

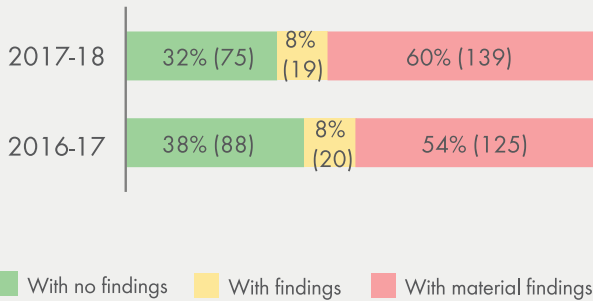


FRAUD AND LACK OF CONSEQUENCES



INCREASE IN MATERIAL NON-COMPLIANCE WITH LEGISLATION ON IMPLEMENTING CONSEQUENCES

NON-COMPLIANCE WITH LEGISLATION ON IMPLEMENTING CONSEQUENCES



Most common findings were the following:

- Irregular expenditure identified in previous year was not investigated at **125 municipalities (54%)**
- Fruitless and wasteful expenditure identified in previous year was not investigated at **117 municipalities (50%)**
- Unauthorised expenditure identified in previous year was not investigated at **108 municipalities (46%)**

MECHANISMS TO DEAL WITH LACK OF CONSEQUENCES



Inadequate mechanisms for reporting and investigating transgressions and possible fraud at 105 municipalities (45%)

Most common findings were the following:



Disciplinary board not established at **51 municipalities (22%)**

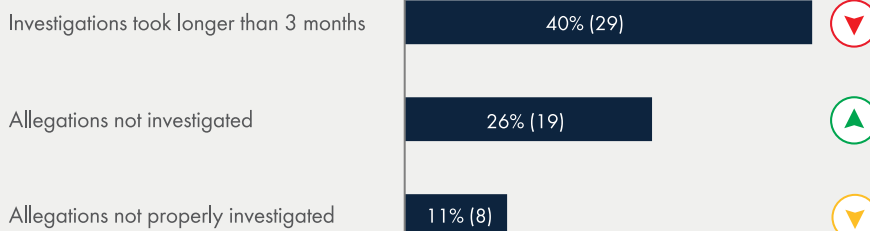


Lack of proper record keeping at **43 municipalities (18%)**



No policies on investigating allegations and disciplinary procedures at **42 municipalities (18%)**

INADEQUATE FOLLOW-UP OF ALLEGATIONS OF FINANCIAL AND SUPPLY CHAIN MANAGEMENT MISCONDUCT AND FRAUD – TESTED AT 72 MUNICIPALITIES



CONTRIBUTE TO

AND



Unauthorised, irregular and fruitless and wasteful expenditure (UIFW) not followed up and dealt with – refer to section on UIFW



Supply chain management (SCM) findings we reported to management for investigation not followed up – refer to section on SCM

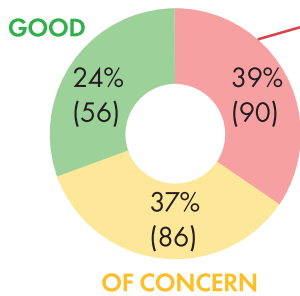




FINANCIAL HEALTH



REGRESSION IN FINANCIAL HEALTH



INTERVENTION REQUIRED

- This means the municipality:
- is in a vulnerable financial position and might be unable to continue operating and/or
 - received a disclaimed or adverse opinion, which means the financial statements were not reliable enough for analysis

VULNERABLE FINANCIAL POSITION

31% (72)

31% (71)

Fruitless and wasteful expenditure of almost **R1 billion** incurred in current year by those in vulnerable financial position

■ 2017-18 ■ 2016-17

SUSTAINABILITY INDICATORS

NET CURRENT LIABILITY POSITION

39% (76)

40% (78)

DEFICIT (expenditure exceeded revenue)

34% (67)

29% (57)

Consolidated deficit of R5,8 billion

Major contributors from:

- Free State - **R1,3 billion (22%)**
- Limpopo - **R1,25 billion (22%)**
- Mpumalanga - **R1,16 billion (20%)**

81% (54) of municipalities with deficits also incurred unauthorised expenditure of **R5,29 billion**

CREDITORS GREATER THAN AVAILABLE CASH AT YEAR-END

53% (104)

52% (101)

Total creditors: **R48,5 billion**
Cash available at year-end: **R37,3 billion**

Highest percentages incurred by:
Matjhabeng (FS) - **146 206%**
Kai I'Garib (NC) - **72 855%**
Nala (FS) - **20 379%**

CURRENT LIABILITIES GREATER THAN 10% OF FOLLOWING YEAR'S BUDGETED RESOURCES

94% (185)

CREDITOR PAYMENTS

CREDITOR-PAYMENT PERIOD > 30 DAYS

87% (170)

86% (168)

CREDITOR-PAYMENT PERIOD > 90 DAYS

47% (92)

44% (86)



AVERAGE CREDITOR-PAYMENT PERIOD

174 DAYS

151 DAYS

ESKOM ARREARS*

R18,26 billion outstanding as at 30 June 2018 with R9,12 billion in arrears #

R0,85 billion was not aged by municipalities

WATER BOARDS ARREARS*

R9,05 billion outstanding as at 30 June 2018 with R5,85 billion in arrears #

R1,73 billion was not aged by municipalities

* These amounts have been taken from municipalities' financial statements, some of which are misstated

REVENUE MANAGEMENT INDICATORS

MORE THAN 10% OF DEBT IRRECOVERABLE

91% (178)

92% (180)

DEBT-COLLECTION PERIOD > 90 DAYS

55% (107)

55% (107)



AVERAGE DEBT-COLLECTION PERIOD

169 DAYS

188 DAYS



PROVINCIAL VIEW

PROVINCE	OVERALL ASSESSMENT*				VULNERABLE FINANCIAL POSITION	
	GOOD	OF CONCERN	INTERVENTION REQUIRED			
Eastern Cape	24% (9)	39% (15)	37% (14)	▼	32% (12)	▼
Free State	0% (0)	0% (0)	100% (14)	▶	100% (14)	▶
Gauteng	20% (2)	30% (3)	50% (5)	▼	50% (5)	▼
KwaZulu-Natal	23% (12)	58% (30)	19% (10)	▼	13% (7)	▲
Limpopo	12% (3)	64% (16)	24% (6)	▼	12% (3)	▼
Mpumalanga	16% (3)	47% (9)	37% (7)	▼	26% (5)	▼
Northern Cape	8% (2)	23% (6)	69% (18)	▼	62% (16)	▼
North West	5% (1)	20% (4)	75% (15)	▼	45% (9)	▶
Western Cape	86% (24)	10% (3)	4% (1)	▶	4% (1)	▶
Total	24% (56)	37% (86)	39% (90)	▼	31% (72)	▶

