accurate data is best sourced from the Commission.

- ***Ward delimitation.*** With members having raised the constant changing of municipal wards as a problem, the Board explained that the law compelled it to delimit wards every five years. This is to accommodate new human settlements and other relevant new developments. The new Independent Municipal Demarcation Authority Bill had originally proposed the ward delimitation process to be conducted every ten years. This proposal, however, has not materialised.

- ***Spatial transformation indicators.*** The spatial transformation programme was noted to have only three indicators listed, which is inconsistent with the fact that this is the entity's core programme. In response, the Board indicated that ward delimitation, capacity assessments and municipal boundary determination and redetermination may indeed seem like few targets, but they involve extensive activities.

- ***Funding constraints.*** A mitigation plan to relieve the Board from having to fund operations through an accumulated surplus was to be outlined. The Board was to also indicate the core functions, which this funding shortfall will compromise. In response, the Board stated that it is striving to work within the confines of its limited budget, including restricting interactions to municipalities that have wards. To further manage the budget, the Board will use its personnel and not outsource the work relating municipal outer boundary determination and ward delimitation.

The insourcing decision is a tough and strenuous undertaking as the staff complement of 48 is unequal to the enormity of the task. However, the funding constraints make this decision

unavoidable. The core functions negatively affected by the funding constraints include public consultation and the development of application technology. In depth research and exploration of different modelling permutations will also be difficult to do as data collection and information gathering is expensive. With these funding constraints, it will be difficult for the Board to transcend the normal. The committee noted the Board's financial constraints and the negative effect on the organisation's presence across the different provinces. Nevertheless, the priority remains to ensure that communities are satisfied and not inconvenienced by demarcations. Public consultation should be good enough.

8.6. CRL Rights Commission

- ***Section 22 consultation process.*** There was a concern that, through the section 22 process, the Commission is behaving like a regulator and pushing for the regulation of religion. Through this process, the Commission has effectively created a religious dispute that needs to be resolved. The Commission is supposed to resolve and not create conflicts. The costs of running the section 22 process were to be provided.

  In response, the Commission reiterated that it had requested an audience with the committee to unpack the section 22 process in its totality as to avoid addressing the issue piecemeal. Section 22 related questions were therefore to be held in abeyance pending the requested meeting. The costs of running the section 22 process would also be provided at a later date. The committee confirmed that a meeting on the section 22 process will be called as per the Commission's request.

  The Commission was reminded of a similar meeting called on 28 November 2025 where the Minister of Cooperative Governance and Traditional Affairs requested to be recused from the matter as his role was limited to administrative matters. Parliament was understood to be the primary avenue where the Commission accounts. Having been invited to comment, the Commission chairperson declined, citing legal advice that prohibited her from discussing the section 22 process as the matter is in court. The committee therefore does not appreciate the suggestion that it did not afford the Commission an opportunity to state its case. There was never an instance where the committee stalled on calling a meeting with the Commission. On the Commission's behalf, the deputy chairperson wished to apologise for the wrong impression created and acknowledged the matters the committee had rightfully raised.

- ***Research impact and specific support provided to municipalities.*** Having been invited to detail the impact of its research reports and the specifics of the support provided to municipalities, the Commission explained that the reports offer recommendations that inform its mediation approach. This is part of the impact. The support provided to municipalities related to customary initiation and was administered in partnership with the Provincial Initiating Coordinating Committees.

- ***Achievement of targets.*** The Commission was to consider the possibility that the 100 percent of the targets reportedly achieved during the previous reporting period may not have been due to high performance but to setting the targets too low. The average turnaround time for complaint resolution was to be indicated. In response, the Commission indicated that the available budget informed the target setting process. This set the limit on how high the targets can go.

  However, during the period under review, the Commission has increased and stretched its targets, including the reviewing of by-laws affecting cultural, religious and linguistic communities. Nevertheless, this remains a function of the allocated budget. The Commission continues to strive to do more with the capacity available at its disposal. The average complaint resolution turnaround time depends on the nature of the complaint received. Acting on the portfolio committee's previous insight, the Commission is now also following up on complaints that it had referred to other institutions.

- ***Employee related costs.*** Members invited the Commission to explain the reasons for spending over 60 percent of its R49.6m annual budget on employee related costs. The Commission was to specify what made it certain that it was not overstaffed. The benchmark used to arrive at the 60/40 budget split in favour of employee compensation was to be also specified. Members further queried whether the Commission would not be more productive if the 60/40 budget split was in favour of programmes. The budget needed to be properly disaggregated to demonstrate the skills available and the salary compensation due as to provide a sense of the reasoning behind arriving at a staff complement of 38. The committee needs to satisfy itself that this is most the basic structure the Commission can have.

