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Media Statement

Finance convenes North West municipalities Chief Financial Officers before close of financial year

The Bokone Bophirima Finance Department convened its quarterly Chief Financial Officers (CFO's) Forum meeting in Taung last week. The Forum aims to promote inter-governmental relations to share best practices and address common issues of concern in municipalities. The discussion points of the Forum are driven by the Municipal Finance Management Act calendar which outline municipalities' activities in a particular quarter. In this engagement key areas of discussion were as follows:

- Progress report on the implementation of the Audit Action Plans;
- Municipalities' readiness to submit Annual Financial Statements by 31 August 2016 and
- The Provincial Revenue Enhancement Strategies;

Chief Director Municipal Support, Mme Linda Nenghovhela says that from the assessments and analysis performed by the Department on the Audit Action Plans, it is evident that there has been gradual improvement in adequately addressing issues raised by the Auditor General (AG). She mentioned that amongst others, there has been significant improvement in the quality of the asset registers; completeness contract registers as well as record management.

The Forum agreed that the Annual Financial Statements (AFS) due August 31 must be completed earlier to allow for the quality assurance review process to take place. This is aimed at improving the quality of the submitted AFS.



Together moving Bokone Bophirima forward.

The municipalities committed to improve the quality of AFS to address the challenge of the quality of AFS. This will be done through addressing key issues raised by the AG. In addition, the internal audit functions and audit committees, as well as the Department of Finance, will provide a quality assurance on the AFS prior to the submission of the statements to the AG. It is envisaged that this intervention will assist municipalities to improve on the audit outcomes.

Nengovhela indicated that the 2016/17 Medium Term Revenue Expenditure Framework (MTREF) budgets were analysed and municipalities were encouraged to adopt funded budgets which will assist them to honour their financial commitments and enhance service delivery.

With regards the Bokone Bophirima Province Revenue Enhancement Strategy which intends to optimize the existing revenue sources and identifying other revenue streams that will enable municipalities to tap into other revenue generating sources aligned to sect 84 of the Municipal Structures Act (Powers and function of municipalities).The Department has further rolled out the rates and taxes campaign with the objective of encouraging community members to pay for rates and taxes in order to improve the position of financial distressed municipalities.

She said that the Department has also made enormous improvement in ensuring that debt owed to municipalities for rates and taxes by the Provincial Government is serviced accordingly. An amount of R228 million was paid to municipalities by the Provincial Department of Public Works and Roads during the 2015/16 Financial Year. Furthermore, an amount of R195 million has been ring-fenced in the 2016/17 budget year to pay outstanding rates and taxes owed to municipalities.

The department made a commitment to strengthen and increase its capacity in the municipalities to address the Unauthorised Irregular Fruitless and Wasteful Expenditure and that in the next financial year the figure would have significantly decreased. The municipalities have also committed to ensure that all matters that require resolution will be submitted to Council for consideration.

Municipalities provided status on the implementation of the audit action plan. It was noted that municipalities were making steady progress towards addressing audit findings raised by AG. To further enhance the progress being made by municipalities, the Department of Finance has assigned resources to assist with capacity building at municipalities.-End-

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