



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

The state of local government finances and financial management as at 30 June 2016

The National Treasury publishes the state of local government finances and financial management Report as at 30 June 2016.

National Treasury has been producing this report since 2011. This is being done in line with furthering National Treasury's commitment to transparency on matters relating to public finances and the state of financial management generally.

This report provides a regular overview of the state of municipal finances that can be used:

1. To identify areas of risk in local government finances so that appropriate system-wide responses can be investigated and developed; and
2. To identify those municipalities who are in financial distress so that processes can be initiated to determine the full extent of their financial problems with a view to determining -
 - a. Whether a municipality requires support and what support should be provided, or
 - b. Whether an intervention is required in a municipality due to a crisis in its finances (as provided for in section 139 of the Constitution).

The report uses the actual information from the annual financial statements, the current budget and MTREF and the latest information from the municipal in-year monitoring system (i.e. the Section 71 reports) as reported by municipalities to the Local Government Database. This again highlights the importance of accurate and complete reporting.

Issued on behalf of National Treasury

Date: 28 March 2017

For enquires contact Yolisa Tyantsi on: Yolisa.Tyantsi@treasury.gov.za/082 389 2443.