MEDIA RELEASE	**PSA extremely concerned about R280 million spent on ineffective financial consultants by Limpopo municipalities**
DATE	5 September 2024
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The Public Servants Association (PSA) is alarmed by the recent Auditor-General's report revealing that Limpopo municipalities spent a staggering R280 million on financial consultants during the past auditing year. Most troubling is the finding that more than half of this expenditure, some R180 million, was wasted on ineffective consultants who failed to deliver the required results.

This significant reliance on consultants highlights a critical shortage of skills in local government in Limpopo. This trend represents a substantial misuse of public funds and underscores the urgent need for capacity building in municipal finance departments. The fact that some municipalities are spending millions on consultants to perform basic financial functions, such as tax services, is unacceptable.

The PSA is particularly disturbed by the situation at the Mogalakwena Municipality, which spent R44 million - the highest in the Province - on consultants to prepare financial statements owing to a lack of skilled professionals. This Municipality, which received its third consecutive qualified audit, is emblematic of broader issues plaguing local governance in Limpopo.

The Auditor-General's report further revealed that despite the high expenditure, consultants hired by these municipalities were ineffective, resulting in poor financial management and audit outcomes. This situation not only undermines the financial stability of affected municipalities but erodes public trust in local government.

The PSA urges the relevant authorities to take immediate action to address these shortcomings. Government must invest in training and development for municipal staff to reduce reliance on external consultants and ensure that public funds are used effectively. Municipalities must strengthen their internal capacities to manage finances competently and transparently.

The PSA will continue to advocate for accountability and responsible governance and demands that those responsible for these failures be held accountable.

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