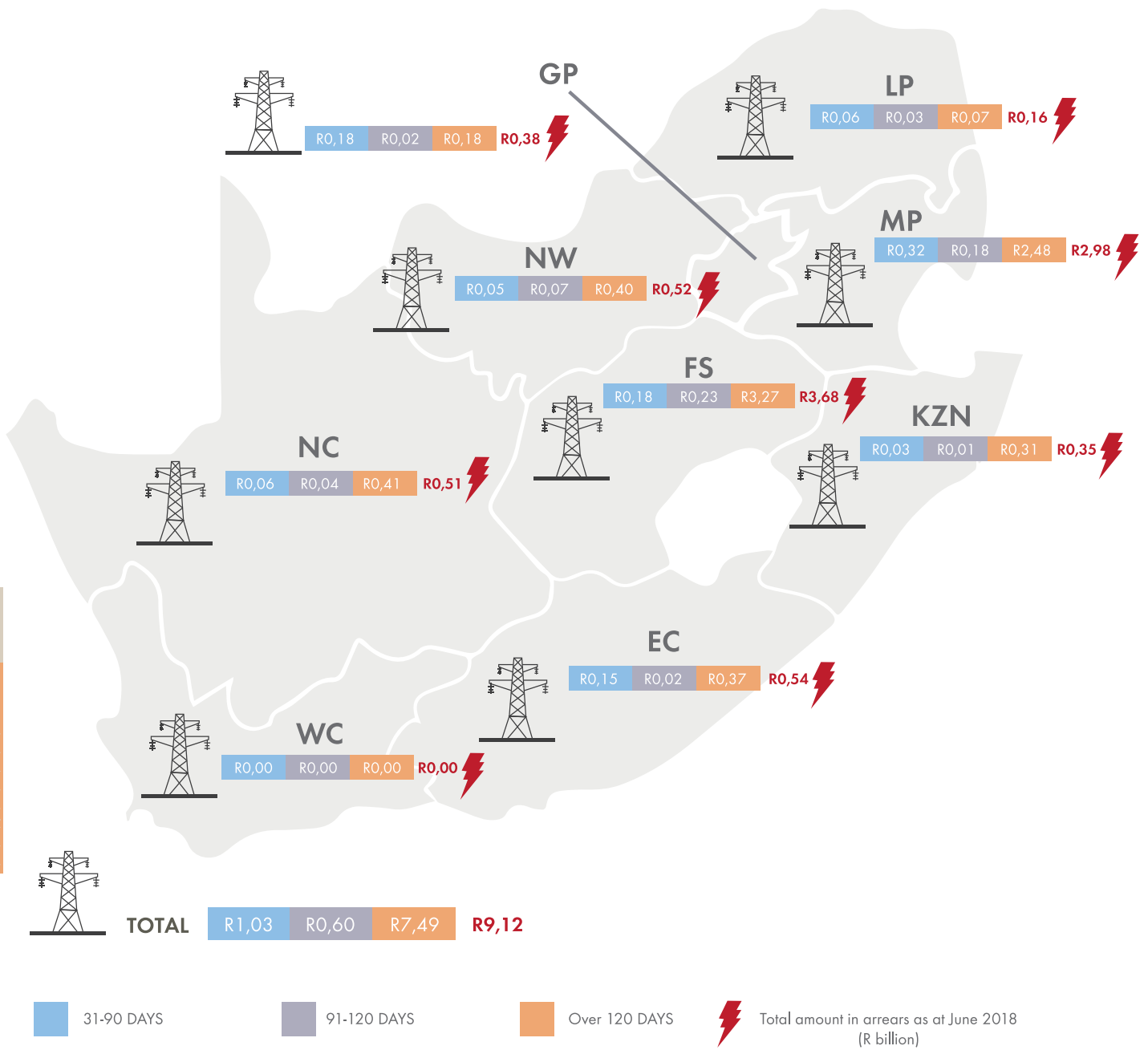
*Including municipalities with disclaimed/adverse opinions

PROVINCE	INDICATORS*					
	CREDITOR PAYMENTS > 30 DAYS		MORE THAN 10% OF DEBT IRRECOVERABLE		DEFICIT	
Eastern Cape	82% (27)	▶	100% (33)	▼	27% (9)	▶
Free State	100% (12)	▶	100% (12)	▶	75% (9)	▲
Gauteng	90% (9)	▶	100% (10)	▼	40% (4)	▶
KwaZulu-Natal	89% (42)	▼	96% (45)	▶	17% (8)	▼
Limpopo	86% (18)	▶	90% (19)	▶	52% (11)	▼
Mpumalanga	81% (13)	▲	88% (14)	▶	44% (7)	▼
Northern Cape	95% (21)	▶	77% (17)	▲	59% (13)	▶
North West	100% (7)	▼	71% (5)	▶	43% (3)	▼
Western Cape	75% (21)	▼	82% (23)	▲	11% (3)	▼
Total	87% (170)	▼	91% (178)	▶	34% (67)	▼

*Excluding municipalities with disclaimed/adverse opinions



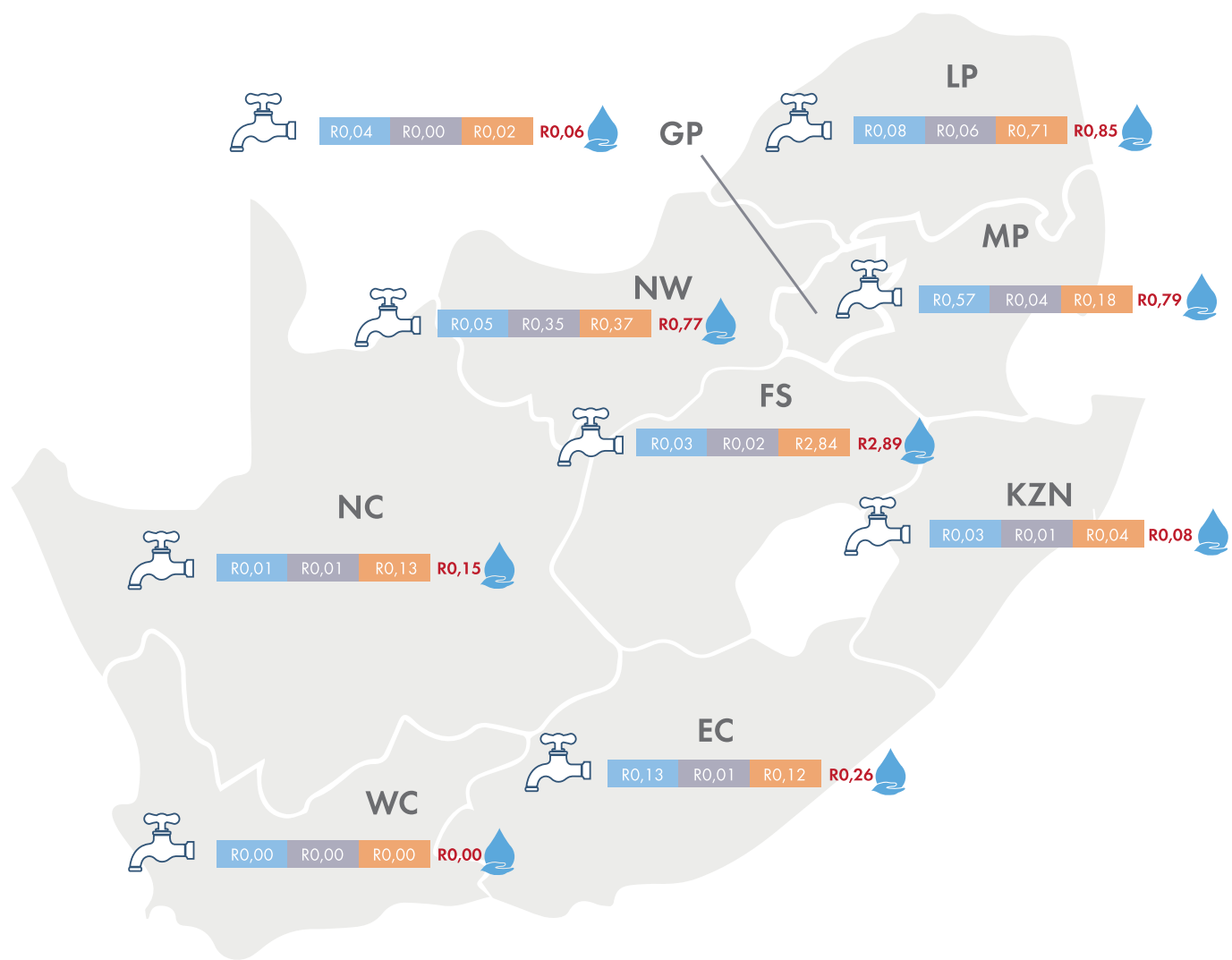
IMPACT OF FINANCIAL HEALTH ON PAYMENT OF UTILITIES – ESKOM



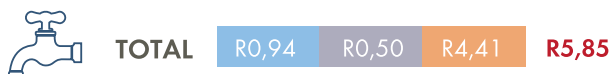
Top 3 contributors to outstanding amount in arrears (R billion)

MUNICIPALITY	31 – 90 DAYS	91 – 120 DAYS	OVER 120 DAYS	AMOUNT IN ARREARS AS AT JUNE 2018
Emalaheni (MP)	R0,08	R0,01	R1,78	R1,87
Matjhabeng (FS)	R0,07	R0,03	R1,74	R1,84
Ngwathe (FS)	R0	R0,01	R0,91	R0,92

IMPACT OF FINANCIAL HEALTH ON PAYMENT OF UTILITIES – WATER BOARDS



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Top 3 contributors to outstanding amount in arrears (R billion)

MUNICIPALITY	31 - 90 DAYS	91 - 120 DAYS	OVER 120 DAYS	AMOUNT IN ARREARS AS AT JUNE 2018
Matjhabeng (FS)	R0,01	R0	R2,29	R2,30
Mopani District (LP)	R0,07	R0,06	R0,71	R0,84
Msukaligwa (MP)	R0,49	R0	R0	R0,49

