  In response, the chief financial officer confirmed that the Commission spent 63 to 64 percent of the annual budget on payroll, which constrained the amounts available for programmes. The matter has been raised with Treasury on numerous occasions. The salary bill was out of

proportion due to the scale of the budget and the required functions. The Commission's funding and mandate are not aligned. With a staff complement of 38, the Commission is not overstaffed but overstretched.

The Investigation and Conflict Resolution programme, for example, functions with only three investigators who must travel the country's length and breadth to do the work. Their remuneration level is not excessive but comparable to that of other similar investigators. The Commission's salaries are benchmarked against other comparable Chapter 9 institutions. As the Commission's asset is its personnel and its business does not revolve around purchasing things but on intangibles such as research and report writing skills, its employee compensation will always be different from businesses that have tangible outputs. People are needed and the skills must be bought. The Commission's deputy chairperson agreed that a 60/40 budget split in favour of programmes could yield a better performance outcome. The current arrangement is a legacy matter. A proper response on how the Commission arrived at the 60/40 budget split in favour of employee compensation will be provided in writing.

- ***Religious complaint case.*** Attention was a drawn to a case reported to a committee member in connection with parents that had paid a R6000 to a religious institution towards a bursary for their twelve year old children. However, in the school the children suffered abuse including being forced to fast. Consequently, the parents demand reimbursement. Clarity was therefore sought on the Commission's mandate in this regard. In response, the Commission agreed with the committee chairperson's advice that the matter should be formally tabled as a complaint. The victim can be assisted to open a case with the South African Police Service.

- ***Violence against black foreign nationals*.** The Commission was to clarify its role in respect of assault on documented black foreign nationals by members of the March and March advocacy group. In response, the Commission noted that the advocacy group's action bordered on the xenophobic and were reminiscent of the events experienced in 2008. Co-existence with documented foreign nationals is imperative; however, those who are in the country illegally is a different matter. It was advised that the assault case should also be tabled as a formal complaint.

- ***Absence of the Commission chairperson*.** Taking into cognisance the issues raised, concern and disappointment was registered in connection with the apology tendered by the Commission chairperson. In response, the Commission explained that the committee meeting's rescheduling

conflicted with the chairperson's prearranged commitments, hence her unavailability. Her absence was not intentional, and the Commission hoped that the requested section 22 meeting will provide ample opportunity for the members' concerns to be addressed.

9. COMMITTEE RECOMMENDATIONS

- Following from the presentations received and the observations made thereupon, the committee recommends as follows:

9.1. Department of Cooperative Governance

a) Follow up with the eThekwini city manager regarding the reported non-payment of certain service providers due to inefficiencies in the municipality's online payment system.

b) Follow up with the KwaZulu-Natal provincial department of cooperative governance and traditional affairs' accounting officer regarding the departmental official, Mr. Khathida, who is unresponsive to communication.

c) Follow up with the acting Matlosana city manager regarding a reservoir that had been completed but remained non-functional or semi-functional, and a taxi rank that had been completed more than a year ago but remained unused and consequently vandalised.

d) Share with the committee the revised national disaster management system once all Cabinet processes had been finalised.

e) Honourable member Mkhaliphi to table a concrete complaint on the matter involving a junior official in Nongoma local municipality as to facilitate the matter's resolution through internal municipal processes and the criminal justice system.

9.2. Municipal Infrastructure Support Agent

a) Favour the committee with a list of municipalities supported on the Department of Water and Sanitation's Green Drop, Blue Drop and No Drop requirements.

b) Provide specifics on the impact of Schedule 6B Municipal Infrastructure Grant projects on communities.

9.3. Department of Traditional Affairs

a) Follow up on the alleged politicisation of the allocation of tools of trade to traditional leaders, with particular reference to the KwaZulu-Natal province.

b) Demonstrate budgetary commitment to address the recognition of Khoisan leaders and communities.

c) Ensure that the matter relating to the establishment of an all-inclusive Khoisan consultative structure is followed up and finalised.

