ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL

BACK *to* BASICS

INDEPENDENT QUARTERLY MAGAZINE FOR LOCAL GOVERNMENT IN SOUTH AFRICA

Volume 10 // June 2025

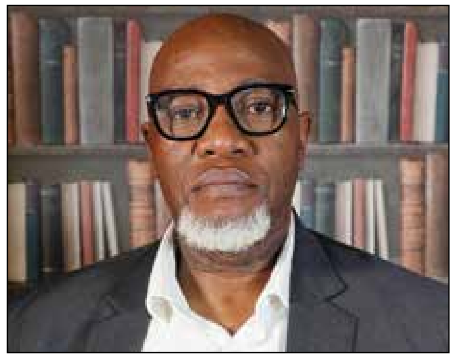
Ms. Mapatane 'Pati' Kgomo

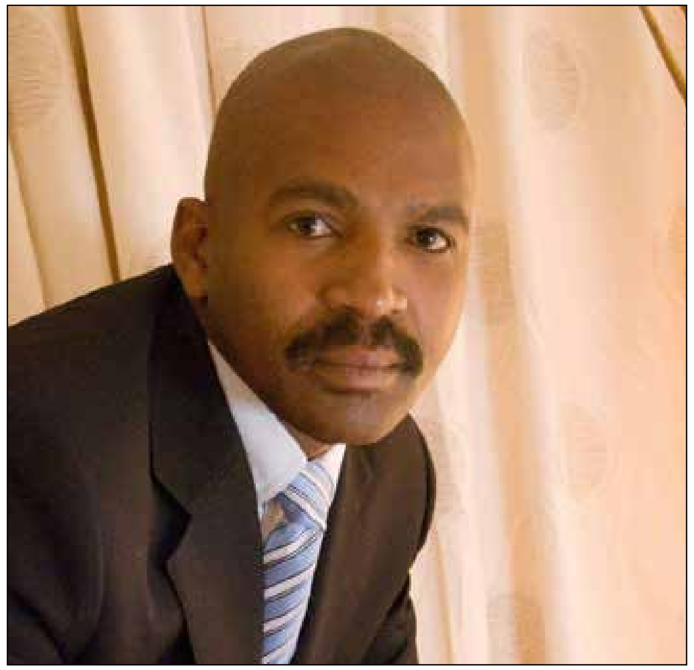
CEO: Municipal Infrastructure Support Agent (MISA)

Empowering South Africa's Youth through Infrastucture

MISA
MUNICIPAL INFRASTRUCTURE SUPPORT AGENT
Today, Creating a Better Tomorrow

CONTENTS





Foreword

It is with a deep sense of purpose and optimism that I present this edition of Back To Basics Magazine. As we navigate the complex landscape of our nation's progress, the recent stand-off on the tabling of GNU's 2025 budget vote speech marked a pivotal moment in our history, the final outcomes thereof showed us, and introduced a renewed commitment to unity and collaborative governance.

In his SONA, President Cyril Ramaphosa indicated that more than R948 billion will be set aside for Infrastructure Development and also declared South Africa to be a construction site during this current financial year, as such, we are reviewing both the most recently held 2025 Water and Sanitation Indaba and also the Inaugural Public Works Infrastructure Summit as well as unpacking Minister Enoch Godongwana's final adopted budget in detail.

Our collective vision is clear - jobs are a priority, not just as a means of livelihood but as a cornerstone for building resilient communities. Equally important is our commitment to alleviating poverty, which remains a critical challenge. By addressing these areas with vigor, we can pave the way for thriving economy that benefits all.

As we celebrate Youth Month, Municipal Infrastructure Support Agent(MISA) shares with us its youth empowerment initiatives and programs in this June edition.

I invite you to delve into the pages of this magazine,explore the insights shared, and join the conversation. Your feedback is invaluable and we welcome any suggestions on areas of improvement to enhance the publication's value.

Sincerely,
Lawrence Mofokeng

Publisher	Back To Basics Media (Pty) Ltd.
Physical Address:	25 Oranje Avenue, Galor Manor, Sandton, Johannesburg
Publishing Director:	Lawrence Mofokeng | 082 298 2061
Advertising/Bookings:	sales@backtobasicsmedia.africa | 082 298 2061
Contributors:	Dr. Nimrod Mbele: Group CEO - Knowledge Anchors Group
	Craig Kotze
Client Development & Administration:	Makhotso Saule | 071 845 7406
Circulation & Marketing:	Eunice Tladi
Intern:	Thato Didibeng
Production:	Back To Basics Media (Pty) Ltd
Enquiries:	editorial@backtobasicsmedia.africa

www.backtobasicsmedia.africa

Empowering South Africa's Youth through Infrastucture

June marks Youth Month in South Africa, a period of reflection and renewed commitment to the empowerment of young people through education, skills development, and inclusion in national development. In alignment with this national focus, the Municipal Infrastructure Support Agent (MISA) continues to lead the way through a range of impactful youth development programmes, aimed at equipping the next generation with the technical capabilities required to support municipalities and ensure sustainable service delivery.

MISA's youth initiatives not only respond to the pressing demand for technical skills in the public sector but also serve as a cornerstone for economic inclusion and transformation. These programmes are structured to create a robust pipeline of competent young professionals who can contribute meaningfully to South Africa's infrastructure development and local governance.

MISA's youth development programmes are aligned with national imperatives such as the National Development Plan (NDP) 2030, which envisions the production of 30,000 qualified artisans annually. This target directly supports infrastructure development, one of the key areas for job creation and economic growth. The NDP places young people at the centre of the country's future, emphasizing the importance of education, technical training, and career guidance in building a resilient and skilled workforce.

MISA's approach complements this vision by targeting unemployed youth, students, and graduates in technical fields relevant to municipal infrastructure. Furthermore, its programmes support the District Development Model (DDM) by aligning skills development efforts with local economic needs, thus fostering employability within communities and reducing rural-urban migration.

1. Apprenticeship Programme

This programme targets unemployed youth pursuing Red Seal trade qualifications through recognized institutions. Fields of specialization include Electricians, Plumbers, Diesel Mechanics, Bricklayers, Fitters and Turners, and Millwrights. Apprentices receive both on-the-job and off-the-job training, culminating in trade testing.

Purpose: To develop certified artisans ready to serve in municipal technical departments.

MISA's Role: Oversight, funding facilitation (with support from SETAs and key stakeholders), and programme coordination.

In the 2024 financial year, 28 MISA apprentices successfully completed their trade testing, marking a significant achievement in artisan development.

2. Experiential Learner Programme

This initiative is designed for students in technical study fields who require Work Integrated Learning (WIL) to complete their qualifications, as well as graduates seeking industry exposure to become employment-ready.

Fields of Study: Civil and Electrical Engineering, Town and Regional Planning.

Purpose: To offer hands-on experience that supports academic requirements and enhances employability.

Challenges: Limited municipal participation in hosting students and interns, often due to resource constraints.

3. Technical Bursary Programme

Aimed at financially needy but academically capable students pursuing technical qualifications in areas critical to municipal infrastructure.

Disciplines Supported: Civil and Electrical Engineering, Construction and Project Management, Environmental Studies, Town and Regional Planning.

Purpose: To enable access to education for students who will contribute to the public infrastructure sector.

On of our proud beneficiary of the bursary programme

is Mr. Ziqalele Mkhize, who completed his Civil Engineering degree at the Durban University of Technology through the programme. He is now enrolled in the MISA Young Graduate Programme and placed at Abaqulusi Local Municipality in KwaZulu-Natal, further reinforcing the value of long-term investment in youth.

4. Young Graduate Programme
This programme supports the integration of recent graduates into the local government environment by placing them in municipalities where they can apply their academic knowledge in real-world settings. Graduates are mentored and exposed to complex infrastructure delivery environments, preparing them for long-term careers in public service.

While Youth Month brings focus to MISA's work with young people, the organization's commitment to building technical capacity within municipalities extends further to programmes like:

Recognition of Prior Learning (RPL) Programme
Designed for municipal officials with significant work experience but no formal qualifications, the RPL programme enables such individuals to obtain certification through formal assessment and gap training.

Target Group: Process controllers (Water and Wastewater) and general artisans in municipalities.
Purpose: To professionalize and recognize the contributions of experienced staff.

Technical Skills Training Workshops
In partnership with institutions like the South African Institution of Civil Engineering (SAICE), MISA has conducted technical training workshops across all nine provinces.

These workshops cover a variety of disciplines including water services, energy, and general infrastructure operations.

Purpose: To upskill municipal officials,improving capacity in essential service delivery functions. Recent highlight include A Township Establishment course held in KwaZulu-Natal aimed at strengthening urban planning capacities.

Professionalisation of Technical Officials
MISA also supports officials aspiring toward professional registration with statutory bodies such as ECSA, SACPLAN, and SACNASP. This is done to elevate standards of technical competence in local government through structured development pathways.

MISA's youth and professional development initiatives are more than training interventions—they are instruments of transformation. These programmes are building the future of municipal infrastructure delivery while directly responding to South Africa's socio-economic challenges: youth unemployment, skills shortages, and service delivery backlogs.

Through continued partnerships with municipalities, SETAs, higher education institutions, and private sector stakeholders, MISA's work remains a testament to the transformative power of skills development in shaping a more inclusive, resilient, and service-oriented public sector.

The Municipal Infrastructure Support Agent (MISA) is a government agency under the Department of Cooperative Governance and Traditional Affairs (COGTA). Its mandate is to render technical advice and support to municipalities to enhance infrastructure planning, delivery, and maintenance.

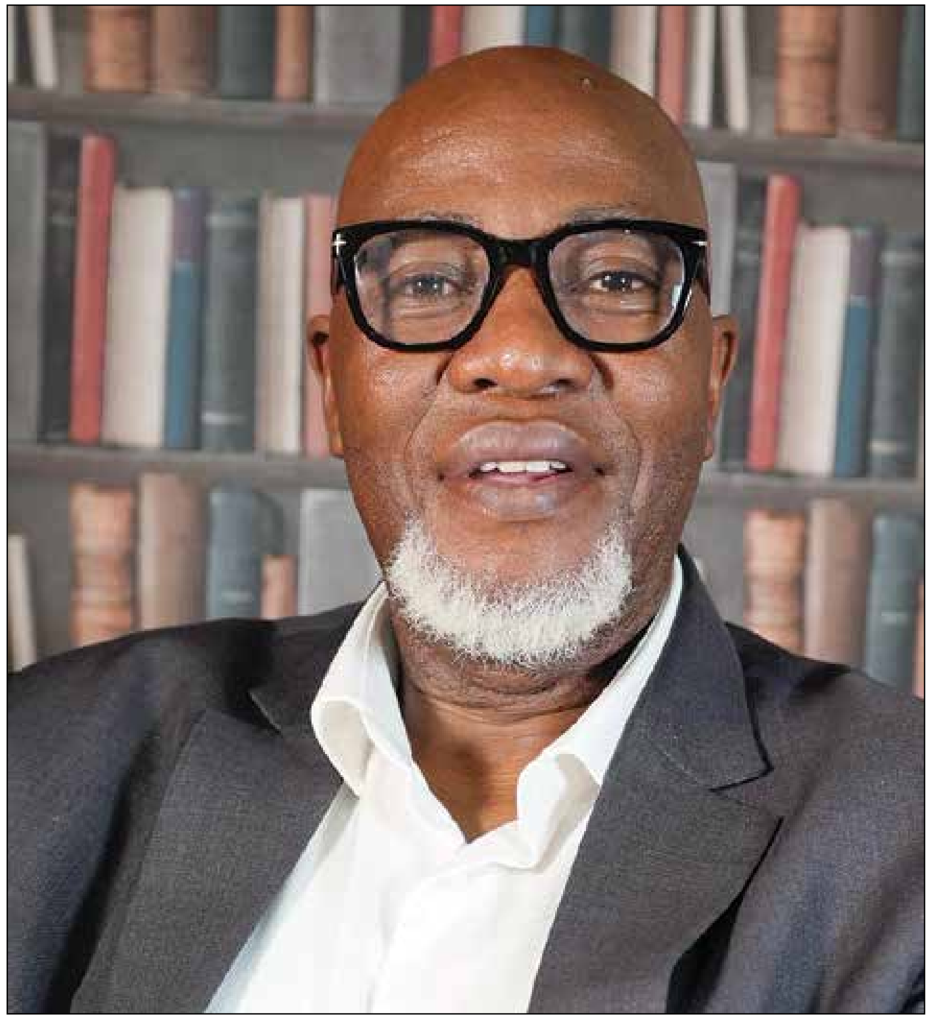
The Invisible fist of Ratings and the Power of Narrative

By Dr. Nimrod Mbele (PhD)
Group CEO: Knowledge Anchors Group

Over the past nine years on Beyond Governance on 101.9 CHAI FM a premium station reaching audiences in 85 countries, particularly among the influential LSM 8–10 demographic I have had the privilege of engaging with business leaders, legislators, academics, and public thinkers on issues of leadership and governance across the globe.

One subject that keeps resurfacing and remains deeply troubling is the role of credit rating agencies. Again and again, a stark truth emerges: Western credit rating agencies quietly shape the economic destiny of nations in the Global South.

Moody's, S&P, and Fitch holding over 90% of the global market share wield disproportionate influence over investor confidence, fiscal policy, and national standing, yet face little to no accountability. They claim objectivity, but their methods are steeped in Eurocentric biases.



Group CEO: Knowledge Anchors Group. Dr. Nimrod Mbele (PhD)

They often ignore Africa's lived realities: the resilience of informal economies, the relevance of indigenous governance systems, and the force of youth-driven innovation. Instead, they apply rigid, one-size-fits-all criteria GDP figures, debt-to-GDP ratios, and narrow measures of political stability that fail to capture Africa's true growth story. The result? Flawed assessments that misdirect capital, limit policy space, and entrench a narrative of fragility that doesn't reflect the continent's energy and potential. It is like an invisible fist silent but brutal that keeps knocking developing nations unconscious just as they try to rise. This unseen force undermines sovereignty, weakens domestic policy agency, and perpetuates a cycle of dependence.

Against this background, this article has two aims: to expose the deep biases embedded in the global credit rating regime, and to call for an African-led rethink—one that reclaims our economic story and lays the groundwork for true financial sovereignty.

The Bias Beneath the Numbers: Exposing the Double Standards

While Africa indeed grapples with challenges corruption, inefficiencies, and institutional weaknesses these are not uniquely African phenomena. The 2008 global financial crisis, sparked by regulatory failures in Western economies, proves that governance lapses are universal.

Yet African nations are judged more harshly. South Africa's downgrade to sub-investment grade in 2020, despite its sophisticated financial systems and regulatory maturity, exemplifies this bias.

Similarly, Ghana and Nigeria have faced swift and harsh downgrades even amid reform efforts an approach seldom mirrored when Western countries falter. Such double standards not only distort Africa's creditworthiness but also deepen its dependency on external validation.

The adverse impact of these outlooks is not merely technical it's a form of structural injustice that stalls growth and erodes confidence. Africa must stop allowing these external assessments to dictate its financial destiny.

The way forward demands a bold reimagining. Africa must invest in homegrown financial institutions like Sovereign Africa Ratings (SAR) and the African Credit Rating Agency (AfCRA), which embed local context, developmental indicators, and regional integration into their methodologies. SAR's 100-point numeric scale, for instance, demystifies ratings for local stakeholders and factors in informal sector vitality, institutional resilience, and adaptability to political stre ss realities Western agencies consistently ignore. But sovereignty isn't just about building new institutions.

It requires ethical leadership, unity across borders, and the courage to confront internal complicity in marginalization. The African Continental Free Trade Area (AfCFTA) offers a generational opportunity to harmonize regulatory frameworks, deepen regional capital markets, and align credit assessments with continental priorities.

Ultimately, this is not just an economic imperative it is a declaration of self-determination. Africa must stop playing by someone else's rules. It's time to reclaim the pen and write a financial narrative that is credible, independent, and unapologetically African.

The Regulatory Vacuum and Its Consequences

A critical challenge facing African economies today is the lack of robust regulatory frameworks for credit ratings. This regulatory void has allowed Western credit rating agencies such as Moody's, S&P, and Fitch to dominate the assessment of African sovereign risk, often to the detriment of the continent's financial stability and development. In conversations with experts like Dr. Sifiso Falala, founder of Sovereign Africa Ratings (SAR), this issue has consistently emerged as a significant obstacle to Africa's economic progress. The absence of local standards for credit assessments leaves African nations vulnerable to inflated borrowing costs, limiting their ability to implement sustainable fiscal policies.

One of the most profound consequences of this regulatory gap is the failure of global credit agencies to fully capture the complexities of African governance. These agencies often focus predominantly on governance failures, political instability, and corruption, while overlooking the broader systemic factors that shape African economies. For instance, the long-term effects of global economic crises, such as the aftermath of COVID-19, are rarely integrated into these evaluations. Similarly, Africa's colonial legacy marked by economic exploitation, resource extraction, and underdevelopment remains largely absent in the ratings process.

Take South Africa as an example. Despite years of fiscal discipline, the country has faced multiple downgrades by Western rating agencies. These downgrades are often attributed to perceived governance challenges, such as corruption and political instability, without considering the positive aspects of South Africa's macroeconomic reforms, diversification efforts, and the broader global economic pressures, including the impacts of the global recession and the burden of post-apartheid inequality. Similarly, Nigeria—a nation rich in natural resources but plagued by internal conflict has been repeatedly downgraded.

Western agencies focus on internal governance issues but fail to account for the broader geopolitical dynamics, such as the historical exploitation of Nigeria's resources, instability driven by oil price fluctuations, and the effects of global crises.

Similarly, Zambia's debt crisis and the repeated downgrades it has faced can be attributed to a narrow focus on governance failures. These agencies have overlooked the impact of global economic shocks, such as a slump in copper prices, and Zambia's limited control over the global commodity market. Western rating agencies often fail to recognize Zambia's efforts at structural reforms and economic diversification, instead portraying the country's struggles as the result of mismanagement.

This systemic bias perpetuates a cycle in which African nations, despite their efforts at reform and fiscal consolidation, remain trapped in a pattern of repeated downgrades. The emphasis on perceived governance challenges over macroeconomic reforms and structural improvements creates an environment where African economies are vulnerable to external financial market behaviours driven by biased ratings.

ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL

The resilience of African economies, particularly in sectors like agriculture, informal economies, and regional trade, is often overlooked, limiting their capacity to grow and develop.

To break this cycle, it is crucial that African nations establish robust, locally driven regulatory frameworks for credit assessments. By supporting indigenous rating agencies such as Sovereign Africa Ratings (SAR), Africa can begin to reclaim control over its economic narrative. SAR, for example, provides a more contextually relevant assessment of risk by considering factors unique to the African experience, such as informal economies, local governance practices, and resilience to political and economic challenges.

This approach enables African nations to move towards creating ratings that not only reflect local realities but also highlight the continent's growth potential, something that traditional Western ratings fail to do.

Ultimately, the absence of a comprehensive regulatory framework for credit ratings in Africa is not just an economic issue it is a governance issue. It requires bold leadership from African governments to address the structural weaknesses in the credit rating system. African nations must prioritize the establishment of local rating agencies, create favourable regulatory environments, and ensure these agencies are integrated into global financial systems.

By doing so, Africa can begin to assert greater control over its financial destiny, reduce its reliance on biased external assessments, and unlock the untapped potential of its economies for sustainable development. The future of Africa's financial sovereignty hinges on the ability to build and support an indigenous credit rating system that can provide accurate, transparent, and contextually relevant assessments of risk.

Only then can African nations hope to break free from the cycle of downgrades and inflated borrowing costs, securing the financial independence needed for long-term development.

Shifting Capital Behaviour through Reform and Incentives

Africa must not allow these external assessments to dictate its financial destiny. It must invest in homegrown financial institutions such as Sovereign Africa Ratings (SAR) and the African Credit Rating Agency (AfCRA), alongside strategic regional alliances like BRICS, which offer alternative platforms for financial cooperation and ratings that are more contextually grounded.

