

SALGA to help improve municipalities

Improving the audit outcomes in municipalities is top on the South African Local Government Association's agenda.



SALGA's marketing manager, Buhle Ngwenya, said they have acknowledged the findings outlined in the General Report on the Local Government Audit Outcomes released by Auditor General Terence Nombembe on Tuesday.

"The need to comply with legislation is an imperative and improving audit outcomes in municipalities is top on SALGA's agenda," she said.

The Consolidated General Report on the Local Government Audit Outcomes of 2011/12 has revealed a picture of stagnation, with only nine municipalities receiving unqualified audit outcomes with no findings.

Ngwenya said as the representative voice of municipalities, SALGA's interest is to promote good governance and transparency in pursuit of a responsive and accountable local government sector.

The number of municipalities that received unqualified audits stood at 106.

"SALGA congratulates the nine municipalities who obtained unqualified audits without any findings for their dedication in running clean administrations and urges them to continue the trend," she said.

Challenges facing municipalities

Ngwenya said SALGA has analysed the key findings of the report and accedes in principle to the fact that the local government sector still faces challenges as outlined by the Auditor General in his report.

"As the voice of municipalities, we view the need to eliminate poor results on sound financial management seriously.

"As such, the National Executive Committee of SALGA, in adopting its five-year strategy in 2012, suitably prioritised the management of finances in local government, coupled with building the necessary capacity in municipalities and the review of the legislative and policy framework in the local government sector," she said.

Ngwenya said it was important to note that compliance with legislation in submitting financial statements has significantly

improved over time.

She singled out the North West as one of the provinces where municipalities were showing good progress with a 100% submission rate.

The previous report of the Auditor General identified key risk areas in local government, and Human Resource Management remains a key challenge in the report.

Ngwenya said it was unfortunate that local government continues to struggle in attracting and retaining the suitable skilled officials.

"Despite the vacancies identified in key positions, governance controls such as the internal audit function and audit committees show signs of improvement," she said, adding that filling the vacant positions would complement and improve the efforts of these governance controls.

SALGA continues to support municipalities

Ngwenya said the pace at which political leadership responds to the issues raised by the Auditor General can also be improved and to this end, SALGA continues to support municipalities.

Following an engagement held with municipalities on poor audit outcomes in 2012, SALGA placed emphasis on improving financial governance by equipping councillors with key understanding of the control and oversight concepts.

This, SALGA believes, should equip municipalities to play the oversight role required in running a clean administration.

Ngwenya said they will continue to pursue the clean audit concept in South African municipalities.

"However, the reputational damage and perceptions generated by the clean audit concept cannot be measured.

"It needs to be understood that not every municipality that does not get a clean audit has poor financial management issues or lags in delivering services," she said.

Local government has and continues to improve the livelihoods of South African citizens since 2001 Census. According to the latest Stats SA census of 2011, there were significant improvements with access to a range of basic services such as water and sanitation, electricity, refuse removal which local government has delivered over time.

"While SALGA continuously promotes and advocates for good governance in municipalities, it must be emphasised that local government problems are somewhat complex and cannot be resolved by local government alone.

"While the responsibility to implement such initiatives rests with the municipalities, SALGA calls for more coordination on the support initiatives provided by the other organs of state for a more visible impact," she said.