9.4. South African Local Government Association

a) Furnish the committee with a study reflecting on the challenges consequent from the 9 percent allocation to local governments in terms of the vertical division of nationally raised revenue.

b) Favour the committee with a list of municipalities supported with cost of supply studies.

c) Furnish the committee with the list of worst performing municipalities provided with financial sustainability support.

d) Follow up on the allegation that a particular demographic group dominates the association's bargaining council.

e) Look at how to find common ground between the association's audit outcomes and those of member municipalities. A concrete commitment should be made to the effect that there shall be no more consecutive audit disclaimers.

f) Municipal dysfunctionality is still too high, and the association needs to look at how it can supplement the provincial departments of cooperative government and provincial treasuries' interventions in this regard.

9.5. Municipal Demarcation Board

- Consider engaging the courts to hear the Inkosi Langalibalele and uKhahlamba demarcation cases much earlier than the date set for August.

9.6. CRL Rights Commission
- Provide a proper response explaining the reasons for spending over 60 percent of the Commission's R49.6m annual budget on employee related costs. The budget should be properly disaggregated to demonstrate the skills available and the salary compensation due, as to provide a sense of the reasoning behind arriving at a staff complement of 38.

National Council of Provinces

1. Report of the Select Committee on Security and Justice on the Minister of Justice and Constitutional Development's Report on the Removal from Office of Mr LT Mkansi, Regional Magistrate, Bloemfontein, submitted in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993), and referred to the Committee on 2 February 2026, dated 29 April 2026.

The Select Committee on Security and Justice, having considered the Minister for Justice and Constitutional Development's report dated 22 March 2026, on the removal from the office of Magistrate of Mr LT Mkansi, Regional Court Magistrate, Bloemfontein, submitted in terms of section 13(4)*(b)* of the Magistrates Act, 1993 (Act No. 90 of 1993) (hereafter, the Act) and referred to the Committee on 2 February 2026, reports as follows.

The Select Committee on Security and Justice, on 3 December 2025, was briefed on the Magistrates Commission's progress reports dated 30 September 2025, in respect of the provisional suspension from office of Mr LT Mkansi, Regional Magistrate, Bloemfontein, submitted in terms of section 13(3)*(f)* of the Magistrates Act, 1993 (Act No. 90 of 1993) wherein the Commission reported that in November 2025, the Commission took a resolution to remove Magistrate LT Mkansi from Office.
The Minister of Justice and Constitutional Development tabled the Report in ATC 24 March 2026: "*Report dated 22 March 2026, on the confirmation of suspension pending a resolution by Parliament on whether or not to recommend the restoration to or removal from office on the grounds of misconduct of Mr LT Mkansi, Regional Court Magistrate, Bloemfontein, submitted in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993)*."

The Select Committee received a briefing from the Magistrate's Commission on the removal from office of Magistrate LT Mkansi on 25 March 2026.

1. **Background in summary (the detailed Minister's report as tabled is available through the Clerk of the Papers, Parliament)**
   1.1. Magistrate Mkansi was appointed as a Regional Court Magistrate on 1 December 2013 in the Free State, based at the Bloemfontein Magistrates Court.

1.2. The Magistrates Commission (the Commission) conducted a preliminary investigation and after considering the preliminary investigation report on 13 September 2019, the Commission resolved to charge Mr. Mkansi with misconduct.

1.3. On 7 October 2019, Magistrate Mkansi was invited to furnish the Commission with reasons why the Commission should not recommend that he be provisionally suspended from office. Mr Mkansi provided his response on 12 and 22 November 2019 respectively.

1.4. On 29 November 2019 the Commission resolved to recommend that Mr Mkansi be provisionally suspended from office. A charge sheet, dated 12 December 2019, was served on Mr. Mkansi on 13 December 2019.

1.5. The Minister, on the advice of the Commission, provisionally suspended Mr Mkansi from office on 9 May 2020.

1.6. The National Assembly on 17 June 2020 and the National Council of Provinces on 1 July 2020 confirmed his provisional suspension.

2. Discussion

2.1. The misconduct charges against Mr. Mkansi relates to prima facie evidence that he, during the period 28 March 2017 and 4 May 2018, communicated 49 times on his cellular phone with an accused person who appeared before him in the criminal court on 24 counts of fraud.

2.2. The communication between Mr. Mkansi and the accused was either through calls, voicemail or short message services (SMS). The first appearance of the accused before Mr. Mkansi was on 17 February 2017 and the first call between them took place on 28 March 2017. Cellular phone contact between Mr. Mkansi and the accused was made on 49 occasions before, during and/or after the accused had to appear before court.

2.3. Mr Mkansi, on 22 July 2020 filed an Application with the Gauteng Division of the High Court in Pretoria to review and set aside the decision of the Commission to charge him and the decision of the Minister to place him on provisional suspension.