INFRASTRUCTURE DEVELOPMENT AND MAINTENANCE

PROJECT MANAGEMENT WEAKNESSES REMAINED WIDESPREAD



MANAGEMENT OF INFRASTRUCTURE GRANTS – compliance with Division of Revenue Act slightly regressed to 81%

 FUNDING	 MUNICIPAL INFRASTRUCTURE GRANT (MIG) <i>196 municipalities</i>	 PUBLIC TRANSPORT NETWORK GRANT (PTNG) <i>10 municipalities</i>	 URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG) <i>7 metros</i>	 * REGIONAL BULK INFRASTRUCTURE GRANT (RBIG) <i>28 municipalities</i>	 * WATER SERVICES INFRASTRUCTURE GRANT (WSIG) <i>73 municipalities</i>
Available to spend (percentage of funds spent)	R14,27 billion (95%) ▲	R5,64 billion (84%) ▼	R10,53 billion (98%) ▲	R2,17 billion (86%)	R2,96 billion (86%)
Underspending by more than 10%	38 municipalities (19%) ▲	6 municipalities (60%) ▼	None ▲	10 municipalities (36%)	27 municipalities (37%)
Used for intended purpose	184 of the 193 municipalities tested (95%) ▼	10 municipalities (100%) ▶	6 metros (86%) ▼	23 of the 24 municipalities tested (96%)	66 of the 67 municipalities tested (99%)
 FINDINGS <i>(per audited project funded by grant)</i>	 MUNICIPAL INFRASTRUCTURE GRANT (MIG) <i>407 projects</i>	 PUBLIC TRANSPORT NETWORK GRANT (PTNG) <i>13 projects</i>	 URBAN SETTLEMENTS DEVELOPMENT GRANT (USDG) <i>25 projects</i>	 * REGIONAL BULK INFRASTRUCTURE GRANT (RBIG) <i>34 projects</i>	 * WATER SERVICES INFRASTRUCTURE GRANT (WSIG) <i>96 projects</i>
Planned completion date for project not achieved and/or project stage of completion not assessed	27% ▲	38% ▲	28% ▼	24%	28%
Project stage of completion assessed by municipality incorrect	3% ▲	None ▶	None ▲	9%	4%
Supply chain management findings	24% ▲	15% ▼	None ▲	21%	33%
Projects not correctly accounted for in financial statements	6% ▶	None ▶	None ▲	18%	13%

*We did not report on RBIG and WSIG in previous year



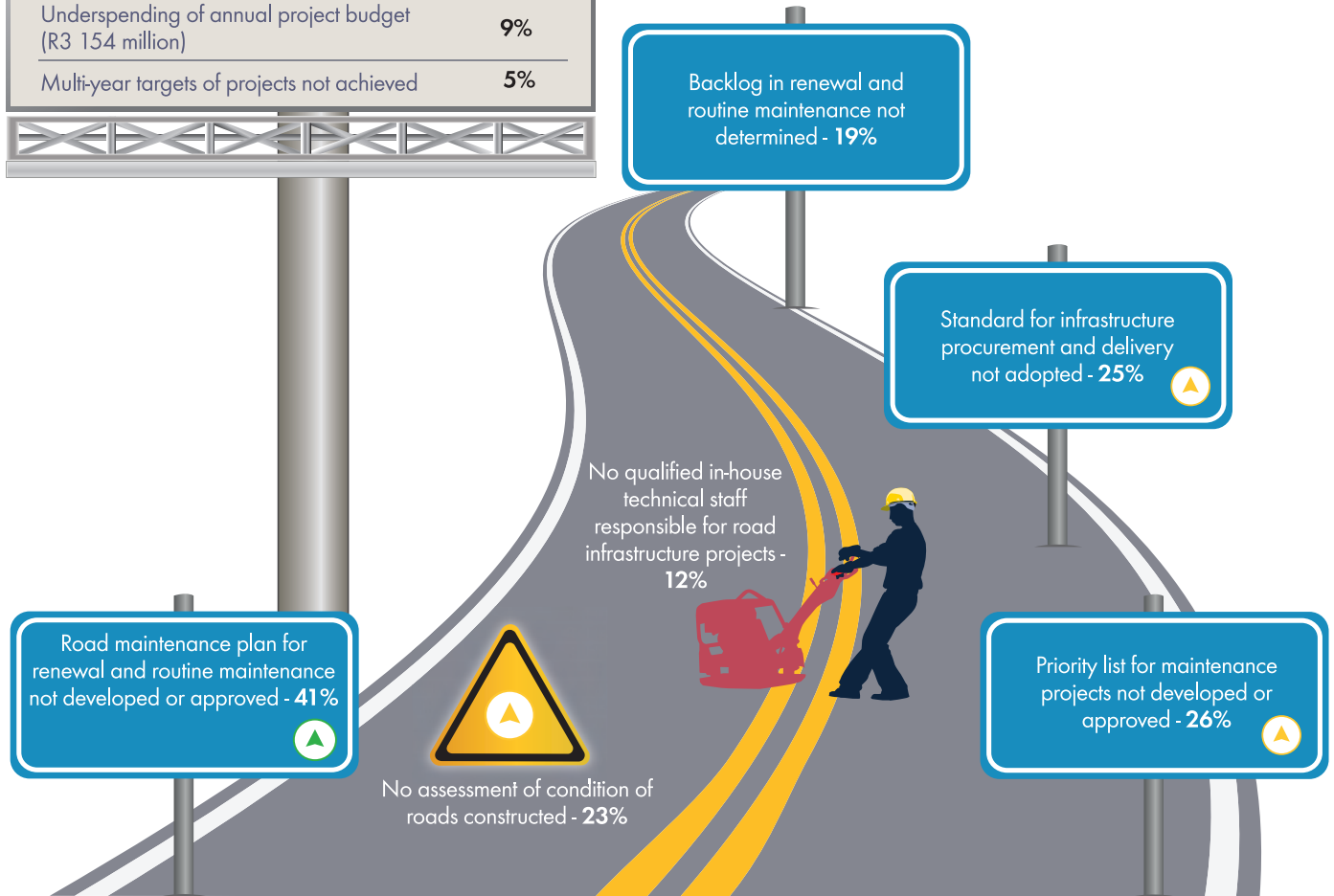


ROAD INFRASTRUCTURE – 177 municipalities responsible for road infrastructure

Project-related findings – 186 projects audited

Annual targets of projects not achieved	20%
Irregular expenditure incurred (R297 million)	20%
Supply chain management findings	20%
Projects not correctly accounted for in financial statements	13%
Underspending of annual project budget (R3 154 million)	9%
Multi-year targets of projects not achieved	5%

Findings on maintenance of road infrastructure



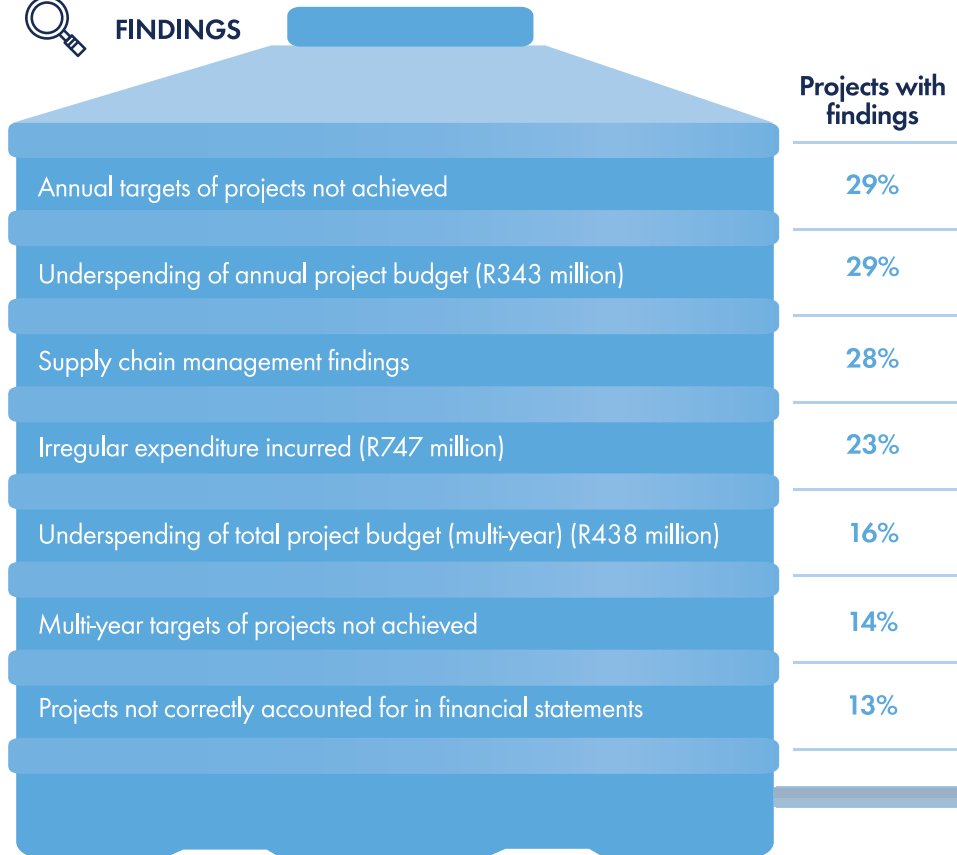


WATER INFRASTRUCTURE AND EXTENT OF WATER LOSSES – 122 municipalities responsible for water infrastructure

