

MEDIA RELEASE

Limpopo Municipalities: PSA condemns escalating irregular expenditure and over-reliance on consultants

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The Public Servants Association (PSA) condemns irregular expenditure of R2.1bn by Limpopo Municipalities as well as an amount of R45m that was spent on consultants.

Last year the Auditor-General reported that Limpopo municipalities had spent R56m on consultants and R156m over the last two years. Money allocated for service delivery is constantly diverted to paying consultants, which perpetuates over-reliance on them without the transfer of skills. These municipalities have employed and are paying people who should be doing the work that is done by consultants. The Auditor-General also reported last year that some consultants were paid to perform simple tasks such as preparing financial statements. This means that financial managers are paid for simply signing the statements.

The irregular expenditure seems to be the order of the day with no consequence management, which creates fertile ground for corruption, and resulting in instant millionaires at the expense of the people of Limpopo. The people remain without basic services such as electricity, water, and tarred roads.

Municipalities are still failing to ensure efficient financial management, despite the huge payments to consultants. The effect of the heist at VBS Mutual Bank, is still being felt as municipalities are unable to provide service delivery in the province, as a total of R1.2bn was lost.

It seems as if the Limpopo Provincial Government has accepted the situation as there is no improvement or intervention. The PSA repeats the call on the Minister of Department of Cooperative Governance and Traditional Affairs to institute a skills audit process to assess skills gaps and ensure proper intervention. This over-reliance on consultants also points at inefficiency in recruitment processes, wherein persons without the necessary competence might have been appointed, resulting in a failure to execute their duties without the assistance of consultants.

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