These initiatives can provide evaluations that reflect Africa's unique challenges and opportunities including its youthful population, informal sector innovation, growing tech ecosystems, and abundant natural resources. For instance, SAR has already begun pioneering rating models that factor in developmental indicators and regional integration efforts metrics often ignored by Western agencies.

At the heart of this financial renaissance is the African Continental Free Trade Area (AfCFTA) the largest free trade agreement in the world by number of participating countries. Beyond expanding intra-African trade, AfCFTA offers a rare opportunity to harmonize regulatory frameworks, standardize financial reporting, and establish pan-African benchmarks for creditworthiness and economic performance. By creating a single continental market, AfCFTA lays the foundation for regulatory coordination that reduces dependence on external systems and fosters investor confidence from within and beyond the continent.

This framework enables African institutions to craft more relevant, transparent, and equitable standards designed with Africa's developmental priorities in mind. It opens space for the creation of continental credit scoring mechanisms, sovereign risk indices, and regional financial data repositories, all of which can strengthen the credibility and autonomy of Africa's financial architecture.

However, the path to financial sovereignty is not solely about institutional reform. It requires ethical leadership, the courage to confront internal weaknesses, and the vision to unite across borders and interests. Africa must not only resist external bias but also reject complicity in its own marginalization. The continent's leadership must act decisively building credible, independent financial systems that reflect realities on the ground. These systems must be designed with a deep understanding of Africa's economic structures, historical burdens, and future aspirations driven by Africans, for Africans.

Ultimately, the pursuit of African financial sovereignty is not just about gaining independence from foreign credit rating agencies it is about asserting control over the continent's economic future. It is about rejecting the narrative that Africa is a passive recipient of global financial judgments and instead embracing a new paradigm where Africa leads, shapes, and determines its own economic fate.

The Power of Media Narratives and the Case for Visionary Ownership

Western media narratives have long played a pivotal role in shaping international perceptions of Africa. Terms like "failed states" or "corruption hotspots" are often used indiscriminately, flattening diverse political and economic contexts into a single, reductive storyline.

These portrayals are not merely rhetorical they feed directly into investor risk models and the methodologies of global credit rating agencies, creating a vicious cycle: negative coverage erodes investor confidence, triggers capital flight, and is subsequently cited as justification for further sovereign downgrades. As a broadcaster with nine years of experience on Beyond Governance, I have seen firsthand how these narratives take root and profoundly affect the continent's financial health and political agency. While many African countries including South Africa and Nigeria—grapple with real governance challenges, these are exacerbated by the persistent distortion of Africa's image in global media. As noted by thought leaders like Dr. Sifiso Falala and Mr. Zwelibanzi Maziya, these portrayals obscure progress, misrepresent local dynamics, and reduce complex policy environments to simplistic tropes.

This misrepresentation has material economic consequences. In South Africa, adverse credit ratings have contributed to a sharp rise in debt-servicing costs—now totaling R382.2 billion, surpassing even the budget for basic education (R324.5 billion) and exceeding public investment in infrastructure.

The country's debt-to-GDP ratio has ballooned to over 75%, up from 23.5% in 2008, reflecting years of constrained fiscal space due in part to persistent downgrades and investor scepticism rooted in skewed perceptions. The result is a trade-off where money that could build schools, hospitals, and roads is instead siphoned off to pay interest on debt.

What this reveals is that the fight for African financial sovereignty is not only about regulatory reform and institutional innovation it is also about who owns the narrative. Media ownership, often overlooked, is a strategic lever for sovereignty.

Without control over how African stories are told, the continent remains at the mercy of external interpretations and financial outcomes shaped by distant editorial boards. As such, the establishment of robust, independent, and African-owned media institutions is not merely a cultural or ideological project it is an economic imperative.

A New Vision for African Credit Assessment

Agencies like Sovereign Africa Ratings (SAR) are stepping into this void with vision and precision. SAR's introduction of a 100-point numeric scale marks a radical departure from the opaque and often elitist language of traditional credit ratings.

It demystifies credit scores for local stakeholders' governments, SOEs, investors, and citizens alike by making them accessible, transparent, and grounded in local realities. Crucially, SAR's model goes beyond conventional risk factors to incorporate African-specific dynamics: the size and vibrancy of informal economies, institutional resilience under political stress, and the adaptive capacity of governance systems.

These are the very elements that global agencies overlook yet they often determine whether an economy can withstand shocks and sustain recovery. In this sense, SAR is not merely offering an alternative it is asserting Africa's right to define and measure its own financial health on its own terms.

A Call to Action

Africa's financial sovereignty is obstructed by two enduring forces: the absence of robust regulatory frameworks and the persistence of biased global narratives. These forces have created a cycle in which African nations are constantly playing catch-up, unable to assert their full potential on the global stage. However, the emergence of Sovereign Africa Ratings (SAR) and the African Credit Rating Agency (AfCRA) offers a way forward. These initiatives represent a paradigm shift in how Africa's creditworthiness is assessed one that accounts for local realities and challenges the entrenched power of global financial institutions.

But progress requires more than technical innovation. Regulatory regimes across the continent must evolve to mandate the inclusion of domestic credit ratings in global assessments, and African governments must provide fiscal incentives to support the uptake of African-generated credit intelligence. At the same time, the media must rise to challenge the dominance of global narratives that misrepresent the continent.

As I conclude, the pursuit of African financial sovereignty is far more than an economic imperative it is a bold assertion of self-determination. For decades, Africa's development has been shaped by external forces and distorted by narratives that overlook the continent's historical burdens, resilience, and potential.

The continued dominance of Western credit rating agencies must no longer go unchallenged. While governance weaknesses are often cited as reasons for downgrades, it is disingenuous to treat corruption, maladministration, and incompetence as uniquely African, these are global challenges, not African peculiarities. Yet, rating agencies routinely weaponize them to justify punitive assessments of African sovereigns and state-owned enterprises (SOEs), perpetuating a cycle of dependency and disempowerment.

This is a call to those who are worth their salt leaders, policymakers, economists, and visionaries with the courage to rewrite the rules. Africa must invest in homegrown institutions such as Sovereign Africa Ratings (SAR), the African Credit Rating Agency (AfCRA), and strategic alliances like BRICS that reflect its own context, values, and aspirations. But sovereignty cannot be achieved through institutional reform alone.

It demands ethical leadership, the will to confront internal betrayal, and the foresight to build a unified, pan-African front. Africa must resist external bias and reject complicity in its own marginalization. The path is not easy, but the opportunity is profound. If African nations act decisively and collectively, they can build credible, independent financial systems that not only reclaim their narrative but also shape a more equitable global order one where Africa is not merely judged, but heard and heeded.

Africa must lead not by appealing for recognition, but by defining its own destiny.

OS Holdings drives efficiency in local government through technology

In the fast-evolving landscape of technology-driven governance, OS Holdings stands out as a vital player in South Africa's public and private sectors.

Founded over a decade ago, this process-driven software development and consulting firm focuses on automating business processes for medium to large organisations.

OS Holdings' team consists of licensed professionals, including adept accountants, astute business analysts, proficient project managers, and skilled developers. Leveraging its accounting expertise, it aligns with its client's financial objectives and successfully deploy accountants to implement and provide training on relevant systems.

Basically, OS Holdings is a one-stop shop for financial, management, and cost accounting, supply chain management, distribution, manufacturing, warehouse management, human talent management, POS, custom solutions, and customer relationship management.

Its main service offering revolves around Sage Enterprise Resource Planning (ERP) systems, optimising local government operations through solutions tailored for financial management, payroll, human resources, and business process automation.

One of the standout features of OS Holdings' services is its comprehensive Municipal Standard Chart of Accounts

Nomsa Nteleko: Chief Executive Officer

(mSCOA) solution. Founder and CEO, Nomsa Nteleko, says this offering not only caters to the specific financial management needs of municipalities but also ensures compliance with the myriad of legislative requirements facing local government officials.

"We provide a full suite of mSCOA, a solution that caters for municipal financial management and internal controls. This opportunity allowed us to develop a number of systems that are easy to use for local government officials while ensuring compliance to legislation," Nteleko says.

"Our approach is ensuring that officials are empowered to use technology."

Among the many initiatives deployed to enhance municipal functionality are a range of innovative applications. These include a Billing and Revenue Management System, end-to-end eProcurement with CSD integration, an AI-driven Contract Management system, and a Conversational Artificial Intelligence App designed for citizen engagement.

Nteleko says that by empowering municipal officials with easy-to-use technologies, OS Holdings reduces their dependency on external consultants, thereby fostering a more self-sufficient public sector.

These tools specifically address challenges outlined in the Auditor-General's annual audit reports, including effective supply-chain management and revenue collection—issues that have historically plagued municipalities.

Nteleko says OS Holdings has played a crucial role in enhancing supply-chain management. By streamlining procurement and ensuring compliance with supply-chain regulations, she says municipalities can avoid paying for services that were never rendered and can manage supplier performance with greater efficiency.

"The combination of our procurement and contract management system resolves many of the issues like fruitless and wasteful expenditure, it also streamlines procurement processes, reducing inefficiencies and ensuring compliance with supply-chain regulations," Nteleko says.

"In many instances, municipalities would pay for services not properly rendered and there has been no mechanisms to manage supplier performance. Our solution provides the repository of all municipal contracts, expiry dates, contract values etc… This helps curb the challenge of illegal contracts, manages the suppliers KPIs and expenses, enables a transparent tender management with our supplier portal. We believe technology buys officials time back from their unmanageable work and calendars."

At OS Holdings we also specialise in project management, equipping municipalities with the tools they need to streamline operations and align with mSCOA requirements. With the new processes it's vital for municipalities to reengineer their current processes to meet new requirements. This skill is lacking in many of our municipalities. Our team provides expert guidance in reengineering workflows and establising dedicated mSCOA committees.

"OS Holdings has navigated several challenges since its inception, including funding technology development, adapting to continuous legislative changes, and addressing the shortage of skilled professionals in South Africa's tech sector. Despite these hurdles, the company has remained resolute in simplifying mSCOA compliance and ensuring municipalities have efficient financial management systems," Nteleko says.

Key achievements include:

- Successful mSCOA implementations that have improved financial accountability in local government.
- Building strong partnerships with clients and stakeholders who align with OS Holdings' vision.
- Commitment to skills development, particularly in local government technology, to combat unemployment among South African graduates.
- Client round tables and active participation at CIGFARO, reinforcing its role as a leader in municipal financial solutions.

"The company's dedication to innovation, compliance, and empowerment continues to drive its impact in the sector," Nteleko adds.

With a strategic expansion plan, OS Holdings has made notable strides beyond its roots in Gauteng, establishing a new office in Durban to further serve municipalities and state-owned entities in KwaZulu-Natal. Nteleko says this growth strategy is centred around regional scalability, strategic partnerships, and innovative AI-driven solutions.

"A key component of this strategy is the Citizen Management Solution, developed with machine learning and conversational AI, developed by Amathuba AI. This solution enhances municipal service delivery by enabling real-time citizen engagement, automated query resolution, and data-driven decision-making,"she says.

"By integrating AI, OS Holdings ensures municipalities can streamline operations, improve financial accountability, and enhance governance efficiency."

In its quest to drive compliance and governance efficiency, OS Holdings continues to refine its mSCOA-compliant ERP systems and contract management solutions, keeping pace with ever-evolving regulatory demands. This emphasis on technology innovation and talent cultivation positions OS Holdings at the forefront of the municipal solutions sector, spearheading a new era of efficient, accountable, and citizen-centric governance.

"This approach positions OS Holdings as a leader in AI-powered municipal solutions, driving efficiency, compliance, and citizen-centric governance," Nteleko says.

Bojanala Platinum District Municipality pledges renewed focus on local communities amidst economic challenges

The Bojanala Platinum District Municipality (BPDM) has reaffirmed its commitment to supporting local communities amidst ongoing socio-economic challenges. During the tabling of the 2025/26 Budget at the end of May, Bojanala Mayor Dikeledi Nthangeni outlined an expansive budget plan aimed at addressing service delivery issues while fostering job creation and social development for the district's residents.

Straight off the bat, Nthangeni acknowledged that not all Integrated Development Plan (IDP) programmes would be completed by the end of the 2024-2025 financial year, which ends on 30 June, due to various unforeseen challenges and circumstances.

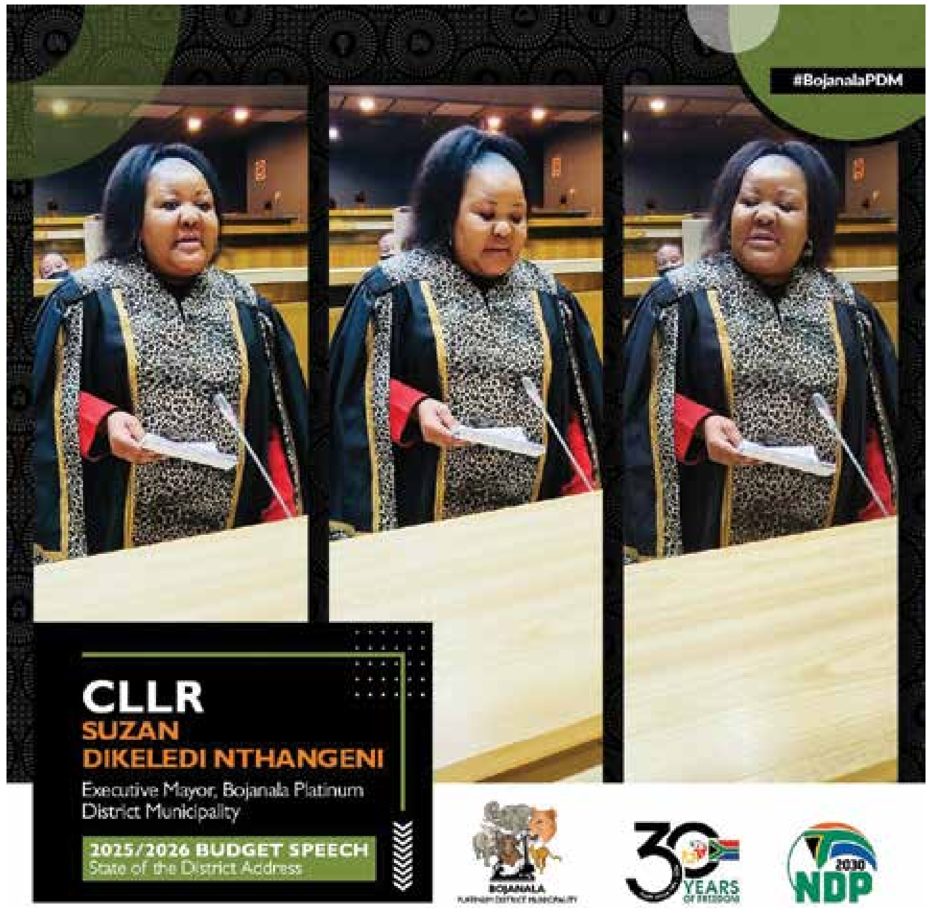
Nthangeni said the 2024-2025 budget would act as a baseline for future objectives, underlining the importance of community engagement in enhancing service provision through initiatives like the Thuntsha Lerole programme.

However, she stressed that efforts would continue to ensure that all service delivery projects would be finalised by the following fiscal year of 2025-2026.

Water and electricity shortages remain critical issues within the district, compounded by aged infrastructure. However, Nthangeni said the municipality was focused on enhancing access to clean water through the implementation of borehole projects across various locations.

"Since our inauguration municipalities within our district have been faced with challenges of water and electricity; moreover service delivery continues to be daunted by our lack of economic might," Nthangeni said.

"Although municipalities are experiencing aged water and electricity infrastructure networks, we continue to prioritise and strive towards supporting our communities with locals with boreholes for better access to water."



ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL

Capital projects and budget allocations

The BPDM has prioritised several capital projects, allocating R7 million specifically for road and stormwater infrastructure, which includes the rehabilitation of Mokgalwaneng internal roads in Mosese Kotane Local Municipality and Mothotlung internal roads in Madibeng Local Municipality.

Additionally, the municipality earmarked R4.3 million for water projects, comprising drilling and equipping boreholes in Reagile Extension 8, alongside bulk water supply initiatives in Kgomo Kgomo and Kontant.

Sanitation-related initiatives have also received attention, with R6 million set aside for refurbishing sewer plants in Kgetlengrivier and Moretele local municipalities. Nthangeni said this infrastructure investment signifies BPDM's unwavering commitment to improving living standards for residents.

"Our key priorities remain consistent with the national and provincial objectives and are refined to suit the evolving needs of our district.

The municipality in this current financial year demonstrated its direct and targeted support to local municipalities, with particular focus on high-impact, quick-win service delivery projects which will continue to the following financial year," Nthangeni said.

The latest budget report from the municipal finance department has revealed an encouraging increase in total revenue, showing a rise of R35 million for the 2025 – 2026 financial year in comparison to the previous year's budget. This optimistic outlook highlights the municipality's efforts to bolster its financial resilience amid varying economic pressures.

As the municipality sets its sights on future financial planning, total revenue is projected to continue its upward trajectory, with anticipated increases of R13.8 million and R20.7 million in the subsequent two outer years. These figures signify a commitment to enhancing the municipality's service delivery capabilities and overall community welfare.

In addition to revenue increases, the municipality has secured substantial conditional grants totalling R6.2 million. This funding comprises allocations through the Finance Management Grant, the Expanded Public Works Programme, and the Rural Roads Asset Management Grants. Such grants are instrumental in implementing diverse projects that contribute significantly to local infrastructure and employment.

However, Nthangeni said while revenue shows an impressive rise, the financial landscape must be balanced with careful expenditure manage-

ment. The Total Operating Expenditure for the 2025 – 2026 fiscal year has been set at R483.9 million. This marks an increase of R1.4 million from the Adjustments Budget of the 2024 – 2025 financial year. The rise in expenditures is attributed largely to inflationary pressures and shifts in procurement patterns, reflecting the complex dynamics at play in the current market environment.

Nthangeni said it was essential for the municipality to navigate these changes effectively, ensuring that both revenue generation and expenditure management are aligned towards sustainable development and community enhancement.

Addressing affordability and future sustainability

In a proactive move to address the pressing cash flow realities affecting the municipality, Nthangeni said the municipality was prioritising the alignment of projects and expenditures with the recently approved budget. She said this strategic shift was crucial in an environment characterised by systemic inefficiencies, with the goal of enhancing service delivery and ensuring sustainable development for all citizens of the district.

The municipality's revised budget takes into consideration the distribution of resources and expenditures, with a focus on creating a sustainable framework that improves the quality of life for residents. The analysis of the budget reveals several key areas of focus for the upcoming fiscal period.

Firstly, contracted services, which account for 24.94% of the total expenditure budget, stand at a substantial R128 million. This category of spending is essential, as it encompasses critical services that directly impact the community. As such, the municipality is committed to scrutinising these contracts to maximise the value derived from this investment.

Another significant aspect of the budget is the operating expenditure, excluding salaries. This segment contributes 10.64% to the total expenditure, amounting to R54.9 million. Efforts are underway to ensure that these funds are allocated effectively, supporting core services while eliminating waste and inefficiencies.
Moreover, the capital expenditure is set to play a vital role in the municipality's plans, with an average contribution of 6.31% to the total budget, equating to R32.5 million. This investment will be pivotal in driving infrastructural projects that are integral to community development and service delivery enhancement.

The municipality's approach reflects a commitment to reshaping its financial strategies in response to fiscal pressures, ensuring that every rand spent is directed towards priority areas that serve the community effectively. By aligning expenditures with the strategic objectives outlined in the budget, the officials aim to bolster public confidence and foster a collaborative environment for sustainable development.

As the budget realignment progresses, Nthangeni said they were confident that these measures will not only address immediate cash flow concerns but also lay a robust foundation for the future, prioritising those services that matter most to citizens.