2.4. The Commission opposed the review application. When it appeared that Mr Mkansi failed to further his application the Commission instructed the Person Leading Evidence (PLE) to set a date for the hearing to commence.

2.5. The inquiry was set down for 16-20 May 2022. On 16 May 2022 Mr Mkansi reported to the Commission’s Offices in Pretoria despite the notice identifying Bloemfontein as the venue. The matter was postponed to 18 May 2022.

2.6. On 18 May 2022, Mr Mkansi advised he was still pursuing his review application. He further advised that, through his attorney, he would file an *Ex Parte* application at the Pretoria Magistrates Court to interdict the inquiry to proceed.

2.7. The Presiding Officer (the PO), at Mr Mkansi's request, postponed the inquiry to 20 May 2022. Mr Mkansi's attorney informed the PLE that the interdict application was dismissed and that he holds instructions to appeal the judgment in the High Court.

2.8. The PO postponed the inquiry to 25 and 26 July 2022 for the defence to prove how far they are with the review application. The review application was filed in the High Court in July 2020, was placed on the roll for August 2022 but on 1 July 2022was removed from the roll.

2.9. Mr Mkansi and his attorney were absent on 25 July 2022. The PO ordered that the inquiry be rolled over to 26 July 2022. Neither Mr Mkansi nor his attorney was present on that day.

2.10. Mr Mkansi submitted a medical certificate claiming he was ill and booked off for that week and that he had instructed another attorney to represent him.

2.11. The PO postponed the inquiry to 15 to 18 November 2022 and ordered that the inquiry would proceed whether Mr Mkansi was present or not.

2.12. Mr Mkansi was absent from the misconduct inquiry on 15 November 2022 and again submitted a medical certificate from a different medical practitioner. The PO postponed the inquiry as a final postponement to 20-22 February 2023 for hearing.

2.13. Mr Mkansi enrolled his review application to be heard on 23 January 2023. Mr Mkansi filed a joinder application to cite Parliament as a Respondent. Due to the PLE falling ill, the matter did not proceed on 20 to 22 February 2023.

2.14. The Commission was initially of the view that Mr Mkansi was delaying proceedings and resolved that Mr Mkansi be given the opportunity to submit reasons why the Commission should not withhold his remuneration. The Commission decided not to recommend withholding his remuneration as the last postponement was due to the PLE requiring a medical procedure and not due to Mr Mkansi's action or inaction.

2.15. The PLE was indisposed from May to August 2023.

2.16. The PO subsequently retired and the Deputy Minister appointed the PO on an acting basis to finalise the misconduct hearing. A date was set for the inquiry from 19 to 23 August 2024.

2.17. Mr Mkansi's criminal trial commenced at the Bloemfontein Regional Court on 28 September 2023. Mr Mkansi was found Guilty of Defeating the Administration of Justice on 27 May 2024 by the Bloemfontein Regional Court.

2.18. Mr Mkansi did not attend the hearing on 19-23 August 2024 but submitted a medical certificate that he was ill and unable to attend work. The Commission argued to proceed with the matter. The PO ruled in favour of the Commission and the inquiry proceeded with evidence. It was postponed to 21-23 October 2024 for further hearing and cross examination.

2.19. The Commission informed Mr Mkansi of the date of 21-23 October 2024. Mr Mkansi's attorney applied for a postponement of the matter, pending the outcome of a High Court review application that he had lodged. The PO granted the application and postponed the matter to 24-26 March 2025.

2.20. Mr Mkansi's review application was dismissed with costs on 17 February 2025. Mr Mkansi was in the interim convicted and sentenced on 25 March 2025 to a fine of R120,000 or 5 years imprisonment, which was deferred. The State is appealing the sentence.

2.21. The disciplinary hearing proceeded on 18-20 June 2025. Mr Mkansi again did not attend. The Commission closed its case. Judgement was delivered on 18 June 2025 and Mr Mkansi was found guilty as charged and was invited to present arguments in mitigation. Mr Mkansi opted not to argue.

2.22. The PO on 24 June 2025 recommended that Mr Mkansi be removed from office in terms of Regulation 26(1)(b) of the Regulations for Judicial Officers in the Lower Courts, 1994.

2.23. Following requests for representations from Mr Mkansi, on 13 August 2025 the PO confirmed her recommendation that Mr Mkansi be removed from office as contemplated in section 13(4)(a)(i) of the Act.