Project-related findings – 104 projects audited

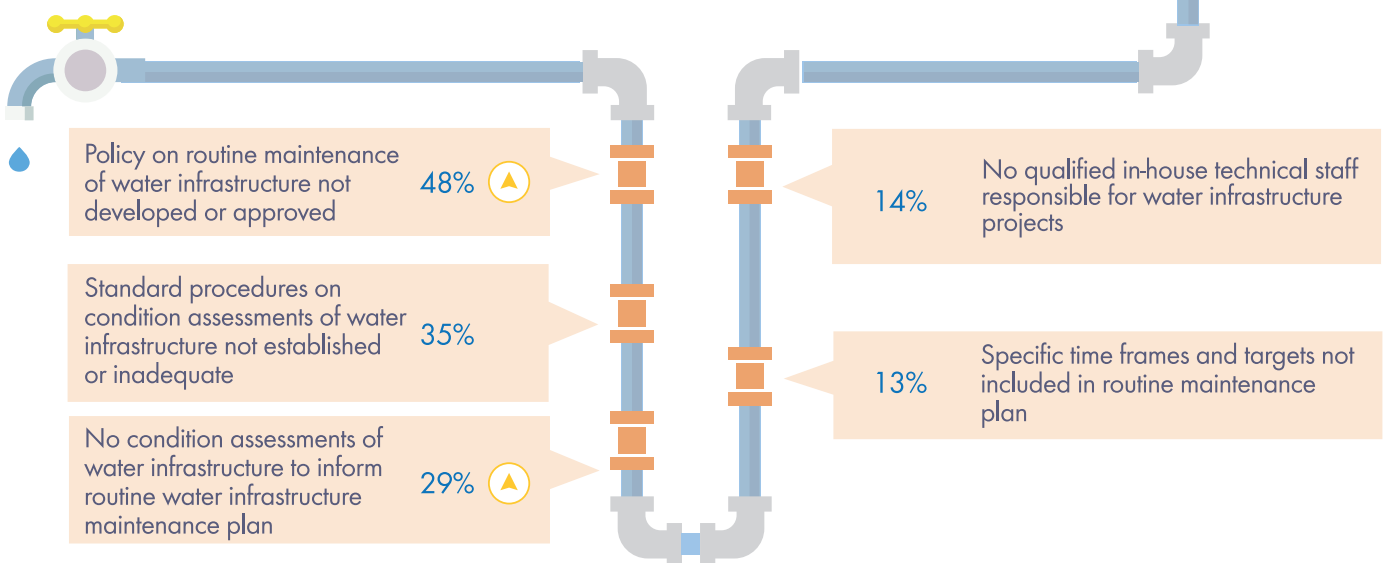


FINDINGS

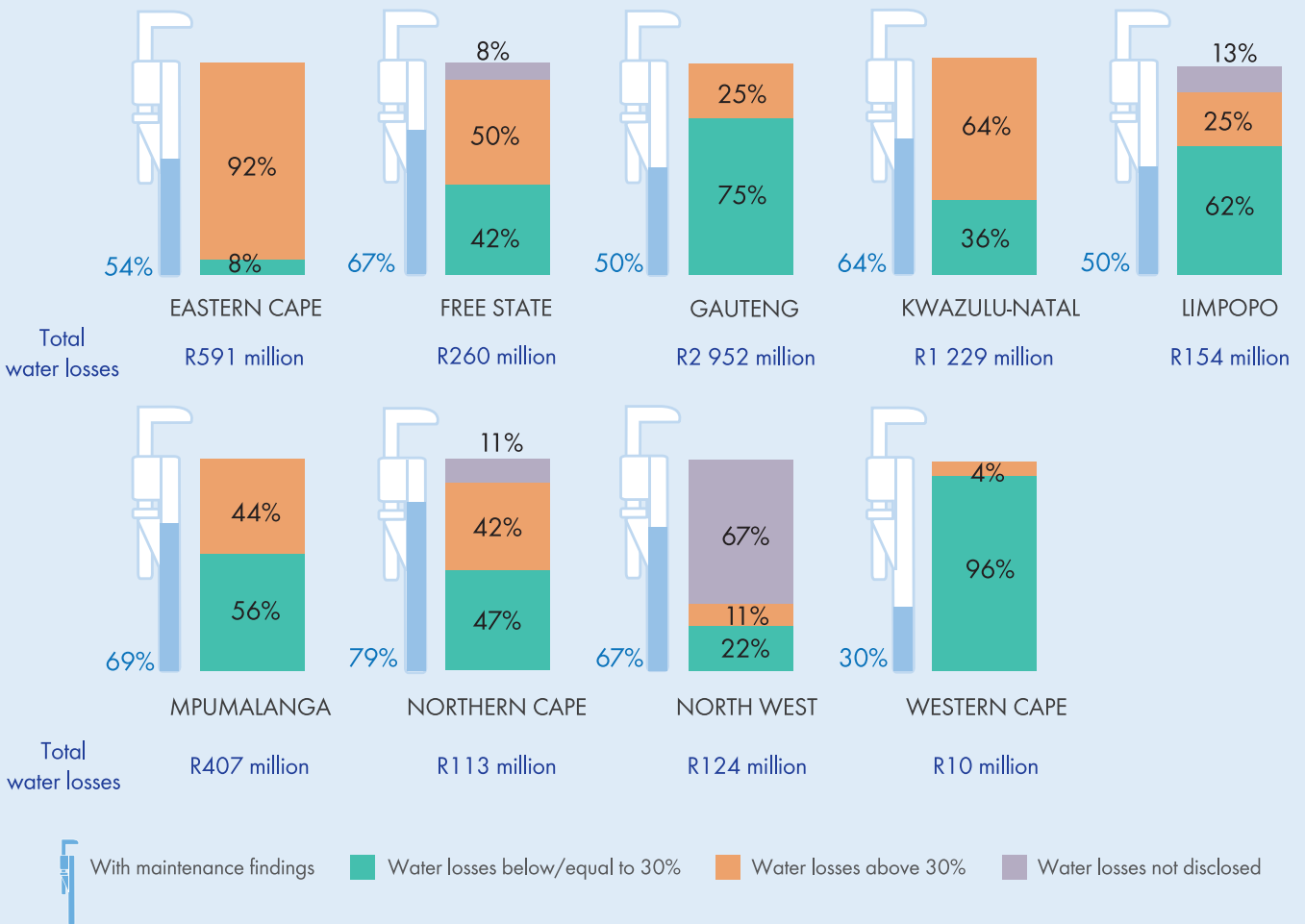
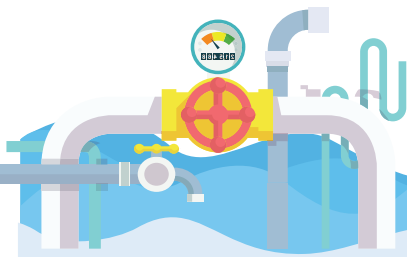


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Findings on maintenance of water infrastructure