Refining budget for sustainable development

BPDM has set in motion a comprehensive consultation process that involves all directorates and relevant stakeholders as it prepares to analyse the departmental budgets for the 2025-2026 Medium Term Revenue and Expenditure Framework (MTREF). This initiative, however, is not about crafting a brand-new budget; rather, it aims to gather valuable insights, recommendations, and inputs that could potentially influence the allocation of resources to enhance service delivery across the district.

With a keen focus on improving the quality of life for all residents, the municipality underscores its commitment to a budget aligned with its core mandate: fostering sustainable development.

The consultation process is seen as pivotal, particularly as it allows for the incorporation of diverse perspectives that may lead to either downward or upward adjustments in budget allocations. This thoughtful reflection on existing departmental budgets will project a broader understanding of the community's needs and help set priorities that resonate with those needs. By actively involving stakeholders, the municipality seeks to demonstrate transparency and a willingness to collaborate for the common good.

The municipality's approach signifies a paradigm shift towards a more participatory form of governance, one that actively invites community input in the financial decision-making process.

Reduction of deficit with operational expenditure cuts

The municipality has outlined a strategic plan to address its financial challenges by reducing its deficit, which currently stands at R61.4 million, to R53.4 million. This ambitious goal, aimed at achieving a total reduction in operational expenditure of R8 million, reflects a robust commitment to fiscal responsibility and sustainable financial management.

In a recent funding assessment conducted by the Provincial Treasury, it was confirmed that the municipality's budget for the 2025-2026 fiscal year is adequately funded. Despite this positive affirmation, Nthangeni said the sustainability of this funding remained precarious. She said the municipality's heavy reliance on grants, coupled with a marked rise in expenditure related to employee costs and consultants, presented ongoing challenges that could undermine long-term financial stability.

In terms of immediate financial health, the municipality boasts a favourable projected cash and cash balance of R176 million. After accounting for financial commitments amounting to R36.6 million, the entity has managed to secure a surplus of R139.5 million. This financial cushion is vital for ensuring business continuity and for fostering a proactive approach to future fiscal challenges.

To further bolster its financial resilience, the municipality has set its sights on maintaining an investment portfolio designed to generate income through interest on investments. This strategy not only serves to enhance cash flow but also exemplifies a forward-thinking mindset aimed at fortifying the municipal budget against unforeseen financial pressures.

The steps being taken demonstrate both a recognition of current fiscal realities and a proactive approach to securing the municipality's financial future.

Revenue proposals

Nthangeni said this year's budget process for the municipality has been nothing short of contentious, highlighting the delicate balance between economic growth and the pressing need to rebuild the local revenue base. As the municipality continues to rely heavily on equitable shares and other grant allocations, Nthangeni said the implications for effective service delivery and the broader budget implementation remain a significant concern.

Despite a growing economy, the municipality's continued dependence on grants illustrates underlying weaknesses in revenue generation. The reliance on limited revenue avenues is hampering the municipality's ability to fully fund critical expenditure programs and improve service delivery. In light of this, Nthangeni stressed the urgent need for innovative revenue-driven policies, including a revised tariff policy.

"Therefore, it remains our goal as I have pronounced before that there is also a need to propose other revenue driven policies i.e. tariff policy which has the potential of generating above the R3 million as compared to the 2023 – 2024 audited exchange and non-exchange revenue projections," Nthangeni said.

"Furthermore, we encourage our administration led by the acting accounting officer to exhaust all avenues of tapping into other government grants, especially those earmarked for service delivery programmes."

The municipality is poised at the intersection of economic development and agriculture—two pivotal sectors that hold immense promise for the local economy. To that end, a robust budget of R7.4 million has been earmarked for Local Economic Development, Tourism, Agriculture, and Rural Development. This investment aims to bolster Spatial Development Programmes and Policies, alongside strategies promoting small, micro, and medium enterprises (SMMEs), enhancing district tourism support and marketing, and facilitating agricultural farmers' support and enterprise development. Components of this budget allocation include initiatives focused on establishing a fresh produce market, which will serve as a vital resource for local farmers.

As the municipality navigates its budgetary challenges, the commitment to harnessing local resources and entrepreneurial potential remains paramount. The pressing question is whether adequate measures will be established to diversify revenue streams and secure the financial health necessary for a thriving, well-serviced community.

Water and Sanitation Indaba 2025 sets ambitious roadmap for sector reform amidst deteriorating supply

The government has recommitted to increase investment on water research and development and technological transfer in a bid to address the pressing challenges facing South Africa's water and sanitation sector.

This commitment also includes recognising the existing body of knowledge including indigenous systems; and promoting the inclusion of women, youth and people with disabilities in water and sanitation.

These were commitments made at the two-day Water and Sanitation Indaba in March, which was attended by 800 delegates drawn from national government and national entities, provincial government, local government, SA Local Government Association (SALGA), the private sector, and water and sanitation experts. The purpose of the Indaba was to seek consensus on delivery/implementation models, increasing investment through financing options, enhancing and strengthening technical and operational capacity and efficiency, building partnerships, and fighting criminality and corruption in the water and sanitation sector.

The Indaba recognized that while South Africa is ranked amongst the 30 driest countries globally, with per capita consumption standing at 218 litres daily, far above the global average of

Deputy Minister of Water and Sanitation, David Mahlobo, as program director at the 2025 Water and Sanitation Indaba.

173 litres. Meanwhile, an alarming 47% of the country's water supply is classified as non-revenue water, contributing to the growing crisis.

The gathering underscored the need for collaboration, accountability, and an inclusive approach to revitalise the sector, focussing on sustainable practices and innovative solutions.

As South Africa faces escalating water challenges, the nation is caught in a balancing act between growing demand and dwindling resources. Projections indicate that while the national water balance remains stable until 2030, localized deficits are amplifying, driven by economic growth, urbanisation, and population increase.

The call for change has never been clearer; without effective intervention, the situation risks spiralling into greater water scarcity exacerbated by climate change.

In his keynote address, President Cyril Ramaphosa reiterated what he said in his State of the Nation Address that water was South Africa's immediate crisis and that the government's top priority was to ensure water security and reliable water and sanitation services for the benefit of all. Ramaphosa said what was needed was course correction - a comprehensive plan that will expand access to water and sanitation services, improve the quality of water and sanitation infrastructure, and bring stability and good governance to all the entities involved in South Africa's water stewardship. He also emphasized the need for collaboration.

"There needs to be greater cooperation between national and provincial governments, the water resource management entities, and the private sector to support the turnaround in water stewardship," he said.

"The people of South Africa look to this Water and Sanitation Indaba with hope, and for a clear strategy and plan on how to uphold their dignity through the provision of water and sanitation services that are their basic right. We also look to this Indaba for a clear vision for ensuring South Africa's water security well into the future."

The pressure on South Africa's water systems has been intensified by inefficiencies such as losses in municipal distribution systems, degradation of wetlands, sewage pollution, industrial pollutants, and the daunting impacts of climate change. With substantial portions of municipalities unable to effectively fulfil their mandates, the deterioration of water quality—particularly from sewage—has resulted in perilous ecological damage and endangered community health.

Data from the Department of Water and Sanitation (DWS) confirms alarming trends: an average reliability of water services has plummeted to just 68%, while non-revenue water—a metric reflecting unaccounted for water—staggeringly stands at 48%. This deterioration is compounded by widespread criminal activity and governance instability, including infrastructure decay, corruption, and poor financial management.

Responding to these challenges necessitates more than mere supply-side measures. Nationally, South Africa is already utilising about 75% of its sustainably utilisable surface water resources. Moving forward, a diversified water resource mix has emerged as a critical strategy for enhanced water security. This diversification may include increasing the sustainable use of groundwater, desalination of seawater, and reusing treated wastewater alongside repurposing low-quality water from sources such as acid mine drainage.

According to experts, a whole-of-society approach is essential to achieve a sustainable water future. This requires the establishment of robust frameworks, better infrastructure planning, and increased investments into maintenance and capacity building within the sector.

Delegates listening to presentations at the 2025 Water and Sanitation Indaba.

However, projects that have long languished in development hell, such as the Lesotho Highlands Water Project Phase II and the uMkhomazi Water Project, are finally moving into implementation phases, signalling renewed commitment to advancing water resource management.

The establishment of Catchment Management Agencies also promises improved oversight and management of water catchments, essential for securing raw water supplies. When fully operational and combined with a concerted effort to bolster water conservation and improve domestic and industrial water use, these strategies may hold the key to averting future deficits.

In this dynamic and challenging landscape, it is evident that achieving effective water resource management requires agility through innovative climate change mitigation strategies. The interdependence of governance, environmental health, and community welfare cannot be overlooked. As the nation's water future hangs in the balance, the call at Indaba was clear: stakeholders must unite to embrace evidence-based innovations and foster a collaborative environment conducive to sustainable water resource planning and management.

Most communities and sectors are already experiencing widespread water and sanitation delivery failures and a lack of responsiveness, including water insecurity, scarcity, intermittent supply or no supply at all.

Based on the DWS 2023 full Blue Drop and 2022 full Green Drop assessments, Minister of Water and Sanitation Pemmy Majodina identified 105 out of the 144 water services authorities that are experiencing a water service delivery crisis.

This failure has contributed to the trust deficit in the sector. These municipalities are unable to discharge their constitutional responsibilities in a number of areas, including basic service delivery and the management of critical infrastructure like water treatment plants and waste water treatment plants.

Majodina said that with 75% of South Africa's surface water already in use, the DWS was accelerating the implementation of various water mix strategies—emphasising groundwater, desalination, and wastewater reclamation—while reinvigorating stalled water projects across several provinces. She said the government has recently unlocked key projects, such as the uMkomazi and uMzimvubu developments in KwaZulu-Natal and Eastern Cape, respectively. These ambitious efforts aim to bolster water security for provinces including Free State, North West, and Gauteng, seen as vital centres of economic activity.

However, Majodina identified an urgent necessity for uninterrupted action to meet the Sustainable Development Goal 6 by 2030. She said challenges such as organised crime, poor urban planning, and inadequate financial management threatened to derail progress.

"We are also accelerating key water services projects such as the Olifants Management Model Programme in Limpopo where the Private Sector (Mining houses) and government are contribution 50% each for a project that will provide water security for Sekhukhune District Municipality, Capricorn as well as Polokwane Municipality. The department is also accelerating Phase 2 of the Vaal Gamagara project in Northern Cape, Pilanesberg Bulk Project in North West and many others," she said.

"However, while the government is pursuing this call on infrastructure development and acceleration, the country still stands a huge risk of not achieving its SDG 6 by 2030, hence a call for action on water security by all sectors cannot be overstated. The President made a call for the implementation of Phase 2 of Operation Vulindlela where key institutional reforms at Cooperative Governance and Traditional Affairs, Department of Water and Sanitation and National Treasury will be embarked on, with clear timelines for the next 5 years. The turnaround plan to be developed from the National Water and Sanitation Indaba deliberation has to align with the approved Medium-Term Development Plan."

The Indaba resulted in a series of robust resolutions aimed at transforming the framework within which water services operate. These resolutions fall into several key categories, with the principal aim of enhancing delivery models, increasing financial viability, bolstering operational capacity, and promoting community resilience. Furthermore, the importance of safeguarding the resources through anti-corruption measures and embracing technological advancements were prevalent themes.

Strengthening delivery models

A significant focus of the discussion was on strengthening the delivery and implementation models within the sector. To ensure optimal performance, the Department of Water and Sanitation (DWS) has committed to completing the establishment of the National Water Resource Infrastructure Agency by mid-2026 and finalising the establishment of Catchment Management Agencies by July 2025. This is a crucial step towards enhancing local governance and operational efficiency in water service provision.

- The introduction of utility models for water and sanitation is set to redefine municipal ownership without compromising operational efficiency.
- A coordinated consultative process under the Municipal Systems Act will lead to the appointment of capable Water Service Providers (WSPs), ensuring councils make decisions that reflect the needs of their constituencies.

Financial viability and investment strategies

Financial sustainability is imperative for the water sector's longevity. The Indaba saw a commitment from all government departments to promptly process invoices from municipalities, while municipalities were urged to adopt stringent measures against non-compliance from government entities. The DWS also plans to introduce a revised raw water pricing strategy by April 2026, and create an independent economic regulator to foster fair pricing practices within the water value chain.

- Strategies to tackle non-revenue water include enhanced leak detection and improved billing systems, prioritising both efficiency and transparency alongside cost-effective operations.
- An emphasis on private sector partnerships, including the development of Green and Blue Bond financing mechanisms, illustrates a forward-thinking approach to funding water initiatives.

Enhancing technical capacity

Technical and operational capacity must be strengthened as part of the resolutions set forth during the Indaba. Water Service Authorities (WSAs) are mandated to implement corrective action plans by May 2025, with a key focus on improving maintenance and asset management to ensure infrastructure sustainability.

Furthermore, addressing the skills gap with ongoing recruitment for critical technical positions is acknowledged as vital to achieving effective service delivery.

Creating resilient communities

One of the fundamental takeaways from the Indaba is the urgent need to build water-sensitive and resilient communities. Awareness campaigns are to be rolled out, collaborating with civil society and businesses to foster a culture of water conservation. Local initiatives will draw upon successful past experiments such as the Presidential Business Working Group in eThekwini, with the aim of addressing localised water and sanitation challenges effectively.

Fighting corruption

Corruption and criminality emerged as significant barriers to effective water management. As part of the resolutions, all WSAs are charged with developing robust infrastructure security strategies within six months, while collaborative efforts with the Special Investigating Unit will work towards establishing a national anti-corruption forum. Community-led education programmes will raise awareness about the impacts of vandalism on water infrastructure, promoting grassroots involvement in protecting vital resources.

The resolutions from the Water and Sanitation Indaba mark a pivotal moment for South Africa, formalising a collective approach to confront decades-long issues in the sector. By fostering partnerships and committing to shared responsibilities, stakeholders are poised to spearhead a transformative journey toward a sustainable water future for all South Africans.

7 BILLION LITRES SAVED:
Motheo Water Leads the Charge!
Saving Water, Setting the Standard.

South Africa is a water-stressed country where droughts are common, and these conditions affect nearly every aspect of our lives. Experts estimate that by 2030, South Africa will face a water supply deficit of between 30% and 40%.

Experts estimate by

2030 South Africa will experience: | **30%+** water supply deficit

This can be attributed to climate change, technological advancements, shifts in economic production requirements, changes in social structures, and population growth.

While climate change continues to negatively impact our environment, the infrastructure challenges faced by municipalities are resulting in increasing instances of water shortages, water-shedding, and compromised water quality.

These challenges – combined with the fact that municipalities are highly dependent on income from water and sanitation customers – underscore the urgent need for creative solutions to ensure the sustainability of our water resources. The demand for smart, effective water solutions has never been greater.

Lettie Mashau – CEO, Motheo Construction Group

This is where Motheo Construction Group, under the leadership of the highly qualified and experienced Group CEO Lettie Mashau, has stepped up to address these pressing issues.

Through the establishment of Motheo Water, Lettie Mashau has reshaped the water-saving landscape in the Free State Province. The company has dedicated its efforts, in partnership with the Department of Public Works and Infrastructure, to addressing water losses at provincial hospitals and clinics.

This water-saving initiative, which encompasses all aspects of water demand management – including leak repairs, maintenance, metering, monitoring, infrastructure upgrades, and educational campaigns – has already saved over 7 billion litres of water since the project's inception.

Motheo Water focuses on its clients' water and cost savings through a systematic, data-driven approach. Its goal is to offer practical, proven solutions that go beyond leak repairs. The company provides data, tools, information, and services that enable long-term water conservation.

Lettie Mashau is a visionary leader, driving change and innovation in South Africa's infrastructure and sustainability sectors. A significant part of her mission is helping municipalities tackle the ever-growing challenge of non-revenue water losses across the country.

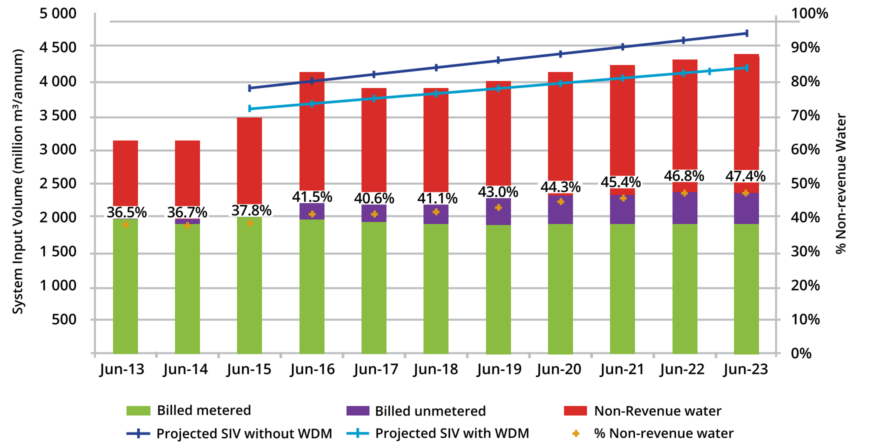
What We Do Best

- Water-saving programs tailored to each client's needs
- Real-time consumption, flow, and pressure monitoring
- Non-Revenue Water (NRW) assessments and interventions
- Data analysis to support long-term water planning

What Makes Motheo Water Different

- ***Technology-focused approach:*** Our tech systems give our clients a 360-degree view of their water use.
- ***Measurable track record:*** We do more than to promise savings, we show our clients where they are losing water and why.
- ***Custom-designed solutions:*** Our technology is developed in-house to meet local needs.
- ***Built for South Africa:*** Our technology and tools are shaped by the realities of South Africa's dynamic and often unpredictable water environment.
- ***Quick to adapt:*** We understand that conditions can shift rapidly. Our systems are built to respond quickly and remain effective.
- ***Purpose-driven innovation:*** This is a local initiative driven by insight and intention. It is for today's challenges and ready for tomorrow's demands.

National Water Balance Trends (Source: 2023 Status of water losses, non-revenue water and water use efficiency in South African Municipalities)



7 BILLION LITRES OF WATER SAVED

www.motheowater.co.za – a division of **www.motheogroup.co.za**
Tel: (+27) 11 789 8440
Email: info.water@motheogroup.co.za

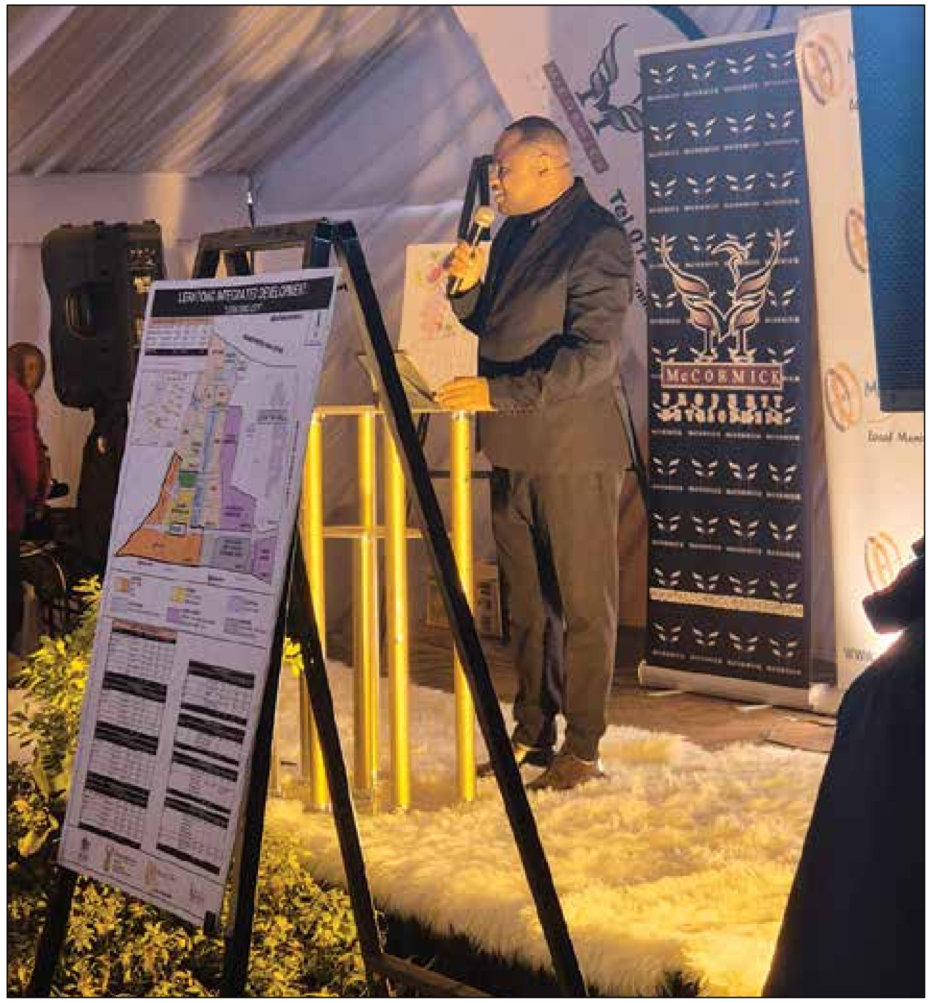
Executive Mayor leads the way in the urban city transformation through the Leratong nodal development

Executive Mayor Lucky Sele, has officially launched the Leratong Nodal Development — a flagship spatial transformation project that places the municipality at the forefront of integrated, people-centred urban development.

