

# COMMUNICATION

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## MEDIA RELEASE

### **Modiselle says proper revenue collection will improve councils' financial viability.**

The MEC For Finance Maureen Modiselle has called on municipalities in the province to start thinking and operating out of the box. This, she said, would help them to improve service delivery to communities they serve.

According to Modiselle operating out of the box requires municipalities to search for more innovative ways and means to deliver services to communities without compromising quantity and quality.

“In order for us to meet the unlimited needs of our communities we need to find new and innovative ways of delivering the required services by our communities. Traditional approaches are not working. We need to look for new ways of accelerating service delivery and give better quality services at affordable prices,” said Modiselle addressing the two day Salga Local Government summit held in Mafikeng last week.

She added that government at national, provincial and local level face the challenge of meeting unlimited needs with limited resources

Modiselle said municipalities can improve their revenue collection by having an accurate and consistent data capturing system.

“Accuracy of municipal data has a direct bearing on the non payment of municipal services. We can't expect consumers to pay for inaccurate accounts. We have seen a situation where the right account is sent to the wrong person and vice versa. The successful implementation of any revenue enhancement programme require accuracy and consistency.”

She said although municipalities in the province are owed billions of Rands in outstanding service debt, opportunities exist for them to improve their financial viability.

Modiselle said councils can build sufficient in-house capacity by attracting the requisite skills in the finance sections.

“By recruiting and deploying competent staff we can ensure effective financial management programme... but if no in-house capacity exists, we do not have an alternative but to make sure that the consultants provide for the transfer of skills.”

'We made a commitment to recover monies owed to municipalities by government departments. In some municipalities the programme paid off while in others we battled to make an impact,' she said.

She said just like the Auditor General(AG), she was equally concerned about audit reports received by municipalities.

"The audit reports are annually presented to the municipal councils and very little is done to remedy the situation. A number of municipalities have been regarded as going concerns by the office of the AG and those municipalities need to assess the cause of their problems and develop a turn around strategy and plans must be tabled before council for adoption and monitoring. The plan must guide council in its operation to ensure that it restore the financial viability of municipalities. All programmes and actions must be focused on turning around the poor financial position."

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