Maintenance weaknesses and water losses

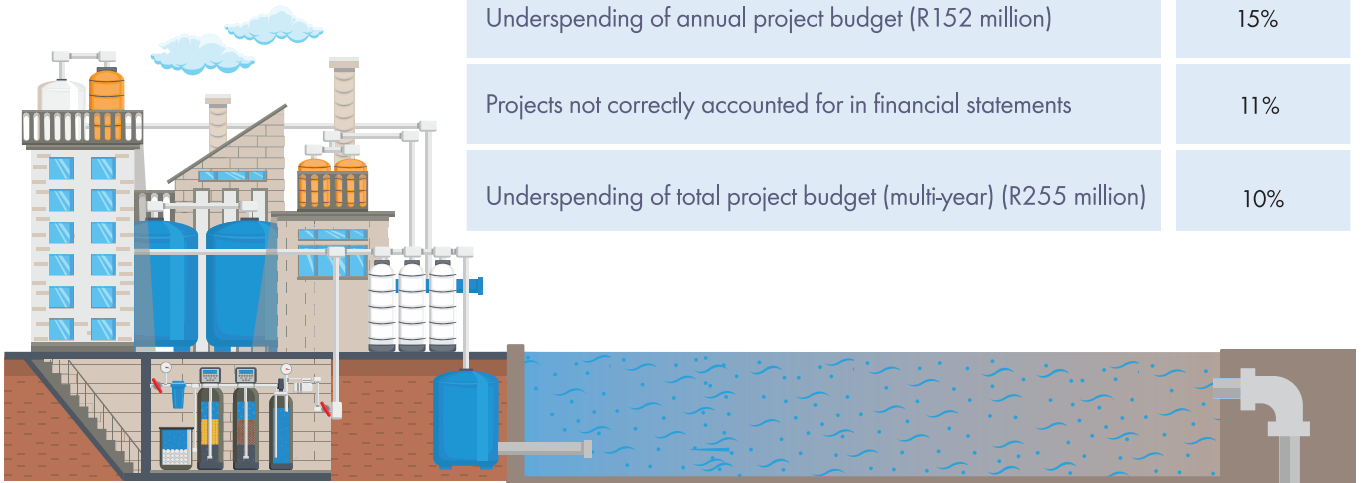




SANITATION INFRASTRUCTURE – 122 municipalities responsible for sanitation infrastructure

Project-related findings – 96 projects audited

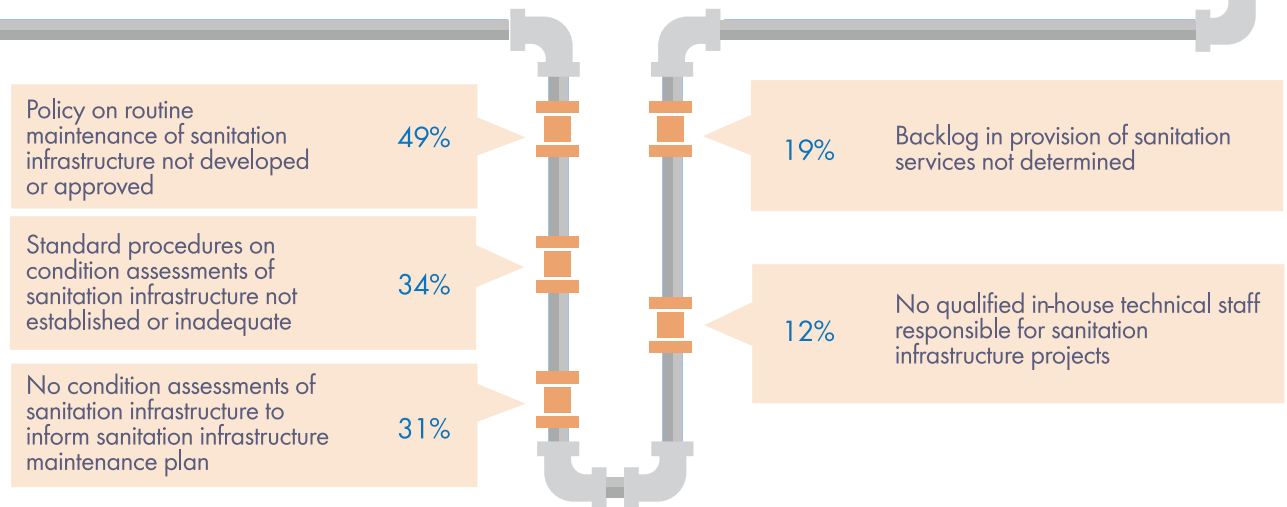
 FINDINGS	Projects with findings
Annual targets of projects not achieved	39%
Irregular expenditure incurred (R1 241 million)	32%
Supply chain management findings	31%
Multi-year targets of projects not achieved	16%
Underspending of annual project budget (R152 million)	15%
Projects not correctly accounted for in financial statements	11%
Underspending of total project budget (multi-year) (R255 million)	10%



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Findings on maintenance of sanitation infrastructure



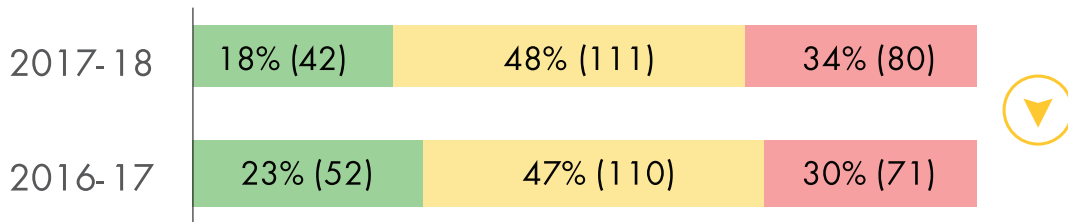


INTERNAL CONTROL



SLIGHT REGRESSION IN OVERALL STATUS OF INTERNAL CONTROL

OVERALL STATUS OF INTERNAL CONTROL



DRIVERS OF INTERNAL CONTROL

MOVEMENT

Leadership	20% (46)	44% (103)	36% (84)	
Financial and performance management	14% (32)	43% (101)	43% (100)	
Governance	27% (62)	44% (104)	29% (67)	

Good internal control is the key to ensuring that municipalities deliver on their priorities in an effective, efficient and economical manner

It will also ensure that municipalities produce quality financial statements and performance reports, and comply with applicable legislation

BASIC CONTROLS

MOVEMENT

Effective leadership	35% (81)	41% (97)	24% (55)	
Audit action plans	11% (25)	50% (116)	39% (92)	
Proper record keeping	18% (43)	42% (97)	40% (93)	
Daily and monthly controls	16% (36)	39% (91)	45% (106)	
Review and monitor compliance	7% (15)	36% (85)	57% (133)	

5 of the 7 basic controls should receive specific attention to improve and sustain audit outcomes

Refer to human resource (HR) management section for HR controls and information technology (IT) controls section for IT governance controls

■ Good
 ■ Of concern
 ■ Intervention required

PROGRESS MADE IN IMPROVING DRIVERS OF INTERNAL CONTROL

Province	Leadership	Financial and performance management	Governance
Eastern Cape			
Free State			
Gauteng			
KwaZulu-Natal			
Limpopo			
Mpumalanga			
Northern Cape			
North West			
Western Cape			
Total			





HUMAN RESOURCE (HR) MANAGEMENT



SLIGHT REGRESSION IN GOOD HR MANAGEMENT CONTROLS FROM 25% (58) TO 24% (55)

AVERAGE VACANCY RATES

OVERALL 21%

SENIOR MANAGEMENT 25%

FINANCE UNITS 17%

Resourcing of 46% (108) of the finance units assessed as either concerning or requiring intervention

KEY POSITIONS - VACANCIES, STABILITY AND ACHIEVEMENT OF COMPETENCY REQUIREMENTS

MUNICIPAL MANAGER

VACANCIES 18% (43)

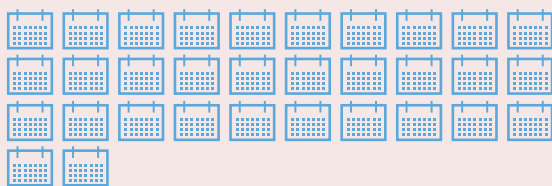
VACANT for less than 6 months - 4% (10)



VACANT for 6 months or more - 14% (33)



STABILITY 32 months (Average number of months in position)



MET COMPETENCY REQUIREMENTS 92% (175)

Did not meet minimum requirements - 5% (9)



Minimum competencies not assessed/limitations - 3% (6)



CHIEF FINANCIAL OFFICER

VACANCIES 22% (51)