Held on Thursday, 5 June the launch was graced by Gauteng Premier Panyaza Lesufi and MEC for Human Settlement Tasneem Motara, in a clear demonstration of intergovernmental collaboration and support for local government-led transformation.

The Leratong Node is a, mixed-use precinct development conceptualised and driven by Mogale City and Trendville Investments to redress historic spatial inequalities and unlock sustainable economic opportunities for communities in Kagiso and Mogale City as a whole.

The development, strategically located around the Leratong Hospital and Randfontein Road corridor, will deliver over 15 000 mixed-income housing units, a 35,000m² regional shopping centre set to open by November 2026 ,upgraded infrastructure, improved public amenities, and a new localised economy that benefits residents directly.



Executive Mayor. Councillor Lucky Godfrey Sele

Speaking at the launch, Executive Mayor Sele highlighted that the project is a "direct outcome of Mogale City's spatial vision, rooted in equity, redress and inclusive growth- an Urban City Centre." He further noted that local government is not merely implementing but driving the developmental agenda with the support of provincial government.

"This is more than a development," said the mayor. "It is a reclaiming of space, dignity and opportunity for our people. As the Urban City Centre, Mogale City, we remain committed to building liveable communities where our residents can live, work and thrive — close to transport, healthcare, jobs and each other."

Gauteng Premier: Panyaza Lesufi

In addition to the delivery of infrastructure, the project is expected to create hundreds of job opportunities, stimulate SMME development, and catalyse local procurement and construction industry participation.

Mayor Sele, further contextualised the significance of the project within broader national discourse, referencing Mogale City's participation in the Infrastructure South Africa Thought Leadership Dialogue & Summit, where the municipality was recognised among the top 10 municipalities championing innovative and responsive inclusive growth.

Premier Lesufi and MEC Motara both commended Mogale City's leadership for its proactive planning, community-centred approach and firm commitment to the developmental of local government.

The Executive Mayor concluded by thanking all stakeholders and reaffirming that Mogale City will continue to lead boldly, plan inclusively and deliver with integrity.

"The Leratong Node is not just a project. It is the beginning of a new Urban City Centre."

Successes and Behavioural Strategy of the BXC Smart Meter Programme in Emfuleni

The BXC smart meter programme in Emfuleni has emerged as a transformative initiative, significantly improving electricity and water management while securing stakeholder support for its continued expansion and sustainable revenue generation.

Focussing on modernizing key aspects of service delivery by the Emfuleni Local Municipality (ELM), BXC has not only enhanced revenue collection but also fostered greater transparency and efficiency in core municipal resource management and consumption.

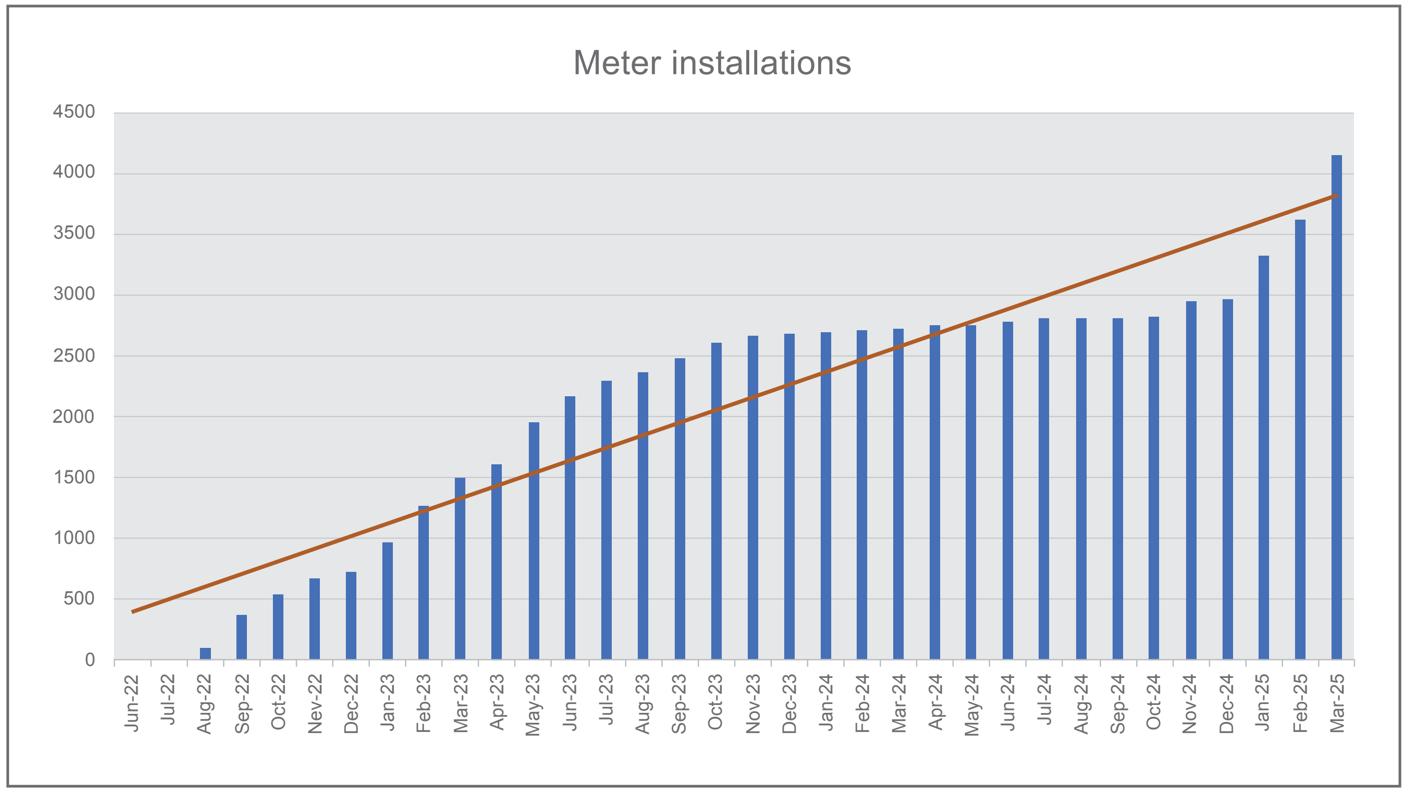
Advancements in Smart Meter Installations

BXC has made remarkable strides, and as of early 2025, the total number of activated smart meters in the region is 4,145, with ambitious targets for expansion—another 12,000 electricity smart meters and 5,000 water smart meters. These installations provide a much-needed boost to municipal revenue generation, helping service delivery remain sustainable.

One of the key advantages of smart meters is eliminating corrupt paper-based billing systems, which have led to public resistance and further non-payment. By transitioning to digital metering, consumers can now plan their electricity and water usage more effectively, reducing unnecessary wastage and improving overall consumption habits.

Cultivating active support from Stakeholders

A crucial aspect has been the ability to increasingly secure stakeholder buy-in. BXC and ELM have actively engaged with communities, councillors, and business leaders to ensure widespread support for the initiative. Public participation and media education campaigns play a vital role in addressing concerns and demonstrating the benefits of smart meters for both consumers and the municipality



Despite initial resistance, consumers increasingly recognize the advantages of smart meters, which has enabled them to gain better control over utility expenses while ensuring fair and accurate billing. Additionally, ELM's commitment to transparency and efficiency has strengthened trust among residents and businesses, further solidifying support for the BXC initiative.

Integration with Broader Municipal Goals

The BXC programme aligns with ELM's broader financial recovery strategy and National Treasury policy. As part of its debt relief agreement with the National Treasury, ELM is required to implement smart metering to enhance revenue security and financial stability.

Furthermore, BXC has demonstrated its ability to curb illegal meter bypassing, a persistent revenue loss issue.

In 2024 alone, BXC and ELM recovered over R2.1 million from residents and businesses involved in electricity theft. The smart meters' ability to instantly detect tampering has strengthened enforcement measures, ensuring that such consumers cannot escape accountability.

Looking Ahead

With continued expansion and stakeholder engagement, the BXC smart meter programme is set to play an even greater role in ELM's. The municipality's proactive approach to digitalization and revenue security underscores its commitment to sustainable service delivery.

As installations progress, the benefits of smart metering will become even more evident, reinforcing the BXC programme's position as a model for other municipalities seeking to modernize their utility management systems and creat a firm social base for revenue security.

The success of the BXC smart meter programme therefore is a testament to the power of innovation, collaboration, and integrated strategic planning.

BXC SOUTH AFRICA

Cantact Details

Reception: 016 100 6170 (Office Hours)
Call Centre: 087 147 2580 (24/7)
Standby: 063 676 0397 (24/7)
WhatApp: 063 676 0397 (24/7)
Email: admin@bxcsa.co.za

South Africa's 2025 budget prioritises reform to bolster provincial and municipal funding

Finance Minister Enoch Godongwana, in his much-anticipated 2025 Budget Review underscored the critical need for structural reforms aimed at enhancing revenue generation, accountability, and efficiency within provinces and municipalities. This push comes amid growing pressures on local governments to meet the fundamental service delivery demands of South African citizens, all while grappling with the constraints of rising costs and declining economic growth. With a focus on fostering stronger intergovernmental collaboration, the budget announces targeted reforms designed to tackle urgent infrastructure needs and improve overall governance across all levels of government. Among these reforms is the introduction of a new urban development financing grant, which consolidates components from existing grants to empower municipal entities that oversee essential services like water supply, sanitation, electricity, and waste management.

CHANGES TO PROVINCIAL AND MUNICIPAL ALLOCATIONS

The adjustments to allocations since the 2024 Medium Term Budget Policy Statement are not merely administrative; they represent a fundamental shift in how resources are directed. The new grant system does not only provide funds but ties allocations to specific performance metrics, including management accountability and service delivery efficiency. A key development is the introduction of the urban development financing grant, which merges the metro component of the neighbourhood development partnership grant and a portion of the programme and project preparation support grant.

The new grant is intended to strengthen the management of and infrastructure investment in municipal entities that supply water and sanitation, electricity, energy and solid waste management services. Allocations will be transferred to metros based on the achievement of targets related to management accountability, transparency and institutional capability; financial performance, including better collections, cash flow, debtors management and capital investment; and service delivery efficiency, such as reduced

GAUTENG PROVINCIAL BUDGET 2025/26

Office of the Premier: R569.2 million in the 2025/26 financial year and R1.8 billion over the MTEF to enable it to lead the Gauteng Provinical Government in the implementation of the 2024-2029 Gauteng Medium-Term Development Plan

Gauteng Provincial Legislature: R1.2 billion in 2025/26, and it grows to R3 billion over the MTEF period to propel confidence in democracy and improve the quality of life of Gauteng's residents.

Gauteng Department of Economic Development: will be allocated **R1.6 billion** in the 2025/2026 financial year and **R4.9 billion** in total over the MTEF. A total of **R22.6 million** in 2025/2026 and **R63.7 million** over the 2025 MTEF have been allocated towards the implementation of industrial parks.

Gauteng Department of Health: 2025/2026 financial year allocation amounts to **R66 billion,** and a total of **R209.1 billion** over the MTEF, to strengthen the public health system.

Gauteng Department of Education
R69.6 billion, and cumulatively **R211.2 billion** over the MTEF, to expand access to quality basic education.

Gauteng Department of Human Settlements
R5.8 billion, and in total **R16.6 billion** over the MTEF, towards the provision of access to inclusionary Human Settlement opportunities

Gauteng Department of Community Safety
R2.4 billion, and R6.8 billion over the MTEF, to protect, safeguard and secure communities through improved policing and community safety efforts

Gauteng Department of e-Government
R1.5 billion, in the 2025/2026 financial year and **R4.8 billion** over the MTEF.

Gauteng Department of Infrastructure Development
2025/2026 financial year amounts to **R3.6 billion,** and cumulatively **R10.8 billion** over the MTEF.

Gauteng Department of Social Development
R5.5 billion, for the 2025/2026 financial year, and **R16.8 billion** over the MTEF

Gauteng Department of Environment
R611.4 million in the 2025/2026 financial year, and **R1.8 billion** over the MTEF, to respond to priority interventions identified in the 2024- 2029 Medium-Term Development Plan.

Gauteng Department of Cooperative Governance, Traditional Affairs and Urban Planning
R551.4 million in the 2025/2026 financial year and **R1.7 billion** over the MTEF, to carry out its role of strengthening integrated planning, cooperative governance and improved oversight.

Gauteng Department of Roads and Transport
2025/2026 allocation is **R9.7 billion,** and **R28 billion** overthe MTEF is primarily for the provision of a safe, reliable and affordable integrated transport system

Gauteng Department of Sport, Arts, Culture and Recreation
will receive an amount of **R1 billion** in the 2025/26 financial year and **R3.1 billion** over the MTEF

The Gauteng Provincial Treasury
R787.8 million in the 2025/2026 financial year, and cumulatively **R2.4 billion** over the MTEF

GAUTENG PROVINCIAL GOVERNMENT REPUBLIC OF SOUTH AFRICA
G20 SOUTH AFRICA 2025
GGT2030 GROWING GAUTENG TOGETHER

losses and better quality and reliability. The grant will be augmented by results-based financing from international development finance partners such as the World Bank. This merged grant will have baselines of R518 million in 2025/26, R678 million in 2026/27 and R709 million in 2027/28.

Over the Medium-Term Expenditure Framework (MTEF) period, R8.5 billion is provisionally allocated pending the fulfilment of agreed performance conditions and obligations by metropolitan municipalities. Additional results-based financing in 2025/26 is linked to the urban settlements development grant, which supplements municipal capital budgets for bulk infrastructure.

In the provincial sphere, the expanded public works programme integrated grant will be merged with the social sector expanded public works programme incentive grant from 2025/26, combining their allocations.

Furthermore, Godongwana announced that the municipal systems improvement grant will be discontinued, with funds redirected to the Department of Cooperative Governance for municipal support. In addition, R494 million in 2025/26 will be shifted from the direct to the indirect component of the municipal infrastructure grant to address wastewater infrastructure issues in 21 municipalities. Allocations of R76 million in 2025/26, R83 million in 2026/27 and R86 million in 2027/28 are shifted from the municipal infrastructure grant to the integrated urban development grant as Alfred Duma Local Municipality has become eligible to participate in the integrated urban development grant.

UPDATE TO LOCAL GOVERNMENT EQUITABLE SHARE

The local government equitable share formula has been updated to include revised cost factors for bulk services such as electricity and water. For the 2025 MTEF period, the formula will continue to use the 2023/24 household estimates from the 2024 MTEF formula. Godongwana said this approach provided stability in allocations until Statistics South Africa releases a new data series based on the 2022 Census.

"The local government equitable share will increase from R99.5 billion in 2024/25 to R115.7 billion in 2027/28. This is to fund increases in the cost of bulk water and electricity costs provided for free to needy households," he said.

"In 2025/26, 83% of the local government equitable share provides a free basic services package of R610 per month to 11.2 million poor households. This package of free municipal services continues to be a key tool for reducing poverty and inequality, raising living standards and facilitating access to greater economic opportunities."

Similarly, the proportion of households below the affordability threshold in each municipality continues to be based on 2011 Census data.

This is because the 2022/23 Income and Expenditure Survey data was delayed and has not been released at the municipal level to enable updates to the local government equitable share formula for the 2025 Division of Revenue Bill. Updating the formula with the latest official data was necessary to ensure that municipal allocations reflect demographic changes. To this end, the National Treasury is engaging with Statistics South Africa so that the necessary data is available for the 2026 Budget.

R1 TRILLION TO INFRASTRUCTURE OVER MEDIUM-TERM

Over the next three years, an estimated R1.03 trillion will be spent on public infrastructure projects by State-Owned Companies, other public entities, and national, provincial and local governments. This includes R402 billion for road infrastructure, with R100 billion of investments by the South African National Roads Agency Limited. An amount of R219.2 billion will be spent on energy infrastructure, and R156.3 billion will flow to water and sanitation infrastructure. The 2025 Budget added R46.7 billion in funding for infrastructure projects over the next three years.

For the 2025 medium-term expenditure framework (MTEF) period, provinces and municipalities were allocated R2.95 trillion or 49.8 per cent of total non-interest spending. Of this amount, R2.4 trillion goes to provinces and the local government received R552.7 billion. Funds were allocated in the form of equitable shares, which are distributed through a formula that factors in demographic and developmental considerations, and conditional grants.

MUNICIPAL REVENUE AND SPENDING

As part of a five-year programme of action to improve local governance, the National Treasury is leading a comprehensive review of the local government fiscal framework. This review, which was endorsed by the Budget Forum in October 2024, aims to refine the funding model to ensure it is equitable, efficient and responsive to the diverse needs of municipalities.

Key reforms include revising the local government equitable share formula to better target poor households and account for cost differences across municipalities. In addition, the National Treasury is consulting stakeholders as part of developing norms and standards for municipal electricity surcharges to help reform municipal revenue collection. The challenges facing local government go beyond funding. Weak political and administrative management has resulted in persistent failures – including poor cash flow management, irregular and wasteful expenditure and non-compliance with financial management statutes – that highlight the need for stronger accountability. Vacancies in critical senior management positions, weak internal controls and poor implementation of audit findings further undermine financial discipline and service delivery.

IMPLEMENTING THE CONDITIONAL GRANT REVIEW

Conditional grants are designed to achieve specific objectives, and they are made available once provinces and municipalities fulfil conditions relating to their use. Provinces and municipalities face spending and revenue pressures from the rising costs of basic and social services, as well as declining economic growth and high borrowing costs. After providing for debt-service costs, the contingency reserve and provisional allocations, 48.4% of nationally raised funds are allocated to the national government, 41.9% to the provincial government and 9.7% to the local government.

The 2025 Budget introduces a performance-based conditional grant for certain trading service entities that provide basic services, such as municipal water. This will incentivise financial and operational reforms to improve their functioning and sustainability.

Godongwana said the proliferation of conditional grants has necessitated a review of conditional grants to reduce duplication and improve the effectiveness of programmes.

He said this budget will implement the first phase of the recommendations of the review and includes merging conditional grants in basic education and agriculture. Performance based conditional grants to metropolitan municipalities are also introduced, linked to institutional, governance and financial reforms to improve services.

BUILDING LOCAL GOVERNMENT DISASTER RESILIENCE

Godongwana said the incentives in the current disaster management system were skewed towards relief and rehabilitation, when mitigation and readiness to minimise damage is the most cost effective response.

"Our municipalities stand at the frontline of disaster response yet they are hamstrung by aging infrastructure, bureaucratic fragmentation, and limited access to emergency funds. The priority is to reduce the administrative burden to access emergency funds. Every hour of delay costs lives and livelihoods," he said.

