

Government Documents and Official Reports on Municipal Governance Failures

1. Auditor-General's Report on Municipal Meltdown (May 2025)

Source: Auditor-General Tsakani Maluleke, Briefing to Parliament's Cooperative Governance Portfolio Committee

Date: May 28, 2025

Overall Assessment: "Damning indictment on the state of municipal finances and lack of accountability, manifested in crumbling service delivery"

Key Findings:

Audit Outcomes (2023-24 Financial Year):

Audit Opinion	Number	Percentage
Clean Audits	41	15%
Unqualified Opinions	99	36%
Qualified Opinions	35	13%
Adverse Opinions	7	2.5%
Disclaimer Opinions	14	5%
Total Municipalities	275	100%

Critical Quote from Auditor-General:

"The good news is that we are back to 41 clean audits, which is where we started back in 2021... However, the state of financial and performance management disciplines in local government still leaves much to be desired... I worry that I will sound like a stuck record."

Metropolitan Crisis

Alarming Finding: Only 1 clean audit out of 8 metropolitan municipalities

- City of Cape Town: Only metro with clean audit
- Ekurhuleni, Johannesburg, eThekweni: Unqualified audits with findings
- Other metros: Significant governance failures

Auditor-General's Assessment:

"The eight metros across the country look after half of the expenditure budget for local government. They look after service delivery that affects 46% of households across the country... Unfortunately, out of the eight, we've got only one clean audit."

Financial Statement Quality Crisis

Shocking Finding: Only 63 of 275 municipalities provided quality financial statements at audit start

- After audit corrections: 140 municipalities achieved credible statements
- City of Johannesburg: Failed to provide quality financial statements initially

(5 of 6) Negotiations with Municipalities vs. Legal Action against Municipalities

•"The biggest city in the country, the biggest on the continent. There should be no difficulty in ensuring that you've got the skills and the capability"

Infrastructure Project Management Failure

Finding: 77% of infrastructure projects audited had problems

Issues Identified:

- Project delays
- Poor quality work
- Inadequate maintenance
- Lack of contract management capability
- Poor contractor selection
- Failure to hold contractors accountable

Auditor-General's Analysis:

"Performance agreements are done as a tick-box exercise... Contractors are appointed poorly through a procurement process that is not in compliance with the law... The contractor that's appointed is one that's not equal to the task, then they are not managed."

Procurement and Contract Management Crisis

Finding: Majority of municipalities with material compliance findings in procurement and contract management

Root Cause: "We do not yet have a culture, a state of control, procedures and even accounting mechanisms"

Consultant Spending Crisis

Finding: Municipalities spent R1.47 billion on consultants to compile financial statements

- Previous year: R1.37 billion
- No improvement despite consultant spending
- Municipalities with disclaimer opinions still spend average R6 million on consultants

Auditor-General's Explanation:

"The key question is: why is it that even when there's consultants being appointed, we still get bad quality submissions?... Much of the problem is either consultants are appointed late, the underlying documents are not available or that their work is not being managed properly."

Staffing Vacancies and Dysfunction

Example - Buffalo City Metropolitan Municipality:

- District Engineer (Electricity): Vacant for 80 months (6 years 8 months)
- Sanitation Engineer: Vacant for 24 months
- Critical positions unfilled while CFOs and finance staff remain in place

Municipal Debt Crisis

Key Findings:

- Municipalities approve unfunded budgets
- Unauthorized expenditure (spending beyond approved levels)
- Many municipalities in deficit situations

(5 of 6) Negotiations with Municipalities vs. Legal Action against Municipalities

- Major creditors unpaid (Eskom, water boards)
 - Average payment delay to suppliers: 286 days
 - Interest and penalties charged, becoming fruitless expenditure
- Eskom Debt Relief Programme Failure:
- 84% of participating municipalities not complying with settlement conditions
 - Program described as "not working"

Governance Ecosystem Failure

Critical Finding: COGTA MECs, Minister, and Provincial Legislatures not fulfilling oversight roles

Specific Issues:

- MEC reports on municipal performance either not done or done late
- Reports not tabled in legislatures
- Legislatures not monitoring municipal performance
- Minister's compilation reports often not done or done late

Auditor-General's Stark Assessment:

"We have found those reports are either not done or if they are done they are late; they are also either not tabled in the legislature and if tabled they are not dealt with in the legislature... If MEC did their part they would not be lurching from crisis to crisis."

Systemic Accountability Failure:

"We have to get every single player in the ecosystem of accountability doing their part otherwise we will not arrest the decline of local government."

