



# Finance

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**To : Editors  
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### **MEC calls for prudent spending and adherence to legislation**

The North West MEC for Finance Louisa Mabe has urged municipalities to change the old habits of spending their financial resources and adhere to the legislation. Mabe said this during the 2011 Local government budget and expenditure review which was held in Mahikeng last week.

The session which was facilitated by National Treasury and attended by mayors, municipal managers and chief financial officers provided an opportunity for the three spheres of government to collectively analyse trends in budget, expenditure and service delivery in municipalities.

The MEC stressed that the provincial government cannot deny the fact that many municipalities are facing financial distress and this is a result of improper planning. However, she said in order to correct this, there needs to be strong intergovernmental relations and governance.

Mabe said all departments which have the mandate to support municipalities must do so to strengthen the capacity in these municipalities.

“We must work together with municipalities with the stringent resources at our disposal to overcome the state of disarray that we find our municipalities in. We must also work, in an integrated manner, share resources and work selflessly in one spirit. It is important for departmental officials to be part of Integrated Development Plans of the municipalities.

She cited an example about some of the social infrastructure projects in the province which have been completed without prior consultation with key stakeholders. “This impacts negatively on service delivery,” she said.

Mabe further urged municipalities to employ relevant skilled people in positions, utilize municipal infrastructure grant for its intended purposes, have proper asset management systems and have revenue collection systems in place. She advised them to apply various cost measures which will allow municipalities to provide quality services.

She also warned municipalities against employing more officials than required instead funding should be redirected to municipalities’ core services.

Mabe said the workshop aimed to allow municipalities to self evaluate correct the wrongs and perfecting the rights.

“We hope after this session, the financial face of our municipalities will change for better and our people will receive improved services,” said Mabe.

**-Ends-**

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