As a result, the National Treasury is leading reforms to enhance the disaster risk financing framework in the context of increasingly frequent and severe disasters. Reforms are aimed at ensuring that disaster response is timely, efficient and equitable, while proactively reducing risks.

Treasury surveyed the 40 municipalities at highest risk of natural disasters. The results highlighted significant delays in municipalities accessing disaster response funds and recovery grants, averaging five months and 12.25 months respectively.

Treasury said these delays hindered an effective response in resource-constrained municipalities. Complex application, verification and reporting processes, combined with limited technical capacity, exacerbate the delays, particularly in smaller municipalities.

Challenges such as access to disaster sites, reliance on consultants and unclear processes were contributing factors. In coastal and rural municipalities, which are heavily reliant on disaster recovery grants, reported expenditure often fell below allocations due to data discrepancies – such as issues with data quality and reporting practices – and spending challenges.

Treasury said disaster risk reduction remained underfunded, with ageing infrastructure and poor maintenance increasing vulnerability. It said inefficiencies were worsened by fragmentation, delays in provincial collation for disaster declarations and unclear roles across government

However, Godongwana said a multi-layered risk financing strategy has been developed that will address overreliance on budget reallocations, which often delays disaster response and recovery.

"Continuous improvements are made to the grant system to incentivise municipalities to access a variety of funding instruments for disasters. These include their own budget, the contingency reserve, conditional grant funding and insurance," he said.

"The Budget allocates R1.7 billion to respond to future disasters over the medium term, while R4 billion is provisionally allocated to address backlogs in recovery efforts for provinces and municipalities."

UPDATE ON THE MUNICIPAL DEBT-RELIEF PROGRAMME

Treasury said many of the 71 municipalities in the municipal debt-relief programme were failing to meet the required conditions for the national government to write off their arrears debt to Eskom in equal tranches over three years. Key issues include persistent non-payment of monthly electricity accounts and an inability to collect the mandated 85% of revenue. Forty seven municipalities have consistently defaulted and already accumulated substantial arrears after receiving debt relief. Despite monthly support from provincial treasuries, these municipalities continued to struggle with financial management, risking removal from the programme.

The National Treasury has issued final warnings to several municipalities, including Mangaung Metro, Richtersveld and Inxuba Yethemba. Termination from the programme will require municipalities to repay their debt and accumulated arrears in full while facing credit control measures from Eskom, such as legal proceedings and the introduction of prepaid bulk electricity systems.

The National Treasury and provincial treasuries will continue to enforce programme conditions and support municipalities. Municipalities need to improve efforts to meet their obligations by implementing cost-reflective tariffs, sustainably managing free basic services, and exploring smart prepaid meters to improve revenue collection and financial sustainability.

While challenges persist, there are success stories. Eleven municipalities have had one-third of their debt written off after meeting the programme conditions. These successes highlight the programme's potential to improve municipal financial stability.

Kouga municipality champions innovation with Africa's first drone response initiative

The Kouga Local Municipality has officially launched the continent's first Drone as a First Responder (DFR) programme in a trailblazing leap toward enhancing public safety and disaster management.

Launched in Humansdorp on Monday, 24 March 2025, this cutting-edge initiative leverages advanced drone technology to improve situational awareness, secure critical infrastructure, and safeguard the well-being of residents.

This will mark Kouga Local Municipality as the first in Africa to test such an innovative platform with features such as thermal imaging cameras, live video streaming, and GPS tracking.

The drone-led safety initiative sets a new national benchmark for integrating technology into emergency services.

This innovation cements Kouga's reputation as a trailblazer in public safety, complementing previous achievements like the panic application with video functionality for residents, body cameras for officers, and the establishment of the Incident Command Centre (ICC).

Launched as a pilot project nid-March, the programme will operate until mid-May, after which the municipality will have a network of drones across the Kouga region using patented software that can handle emergencies across the municipality 24/7.

Andrew Whitfield, the deputy minister of Trade, Industry and Competition, who attended the launch, said that drone technology was not just about safety but also about creating an environment where businesses can thrive and jobs can be sustained.

"Kouga has not sat back and waited – they have stepped up, working with the police while also providing resources and skilled law enforcement officers," Whitfield said.

"If we do not have safe communities, investment and job creation suffer. Every safety intervention contributes directly to economic growth."

Whitfield added that crime costs South Africa 10% of its gross domestic product (GDP). "I will do everything in my power to support projects like this, where technology and industrial development intersect."

Equipped with state-of-the-art drones developed by UrSafe Technologies, emergency responders can now gain a real-time view of crises even before personnel arrive on the scene.

These drones are designed to bolster emergency operations, from accelerating search-and-rescue missions to combating wildfires and mitigating flood damage. Kouga Executive Mayor, Hattingh Bornman, emphasised the municipality's leadership in community safety and disaster preparedness.

"This programme builds on Kouga Local Municipality's long-standing dedication to public safety and proactive disaster management," said Bornman.

"Previous initiatives, such as our highly regarded Fire and Rescue Services, Disaster Risk Reduction Programme, and

Kouga Executive Mayor, Hattingh Bornman, together with UrSafe Technologies Director, Stuart Riddle, at the launch of the first Drone as a First Responder (DFR) programme. Photos: Kouga Municipality

Community Safety Partnership, have laid the foundation for this technological advancement.

"With the integration of drones into our emergency response capabilities, we are enhancing existing programmes and setting a new benchmark for how technology can save lives. This step forms part of our continuous effort to provide exceptional services to our community."

UrSafe Technologies Director, Stuart Riddle, emphasised the game-changing role of drones in emergency operations and the DFR's unique capabilities.

"While drones and body cams are not new, the UrSafe initiative stands out by integrating personal safety, law enforcement enhancement, and the ability to deploy drones as first responders under one patented technology umbrella. The DFR-programme envisions a mesh network of drones that can be operated remotely or autonomously, transmitting live imagery to the ICC to enable swift coordination of law enforcement and disaster management efforts.

"In addition, the software will enable drones to assist in search and rescue operations, firefighting coordination, as well as surveillance of municipal infrastructure via autonomously flown surveillance missions as determined by the authorities."

Beyond emergency scenarios, the DFR-programme will also protect vital infrastructure throughout Kouga.

A Memorandum of Agreement (MOA) with UrSafe Technologies underscores the municipality's commitment to transparency, privacy, and accountability. Stringent ethical and safety guidelines ensure drone operations respect residents' privacy while maintaining high standards of transparency.

A comprehensive privacy policy protects the public before, during, and after drone missions.

The programme represents a pivotal addition to the municipality's broader strategy of modernising emergency services through innovative technology.

"Our vision is to integrate emerging technologies into local government services to enhance the quality of life for our residents," said Bornman. "By adopting drone technology, we are laying the groundwork for the future of emergency response and disaster management."

His Worship the Mayor, Cllr. Mzimkhulu Thebolla, Acting Municipal Manager Mrs. Nelisiwe Ngcobo, during a meeting at the City Hall council chamber with businesses in Mkondeni to discuss the challenges they are facing and explore potential solutions - Picture: uMsunduzi Municipality Instagram

uMsunduzi earnestly vows to tackle financial mismanagement challenges after damning AG report on KZN municiplaities

UMsunduzi Local Municipality has vowed to continue demonstrating its commitment to sound financial management and accountability after the latest report from the Auditor-General recently flagged it among those with the highest irregular, wasteful, and fruitless expenditure in KwaZulu-Natal.

Tabling her report on the municipal outcomes for the 2023-2024 audit at the KZN provincial legislature in March, the Auditor General Tsakani Malulleke said many municipalities in the province had received unqualified or unqualified with findings audit opinions, which is a short step from a regressive qualified audit opinion.

Auditor-General Tsakani Maluleke addressing the media after tabling her reports

Maluleke noted that many municipalities had remained in this space for a long time and have become complacent. Among those in this category are the eThekwini Municipality, the Msunduzi Local Municipality, and the Ugu District Municipality, as well as KwaDukuza, Ray Nkonyeni, and Greater Kokstad, among others.

For the third consecutive year, Msunduzi has received a qualified audit opinion, with Maluleke flagging R900 million in irregular, wasteful, and fruitless expenditure. This includes R5.4 million wasted on the Woodlands Housing Project due to non-compliance with environmental laws and R140 million lost in revenue management and debt collection.

The Auditor-General's report also highlighted poor meter reading practices, slow responses to action plans, and a lack of consequence management.

A qualified audit opinion means that while the financial statements are fairly presented in most respects, there is a specific area that does not comply with financial reporting standards.

However, uMsunduzi Mayor Mzimkhulu Thebolla - in a media briefing after the Auditor-General's report - said the qualification for the 2023-2024 financial year was due to an isolated finding regarding the incorrect processing of general accounts, particularly relating to revenue from exchange transactions.

"It is important to note that this is a significant improvement from the prior year's qualified [audit] opinion. The previous audit had nine findings that resulted in qualification, all of which have now been fully addressed and resolved by the municipality. The 2022-2023 audit report contained nine findings that contributed to the municipality receiving a qualified opinion," Thebolla said.

"These findings included serious concerns around revenue recognitions, data management and statutory receivables. Through dedicated efforts and implementation of a robust audit action plan, the management team, under the capable leadership of acting city manager Mrs Nelisiwe Ngcobo, has successfully addressed and resolved all these issues.

"Among the resolved findings are issues related to revenue from sale of water that was previously overstated, data management weaknesses including unverified age analysis and impairment calculations, misstatements in statutory receivables and inaccurate data sources used for impairment calculations."

The Auditor-General's report also revealed irregular expenditure of R1.6 billion in eThekwini alone, along with R6.7 million in fruitless and wasteful expenditure.

Of particular concern was Maluleke's revelation that 60 cases of material irregularities, amounting to R1.15 billion in losses, were only addressed after the Auditor-General intervened.

Maluleke raised concerns about the municipalities that fell under the "yellow" category; these are municipalities whose audit outcomes show that they have achieved an unqualified opinion with findings.

She noted that there are 37 municipalities in this category. These 37 municipalities were among 43 with unchanged audit outcomes.

"These audits in the yellow zone are those where you will find poor service delivery, poor project management, and poor infrastructure maintenance. You will find procurement processes that go in the wrong direction, driving leakage and inefficiency of spend. The attention of the house (legislature) ought to be on all those that do not have clean audits, and I would suggest we pay greater attention to those that are in the yellow zone. Someone in the yellow zone is not fine," said Maluleke.

"Most municipalities in the province are in the yellow zone and have stayed there for a long time. This is why I make a point about the yellow zone, which is a dangerous zone that applies to many municipalities in the province. I say it's a danger zone because a municipality with an unqualified opinion with findings can easily move down to qualified, as we have seen with Umdoni.

"I also say it is dangerous because when you are in an unqualified space, the tendency for non-compliance, leakages, performance issues, and poor accountability continues to grow. When there is too much comfort in staying in that space, it tells us that the leaders of those municipalities are not attending to the basic things that make for a well-functioning, effective, and trusted institution."

The South African Municipal Workers' Union (SAMWU) in the KwaZulu Natal province said it was deeply alarmed by the Auditor-General's report on the state of municipalities in KwaZulu-Natal for the 2023/24 financial year.

SAMWU's provincial secretary Nokubonga Dinga said the trade union was deeply concerned about the Auditor-General's warning that the non-achievement of service delivery targets posed significant risks to communities, including insufficient access to water, sanitation, and electricity.

Dinga said this not only undermined the quality of life for residents but also fueled civil unrest and protests, further straining the already overburdened municipal workforce.

"While we acknowledge the seven municipalities that achieved clean audits, the overall picture is one of regression and failure. The Auditor-General's recommendations, including the strengthening of Municipal Public Accounts Committees (MPACs) and disciplinary boards, must be implemented without delay. SAMWU calls on COGTA and provincial leadership to take urgent action to address these issues and ensure that those responsible for mismanagement are held accountable," Dinga said.

"We therefore call on all those responsible for the fruitless, wasteful, and irregular expenditure to be held personally liable for their actions. The Auditor General must use her powers in terms of the recently amended Public Audit Act to ensure that accountability is enforced and that those who have mismanaged public funds face the consequences."

KZN's Public Works Department officials disclose private interests in a historic anti-corruption move

In a landmark move aimed at rooting out corruption and enhancing transparency, leading officials in the KwaZulu-Natal Department of Public Works and Infrastructure have publicly disclosed their private interests.

This initiative, a pivotal part of the government's ongoing quest for clean and ethical governance, marks a significant step in fostering trust between officials and the communities they serve.

"The KwaZulu-Natal Department of Public Works and Infrastructure has achieved 100% financial disclosure submissions for all Senior Management Services (SMS) for the 2025/2026 financial year," the department said in a statement late in April.

"This achievement is underpinned by MEC Martin Meyer's call for ethical leadership and governance, particularly for senior management, as the department has taken a zero-tolerance approach to anti-corruption and financial malfeasance."

The disclosure forms part of a broader strategy to mitigate conflicts of interest within the department, signalling a robust commitment to integrity in public service. By unveiling their personal and financial interests, officials are seeking to set a precedent that prioritises ethical conduct and accountability at all levels of governance.

According to sources within the department, this initiative is not merely a formality. It represents a comprehensive effort to ensure that personal affiliations do not unduly influence decision-making processes, particularly regarding public contracts and expenditure. The officials hope that through this transparency, any potential conflicts can be proactively addressed, thereby safeguarding the integrity of the public service

The recent launch of the Ethics and Governance Desk (EGD) earlier this

year has marked a significant step forward in ensuring financial integrity among government officials within KwaZulu-Natal. This initiative comes amid heightened scrutiny over government conduct and the pressing need for accountability in public service.

At the heart of this initiative, the EGD plays a pivotal role in fostering a culture of compliance and professionalism. It encourages public officials to embrace ethical practices and instil transparency within the government workspace, a necessity given the challenges facing governance today.

Under the new regulatory measures, officials are required to disclose matters related to financial interests, businesses, assets, investments, and any other undertakings that may generate income or lifestyle benefits. This represents not just a bureaucratic exercise, but a foundational shift towards transparency that the KZN Public Works and Infrastructure department ardently upholds.

MEC Martin Meyer has hailed the establishment of the EGD, saying this symbolized a new dawn for the department as it adopted a tough stance on non-compliance, unethical conduct, and malfeasance.

"Ethical governance is the ultimate and essential component of public administration, ensuring that decision-making processes are open, accountable, and consistent with the values of integrity and good governance. The EGD will function as a central coordinating entity responsible for enhancing ethical behaviour, governance frameworks, risk management, and compliance measures in the department," he said.

Meyer also stated that he was confident that the establishment of this new unit will ensure that the department regains its public trust.

"The EGD will improve service delivery, boost public confidence, and strengthen institutional resilience against fraud, corruption, and maladministration by incorporating ethics and good governance into the department's strategic and operational tasks," he said.

Meyer has also expressed full support for Dr Vish Govender, the acting head of the department, while expressing complete confidence in his capabilities to spearhead the EGD to its full effectiveness the same way he has done in spearheading other initiatives such as the Rapid Response Team which has successfully achieved commencement of blocked and delayed construction projects.

The EGD will play a pivotal role in ensuring that the provincial department upholds the highest standards of ethical leadership, transparency, and good governance. Through strategic oversight, compliance enforcement, and risk mitigation, the EGD will contribute to an accountable, ethical, and efficient public sector institution.

This comes against the backdrop of the department intensifying its efforts in the fight against unethical practices as it swiftly moves to improve internal systems pertaining to governance.

Between January and February 2025, three senior officials from the department were dismissed after a guilty verdict was reached following vigorous internal disciplinary procedures.

The dismissals are a result of a multipronged approach, including a strengthened whistleblower hotline, improved internal risk mechanisms and ongoing campaigns on the zero-tolerance approach to corruption.

The director of Supply Chain Management in the department was dismissed in February amid accusations of gross misconduct related to the award of contracts, worth R1.1 billion, to one consultancy company.

One of the key functions of the senior official, who was based in the Pietermaritzburg office, was to identify and mitigate risk while avoiding irregular expenditure during procurement processes.

However, in early September 2024, several discrepancies were flagged against the official regarding the appointment of a consulting company.

The key issues identified included missing documents in the procurement file, significant discrepancies between services requested and those procured, and non-conducting of required checks and balances.

Following these findings, the director was placed on suspension while investigations were initiated. The investigations revealed a single firm was awarded a total of 29 contracts valued at just over R1.1 billion.

"This resulted in the firm holding an unfair and unchecked monopoly over contracts issued by KZN Public Works and Infrastructure," said the department.

Further findings against the dismissed official related to the award of contracts included that the official failed to ensure thorough oversight and compliance verification.

The official also did not identify conflicts of interest among three companies sharing common directorship, that the official failed to recognise that two bidding companies operated from the same premises, and that the official did not disclose conflicts of directorship in the bidding companies.

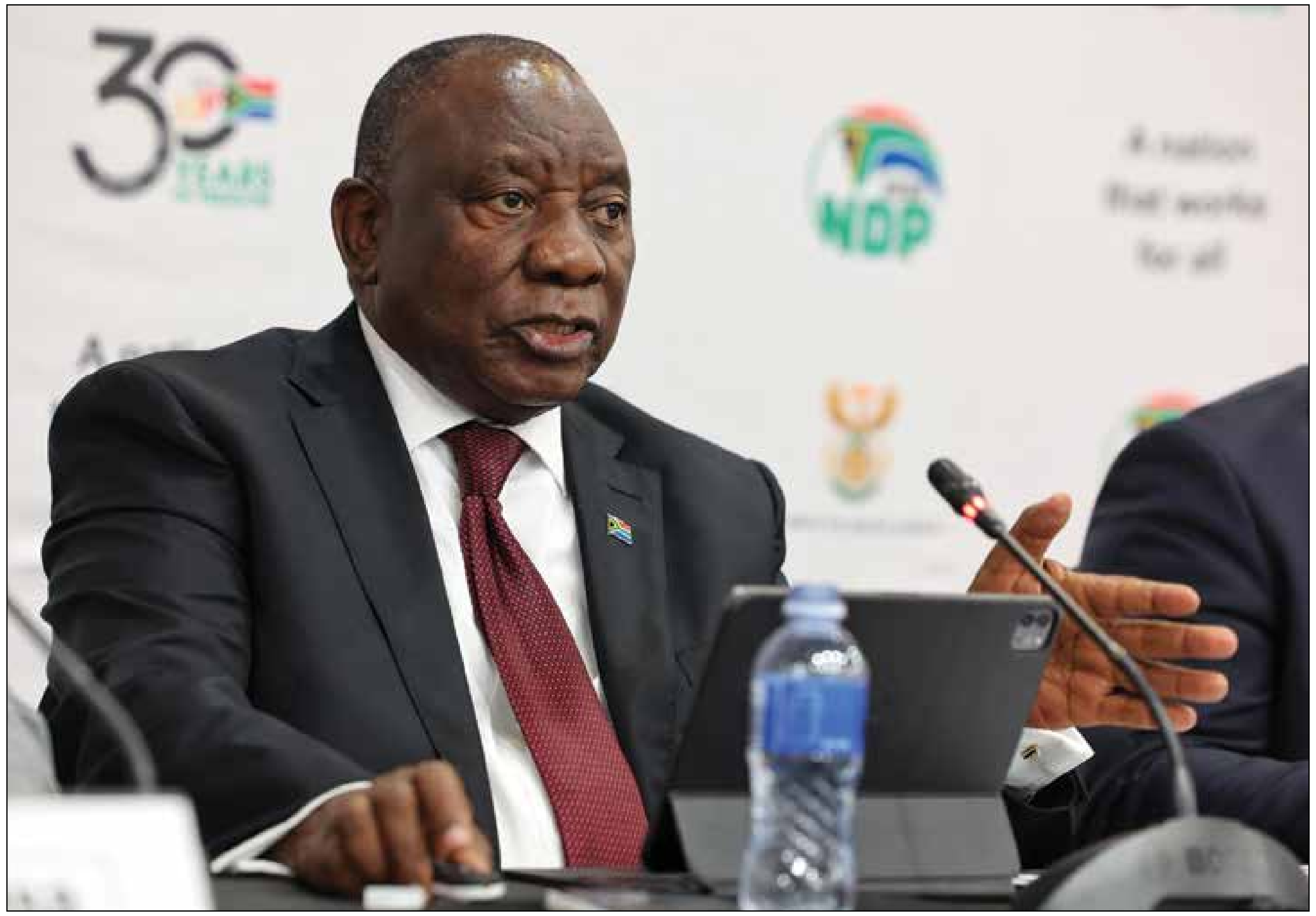
Additionally, the official was also found guilty of a second charge for failing to implement the department's cellphone policy and maintain a database of issued mobile devices. This resulted in 57 active cellphone contracts for employees who had since left still being paid for by the department.