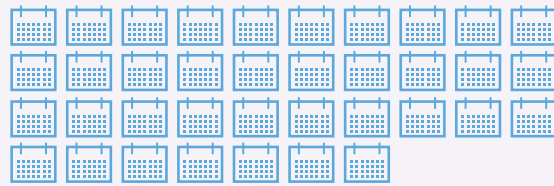
VACANT for less than 6 months - 6% (15)



VACANT for 6 months or more - 16% (36)



STABILITY 37 months (Average number of months in position)



MET COMPETENCY REQUIREMENTS 93% (170)

Did not meet minimum requirements - 4% (7)



Minimum competencies not assessed/limitations - 3% (5)



STABILITY* IN KEY POSITIONS PRODUCED BETTER AUDIT OUTCOMES

MUNICIPAL MANAGER

*Average number of months in position



CHIEF FINANCIAL OFFICER

*Average number of months in position



Unqualified with no findings



Unqualified with findings



Qualified with findings



Adverse or disclaimed with findings



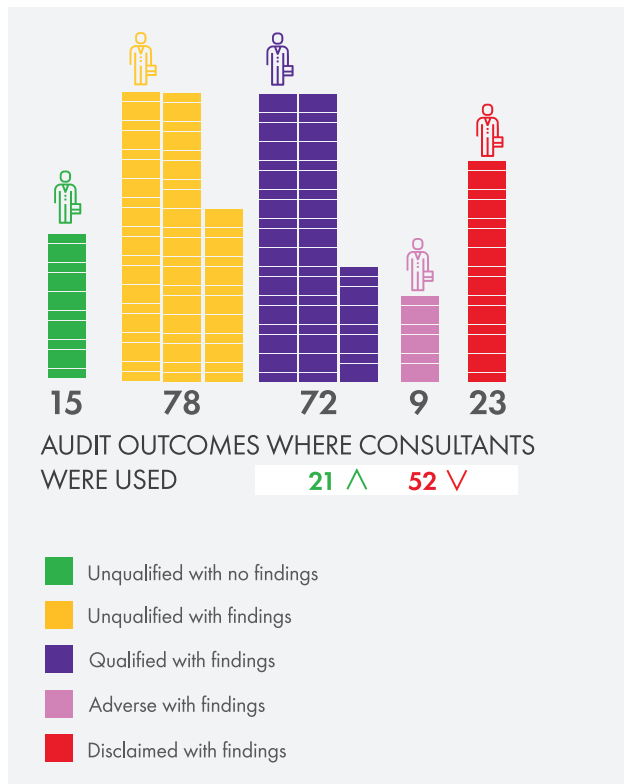
EFFECTIVE USE OF CONSULTANTS

Local government spent an estimated **R3 479 million** on consultancy services in 2017-18

FINANCIAL REPORTING SERVICES

197 municipalities used consultants for financial reporting services at a cost of **R907 million** (2016-17: R760 million)

Province	EC	FS	GP	KZN	LP	MP	NC	NW	WC
Cost (R million)	166	50	91	95	177	134	40	124	30



REASONS WHY CONSULTANTS WERE INEFFECTIVE



AUDITEE INEFFECTIVENESS

43% (66)



POOR PROJECT MANAGEMENT

20% (31)



CONSULTANT DID NOT DELIVER

14% (22)



LACK OF RECORDS AND DOCUMENTS

12% (19)



CONSULTANT APPOINTED TOO LATE

10% (15)

66% (153) of the financial statements submitted for auditing included material misstatements in the areas in which consultants did work

Province	EC	FS	GP	KZN	LP	MP	NC	NW	WC
Financial statements submitted with material misstatements in areas in which consultants did work	26	10	4	24	21	13	21	21	13

23% (43) of the municipalities did not follow proper procurement procedures when appointing consultants, resulting in irregular expenditure of **R181 million**

Consultants at **9% (4)** of these municipalities were appointed through a contract secured by another municipality without following the prescribed process

ALL SERVICES

224 municipalities used consultants for a variety of services – at **67%**, significant management weaknesses were identified in the following areas:

- 61%** Performance management and monitoring
- 42%** Transfer of skills
- 29%** Planning and appointment process



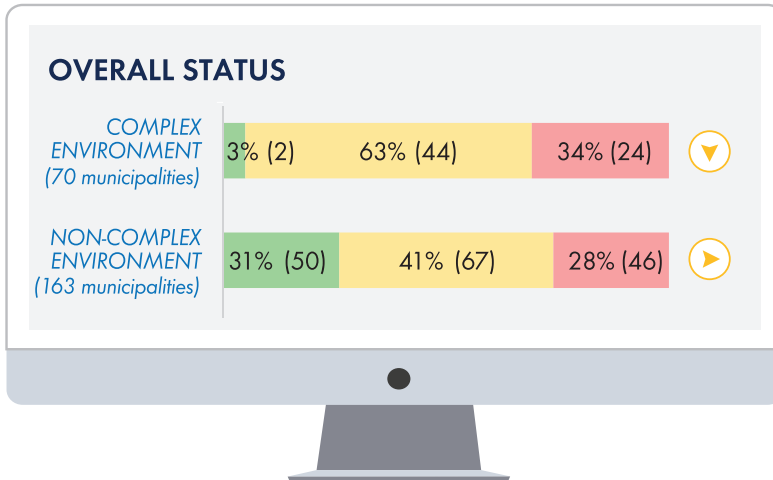


INFORMATION TECHNOLOGY (IT) CONTROLS



SLIGHT REGRESSION
IN IT CONTROLS

An inherent part of the control environment at municipalities is the status of their IT controls. IT controls ensure the **confidentiality, integrity and availability** of state information; enable **service delivery**; and promote **security** in local government.



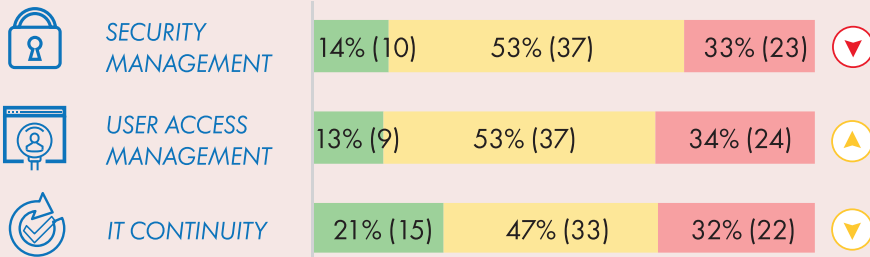
Municipalities with a **complex IT environment** have sophisticated hardware (e.g. more than one server and operating system) and software (e.g. customised applications); employ advanced technologies and transact online; and rely heavily on IT controls for financial and performance information

Municipalities with a **non-complex IT environment** use less sophisticated hardware and software (i.e. commercial off-the-shelf infrastructure and applications), while key controls over financial and performance information do not overly rely on IT

COMPLEX ENVIRONMENT



INFORMATION TECHNOLOGY FOCUS AREAS



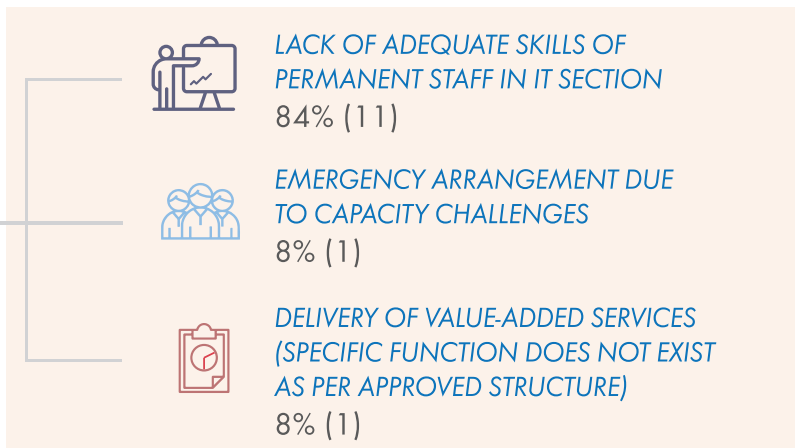
■ Good
 ■ Of concern
 ■ Intervention required



USE OF INFORMATION TECHNOLOGY CONSULTANTS

Reasons for using IT consultants

Only 12 municipalities made use of IT consultants at a total approximate cost of R246 million – a decrease of 54% from previous year’s approximate cost of R540 million





