



## Auditor-General Visits Mafube Local Municipality: A Call for Accountability and Urgent Reform

The Auditor-General of South Africa (AGSA) paid a critical visit to Mafube Local Municipality as part of its constitutional mandate to promote accountability, transparency, and good governance in public institutions. The engagement highlighted deep-rooted financial and administrative challenges within the municipality and reinforced the call for immediate action by all stakeholders in the accountability ecosystem.



The visit, underpinned by AGSA's #CultureShift2030 initiative, aimed at transforming the public sector into a model of ethical governance and service delivery, exposed a dire picture of operational instability, poor financial health, and lack of consequence management at Mafube.

### A Troubled Financial Landscape

The municipality received a qualified audit opinion for the 2022/23 financial year. This was attributed to material misstatements in service charges, trade receivables, property, plant and equipment, and cash flow statements. Furthermore, the municipality paid R9.6 million to financial reporting consultants, yet significant deficiencies remain in record-keeping and reporting.

### Key findings included:

- Non-submission of annual performance reports (APR) and financial statements on time.
- Failure to recover revenue and poor billing systems.
- Contracting out electricity sales in exchange for royalties that were never realized.
- Ballooning fruitless, irregular, and unauthorised expenditure totaling over R2.1 billion.
- SARS attachment of the municipal bank account due to unpaid third-party liabilities.
- A culture of non-compliance and inaction, with vacant senior management posts and inactive oversight structures such as the Municipal Public Accounts Committee (MPAC) and Audit Committee.



## Material Irregularities and Lack of Oversight

The AG's team identified three material irregularities, including delayed pension fund contributions, lack of investigations into UIFW (unauthorised, irregular, fruitless and wasteful expenditure), and persistent non-compliance with procurement legislation. Despite having a municipal manager appointed in August 2024, the Chief Financial Officer position remains vacant in an acting capacity.

The absence of consequence management and the failure to implement prior audit recommendations have significantly eroded public trust. AGSA noted that while support mechanisms such as the Financial Recovery Plan (FRP) were approved, their implementation was ineffective.

## Call to Action: Time for Leadership and Commitment



In its forward-looking recommendations, AGSA called on Mafube's leadership to:

- Ensure timely investigations and implementation of consequence management.
- Fully operationalize the disciplinary board and appoint a functioning Audit Committee.
- Implement quality record-keeping systems and internal controls.
- Empower MPAC to conduct effective oversight and recommend corrective measures.
- Monitor and enforce action plans, especially those tied to service delivery and financial reporting.



AGSA also urged national and provincial stakeholders—including COGTA, Provincial Treasury, and SALGA—to intensify support and capacity building efforts, particularly in enhancing the quality of financial submissions and enabling professional, ethical public service.

# Towards a Culture of Accountability

AGSA's visit serves as a pivotal reminder that local government is the closest tier to communities, tasked with the responsibility of improving the lived experiences of citizens through sustainable service delivery. The transformation of Mafube into a well-functioning municipality hinges on collective accountability, ethical leadership, and decisive action from all levels of governance.

*"From doing harm to doing good, accountability is how local government truly serves its people."*

As part of its 2030 vision, AGSA remains committed to enabling institutions like Mafube to move from a culture of "doing harm" to "doing good"—ensuring that democracy is not only preserved through oversight but felt through improved lives.

