



## **REMARKS BY THE CHAIRPERSON OF THE PC ON COGTA, DR ZWELI MKHIZE GOVERNANCE CLUSTER MEDIA BRIEFING**

**9 June 2025**

*\*Find the audio of Dr Mkhize's brief to the media: <https://iono.fm/e/1564395>*

### **IMPLICATIONS OF THE 2023/24 MUNICIPAL AUDIT OUTCOMES FOR THE PC ON COGTA'S OVERSIGHT**

Thank you, Mr Mothapo

Good morning to my fellow panellists, members of the media and stakeholders.

We meet here this morning at a time when the integrity and functionality of local government are under immense strain.

The latest audit outcomes presented to the Portfolio Committee on Cooperative Governance and Traditional Affairs by the Auditor-General for the 2023/24 financial year confirm what has long been evident from our oversight — that the financial and governance crisis in our municipalities is deepening, with profound consequences for service delivery and public trust.

Last month, the Office of the Auditor-General tabled a report showing that 59% of financial statements submitted for auditing contained material misstatements — this, despite municipalities having spent over R1.4 billion on consultants to prepare these very statements. It is unacceptable that such exorbitant spending yields so little value. Even more troubling is that many of these municipalities already have permanent staff tasked with performing this work. What we are seeing is not just waste but a failure of systems, leadership and accountability in too many of our municipalities.



A total of 113 municipalities are currently operating on unfunded budgets, planning expenditures far beyond what they can credibly finance. This is reckless in the extreme. It amounts to planning for failure. It undermines infrastructure delivery, which has been identified as a key lever for economic recovery and job creation, and contributes to poor project execution, delays, cost overruns, and, in many cases, substandard workmanship. As a committee, we believe that the shortage of financial skills at the local government level is at a crisis point. This is not merely a technical shortfall, but it strikes at the heart of municipal functionality and the government's ability to deliver services where they are needed most.

BUT let me be clear: this is not simply a question of financial literacy or technical capacity. This is not just an audit report. It is a mirror held up to our governance structures. Poor audit outcomes are often rooted in failures of political leadership, weak consequence management and a culture of impunity.

Only 16% of municipalities in the country achieved clean audits. That means almost 85% failed to meet even the most basic governance standards. This directly affects our communities — in areas such as sanitation, roads, housing, and other essential services. In parallel, we must urgently tackle issues of procurement irregularities, corruption and fraud.

The use of uncompetitive and unfair supply chain processes continues unabated, as is evident from the AG's report. It is alarming that municipalities continue to award contracts to individuals employed in other spheres of government — despite explicit prohibitions in law. This must stop. The rules exist. What is lacking is enforcement and ethical leadership. Equally concerning is the fact that 84% of municipalities under the national debt relief support programme failed to meet its conditions. That's not only a compliance issue, ladies and gentlemen. It signals a complete breakdown in accountability mechanisms. Municipal councils, mayors, speakers, provincial treasuries and legislatures must all be held to account.



***PARLIAMENT: FOLLOWING UP ON OUR COMMITMENTS TO THE PEOPLE***

To keep up to date with the work of Parliament, please go to the daily Parliamentary Papers: [Parliamentary Programme](#), [Order Papers](#), [Minutes of Proceedings](#), [ATCs](#), [Question Papers](#), [Internal Question Papers](#).

Parliament, through the Portfolio Committee on COGTA, will lead this effort. We will systematically intensify our oversight visits, focussing on the worst-performing municipalities per province and working closely with the executive at all levels to reverse this trajectory. As I said before, The committee is no longer interested in excuses. We are calling for performance, consequences, and the prioritisation of quality service delivery to our people. Beyond governance and finance, we must also address the safety and dignity of cultural practices in our communities.

The Portfolio Committee last month has welcomed the revised targets in the 2025–2030 Strategic Plan of the Department of Traditional Affairs. The committee insisted that the department revise its targets to show more concerted and meaningful efforts to eliminate all illegal customary initiation schools and to reduce to zero both deaths and amputations in legal schools by 2029.

Let me emphasise — this is not just a symbolic target. It is a constitutional and moral obligation. The loss of life and bodily harm associated with initiation rites cannot continue. “Initiation should not be a death sentence, so when we speak of zero deaths and zero mutilations, we speak of the sanctity of life. We owe it to every child, every family and every community to make that promise real.

To achieve this, the committee is pushing for a multi-departmental response. This is non-negotiable. The departments of Health, Social Development, the SAPS, Justice, and other relevant departments must work together to achieve zero deaths and mutilations. We can no longer use budget constraints as a reason for failure. We must innovate where we lack capacity and where we face barriers; we must collaborate. In doing this, through a multi-departmental approach, we must include traditional councils, families of initiates, and other community structures in our efforts.



***PARLIAMENT: FOLLOWING UP ON OUR COMMITMENTS TO THE PEOPLE***

To keep up to date with the work of Parliament, please go to the daily Parliamentary Papers: [Parliamentary Programme](#), [Order Papers](#), [Minutes of Proceedings](#), [ATCs](#), [Question Papers](#), [Internal Question Papers](#).

In conclusion, ladies and gentlemen, the issues highlighted here—whether audit failures, dysfunctional municipalities, or unsafe initiation practices—all point to a deeper question of governance, leadership, and accountability. We cannot afford to normalise failure. We must shift decisively from recognition to consequence, from analysis to action, and from crisis management to structural reform.

As a committee of Parliament, we will work towards restoring the credibility, capability and constitutional purpose of local government — not through rhetoric, but through coordinated oversight, firm accountability and an unwavering commitment to service delivery and human dignity.

I thank you.



***PARLIAMENT: FOLLOWING UP ON OUR COMMITMENTS TO THE PEOPLE***

To keep up to date with the work of Parliament, please go to the daily Parliamentary Papers: [Parliamentary Programme](#), [Order Papers](#), [Minutes of Proceedings](#), [ATCs](#), [Question Papers](#), [Internal Question Papers](#).