MUNICIPAL STANDARD CHART OF ACCOUNTS (mSCOA) – IMPLEMENTATION

MSCOA NOT YET IMPLEMENTED AT SOME MUNICIPALITIES DESPITE BEING GIVEN FOUR YEARS TO DO SO

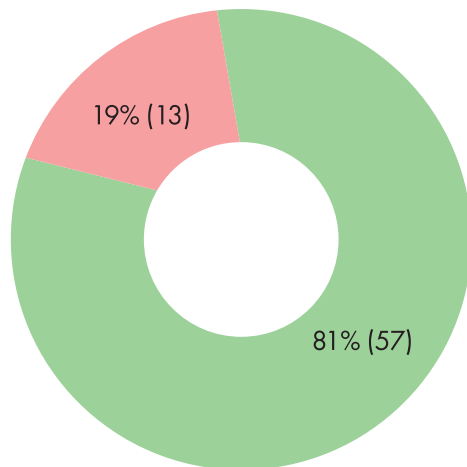
The Municipal Regulations on Standard Chart of Accounts were gazetted on 22 April 2014, with an effective date of 1 July 2017 (thus from the 2017-18 financial year). By this date, mSCOA had still not been implemented at all municipalities, including three of the metros (City of Tshwane, Nelson Mandela Bay and City of Johannesburg). At some municipalities, the implementation of mSCOA resulted in the late submission of financial statements and/or material misstatements in the submitted financial statements.



The reasons for not implementing mSCOA included a lack of money to start implementation, a failure to use internal audit units for support from a project assurance perspective, the complexity of some systems as well as capacity and skills constraints.

The data migration as part of mSCOA implementation was not always successful due to, amongst others, challenges with regard to data cleansing and data mapping processes. Significant differences were also identified at some municipalities with regard to the completeness, accuracy and occurrence of the migrated data.

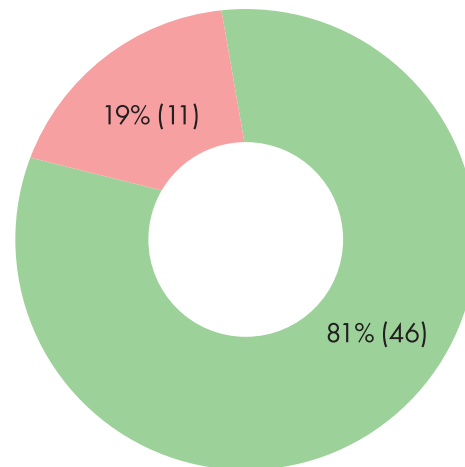
COMPLEX INFORMATION TECHNOLOGY SYSTEMS

mSCOA implementation



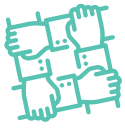
 mSCOA implemented at municipalities
 mSCOA not implemented at municipalities

mSCOA data migration



 Successful data migration
 Unsuccessful data migration





SUPPORT TO LOCAL GOVERNMENT BY DEPARTMENTS OF COOPERATIVE GOVERNANCE

MEDIUM-TERM STRATEGIC FRAMEWORK'S OUTCOME 9: A RESPONSIVE, ACCOUNTABLE, EFFECTIVE AND EFFICIENT DEVELOPMENTAL LOCAL GOVERNMENT SYSTEM

The Department of Cooperative Governance, its provincial counterparts and the Municipal Infrastructure Support Agent have a monitoring and supporting role to play in achieving outcome 9, as defined in sub-outcomes 1 to 4. The information in this section deals with sub-outcomes 1, 3 and 4 as well as the back-to-basics programme.

SUB-OUTCOME 1: MEMBERS OF SOCIETY HAVE SUSTAINABLE AND RELIABLE ACCESS TO BASIC SERVICES

Role: Support municipalities to establish a municipal asset management system

- Municipal Infrastructure Support Agent purchased asset management software during 2015-16 at a cost of R34 million and provided training to over 150 municipalities – it is used by only 28 municipalities
- 73 municipalities responsible for infrastructure assets do not use any asset management system

PROVINCE	EASTERN CAPE	FREE STATE	GAUTENG	KWAZULU-NATAL	LIMPOPO	MPUMALANGA	NORTHERN CAPE	NORTH WEST	WESTERN CAPE
Municipalities not using municipal asset management system	55% (21)	36% (5)	0% (0)	12% (6)	44% (11)	37% (7)	46% (12)	43% (9)	7% (2)

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SUB-OUTCOME 3: DEMOCRATIC, WELL-GOVERNED AND EFFECTIVE MUNICIPAL INSTITUTIONS CAPABLE OF CARRYING OUT THEIR DEVELOPMENT MANDATE AS PER THE CONSTITUTION

Role: Support the output of 'putting people first' through public participation at ward level

- The Department of Cooperative Governance did not achieve its target of developing 4 392 ward committee operational plans in collaboration with provincial cooperative governance departments and municipalities – we could not obtain sufficient audit evidence to support the actual achievement of 2 253 reported in the department's performance report
- Provincial cooperative governance departments were required to plan and report on their role to support municipalities in improving public participation using three customised performance indicators – Eastern Cape did not report on any of the indicators and KwaZulu-Natal excluded one

FINDINGS	PROVINCE										MOVEMENT
	EASTERN CAPE	FREE STATE	GAUTENG	KWAZULU-NATAL	LIMPOPO	MPUMALANGA	NORTHERN CAPE	NORTH WEST	WESTERN CAPE	TOTAL	
Ward committees not established for each ward	3	1	1	1	0	0	2	1	0	9	▲
Ward-level improvement plans not submitted for auditing	1	0	0	2	0	1	0	1	0	5	▲
Ward-level improvement plans not developed	3	3	0	1	0	3	5	5	2	22	▲
Ward-level improvement plans did not address basic concerns of citizens in ward	0	0	0	1	0	1	0	1	0	3	▲



SUB-OUTCOME 4: SOUND FINANCIAL AND ADMINISTRATION MANAGEMENT

Role: Support municipalities in resolving long-outstanding debt owed to and by municipalities

The Department of Cooperative Governance achieved its target of 30 municipalities implementing municipal-specific revenue plans by 31 March 2018

Provincial cooperative governance departments were required to plan and report on support with revenue management and debt collection to municipalities:

- Northern Cape did not achieve targeted number of municipalities to support and Limpopo’s reported achievement was not reliable
- North West and Free State did not provide support to municipalities on debt collection

Although only a limited number of municipalities could be targeted, the overall aim of these initiatives was to find viable solutions to the problems of low collection, debt over 90 days, and non-payment of creditors by municipalities within 30 days – the initiatives did not achieve the required results, as most municipalities are still paying creditors after 30 days and are not collecting debt as soon as possible

IMPLEMENTATION OF BACK-TO-BASICS (B2B) PROGRAMME










The B2B programme is a key initiative of the Department of Cooperative Governance to strengthen local government by getting the basics right – the department can only monitor the success of the programme’s implementation based on the required monthly reporting by municipalities

 SLIGHT REGRESSION IN NUMBER OF MUNICIPALITIES NOT REPORTING ON A MONTHLY BASIS

No monthly reporting on B2B

2017-18  16% (37)

2016-17  15% (36)

PROVINCE	EASTERN CAPE	FREE STATE	GAUTENG	KWAZULU-NATAL	LIMPOPO	MPUMALANGA	NORTHERN CAPE	NORTH WEST	WESTERN CAPE	
No monthly reporting on B2B	2017-18	24% (9)	14% (2)	0% (0)	4% (2)	0% (0)	16% (3)	35% (9)	38% (8)	14% (4)
	2016-17	39% (15)	29% (4)	0% (0)	6% (3)	0% (0)	5% (1)	19% (5)	29% (6)	7% (2)
	Movement									

Overall, the B2B programme has not had the desired impact, as noted from the poor audit outcomes and financial health concerns