Moreover, the official was found guilty of issuing four official work phones for his own use, leading to wasteful expenditure of R192 000 per month incurred by the department.

Meanwhile, the department has also laid criminal charges against the officials with the South African Police Services to recuperate taxpayers' monies.


FULL STRENGTH LUXURY
RANGE ROVER
SPORT

South Africa grapples with local governance crisis as reform discussions commence



In a nation where essential services are the bedrock of public life, the persistent failures within local government in South Africa have reached a critical juncture. The government's recent analysation of local governance illuminates a dire situation fraught with challenges threatening the very fabric of community life. From rampant service delivery failures to glaring financial mismanagement, the current structure of municipal governance struggles to meet the demands and expectations of the populace.

This is why the Department of Cooperative Governance and Traditional Affairs (Cogta) has initiated a Discussion Document on the comprehensive Review of the 1998 White Paper on Local Government in a bid to address these inefficiencies. Citizens across the country are expressing increasing dissatisfaction as they grapple with inadequate infrastructure, unreliable utilities, and frequent disruptions in vital services like water and electricity.

During his State of the Nation Address in February, President Cyril Ramaphosa highlighted the urgency to innovate local governance and thus announced the government's intent to establish professionally managed utility services that ensure maintenance and investment in community infrastructure.

"In many cities and towns across the country, roads are not maintained, water and electricity supply are often disrupted, refuse is not collected, and sewage runs in the streets. In part, this has happened because many municipalities lack the technical skills and resources required to meet people's needs," Ramaphosa said.

"Many municipalities have not reinvested the revenue they earn from these services into the upkeep of infrastructure. Starting this year, we will work with our municipalities to establish professionally managed, ring-fenced utilities for water and electricity services to ensure that there is adequate investment and maintenance. Many of the challenges in municipalities arise from the design of our local government system.

"We will therefore undertake extensive consultation to develop an updated White Paper on Local Government to outline a modern and fit-for-purpose local government system. We will review the funding model for municipalities, as many of them do not have a viable and sustainable revenue base. We will continue to work with traditional leaders in the implementation of local development programmes."

Background on White Paper on Local Government

In September 2022, Cogta, in partnership with the Presidency, convened a Presidential Local Government Summit where an official call was made to review the 1998 White Paper on Local Government. It was noted that local government system weaknesses and structural issues had persisted despite multiple previous attempts at reform, and that there was a need to review the original concepts and assumptions made in 1998.

The Local Government Review conducted by Cogta and the Department of Planning, Monitoring, and Evaluation (DPME) in 2019 reported increased dysfunctionality across South Africa's local government system with negative findings on most aspects. The review made recommendations on six key areas critical to the functioning and sustainability of local government.

Among those, the review underscored the urgency of improving sanitation services, rethinking municipal waste management strategies, and establishing effective programmes and project preparation systems to streamline infrastructure delivery. Additionally, it advocated for incentivising and funding the maintenance and refurbishment of ageing infrastructure to ensure long-term sustainability.

Another Review on Local Government, conducted by Cogta during 2021-2022, provided a comprehensive assessment of achievements and persistent challenges since the adoption of the White Paper on Local Government. The review acknowledged progress in areas such as regulation, systems development, and institutional frameworks. However, it also highlighted enduring issues related to implementation and service delivery.

To address these challenges, the review identified 13 key areas for transformative change, offering targeted recommendations to enhance governance, improve service delivery, and promote sustainable development. Among others, the review advocated for better alignment and integration of planning efforts across all spheres of government, with a strong focus on spatial transformation to address historical inequities and promote inclusive development.

Review of the 1998 White Paper on Local Government

The Minister of Cooperative Governance and Traditional Affairs, Velenkosini Hlabisa, formally introduced the 1998 White Paper on Local Government Review at his Budget Vote in Parliament in July 2024.

The challenges confronting local government are multifaceted and complex, echoing through various sectors of society. Service delivery failures have become commonplace; roads remain unmaintained, refuse collection is erratic, and sewage spills into the streets where people live and work. These issues are exacerbated by a shortage of skilled personnel within municipalities, which hampers the ability to implement effective solutions. A glaring lack of technical skills within many municipalities further fuels the ongoing crisis.

According to Hlabisa, the Discussion Document aims to ask the right questions and provoke open and informed debate, including pressing issues and potential 'holy cows.' This is necessary to identify and address the underlying systemic and structural challenges rather than to limit the discussion to the usual list of problems (typically symptoms and not root causes) and 'quick fix' solutions (reactions to the symptoms).

The 1998 White Paper on Local Government review takes place within a wider process of local government reform already underway. For example, Operation Vulindlela in the Presidency has a mandate to drive, with National Treasury, municipal trading services reform, starting with the Metros, to review the local government fiscal framework to ensure that municipal revenue is aligned to responsibilities, and to look at ways to standardise and professionalise the appointment of senior officials in local government.

The National Treasury is currently considering wide-ranging amendments to the Municipal Financial Management Act (MFMA). Cogta has tabled amendments to the Municipal Structures Act to improve the stability of municipal coalitions.

However, financial mismanagement continues to plague local governance, leading to widespread inefficiencies. Weak internal controls and persistent issues with revenue collection leave municipalities financially hamstrung.

A staggering R18 billion has been returned to the fiscus over the last five years due to underutilisation of available funding, reinforcing the view that municipalities are failing to optimise the resources at their disposal to benefit the communities they serve. Furthermore, many rural municipalities rely on national transfers for up to 80% of their budgets, highlighting significant discrepancies in resource allocation and financial dependence.

Climatic transformations in municipal governance since the 1998 White Paper

The escalating climate crisis has profoundly reshaped municipal governance priorities, necessitating that local authorities balance the immediate service delivery demands with long-term resilience planning. Currently, municipalities are operating in an era in which climate considerations are present in every aspect of urban and rural management, from systemic fiscal pressures to calamitous weather events. In addition to revealing critical deficits in institutional capacity and resource allocation, this paradigm shift has required structural reforms in financial planning, infrastructure development, and cross-sectoral coordination.

Municipalities have been compelled to become frontline responders for climate adaptation because of the compounding effects of aberrant precipitation patterns, rising temperatures, and intensifying natural disasters, a task made more difficult because of governance models that may be inadequate for managing planetary-scale challenges.

Technological transformations in local governance since the 1998 White Paper

The evolution of technology since the WPLG98 has fundamentally reshaped municipal operations and citizen expectations, creating both opportunities and challenges for local governance. From early e-government initiatives to modern artificial intelligence (AI) applications, municipalities have progressively integrated digital tools to enhance service delivery, optimise resource allocation, and foster participatory governance. This transformation encompasses advancements in internet infrastructure, data analytics, the Internet of Things (IoT)-enabled smart city systems, and artificial intelligence (AI)-driven decision-making platforms.

These technologies have the potential to collectively address historical inefficiencies while introducing new paradigms for public engagement, operational transparency, and sustainable urban development.

Key tools for municipal planning and service delivery not available in 1998 now include sensor networks and real-time urban management, geospatial analytics and strategic planning, predictive governance models, automated service delivery channels, integrated data ecosystems, and citizen-centric service design and interface.

At the same time, cybersecurity challenges have expanded, and bridging the digital divide remains a major problem—34% of South African households lack consistent internet access despite technological advances

Review advocates for better alignment and integration of planning efforts across all spheres of government Development in traditional communities is another area that presents opportunities and challenges—opportunities in the sense that the same local communities are serviced by two entities, which could fast-track development in traditional areas, and challenges in that legislative frameworks do not expressly indicate how traditional leadership should be integrated and interface with local government.

While legislation enjoins municipal councils to consult traditional councils during the development of Integrated Development Plans (IDPs), the manner and form of such consultations needs to be determined in more detail.

Other issues that need to be addressed include:

- Cooperation between ward committees and traditional councils (this has been difficult, especially in areas where ward committees are dysfunctional).
- Participation by Traditional Leaders in committees of the municipality (section 79 committees).
- Participation in municipal IDP processes and alignment of municipal IDPs and development plans for traditional councils.
- Joint approaches towards service delivery. • Joint strategies for rural infrastructure investment, economic promotion, and job creation.
- More practical mechanisms for traditional leaders to meaningfully participate in and advise municipal structures and processes

The role of traditional leadership must be clarified to ensure their inclusion within the broader framework of local government reforms, particularly regarding development and economic growth.

These issues have been raised during the past four local government reviews and now need to be addressed and resolved as a matter of urgency.

A common agenda for joint action could focus more positively on the potential value that systems of traditional governance can bring to government in addressing development challenges.

The consultation process initiated by Cogta involves a broad spectrum of stakeholders, from civil society and local practitioners to academia and national sector departments.

The goal is a thorough revision of the Local Government White Paper, coupled with a fresh look at the structuring of municipal governance systems to introduce reforms that are both coherent and meaningful. This effort is not simply about restoring faith in local governance; it is about reimagining a system that is fit for purpose moving forward.

Challenges abound, from the increasing unreliability of water supply to the deteriorating condition of municipal wastewater infrastructure, all of which underscore the need for immediate, concerted action.

The lack of differentiated municipal structures has led to inefficiencies that compound the issues facing local governance. Without systemic changes, the cycle of dysfunction will persist, eroding public confidence further and undermining the local government's ability to deliver fundamental services.

Recommendations emanating from the 2026 White Paper on Local Government process requiring legislative amendments will be incorporated into a Local Government: General Laws Amendment Bill and other relevant pieces of national legislation.

Other systematic changes in the policy and legislative landscape, and the politics and culture of the local government system, will also be considered

Any person or institution wishing to submit written comments on the Discussion Document and specifically the questions contained in Annex 3 of the Review Discussion Document Notice, should do so on or before 30 June 2025.

Comments can be sent to the following addresses:
WPLG26@cogta.gov.za or RichardP@cogta.gov.za or MaphutiL@cogta.gov.za

Alarm bells ring as Auditor-General unveils dismal audit results for local municipalities

The Auditor-General of South Africa, Tsakani Maluleke, has issued a stark reminder to all stakeholders in the local government accountability framework.

During the release of the Consolidated General Report on Local Government Audit Outcomes 2023-24, Maluleke emphasised the urgent need for a transformation towards a culture of performance, accountability, transparency, and institutional integrity, as the trend of poor audit outcomes continues to plague the country's municipalities.

"Failure at municipal level has a direct and significant impact across South African cities and towns. Residents and businesses face regular disruptions in service delivery and have to contend with water leaks, potholes and filth in their streets," Maluleke said.

"Municipalities are operating landfill sites in an irresponsible manner and are neglecting wastewater treatment works, displaying a blatant disregard for the environment and the impact that the resultant pollution has on the wellbeing of nearby communities. Communities are yet to experience quality service delivery through new and well-maintained infrastructure, despite the national government making available R68,4 billion for infrastructure projects in 2023-24."

The most recent audit results demonstrated a disconcerting reality, with only 41 out of 257 municipalities—or merely 16%—achieving clean audits as the audit results for the 2023-24 period paint a dismal picture for local governance.

Maluleke said while it was commendable that 59 municipalities had seen improvements in their audit outcomes since the 2020-21 financial year, it was troubling to note that 40 municipalities had regressed, reinforcing a pattern of instability that compromises public trust.

"The good news is that we are back to 41 clean audits [out of 257 municipalities], which is where we started back in 2021. So we're no more at the 34 that I talked about last year. However, that makes up 15% of the municipalities across the country," she said.

"It's great that we are reversing this trend around disclaimers of audit opinion. However, the state of financial and performance management disciplines in local government still leaves much to be desired, and so the story, in many ways, is similar to what I would have shared before. I worry … that I will sound like a stuck record."

This year, the stakes were raised further when it was revealed that 13 municipalities failed to submit their financial statements and performance reports by the mandated deadline. Among these, seven municipalities—five of which are situated in the Free State—regularly disregard these legislative requirements, a trend that adversely affects their combined budget of R6.85 billion for the 2023-24 fiscal year.

A disclaimed audit opinion, the gravest outcome a municipality can receive, indicates a lack of evidence for most of the information provided in financial statements. Such a lack of transparency undermines accountability, denying residents the services they are owed and potentially leading to detrimental consequences due to municipal negligence.

While years of communication between municipalities and national and provincial governments have yielded some improvements—17 municipalities managed to move out of the disclaimed category in the last two fiscal years—the Auditor-General expressed alarm that progress has stagnated in 2023-24. Only three municipalities improved their standing while four slipped back into disclaimed status, with seven municipalities—most from the Eastern Cape and North West—showing repeated disclaims for three to eight consecutive years, highlighting their urgent need for intervention.

The most common result among municipalities this year was an unqualified audit opinion with findings, a status held by 99 municipalities (39%). Although receiving an unqualified opinion suggests that corrections were made that align with the Auditor-General's findings, problematic material findings pointed to underlying issues regarding the credibility of performance reports and legislative compliance.

Maluleke warned that municipalities risked losing this unqualified status if remaining challenges were not addressed, indicating a prevailing lack of attention to significant weaknesses in performance and compliance obligations. Such oversights distinctly affect the quality of service delivery that South African citizens receive.

The aggregate outcomes reveal troubling trends across critical auditing areas. A significant 43% of municipalities—107 in total—received modified audit opinions due to serious misstatements in their financial documentation. Of these, 90 municipalities received qualified opinions, while 11 earned disclaimed audit opinions, indicating

significant lapses in financial and performance management capabilities.

The continued reliance on external consultants by many municipalities, particularly in Limpopo and North West, has turned into a frequent solution for deficiencies in finance units, raising questions about cost-effectiveness—in 2023-24, R848.85 million was spent on these consultants, while their impact on correcting material misstatements remains negligible.

Further exacerbating the situation, non-compliance with legislation is alarmingly high, with 206 municipalities (83%) failing to adhere to key legal obligations. The result? An estimated R87.03 billion in irregular expenditures accrued during the current administration's term. Unsurprisingly, Maluleke said municipalities that consistently achieved clean audits were marked by sound governance and financial management, demonstrating a clear path for others to follow.

The report also highlighted that municipal managers, mayors, and councils played significant roles in adopting unfunded budgets for the 2023-24 financial year, with 44% of municipalities now grappling with this serious financial flaw. An unfunded budget occurs when the planned spending exceeds expected revenue, a situation that has persisted, as demonstrated by the mid-year adjustments where many municipalities failed to rectify their fiscal irresponsibility.

Moreover, the national and provincial treasuries had previously warned against such practices, indicating a severe lack of diligence and impactful decision-making from local leaders. Consequently, municipalities reported a staggering R31.79 billion in unauthorised expenditure, involving over two-thirds of the audited municipalities.

The year-end figures were equally troubling, with the local government facing a financial deficit of R11.29 billion, as 39% of municipalities exceeded their available funding.

The Free State, Gauteng, and North West provinces emerged as the areas most affected by both unfunded budgets and deficits, with a significant portion of these municipalities losing additional revenue due to insufficient billing processes and recovery efforts. Estimates suggest that almost 68% of projected revenue may never be recovered, compounded by R37.28 billion losses in water and electricity revenue tied to neglected infrastructure.

Maluleke said the lack of careful financial oversight extended further as municipalities often failed to spend what limited funds they do have judiciously. She said poor procurement practices, wasteful expenditure, and ineffective project management were rampant, contributing to a decline in overall municipal financial health. As a result, local governments were unable to honour their debts to crucial service providers such as Eskom and local water boards, exacerbating the risk of basic service interruptions that affect millions of citizens.

The situation has not gone unnoticed at the metropolitan level, where eight major metros are responsible for service delivery to nearly 9 million households—46% of South Africa's total. However, audit outcomes for these metros have worsened since 2020-21. Despite their greater resources and capacity, challenges like poor revenue management, debt collection issues, and lackluster adherence to budgeting practices have left these regions struggling to deliver on service promises.

Similar to last year, all metros, except City of Cape Town, failed to materially comply with key legislation in 2023-24. The following were the most common areas of non-compliance:

- Procurement and contract management – seven metros (88%)
- Consequence management – six metros (75%)
- Prevention of unauthorised, irregular, and fruitless and wasteful expenditure – six metros (75%) Metros have incurred a total of R33.29 billion in irregular expenditure since 2021-22, with almost all of this amount being due to non-compliance with legislation on procurement and contract management.

The report underscored the need for urgent and coordinated intervention from national and provincial governments to assist municipalities in overcoming their financial distress. With the clock ticking down to the end of the current administrative term for many local leaders, the pressing question remains: will decisive action be taken to avoid leaving a legacy characterized by severe performance failures?

The impact of these shortcomings is felt acutely in the daily lives of South Africans as vital services such as water, sanitation, electricity, and waste management remain inconsistent and unreliable. As municipalities continue to grapple with mismanagement, taxpayers face the burden of financing deteriorating service levels.

As the report calls for immediate action to build capable institutions, professionalise local government, and instill a culture of ethics and accountability, the onus now lies with municipal leaders, provincial officials, and the national government to work together to redefine the narrative of local governance.

"Despite continued advocacy for intergovernmental support and collaboration, the opposite is evident in the lack of partnership among the three spheres of government at most municipalities and in the weak oversight by provincial legislatures and Parliament – particularly at metros. Where the political leadership of municipalities respond well to the support and guidance provided by national and provincial governments, improved governance follows," Maluleke said.

"I again implore the mayors, speakers and council members of municipalities to use the remaining year of their term in service of their constituents and to leave a legacy of improved governance and delivery. I also call on the national and provincial government to work with the local government to improve institutional capability. Legislation is clear on what the responsibilities of mayors, councils and executive authorities are – it is the diligent and effective implementation of these responsibilities that is lacking."

In managing public funds there is no such thing as a mistake, a mistake can easily be translated to fraud

By: Tumelo Letlojane. Professional Accountant (SA)
Registered Tax Practitioner (SA]
Professional Government Finance Officer

In recent past we have noted with regret a number of cases and arrests of fraud and corruption against senior government officials. This is slowly becoming a trend due to the thin line between an Innocent mistake and a deliberate act of fraud which might lead to a serious case of misconduct or an eminent arrest.

It is therefore key for us to analyze what qualifies as a mistake and what can be deemed deliberate fraud and corruption. It is common cause that in finance decisions made have great impact and therefore the results of those decisions have very costly consequences.

The Oxford dictionary defines a mistake as an action or opinion that is not correct or that produces the results that you did not want, an act or judgment that misguided or wrong. A mistake in terms of the above definition does not rely on deliberate attempts to fail but rather aimed at producing a positive result which however due to error might end being misguided or be incorrect.

Unfortunately, with money a mistake can easily be seen as a deliberate attempt to either steal or defraud the system. It is crucial and of paramount importance that Accountants in the public sector and those charged with governance to understand that a mistake is a foreign concept when dealing with public funds. Diligence, precision and care must be a number one priority when financial transactions are in process.

The Oxford Dictionary defines Fraud as the crime of cheating somebody in order to get money or goods illegally. The operative word being illegally, it can be argued that illegality is a concept of law however in the public sector it is matter of ethics and good governance.

The HAWKS further defines fraud as an unlawful and intentional making of a misrepresentation which causes actual prejudice or which is potentially prejudicial to another.

The word intention is key in the definition by the HAWKS how does one assess intention? How does one conclude that intention was to misrepresent or if the act was an innocent mistake?

