

# Western Cape municipalities remain financially healthy against the odds

Despite increased financial challenges across local governments in South Africa, the Western Cape's municipalities have once again proven themselves to be the most well-administered and economically stable in the nation.



Source: 123RF

This comes after two separate reports confirmed the financial wellbeing of the province's local government sphere.

The recently released [2022 Municipal Financial Sustainability Index](#) (MFSI), compiled by Ratings Afrika, has found the Western Cape's municipalities to be among the most financially sound in the country, with many municipalities outside the Province on the brink of collapse.

The Midvaal and Saldanha Bay municipalities are ranked as the most financially healthy in the country, while Senqu and KwaDukuza municipalities are ranked as the least.

The MFSI rates the 100 biggest municipalities in the country on a scale of 1 to 100 based on operating performance, liquidity management, debt governance, budget practices, affordability, and infrastructure development.



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At the same time, the Auditor-General (AG) has confirmed that the vast majority of the Western Cape's municipalities have received unqualified audits over the 2020/2021 financial year, with five municipalities improving their results and only one regressing.

"These reports are especially encouraging given the fact that the Department of Local Government has spent the last year working diligently to provide support to municipalities that have run into financial difficulty," a spokesperson said.

"The recent AG and MFSI reports once again demonstrate the Western Cape Government's unequivocal commitment to good, clean and transparent governance. The results show that money is being well spent, and that the Western Cape Government's officials remain steadfast in their goal of serving the province's citizens at the highest possible standard."

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