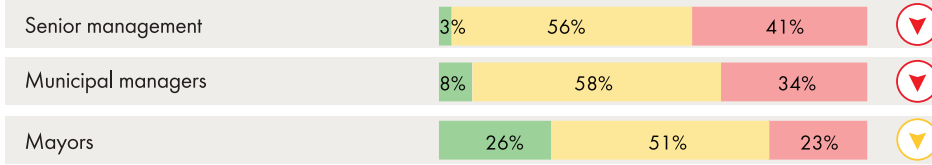


ASSURANCE PROVIDERS



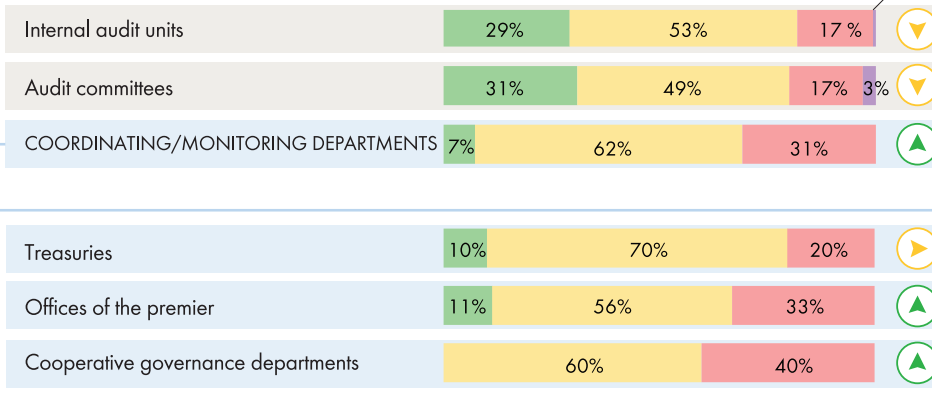
OVERALL REGRESSION IN ASSURANCE PROVIDED BY ROLE PLAYERS

ASSURANCE PROVIDED BY MANAGEMENT / LEADERSHIP



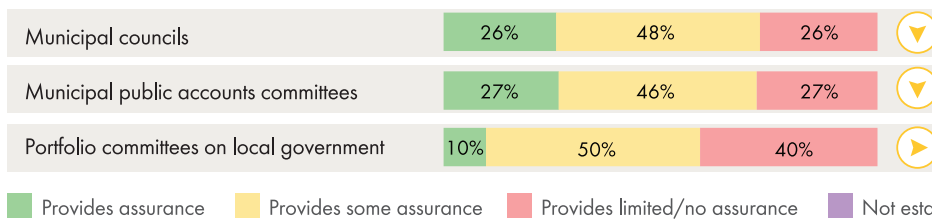
Low levels of assurance show a breakdown in a crucial element of the improvement cycle, being the monitoring to ensure that internal controls are adhered to, risks are managed, and outcomes are achieved

INTERNAL INDEPENDENT ASSURANCE AND OVERSIGHT

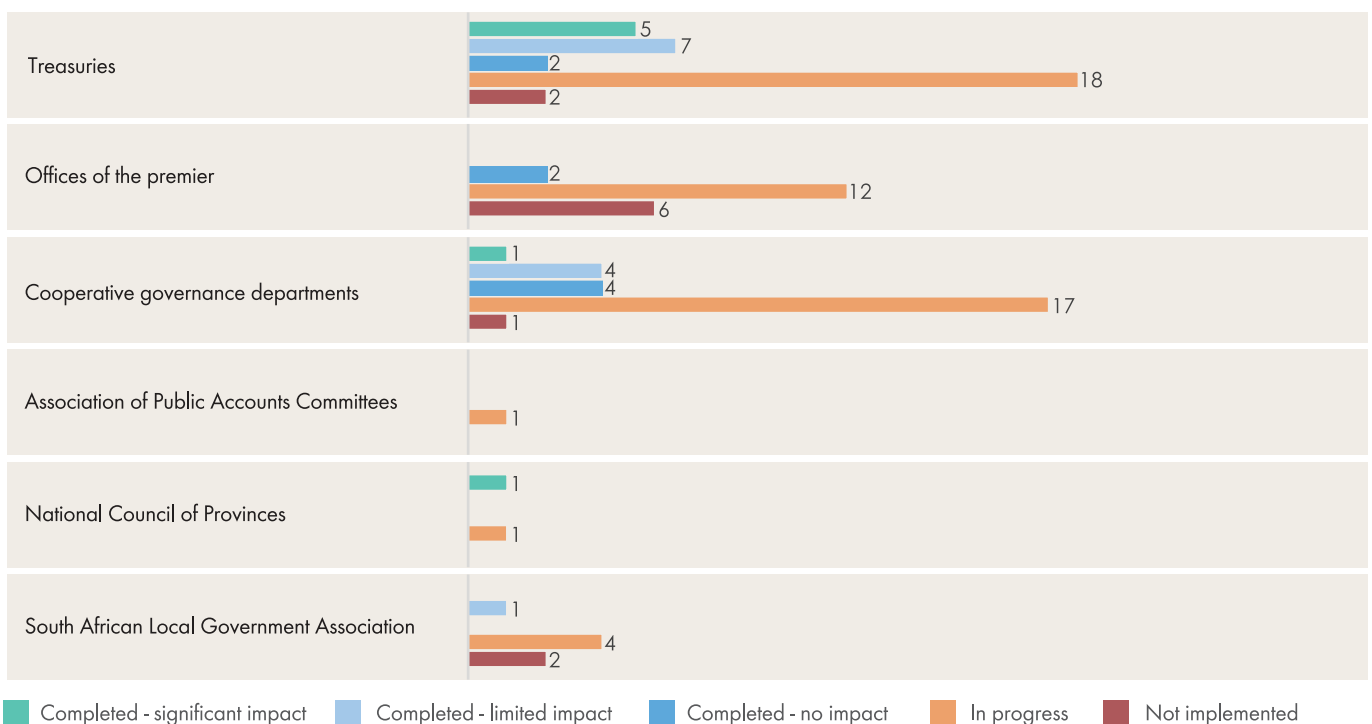


FINDINGS	INTERNAL AUDIT UNITS	AUDIT COMMITTEES
Fully compliant with legislation	77% (171) ⬇️	78% (169) ⬇️
Positive impact on audit outcomes	35% (78) ⬇️	53% (116) ⬇️
Evaluates reliability of financial information	87% (194) ⬇️	94% (204) ⬆️
Evaluates reliability of performance information	86% (191) ⬆️	91% (197) ⬆️
Evaluates compliance with key legislation	88% (196) ⬇️	92% (199) ⬆️
Interacts with executive authority	N/A	90% (195) ⬇️

EXTERNAL INDEPENDENT ASSURANCE AND OVERSIGHT



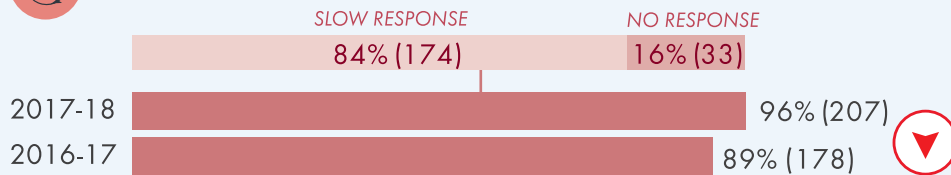
STATUS OF COMMITMENTS MADE IN PRIOR YEARS BY NATIONAL AND PROVINCIAL ROLE PLAYERS TO SUPPORT LOCAL GOVERNMENT





ROOT CAUSES

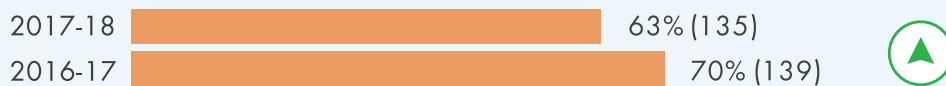
SLOW OR NO RESPONSE IN IMPROVING INTERNAL CONTROLS AND ADDRESSING RISK AREAS



No response most evident in:
Free State – **79%**
North West – **48%**



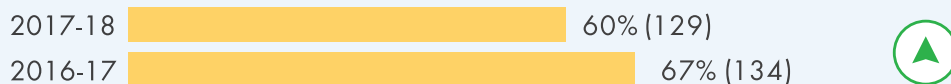
INADEQUATE CONSEQUENCES FOR POOR PERFORMANCE AND TRANSGRESSIONS



Lack of consequences most common in:
North West – **100%**
Free State – **100%**
Limpopo – **92%**



INSTABILITY OR VACANCIES IN KEY POSITIONS OR KEY OFFICIALS LACKING APPROPRIATE COMPETENCIES



Vacancies, instability or lack of competencies most prominent in:
Limpopo – **100%**
North West – **100%**
Free State – **93%**



ACCOUNTABILITY ↓ = **SLOW/NO RESPONSE** ↑
BY MANAGEMENT