The line is very thin between intent and mistake therefore one must maintain the decorum that in finance there is no such thing like a mistake, a mistake can easily be translated to fraud.

Public servants who are charged with governance must always bear in mind that financial mistakes are costly and can lead to serious consequences. It is common cause that when you work with food you are bound to make food related mistakes, unfortunately with money you don't have the privilege of making money related mistakes as the mistakes in the main can easily be translated to fraud and might lead to an end of a career and possible prosecution.

Treasury in a bid to address issues related to financial misconduct published MFMA circular no 76 of the Municipal Finance Management Act no 56 of 2003.

The circular deals comprehensively on financial misconduct and the processing thereof by Municipalities. The Regulations provides a clear guideline on how consequence management must be addressed pertaining to matters of financial misconduct.

Municipal Finance officials must try to study this circular in order to empower themselves on all processes that must be followed in dealing with any allegation of financial misconduct. This circular seeks to protect both the employer and the employee from the abuse of process.

Intention will be tested and established through the process channeled and handled by disciplinary board which is made up of a number of experts in the field.

Whether a matter is a Mistake or Fraud will be tested through the DC Board before any form of disciplinary processes are to be taken against any employee.

Not all mistakes must automatically be treated as fraud and not all fraud must be automatically being treated as mistakes. Therefore, investigations and effective functioning of disciplinary boards are of paramount importance in ensuring that there is a clear distinguish between an act of Fraud and an innocent mistake.

Chief Financial Officers and Municipal Managers must always be aware of the concept that in Government there is no such thing like a mistake, a mistake can easily be translated to fraud. Processes and internal controls must be strengthened and consequence management must be applied at all material times.

With the ever growing figures of Irregular expenditure proper and effective financial management is a must in achieving the goal of a professional and progressive public sector.

Changing Service delivery mechanisms – an insight into section 78 of the systems Act

By: Tumelo Letlojane. Professional Accountant (SA)
Registered Tax Practitioner (SA]
Professional Government Finance Officer

Over the years primarily post-apartheid it was established through democratic processes that the core mandate of government is to provide basic services to the people and ensure that resources of the state are distributed in an equitable and an unbiased manner to all south Africans.

A regime change which saw the promulgation of the Municipal systems act which clarified the gains of democracy by indicating that the system of local government under apartheid failed dismally to meet the basic needs of the majority if South Africans.

Furthermore, the Municipal systems act aims to ensure that the constitution of our non – racial democracy enjoins local government not just to seek to provide services to all our people but to be fundamentally developmental in orientation.

It Is through the MSA that we taught that systems of Local Government requires and efficient, effective and transparent local public administration that conforms to the constitution principles,

In terms of section 79 of the Municipal systems act "If a municipality decides to provide municipal service through an internal mechanism mentioned in section 76(A) of the same act it must allocate sufficient human, financial and other resources for the the proper provision of the services and transform the provision of that service in accordance with the requirement of this act.

Local government rely on internal mechanisms which are influenced by external factors. The IDP of a municipality is a strategic roadmap on how the municipality aims to utilize its internal processes and mechanisms to achieve the objectives and goals of the community,

A municipality must in all material respect assess if it has internal mechanism to can provide services to the community before it relies on external mechanism. A clear undertaking of a skills and capacity audit must be undertaken to determine whether the municipality has the capacity to provide quality services .

When a municipality has in terms of section 71 of the MSA decides on a mechanism to provide a municipal service in the municipality or a part of the municipality, or to review any existing mechanism, it must first assess The direct and indirect costs and benefits associated with a project if the process is provided by the municipality through an internal mechanism.

Capacity and ability to deliver must be assessed human resources is very important when addressing the issue of delivering quality services to the community.

Working on building structures and models that can assist employees to better perform is important in ensuring that the regime change yield great results. Human resource is the major driver where provision of services is concerned, local government must invest in its internal stuff and ensure capacity at all material times.

Training and development strengthens internal mechanisms, the state needs to invest in human capital and infrastructure before it looks at outsourcing services from the public sector. The review by the section 78 is aimed at strengthening internal processes and maximizing production among internal structures.

Currently we faced with high unemployment as a country, poverty, environmental decay and health issues that might cost the state dearly. Providing services through internal mechanism requires reorganization and a revamp of the entire municipal structure, organizational culture must be fully changed and attitude of management together with employees must be adjusted to allow for a more service delivery focused environment.

A municipality may provide services in its area or a part of its area through:

A) an Internal Mechanism which may be
   i) a Department or other administrative units
   ii) any business unit established by the municipality
   III) any other component of its administration

It is important that a municipality must review and decide on the appropriate mechanism to provide a municipal service in a municipality or part of a municipality.

An Existing municipal service is to be significantly ugraded extended or improved. The Municipality must be restructured or re organized in terms of the municipal structures act.

Situation or circumstances might allow for an external mechanism, in those cases a performance evaluation must be conducted interms of chapter 6 and a review of the service delivery agreement must be done. There has to be a services delivery expiry date which normally comes into effect within 12 months any existing municipal service must be upgraded under the service delivery agreement.

It is therefore a common cause that section 77 can trigger a review process of the services that are to be provided. Therefore the IDP SDBIP and Budget are catalytic resources to this section and must be always adhered to at all material time, their alignment is crucial to ensure that service delivery agreements between the community and the municipality are always adhered to.

The public sector is highly regulated at any point a sectional review or an administrative intervention can be invoked if service delivery agreements are not adhered and the community suffer as a result of such ignorance by those charged with governance.

Let us serve our people with pride at all times.

SALGA calls for cooperation to tackle South Africa's escalating water and sanitation crisis

President Ramaphosa giving an opening address. Photo: GCIS

Minister Majodina introducing the President. Photo: GCIS

Minister of CoGTA Mr Velenkosini Hlabisa. Photo: GCIS

The South African Local Government Association (SALGA) has recommitted itself to being a constructive partner in addressing South Africa's water and sanitation challenges and called on the Department of Water and Sanitation to .

This call was made by SALGA at the National Water and Sanitation Indaba, held on 27 and 28 March 2025, which provided a platform to confront the country's deepening water challenges and reaffirm the importance of collaborative governance.

The two-day Water and Sanitation Indaba was held to assess progress with implementation of the decisions made at the Water Summit in January 2024, which relates to addressing the findings of the 2023 Blue, Green and No drop reports and strengthening the role of Water Services Authorities in managing Water Service Providers.

In 2023, the department released the full Blue Drop Report, which provides an assessment of drinking water quality, and the full No Drop Report, which focuses on water losses and non-revenue water in all municipalities in the country, as well as the Green Drop Progress Assessment Report to provide an update on the performance of wastewater management systems at municipal level.

The Blue, Green and No Drop Certification programmes are aimed at improving municipal drinking water quality, wastewater management as well as water conservation and demand management.

The reports showed that many Water Services Authorities (WSAs), including certain metros, were unable to meet their constitutional responsibilities, with a decline in how the country manages its water and wastewater supply systems.

SALGA said that for progress to be made, all intergovernmental departments must work in good faith, within the law, and with mutual respect across all spheres of government.

This comes after the Minister of Water and Sanitation, Pammy Majodina, said Water Service Authorities who failed to comply on grants allocated to them will no longer get direct allocation from the department but we shall manage and implement projects through both our grants Water Services Infrastructure Grant and Regional Bulk Infrastructure Grant.

Majodina said the department will further review and take stock on all the committed corrective action plans and Section 78 commitment as per the last water symposium of 2024 to measure progress thereof. She called for the current service delivery model of water and sanitation to be reviewed since water is a catalyst for economic development.

Majodina said the department will be looking at various implementation models to support failing municipalities to ensure grants are spent on the intended purposes and that proper integrated planning was enforced accordingly.

The department has just finished profiling the top 100 dismally performing municipalities across provinces following the results of the BLUE, GREEN and No Drop report.

It will soon be embarking on a roadshow to meet all premiers, MECs, executive mayors and their respective municipal executives where we will tabling our reports and intended intervention at each municipality.

However, SALGA expressed serious concern regarding statements made by the Majodina during the Indaba proceedings.

At the Indaba, SALGA restated that local government was not a subordinate entity, but an equal and autonomous sphere of government, saying that Majodina's response to this assertion dismissed both its legal basis and practical importance.

Particularly troubling for SALGA was the outright rejection of its call to avoid criminalising municipalities, and instead, pursue joint solutions that address systemic service delivery challenges.

Majodina had said: "If it means violating the Constitution, let us violate the Constitution to give the people water."

Director-General for Water and Sanitation Dr Sean Phillips. Photo: GCIS

Deputy Minister David Mahlobo. Photo: GCIS

SALGA said Majodina's endorsement of punitive legal action against municipalities not only undermined collaborative problem-solving but also threatened to drain public resources, delay service delivery, and discourage skilled professionals from entering the local government sector.

It said that despite previous commitments, including one made by the department in August 2024 to establish an inclusive intergovernmental structure that formally acknowledges the role of local government in the water sector, no tangible progress has been made.

SALGA said this continued delay raises legitimate questions about the department's willingness to uphold the spirit of cooperative governance as enshrined in the Constitution.

It highlighted Majodina's statement in which she said: "If it means violating the Constitution, let us violate the Constitution to give the people water."

SALGA said such a statement was deeply alarming and contradicted the core principles of constitutional democracy, adding that the absence of a retraction or clarification reflected a disregard for the rule of law and undermines public confidence in government institutions.

It said if genuine concerns existed about constitutional limitations, the appropriate course of action was legislative reform, not unconstitutional conduct.

"SALGA calls on the Minister to reconsider and retract statements that are inconsistent with the values and obligations of our constitutional democracy. Upholding the Constitution, respecting intergovernmental partnerships, and strengthening institutional accountability are not optional, they are non-negotiable foundations for sustainable water governance," it said.

"We remain committed to being a constructive partner in addressing South Africa's water and sanitation challenges. However, for progress to be made, we must work in good faith, within the law, and with mutual respect across all spheres of government."

SALGA also used the Indaba to highlight ongoing dysfunction in Water Boards, saying their operational inefficiencies and unilateral tariff setting continued to erode municipal sustainability.

Water Boards often operate with limited oversight, yet their decisions have direct financial and reputational consequences for municipalities, which are ultimately held accountable by the public.

The imposition of above-inflation bulk water tariffs, without due consultation, has exacerbated household debt and deepened municipal financial distress, an untenable situation for both governance and service delivery.

Meanwhile, during his State of the Nation Address in February, President Cyril Ramaphosa defined a secure and reliable water supply across the country as an urgent strategic priority of the 7th Administration, as announced in the agreed-upon Medium Term Development Plan 2025– 2029.

Ramaphosa also made a call for the implementation of Phase 2 of Operation Vulindlela where key institutional reforms at Cooperative Governance and Traditional Affairs, Department of Water and Sanitation and National Treasury will be embarked on, with clear timelines for the next 5 years.

In his keynote address at the Indaba, Ramaphosa said last year's Water Summit identified ageing and poorly-maintained infrastructure, vandalism of water infrastructure, illegal connections, and organised crime in the water sector as some of the challenges facing service delivery in this sector.

He said that at a local government level, financial mismanagement, insufficient revenue collection systems and high levels of physical water losses were compounding existing service delivery problems.

Ramaphosa said these challenges had been consistently reflected in reports of the Municipal Strategic Self-Assessment, Stats SA, the Auditor-General and others.

"With this dire state of affairs we have seen declining private sector investment in water infrastructure, a situation that is only now improving. By equal measure, municipalities have not reinvested the revenue they earn from the provision of services to the upkeep of key water infrastructure," Ramaphosa said.

"Governance challenges and inefficiencies at the various reporting entities including the Water Boards have long been in the public domain.

A number of water boards have been or are the subject of probes by the Special Investigating Unit or SIU for corruption and fraud. These are problems impacting a country with a growing population, that is one of the most water-scarce countries in the world."

The World Resources Institute estimates that the biggest change in water demand between now and 2050 will occur in sub-Saharan Africa. It ranks South Africa amongst 25 countries that are extremely water stressed: and that are currently using over 80% of their water supply to meet domestic need.

At a global level, the climate crisis will further exacerbate not just South Africa's but the world's water security.

Ramaphosa said these factors make for what is called a perfect storm – where dry taps, broken infrastructure, and poor management of water resources at local government level is fueling growing public discontent.

Deputy President Paul Mashatile said that the government must also increase investment in the maintenance and construction of water infrastructure.

To date, the Infrastructure Fund has secured R23 billion for seven large water infrastructure projects.

Mashatile said that through the Water Services Amendment Bill, the government will introduce a licensing system for water service providers and remove licenses where providers do not meet the standards for quality drinking water.

"Moreover, the 2025 Budget, echoes Government's commitment to prioritise local government reforms, recognising that municipalities are at the frontline of water and sanitation service delivery.

Such reforms by the Government include ring-fencing revenue from water services to fund infrastructure improvements, and creating financial incentives for municipalities that meet service delivery targets.

"It is, therefore, imperative that municipalities do not fail to implement their constitutional obligations, particularly as they pertain to the provision of water and sanitation," Mashatile said.

"Furthermore, the culture of non-payment for water services has become a major obstacle to municipal sustainability. Ratepayers and businesses defaulting on payments create a chain reaction that destabilises the entire water supply system.

"As part of a sustainable, long-term solution, we must intensify our work with municipalities to improve revenue collection, curb illegal connections and water wastage, and promote financial self-sufficiency and accountability in local governance.

"By reinforcing these measures alongside strategic infrastructure investment, South Africa can secure its water future, ensuring access for all and safeguarding economic growth.

ENHANCING AND OPTIMISING SERVICE DELIVERY AT LOCAL GOVERNMENT LEVEL

Gauteng government reassures residents:

Underspent funds are not lost but will enhance service delivery

In response to recent media reports suggesting a R1.8 billion underspend by the Gauteng Provincial Government in the 2024/2025 financial year, Gauteng MEC for Economic Development and Finance Lebogang Maile has clarified that no funds have been lost and that service delivery remains a top priority.

The reports sparked public concern, prompting Maile to reaffirm the provincial government's commitment to transparency and sound financial management.

While the R1.8 billion underspend is factually correct, Maile on 12 May stressed that it should not be interpreted as a forfeiture of funds.

During a media briefing on the provincial government's expenditure report for 2024/2025 outlining how all 15 departments spent their budgets, Maile said the Gauteng Provincial Treasury was proactively educating the public on the complexities of government budgeting, with a particular focus on how underspending was linked to the Provincial Revenue Fund (PRF).

Maile said the PRF served as the financial heart of the province, putting together revenue collected from various sources, including taxes and transfers from the National Revenue Fund. He emphasised that withdrawals from this fund were governed by strict legal frameworks, ensuring that unspent funds from one year remained within the system for future appropriations.

To make sense of how public funds were managed, Maile said it was important to understand the PRF. He said each province in South Africa has a PRF, a financial account where all provincial revenue, such as taxes, fees, and transfers from the National Revenue Fund, was deposited.

Maile said the Gauteng Provincial Treasury managed this fund and ensured that all spending adhered to strict regulations, meaning that even if money is not spent within the financial year, it remained in the system and was not simply lost.

"To this end, money can only be withdrawn from the Fund through specific appropriations or as direct charges, as outlined in the Constitution and provincial legislation," Maile said.

Gauteng MEC for Economic Development and Finance, Lebogang Maile, presented the Provincial Government's expenditure report for 2024/2025. The briefing outlined how all 15 departments spent their budgets, highlighted areas of underspending, and provided updates on the payment of service providers' invoices. Photo: GDED/Twitter

"Another important issue that needs explanation is conditional grants. Conditional grants from the National Treasury are specific allocations of funds from the national government to provinces and municipalities, with the condition that they are used for specific purposes aligned with national policy goals.

"These grants aim to ensure that provinces and municipalities adhere to national standards and priorities, and can be used for capital projects or operational expenses, depending on the grant's specific conditions, which are outlined in the Division of Revenue Act, No. 24 of 2024 (DoRA)."

To understand the nuances of government spending, Maile distinguished between Conditional Grants and the Provincial Equitable Share (PES).

Conditional Grants are funds from the National Treasury allocated to provinces or municipalities for specific national priorities. These are tied to conditions outlined in the Division of Revenue Act (DoRA) and typically support targeted initiatives such as infrastructure development or healthcare projects.

In contrast, the PES is an unconditional allocation to provinces based on a formula that considers population size, poverty levels, and other socio-economic indicators. Provinces use these funds at their discretion to meet local service delivery needs, most often in health, education, and social development.

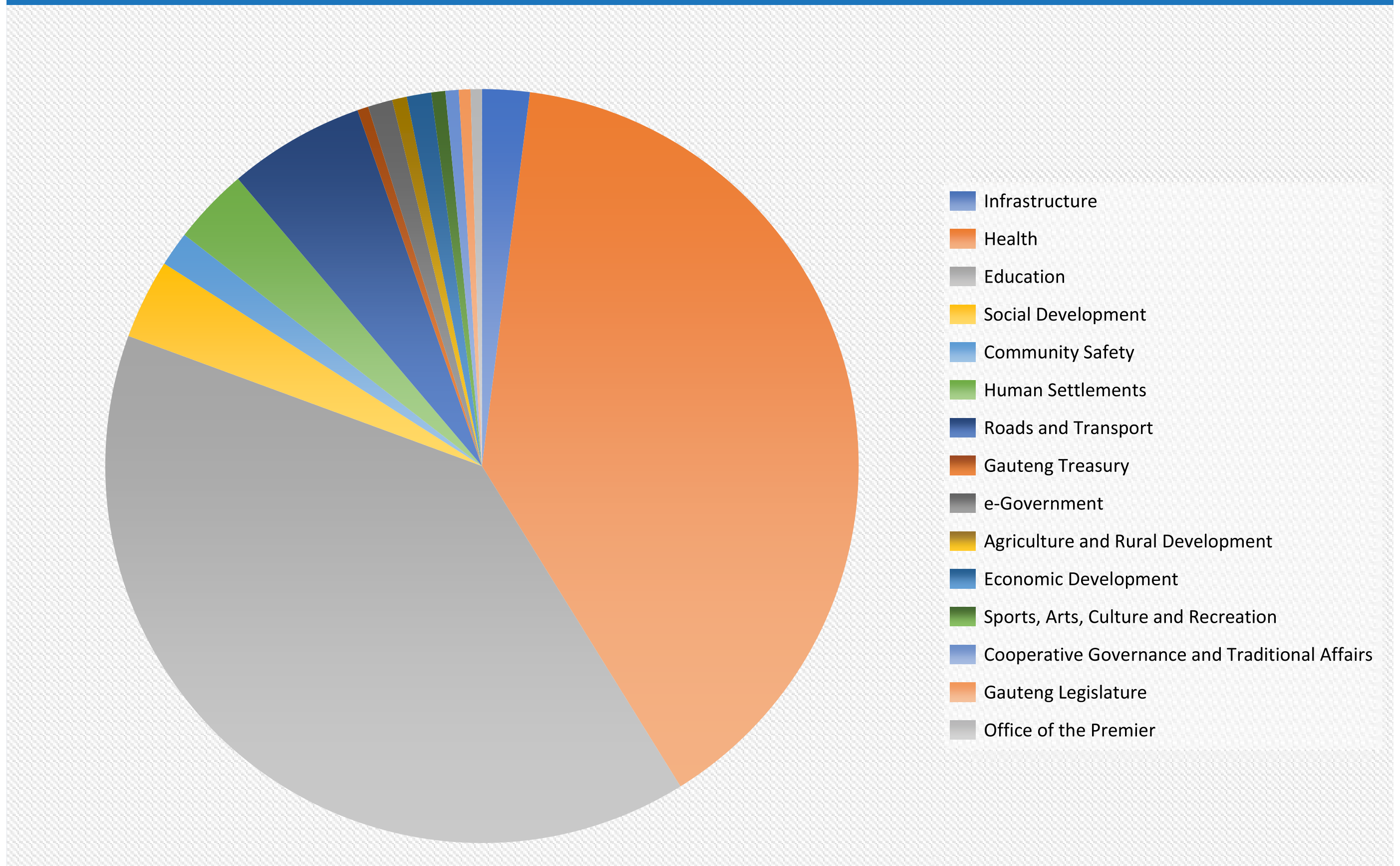
Gauteng's 2024/2025 Expenditure Performance

For the 2024/2025 financial year, Maile said the Gauteng Provincial Government operated with an adjusted budget of R168.76 billion. By the end of the fiscal year, the government had spent R166.97 billion—an impressive 99% expenditure rate.