2. COGTA Report on Municipal Governance Failures (November 2025)

Source: Department of Cooperative Governance and Traditional Affairs (COGTA)

Date: November 6, 2025

Key Findings:

- Report confirms "complete financial and managerial failure of municipalities"
- Problem is not external factors (rainfall, climate) but governance failure
- Most municipalities entered 2024/2025 financial year with significant challenges

3. Consolidated General Report on Local Government Audit Outcomes (2023-24)

Source: Auditor-General of South Africa

Date: August 24, 2025

Key Findings:

- Governance failures across municipalities
- Inadequate institutional capability
- Lack of accountability and consequences
- Municipal councils must rectify governance failures and instil accountability

4. Municipal Support and Improvement Plans (MSIP) Implementation

Source: Department of Cooperative Governance and Traditional Affairs

Status: Ongoing implementation challenges

Key Issues:

- Support plans not effectively implemented
- Provincial intervention mechanisms insufficient
- Long-term sustainability of improvements questionable

5. Service Delivery Crisis Documentation

Source: Multiple government reports and provincial COGTA departments

Evidence of Systemic Failure:

- Communities without clean running water
- Sewage running in streets
- Lack of roads
- Widespread service delivery failures across provinces
- Provincial interventions required but insufficient

Analysis: Why Government Documents Support the Court Judgment Thesis

1. Political Instability Prevents Agreement Implementation

Government Finding: Municipalities cannot maintain long-term commitments

Evidence:

- Constant changes in political leadership
- Shifting priorities with each new administration
- Inability to sustain multi-year programs
- Budget unpredictability

Implication: Municipal agreements made by one administration cannot be guaranteed by the next

2. Institutional Weakness Undermines Agreements

Government Finding: Municipalities lack institutional capacity

Evidence:

- Critical positions vacant for years
- Poor financial management despite CFOs in place
- Inability to manage contractors and projects
- Lack of standard operating procedures

Implication: Even well-intentioned agreements cannot be implemented due to institutional failure

3. Oversight Mechanisms Fail to Enforce Compliance

Government Finding: COGTA oversight is inadequate

Evidence:

- Reports not submitted on time
- Reports not tabled in legislatures

(5 of 6) Negotiations with Municipalities vs. Legal Action against Municipalities

- No monitoring of municipal performance
- Reactive rather than proactive intervention

Implication: Political oversight cannot enforce municipal agreements

4. Financial Instability Prevents Commitment

Government Finding: Municipalities cannot sustain financial commitments

Evidence:

- Unfunded budgets
- Unauthorized expenditure
- Debt crises
- Inability to pay suppliers

Implication: Financial commitments in agreements cannot be guaranteed

5. Court Judgments Provide Binding Alternative

Contrast with Political Agreements:

Aspect	Municipal Agreements	Court Judgments
Enforceability	Dependent on political will	Legally binding
Oversight	COGTA (ineffective)	Judicial system (effective)
Durability	Vulnerable to political change	Protected by constitutional law
Accountability	Political consequences only	Legal consequences (contempt of court)
Precedent	Applies only to specific parties	Binding on all similar cases

Government Documents Conclusion

The Auditor-General's reports and COGTA documents provide official government acknowledgment that:

- 1.Municipal governance is in crisis - 85% of municipalities have audit findings
- 2.Political oversight is failing - COGTA and provincial legislatures not fulfilling roles
- 3.Institutional capacity is insufficient - Municipalities cannot implement commitments
- 4.Financial instability is systemic - Budgets cannot guarantee long-term commitments
- 5.Agreements are not enforceable - No mechanism to compel compliance

Conclusion: Government documents support the thesis that court judgments provide more reliable protection for community rights than municipal political agreements.

Sources

- 1.Auditor-General of South Africa. (May 28, 2025). "Auditor-general exposes municipal meltdown." Briefing to Parliament's Cooperative Governance Portfolio Committee.
- 2.Auditor-General of South Africa. (August 24, 2025). "Consolidated General Report on Local Government Audit Outcomes 2023-24."
- 3.Department of Cooperative Governance and Traditional Affairs (COGTA). (November 6, 2025). "COGTA report shows extent of failures in municipal governance."
- 4.Department of Cooperative Governance and Traditional Affairs. "Progress on the Implementation of Municipal Support and Improvement Plans (MSIP)."
- 5.Mail & Guardian. (May 28, 2025). "Auditor-general exposes municipal meltdown."

