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## **Media Statement**

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### **Provincial Treasury Launches Municipal Support Plan in Vryburg during Setsokotsane Implementation**

At least sixteen (16) municipalities in the province which are experiencing cash flow problem as a result of poor financial management practices, will receive provincial treasury support in terms of improving financial management, which has been a perennial problem affecting most municipalities in the province.

The support plan will see sixteen experts in the field of financial and asset management being dispatched to the identified municipalities to assist in turning around their financial management capacity. This is targeted to improve future audit outcomes and service delivery. The plan is based on an extensive analysis of municipal reports and consultation with all municipalities.

The overall objectives of the plan include, amongst others, assisting in contributing towards the financial viability and sustainability of municipalities; compliance to the MFMA by municipalities; and improved financial management performance and reporting in municipalities.

The support plan is partly in compliance with the Municipal Finance Management Act, which compels the provincial treasury to assist municipalities which experience incapacity problems relating to financial management. Section 34(1) of the Act says the national and provincial governments must by agreement assist municipalities in building the capacity of municipalities for efficient, effective and transparent financial management

Although the support plan is a five year programme, the experts, who have a wealth of experience in their various fields, will be in municipalities for a period of twelve months, during which they are expected to, amongst others, transfer skills to municipal officials and take ownership of the programme.

Announcing the support plan at a meeting during the Setsokotsane programme implementation phase for Dr Ruth Segomotsi Mompati, the MEC for Finance, Economy and Enterprise Development, Wendy Nelson expressed her optimism about the anticipated success of the plan



**Together we move Bokone Bophirima forward.**

and urged municipalities to fully support and co-operate with specialists in order to achieve the objectives of the plan.

Over the years we have often witnessed challenges within municipalities around financial issues and, through assessments and audits performed, it became clear that the main reason for the failure has always been the shortage of staff with appropriate skills and experience necessary to improve the situations experienced by most municipalities in the Province.

The team of experts will play a major role in the next twelve months where support and capacity building will be provided to the identified municipalities, said MEC Nelson.

The plan has the backing of the department of local government and human settlements, the South African Local Government Associations (SALGA) and the national treasury.

The plan comes with certain conditions which municipalities have to meet to be supported which include establishing of an asset management unit and project steering committee, compile and agree on the project execution Plan (PEP) or project activity plan together with the experts and signing of commitment letters by Mayors and Municipal Managers, which should be tabled and adopted by councils, committing themselves to ensure that the support plan achieves the desired outcomes.

The mayor of the host municipality of Dr. Ruth Segomotsi Mompati, Councilor Elvis Tladinyane welcomed the support plan and said the timing thereof is perfect as it came at the end of the 2015/16 financial year and the beginning of the new 2015/16 financial year, which promises good things for municipalities under the support plan. The launch of the support programme was part of the Setsokotsane programme which currently whirls across the Dr. Ruth Segomotsi Mompati district municipality delivering much needed government services to far flung communities in the mostly rural district municipality.

The session was attended by Executive Mayors, Municipal Managers and Chief Financial Officers in Huhudi hall, Vryburg.

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