3. Committee discussion:

3.1. The Committee has consistently expressed its concern about the delays and the cost to the taxpayers in respect of magistrates receiving remuneration while they were suspended for years. The Committee is pleased to have reached a conclusion to this matter through the Minister's removal of Magistrate LT Mkansi from the office of Magistrate.

3.2. The Committee notes the Minister's report, tabled on 24 March 2026, removing Mr Mkansi from the office of Magistrate, for a resolution by Parliament, in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993).

4. Recommendation:

4.1. Having considered the Minister for Justice and Constitutional Development's report dated 22 March 2026, on the confirmation of suspension pending a resolution by Parliament on whether or not to recommend the restoration to or removal from office on the grounds of misconduct of Mr LT Mkansi, Regional Court Magistrate, Bloemfontein, submitted in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993) recommends the National Council of Provinces resolve not to restore Mr LT Mkansi to the Office of Magistrate in accordance with section 13(4)(c) of the Act.

Report to be considered.

2. Report of the Select Committee on Security and Justice on the Minister of Justice and Constitutional Development's Report on the Removal from Office on the ground of continued ill health and the Determination to Withhold Remuneration of Ms M Maithufi, Additional Magistrate, Ga-Rankuwa, submitted in terms of section 13(4)(b) and section 13(4A)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993) and referred to the Committee on 12 March 2026, dated 29 April 2026.

The Select Committee on Security and Justice, having considered the Minister for Justice and Constitutional Development's report dated 18 February 2026, submitted in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No 90 of 1993) (hereafter, the Act), on the removal from the office of Magistrate of Ms M Maithufi, an Additional Magistrate at Ga-Rankuwa, as well as the Magistrates Commission's determination to withhold the remuneration of the magistrate in terms of 13(4A)(b) of the Act, and referred to the Committee on 12 March 2026, reports as follows.

The Committee received a briefing from the Magistrate's Commission on the removal from office and the withholding of remuneration on 25 March 2026.

Magistrate Maithufi was appointed as an Additional Magistrate on 1 November 2015. The Magistrates Commission reported that Magistrate Maithufi was absent from office due to ill health since January 2020 to date. The Magistrates Commission on 30 October 2023 resolved to conduct an investigation in terms of regulation 29 of the Regulations for Judicial Officers in the Lower Courts, 1994 (the Regulations).

Magistrate Maithufi was invited to show cause why the Commission should not recommend to the Minister that she be provisionally suspended and why the Commission should not determine to withhold her remuneration in terms of Section 13(4A)(a) of the Act.

The Commission reported that Magistrate Maithufi's Judicial Head of Office in a statement reported that the last communication received from Magistrate Maithufi was on 30 October 2023. The Commission, despite repeated attempts and utilising all available communication avenues, was unsuccessful in serving letters on Magistrate Maithufi. The Commission's investigation explored all options to deal with the matter but determined that the magistrate was determined to evade service of the documents to withhold her remuneration.

1. **The Commission considered the following (the detailed Minister's report as tabled is available through the Clerk of the Papers, Parliament):**
   1.1. It is common cause that Magistrate Maithufi has been absent from work from January 2020 to date with full remuneration.
   1.2. Her absence has a detrimental effect on the smooth running of the court. Further, her conduct tarnishes the good name, dignity and esteem of the office of the Magistrate and the administration of Justice.
   1.3. The Judiciary receives no value from Magistrate Maithufi and it is not in the interest of the Judiciary and the public that she should continue to receive remuneration.

The Minister concurred with the Commission's recommendation and removed Magistrate M Maithufi from office with immediate effect in terms of section 13(4)(a)(ii) of the Act.

2. **Determination to reduce or withhold the remuneration of a magistrate**

In terms of section 13(4A)(b) of the Act, "If the Commission determines that the remuneration of a magistrate shall be reduced or withheld …, a report regarding that determination and the reason therefor must be tabled in Parliament by the Minister within seven days of such determination, ..."

Section 13(4A)(c), Parliament must, as soon as is reasonably possible, consider that report and pass a resolution as to whether or not the determination concerned is confirmed, either with or without amendment, or set aside.

3. **Recommendation:**
   3.1. Having considered the Minister for Justice and Constitutional Development's report dated 18 February 2026 on the confirmation of suspension pending a resolution by Parliament on whether or not to recommend the restoration to or removal from office on the grounds of misconduct of Ms M Maithufi, Additional Magistrate, Ga-Rankuwa, submitted in terms of section 13(4)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993) recommends the National Council of Provinces resolve not to restore Ms M Maithufi to the Office of Magistrate in accordance with section 13(4)(c) of the Act.

