



finance

Department:

Finance

North West Provincial Government
Republic of South Africa



Second Floor, Garona Building, Mmabatho
Private Bag X2060
MMABATHO 2735
www.treasury.nwpg.gov.za

INFORMATION MANAGEMENT

Enquiries:K. Gill
Tel: (018) 388 3584
Fax:n/a
Email:kgill@nwpg.gov.za

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Media Statement

North West Municipalities register 100% submission of Annual Financial Statements 3 years in succession

Mahikeng: Following the North West Premier Coordinating Council meeting last week where Mayors confirmed that their respective municipalities will be ready to submit the 2013/14 Annual Financial Statements by 31 August, all twenty three (23) North West Municipalities and their entities met the deadline and submitted their Annual Financial Statements for audit purpose on Friday 29 August 2014 to the Auditor General.

The Municipal Financial Management Improvement Programme which was put in place by the Department of Finance in 2011, aimed at assisting municipalities to compile and submit annual financial statements in time has continued to yield positive results terms of hundred percent AFS submission compliance. This became evident when the municipalities met the deadline of submission three years in succession.

In terms of the Municipal Finance Management Act no 56 of 2003, section 1261, “the accounting officer of a municipality must submit financial statements within two months after the end of the financial year to the auditor general for auditing purpose.”

MEC for Finance, Economy Enterprise Development Wendy Nelson indicated that she is concerned about the quality and content of the statements which will affect the outcome of the audit. It is quite unfortunate that there has been a regression and it is time that the province needs to take stock of what is going wrong.

She informed the gathering that the use of consultants needs to be relooked into. The mode of operation will be changing, “no more huge amounts will be put into consultants”, she said.

MEC Nelson informed the gathering that going forward, the department will be deploying a team of officials to various districts municipalities. She indicated that these officials will not serve as



watchdogs but will be there to assist municipalities with programmes intended to improve financial management.

She further informed the gathering that a call will be made to retired finance officials with rare skills to come forth to impart their knowledge with the view of improving service delivery within all municipalities.

Speaking at the same event, Provincial Auditor General, Mr Liaquath Ally said, "it is important for municipalities to ensure that the submissions are a true reflection of the culmination of the entire financial years work, which will confirm correct financial accounting, assets owned by municipalities." He also reiterated on the importance of the quality of the submitted AFS. He urged responsible finance officials to be available during auditing process.

The Executive Mayor of Tlokwe Municipality, Mr Khotso Khumalo committed the North West Municipalities to adhering to compliance of Municipal Financial Management Act; addressing unauthorised and irregular expenditure; filling of critical funded posts; adherence to cost saving measures; appointment of internal audit committees and reducing reliance on consultants. He also requested that the Department of Finance consider conducting regular road shows on financial literacy to all municipalities.

The event was attended by amongst others, Mayors, Municipal Managers and Chief Financial Officers, the Provincial Accountant General Mr Geo Paul and Department of Finance Acting HoD Mr Ndlela Kunene.

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For more information contact Ms Kesalopa Gill on 018 388 3584 Or 0795486352 or e mail to kgill@nwpg.gov.za