

MEDIA RELEASE
13 July 2007

Modiselle urges municipalities to improve their finances

The MEC for Finance in the North West Province, Maureen Modiselle yesterday called on municipalities across the province to improve their financial management and revenue collection strategies for effective service delivery.

Modiselle was speaking at the annual South African Local Government Association (SALGA) North West budget week held at Taung Sun.

“All municipalities in the province have already approved their operating and capital budgets for the 2007/08 financial year with a combined budget for all municipalities sitting at R5,84 billion. Without the necessary financial systems and skills, the bulk of this money may not benefit the communities we serve,” she warned.

“There is consensus in government that no municipality will be able to achieve proper development if it is not financially stable. This implies that for a municipality to be able to facilitate real economic growth within its area of jurisdiction, it must be able to manage its finances first,” said Modiselle.

Modiselle said over the past six years, municipalities have experienced a number of challenges in areas such as financial management, especially financial accountability and effective revenue collection and the implementation of capital projects. She said they have been trying to improve the situation with some municipalities responding positively.

Modiselle said the province has shown significant improvement in utilizing the Municipal Infrastructure Grant (MIG) to provide basic infrastructure and eradicate service delivery backlogs, though there are still some municipalities that lag behind in this regard.

Salga will continue to pay attention pay attention to municipalities which are lesser capacitated to ensure that they live up to the expectation of their communities.

Modiselle expressed serious concern at the fact that currently there are five municipalities in the province without Chief Financial Officers.

‘It is of serious concern that eight municipalities did not submit their financial statements within the required deadline due to vacant CFO capacity problems. We must ensure that improve our systems and policies and appoint people with the right skills for the job in order to have better outcomes,’ indicated Modiselle.

Both MEC'S of Finance and Developmetal Local Government and Housing, Honourable Maureen Modiselle and Howard Yawa made an undertaking to ensure that over R400 million owed to municiplalities by the provincial government departments is paid without delays to respective municipalities to ensure extension of services delivery by owed municipalities.

The chairperson of Salga NW, Cllr Des van Rooyen has urged municipalities to strengthen their Imbizo programmes to ensure strong public participation by all communities within the municipalities. He further urged communities to support local government.

END.

Issued by

**Eben Cobblah : Dir Communication and media
Liaison Dept of Finance.**

018 387 3504/ 0829020394