

10 July 2026

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Dear Mr Mokgosi

## **LETTER OF DEMAND: URGENT INTERVENTION INTO THE WASTEFUL EXPENDITURE OF R416.59 MILLION ON MUNICIPAL CONSULTANTS, THE CONTINUED FAILURE OF**

June 2024

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**Registration number:** 2005/042861/08 • **NGO number:** 054 - 590

## **MUNICIPAL GOVERNANCE AND THE COLLAPSE OF SERVICE DELIVERY IN THE NORTH WEST PROVINCE**

AfriForum is a non-profit organisation with its main purpose the promotion and advocacy of democracy and equality, as well as civil, human, minority and constitutional rights. In this regard, we have a mandate from our members in the North West Province to act on their behalf.

AfriForum writes to express its profound concern regarding recent reports indicating that municipalities within the North West Province collectively spent approximately R416.59 million on consultants while failing to obtain a single clean audit outcome.

If these reports are accurate, they paint a deeply troubling picture of financial mismanagement and ineffective governance. At a time when many municipalities in the province are unable to provide residents with reliable water, sanitation, electricity, refuse removal, road maintenance and other essential municipal services, the expenditure of hundreds of millions of rand without measurable improvements cannot simply be accepted as business as usual.

Residents of the North West Province continue to experience deteriorating infrastructure, sewage spills, water losses, failing roads, electricity interruptions and declining municipal services, while ratepayers are expected to continue paying increasing tariffs. This situation undermines public confidence in local government and raises serious concerns regarding accountability for public expenditure.

As Premier, your office bears important constitutional responsibilities regarding the monitoring, support and, where necessary, intervention in municipalities that fail to fulfil their executive obligations.

### **Constitutional and legislative obligations**

Section 152 of the Constitution of the Republic of South Africa, 1996, provides that the objectives of local government include:

- providing democratic and accountable government for local communities;
- ensuring the provision of services to communities in a sustainable manner;
- promoting social and economic development;
- promoting a safe and healthy environment; and
- encouraging the involvement of communities in matters of local government.

These constitutional objectives are clearly not being achieved in many municipalities across the province.

Furthermore, Section 154(1) of the Constitution places a positive obligation upon provincial government to support and strengthen the capacity of municipalities to manage their own affairs, exercise their powers and perform their functions.

Section 155(6)(a) further requires every provincial government to monitor and support local government. Where municipalities fail to fulfil executive obligations, Section 139 of the Constitution empowers and, where circumstances warrant, obliges the provincial executive to intervene through appropriate constitutional measures.

In addition, Section 195 of the Constitution requires public administration to be governed by principles including accountability, transparency, efficient, economic and effective use of resources, and responsiveness to the needs of the people.

The continued deterioration of municipal governance despite significant consultant expenditure calls into question whether these constitutional principles are being upheld.

### **Municipal Finance Management Act**

The Municipal Finance Management Act 56 of 2003 ("MFMA") places clear responsibilities upon accounting officers and municipal leadership to ensure sound financial management and prudent expenditure of public funds.

The MFMA requires municipalities to investigate instances of:

- irregular expenditure;
- fruitless and wasteful expenditure; and
- financial misconduct,

and where appropriate, to institute disciplinary proceedings, recover financial losses and refer matters for criminal investigation.

The expenditure of hundreds of millions of rand without any corresponding improvement in municipal audit outcomes or service delivery warrants urgent scrutiny to determine whether these statutory obligations have been fulfilled.

### **Auditor-General findings**

The Auditor-General has repeatedly highlighted recurring weaknesses in municipal governance across South Africa, including poor financial management, weak internal controls, inadequate consequence management and repeated failures to implement audit recommendations. The reported expenditure of R344 million on consultants without achieving a single clean audit strongly suggests that previous recommendations have either not been implemented or have failed to produce meaningful improvements.

### **AfriForum's demands**

Accordingly, AfriForum calls upon the Office of the Premier to:

1. Institute an independent forensic investigation into the expenditure of approximately R416.59 million on consultants by municipalities within the North West Province.
2. Determine whether proper procurement processes were followed in respect of all consultant appointments.
3. Assess whether value for money was achieved from these appointments.

4. Determine whether consultant recommendations were implemented and, if not, identify the officials responsible.
5. Investigate whether any portion of the expenditure constitutes irregular, fruitless or wasteful expenditure as contemplated in the MFMA.
6. Institute appropriate disciplinary proceedings against accounting officers, municipal managers, chief financial officers or any other responsible officials where misconduct or negligence is identified.
7. Recover public funds where legislation permits recovery from responsible individuals.
8. Consider appropriate interventions in terms of Section 139 of the Constitution in municipalities that continue to demonstrate persistent governance failure.
9. Publish a comprehensive report detailing:
  - every consultant appointed;
  - the value of each contract;
  - the services rendered;
  - reports produced;
  - implementation status of recommendations; and
  - actions taken against responsible officials.
10. Provide AfriForum and the public with a written implementation plan within 30 days setting out the corrective measures that will be taken.
11. Provide a detailed description of the qualifications, experience, annual salaries of all employees working in the financial units of each of the municipalities.

### **Request for oversight by national institutions**

Given the seriousness of the reported expenditure and the ongoing collapse of municipal service delivery within the province, copies of this correspondence are being submitted to the Auditor-General of South Africa, the Public Protector of South Africa, the National Treasury and the Minister of Cooperative Governance and Traditional Affairs.

AfriForum respectfully requests these institutions, within the scope of their respective constitutional and statutory mandates, to consider:

- investigating the effectiveness and legality of the consultant expenditure;
- determining whether there has been maladministration, financial misconduct or systemic governance failures;
- assessing compliance with the Municipal Finance Management Act and other applicable legislation;
- recommending or implementing appropriate remedial action where warranted; and
- taking all lawful steps necessary to protect public finances and improve municipal governance in the North West Province.

The continued deterioration of municipalities within the North West Province is no longer merely an administrative concern. It has become a matter affecting the constitutional rights, dignity, health, safety and livelihoods of residents.

Communities cannot continue to bear the consequences of governance failures while vast sums of public money are spent without demonstrable improvements in financial management or service delivery.

AfriForum therefore urges your office to exercise the constitutional leadership expected of the Provincial Executive by ensuring that accountability is restored, responsible officials are held to account and appropriate and meaningful corrective action is implemented without delay.

Should adequate action not be taken, AfriForum reserves all of its rights to pursue any further legal and administrative remedies available in law to protect the interests of affected communities and to promote accountable, transparent and effective local government.

We trust that this matter will receive your urgent attention and look forward to receiving your written response within 30 days.

Kind regards

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