Here's a breakdown of how individual departments performed:

- **Infrastructure:** Spent R3.4 billion (100%) with a slight outcome of R1.2 million.
- **Health:** Spent R65.29 billion (99%). The department has an outcome of R724.6 million
- **Education:** Spent R65.82 billion (100%). The department has an

Here's a breakdown of how individual departments performed



outcome of R317.35 million.

- **Social Development:** Spent R5.70 billion (98%). The department has an outcome of R102.9 million.
- **Community Safety:** Spent R2.48 billion (97%). The department has an outcome of R86.1 million.
- **Human Settlements:** Spent R5.47 billion (97%). The department has an outcome of R168.7 million.
- **Roads and Transport:** Spent R9.77 billion (100%). The department had an outcome of R35.9 million.
- **Gauteng Treasury:** Spent R787.4 million (97%). The department has an outcome of R24.3 million
- **e-Government:** Spent R1.76 billion (96%). The department has an outcome of R70.1 million.
- **Agriculture and Rural Development:** Spent R1.05 billion (95%). The department has an outcome of R53.4 million.
- **Economic Development:** Spent R1.75 billion (99%). The department has an outcome of R25.5 million.
- **Sports, Arts, Culture and Recreation:** Spent R1 billion (95%). This reflects an outcome of R59.5 million.
- **Cooperative Governance and Traditional Affairs:** Spent R953 million (94%). The department has an outcome of R63.7 million.
- Gauteng Legislature: Spent R833.7 million (93%). The department has an outcome of R64.8 million.
- **Office of the Premier:** Spent R806.5 million (100%). The department has an outcome of R508 000.

Despite the overall excellent performance, Maile said this left a total underspending of R1.799 billion, with R1.041 billion (58%) from the Departments of Health and Education, and R769 million (42%) spread across other departments.

Of the R1.799 billion in underspending, R381.5 million came from Conditional Grants.

According to DoRA regulations, unspent conditional allocations must be returned to the National Revenue Fund—unless they are committed to specific projects and can be justified with evidence.

To this end, Maile said the Gauteng Provincial Government applied for the rollover of R295.7 million of these funds, having provided supporting documents such as project lists, tender details, and invoices.

However, the remaining R85.8 million could not be motivated and will revert to the National Treasury as the relevant departments could not motivate and provide evidence that the unspent allocation was committed to identifiable projects.

Maile said the balance of R1.418 billion from the Provincial Equitable Share would remain within the Gauteng Provincial Government. He said these funds were not lost but were subject to an internal process that evaluated each department's ability to utilise them effectively in the next financial year.

"The R1.418 billion in Provincial Equitable Share funding will also be subject to an internal Gauteng Provincial Government process led by Gauteng Provincial Treasury, and subject to intense scrutiny, with all requests evaluated not just on financial aspects only, but also performance, to provide comfort that there are no underlying impediments to the absorption of funds rolled over. Above all else, this process aims to ensure that service delivery imperatives are realised," he said.

Maile also pointed to the fact that the government's ability to spend responsibly extended beyond project execution, saying it also included paying service providers on time. He said the Public Finance Management Act (PFMA) mandated that suppliers must be paid within 30 days of submitting an invoice, unless otherwise agreed upon in a contract.

"As at the end of Quarter 4 of the 2024/2025 financial year, nine of the fourteen provincial departments have achieved 100% compliance with the payment of service providers' invoices," Maile said.

These included:

- Office of the Premier
- Roads and Transport
- Community Safety
- Human Settlements
- Economic Development
- e-Government
- Sports, Arts, Culture and Recreation
- Cooperative Governance and Traditional Affairs
- Gauteng Provincial Treasury

Other departments made substantial progress: Social Development paid 98% of invoices on time, Infrastructure Development paid 88%, Education 80%, and Agriculture 71%.

The Department of Health, however, had a significantly lower compliance rate, only 21% of its invoices were paid within the required 30 days.

Maile said this shortfall was a concern and was being addressed through performance improvement plans.

"The Gauteng Provincial Government is committed to ensuring compliance with the legal obligation to ensure that payments due to creditors, including intergovernmental claims, are paid within 30 days," he said.

"This is not only an expression of respect for the law, but also because we recognise that the timely payment of invoices is crucial for the health of the economy, especially for small, medium and micro-enterprises (SMMEs) who rely on government payments to sustain their businesses. Where compliance is not at 100%, the Gauteng Provincial Government will continue to develop, implement and monitor instruments to facilitate improvements."

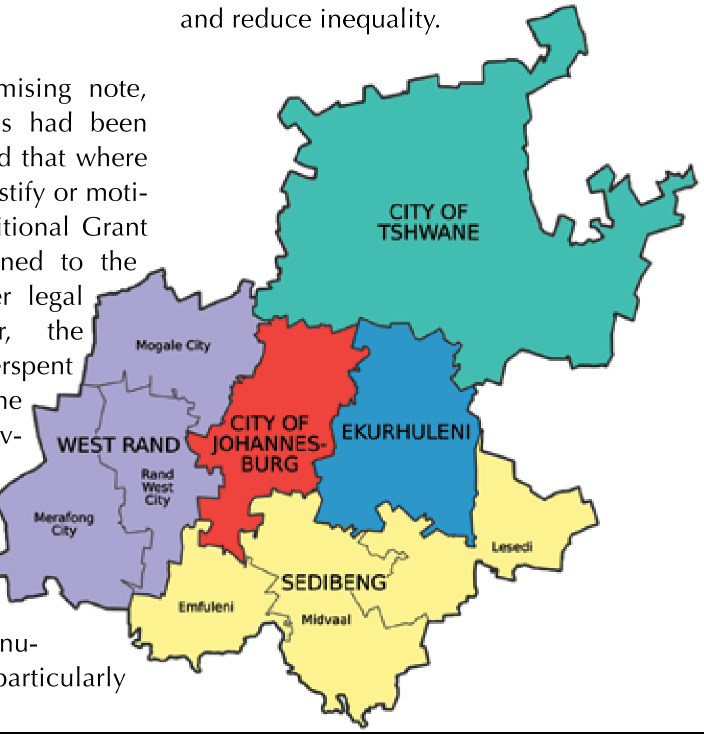
Maile ended on a promising note, reiterating that no funds had been permanently lost. He said that where departments could not justify or motivate their unspent Conditional Grant funds, these were returned to the National Treasury as per legal requirements. However, the vast majority of the underspent funds remained within the Gauteng Provincial Government and will be reallocated to priority programmes and services.

He said these re-allocations will ensure continuity in service delivery, particularly in sectors vital to the well-being of Gauteng residents, such as healthcare, education, infrastructure, and social support.

"For this reason, we remain committed to ensuring that underspent funds are re-allocated to crucial programmes and projects in order to ensure that the residents of our province continue to receive the necessary public services needed to alleviate the triple challenges of poverty, unemployment and structural inequalities," he said.

"The Gauteng Provincial Treasury remains deeply committed to the principle of good governance, at the heart of which is accountability, transparency, and responsiveness. For this reason, we have, and will continue, to provide the residents of Gauteng with information pertaining to how money is being spent by departments and entities of the Gauteng Provincial Governments."

As the government moves forward with assessing and reallocating the underspent funds, residents of Gauteng can rest assured that these resources are being managed with care, in line with legislation and guided by a vision to alleviate poverty, create jobs, and reduce inequality.



SALGA calls for strengthened accountability and governance amidst release of 2023/24 municipal audit outcomes

The South African Local Government Association (SALGA) has expressed its approval of the recently released Auditor-General's 2023/2024 Municipal Audit Outcomes, highlighting the critical role this report plays in enhancing transparency, accountability, and good governance in local government. SALGA commended the Auditor-General of South Africa (AGSA), Tsakane Maluleke, for her commitment to ensuring that municipalities uphold these essential principles.

In a climate where effective management of public funds is paramount, SALGA acknowledged the commendable efforts of municipalities that met the legislated deadline for submitting their Annual Financial Statements. Notably, 140 municipalities, representing 55% of the total, achieved unqualified and clean audit outcomes, managing over R378 billion—66% of the overall local government budget of R575 billion. SALGA said this statistic demonstrated that a significant amount of public money was being handled with a commendable degree of accountability.

Importantly, SALGA said the rise in clean audits from 34 in the 2022/23 fiscal year to 41 in 2023/24 was particularly noteworthy. It said this underscored an ongoing commitment from municipal leadership and officials to enhance financial discipline, reinforce internal controls, and implement rigorous consequence management.

SALGA also strongly advocated for sustaining this momentum and scaling these improvements across all municipalities to foster a culture of excellence in governance.

Addressing underperformance: An urgent call to action
While there are commendable achievements, SALGA voiced grave concerns regarding the 45% of municipalities that received audit outcomes deemed below the standard of unqualified audits. This continuing underperformance, according to SALGA, signified an urgent requirement for reform, with a focus on improved accountability and unwavering enforcement of consequence management. SALGA said the persistent challenges of non-submission of financial statements, along with the prevalence of fruitless and wasteful expenditure, required immediate and decisive action.

SALGA reiterated a zero-tolerance stance on past financial misconduct, stressing that municipalities must take concrete measures by the close of the 2023/24 financial year to recover lost funds and address every incident of irregular, unauthorized, wasteful, or fruitless expenditure.

Celebrating excellence: Lessons from leading municipalities
Several municipalities stand out as exemplary models of governance, having maintained clean audit outcomes since the 2016/17 fiscal year. These include:

- Midvaal Local Municipality (Gauteng)
- Cape Winelands District Municipality (Western Cape)
- Overstrand Local Municipality (Western Cape)
- Witzenberg Local Municipality (Western Cape)
- Cape Agulhas Local Municipality (Western Cape)

As beacons of best practice, these municipalities should be closely studied and benchmarked to replicate their governance models throughout the country.

Drivers of improvement in audits
SALGA echoed AGSA's assessment that stability in leadership, accountability, and adequacy of skills, particularly among Municipal Managers, Chief Financial Officers, and Heads of Infrastructure, are pivotal to improved audit results. Municipal councils were urged to fill these positions with competent and ethical professionals, ensuring that oversight roles assumed by mayors and speakers are executed impartially.

Rising municipal debt jeopardises financial health
As of the end of December 2024, municipalities face an overwhelming debt of over R405 billion owed by consumers. SALGA said this unsustainable burden compromised their ability to fulfil financial obligations, including payments to vital service providers like Eskom and water boards.

SALGA called for stringent enforcement of credit control policies and encourages all residents and institutions to honour their municipal bills, particularly highlighting the debts accruing from government departments.

Reforming the fiscal framework: A systemic challenge
SALGA also pointed to significant systemic constraints within the country's fiscal framework, noting the dissonance between the responsibilities and resources available to municipalities. Tasked with executing nearly 46% of government functions while receiving only 9.1% of the nationally raised revenue, the ongoing issue of unfunded mandates and non-payment by government departments and State-owned enterprises continues to hinder local governments' abilities to meet their constitutional obligations.

Committed to support and reform
In light of these challenges, SALGA reaffirmed its commitment to supporting municipalities through initiatives designed to enhance leadership, governance, financial management, and institutional capacity. By collaborating with AGSA and other stakeholders, SALGA aims to bolster councils' capacity while reducing reliance on external consultants, developing robust policies for accountability, and leveraging technology to address auditable findings.

SALGA said while the latest audit outcomes illustrate both progress and ongoing challenges in South African local governance, it remained steadfast in its mission to improve municipal audit records and restore the public's confidence in local government.

Unearthing the Past, Humanising the Present:

Siphiwo Mahala's Literary Journey Through Two Remarkable Books

In a literary landscape rich with voices reclaiming African stories, few writers bring as much nuance and passion to the page as Professor Siphiwo Mahala. A celebrated South African scholar, playwright and author, Mahala is currently in the spotlight for releasing not one, but two significant books: a dual play volume titled *House of Truth & Bloke and His American Buntu,* and a poignant collection of short stories entitled *The Missing Pages.*

Both works serve as dynamic literary time machines, transporting readers into pivotal, often overlooked eras of South African history. In these texts, Mahala merges rigorous scholarship with accessible, emotionally resonant storytelling, reinforcing his reputation as one of the country's most thoughtful literary voices.

Rewriting the Narrative: House of Truth & Bloke and His American Buntu

Mahala's fascination with the 1950s, a vibrant yet turbulent period in South Africa, is palpable. This is the era he revisits in The House of Truth & Bloke and His American Buntu, two plays now published in a single volume by Wits University Press. These works explore the lives of literary giants Can Themba and Bloke Modisane, both of

Professor Siphiwo Mahala

whom once filled the buzzing newsrooms of Drum magazine and called Sophiatown home.

"Sophiatown was a small but strikingly unique community," Mahala reflects. "It was a cultural melting pot where people across racial lines lived side-by-side, a space where black excellence in journalism, literature, and music thrived despite the ever-tightening grip of apartheid."

Mahala's approach to dramatising these lives is not to glorify or mythologise, but to humanise. In tracing Themba's reluctant exile and tragic demise in Swaziland (Eswatini), and Modisane's extended intellectual odyssey in Europe, Mahala paints intimate portraits of men torn between homeland and escape, art and survival.

"They used every platform, literature, journalism, music, to assert their voices," he explains. "Their stories didn't end well, but they left behind a legacy of brilliance."

Beyond being mere biographical sketches, the plays become vehicles for broader reflection on black identity, cultural innovation, and intellectual resistance in the face of apartheid's brutal machinery.

Filling the Gaps: The Missing Pages

Complementing his theatrical endeavours is Mahala's latest short story collection, *The Missing Pages*, which solidifies his mastery in a form many argue is his finest. The title story is inspired by a real-life challenge from fellow author Sabelo Ndlovu-Gatsheni, who asked Mahala to reimagine the lost early entries of Solomon Tshekisho Plaatje's war diary, the first known war account written by a black South African during the Anglo-Boer War.

In the fictional rendering, Mahala creates a tender, even "heartbreakingly beautiful" explanation for the missing pages. Rather than a tale of espionage or sabotage, it becomes a deeply human story, one that portrays a black man not as a historical archetype or war hero, but as an ordinary individual who forgets, misplaces, and navigates life in the shadows of greater forces.

"I wanted to humanise him," Mahala says. "Because sometimes, just being human, flawed, forgetful, is enough to make history."

Collectively, the stories in *The Missing Pages* serve as necessary corrections to the historical narrative, inviting readers to acknowledge the uncelebrated lives that bore the weight of colonial and apartheid oppression. Mahala resists the urge to romanticise; instead, he adeptly exposes the messy contradictions and unseen participants of history with authenticity and care.

Particularly noteworthy in the collection is Bonsie's Toe, narrated through the innocent eyes of a young boy. Mahala employs concise yet impactful prose, striking a delicate balance between innocence, humour, and tragedy.

"A good short story," he asserts, "is a journey of discovery. It must surprise the reader. It should feel like being taken by the hand, not knowing where you're going, but trusting the storyteller completely."

Both of Mahala's new books serve a dual purpose; not only are they literary triumphs, but they also embody rich educational merit. The printed plays have piqued the interest of schools and small theatres alike, providing essential material for budding actors and students eager to engage with South Africa's intricate cultural tapestry.

"Many people wanted to sit with the stories in their own time," Mahala explains. "Now they can."

By marrying academic rigour with approachable storytelling, Mahala's works promise to entertain and educate, ensuring their relevance for years to come. Whether highlighting the untold truths of intellectuals during apartheid or reimagining forgotten chapters of black history, Mahala crafts narratives with the mind of a scholar and the heart of a humanist.

His simultaneous release of *The House of Truth & Bloke and His American Buntu* alongside *The Missing Pages* is not only a testament to his versatility but also a stirring reminder of the necessity to narrate our stories, especially those obscured for far too long.

In Mahala's capable hands, South African history transcends textbooks; it becomes a living, breathing entity, laden with complexity, vulnerability, and inexorable humanity.

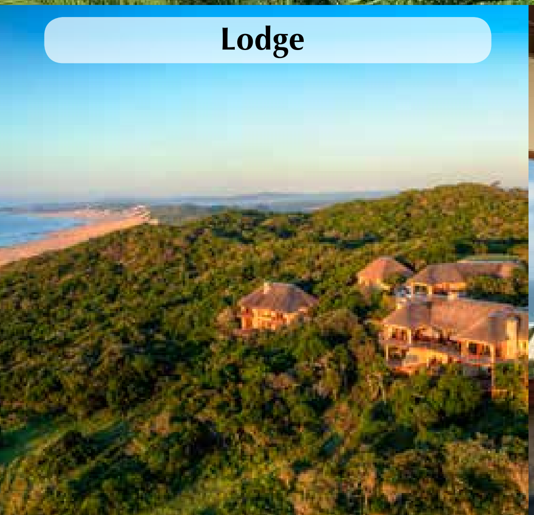
His powerful journey intertwines theatre with poignant storytelling, inviting readers and students alike to uncover the heart of a nation's narrative

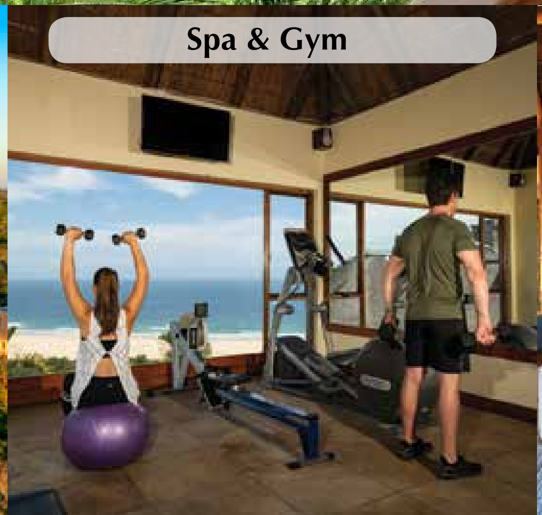
The House of Truth & Bloke and His American Buntu, and *The Missing Pages* are available at Book Circle Capital Bookstore 75, 4th Ave, Melville

Reference: Kaya FM's Point of View with Phemelo Motene.

Immerse Yourself in Tranquility

Why choose between beach and safari when you can have both? Oceana Beach & Wildlife Reserve is perfectly set within a pristine 740 Hectare wildlife sanctuary, with easy access to a 7km stretch of private beach. Spacious and airy, all of our luxury accommodation options offer captivating views of the sand and sea, framed by indigenous shrubs and trees that create an easy island-living feeling.

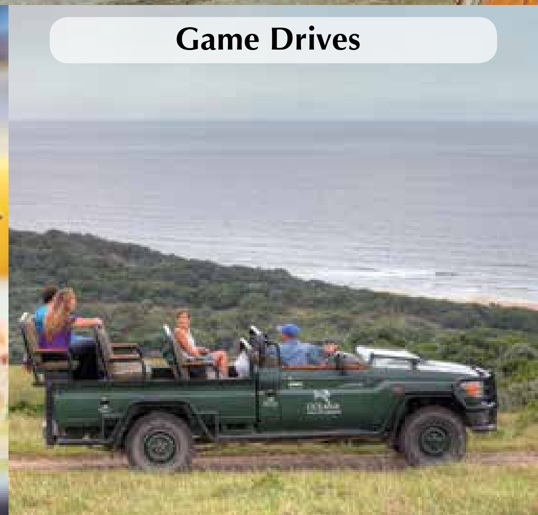

Lodge


Spa & Gym


Pool Suites


Pool Suites


Cuisine


Game Drives


DISCOVERY
DISCOVERY
149 UYP

ELEPHANT POINT