   3.2. Having considered the Minister for Justice and Constitutional Development's report dated 18 February 2026, on the Magistrates Commission's determination to withhold the remuneration of Magistrate Ms M Maithufi, the Committee recommends that the National Council of Provinces resolves to confirm the determination to withhold Ms

M Maithufi's remuneration, without amendment, in accordance with section 13(4A)(c) of the Act.

Report to be considered.

3. Report of the Select Committee on Security and Justice on the provisional suspension from office of Ms L Vakalisa, Additional Magistrate and Head of Office, Ezakheni, submitted in terms of section 13(3)(b) and for the withholding of remuneration, in terms of section 13(4A)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993); Report on the provisional suspension from office of Ms A Beeton, Additional Magistrate, Gqeberha, submitted in terms of section 13(3)(b) and for the withholding of remuneration, in terms of section 13(4A)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993); and Report on the withholding of remuneration of Ms K Bodlani, Regional Magistrate, Umlazi, submitted in terms of section 13(4A)(b) of the Magistrates Act, 1993 (Act No. 90 of 1993), and referred to the Committee on 2 February 2026 for consideration and report, dated 29 April 2026.

Introduction:

The Select Committee on Security and Justice having considered the provisional suspensions of Ms L Vakalisa, Additional Magistrate and Head of Office, Ezakheni; and Ms A Beeton, Additional Magistrate, Gqeberha, submitted in terms of section 13(3)(b) of the Magistrates Act, No. 90 of 1993, (hereafter the Act) and for the withholding of remuneration, in terms of section 13(4A)(b) of the Act of Ms L Vakalisa, Ms A Beeton and Ms K Bodlani, Regional Magistrate, Umlazi, and referred to the Committee on 2 February 2026 for consideration, reports as follows:

Legal background:

The Magistrates Commission must, in terms of section 13(3)(b) of the Magistrates Act, No. 90 of 1993, (hereafter the Act), table a report in Parliament on the provisional suspension of a magistrate. In terms of 13(3)(c) Parliament must, as soon as is reasonably possible, pass a resolution as to whether or not the provisional suspension of the magistrate is confirmed.

In terms of section 13(4A)(b) of the Act, If the Commission determines that the remuneration of a magistrate shall be reduced or withheld in terms of the Act, a report regarding the determination, and the reason therefore, must be tabled in Parliament by the Minister.

In terms of 13(4A)(c) of the Act, Parliament must, as soon as is reasonably possible, consider that report and pass a resolution as to whether or not the determination is confirmed, either with or without amendment, or set aside.

Committee consideration:

The Select Committee on Security and Justice was briefed on 25 March 2026 on the three magistrates. The Magistrates Commission reported that it had received resignations from:

- Regional Magistrate Bodlani resigned with effect from 31 December 2025.
- District Magistrate Vakalisa resigned with effect from 23 February 2026.
- District Magistrate Beeton resigned with effect from 27 February 2026.

The resignations were duly accepted by the Minister for Justice and Constitutional Development, and the magistrates are therefore no longer in the employ of the state.

Magistrate's Commission report:

1.1. The Commission reported that those who resigned seemed to be avoiding the legal consequences of their actions. The Commission has partnered with the legal fraternity and created a database of all the magistrates who have resigned while they were facing misconduct charges. The Commission is collaborating with the Legal Practice Council to alert it to those magistrates who wish to practice as legal practitioners. The Legal Practice Council should be aware that they had pending matters against them and that the magistrates had resigned prior to the completion of the disciplinary processes against them.

1.2. The Commission collaborates with the Deputy Minister for Justice and Constitutional Development, who is responsible for appointing acting magistrates to compile a database of magistrates who resigned together with the reasons for their resignations. This collaboration will avert the situation of magistrates who resigned with pending disciplinary processes from being appointed as acting magistrates in other provinces. The collaboration and database allows the Deputy Minister to be alerted to the circumstances of every magistrate prior to future acting appointments.

1.3. A person employed by the state who resigns receives their salary and full benefits. The Department of Justice and Constitutional Development is considering amending the

relevant legislation to recover monies owed to the state after a misconduct enquiry is concluded despite the person resigning prior to its conclusion.

1.4. The Committee encouraged Magistrates to perform their work with the highest ethical standards and strongly discouraged all acts of misconduct.

Conclusion:

Due to the resignation of the magistrates, the disciplinary process was concluded without resolution as the magistrates were no longer employed by the State.

Report to be considered.