

**NATIONAL ASSEMBLY**  
**QUESTION FOR WRITTEN REPLY**  
**QUESTION NUMBER: 1018 [NW1307E]**

**1018. Ms B M van Minnen (DA) to ask the Minister of Finance:**

With reference to his reply to question 398 on 12 May 2020, where he indicated that the Provincial Executive Council in the North West has resolved to intervene in the Lekwa-Teemane Local Municipality by invoking section 139 of the Local Government Municipal Finance Management Act, Act 56 of 2003, to impose a financial recovery plan in the municipality, (a) by what date will the financial recovery plan aimed at improving financial management in the specified municipality be completed and (b) what changes to the (i) municipality's budget, (ii) revenue-raising measures, (iii) spending limits and (iv) revenue targets will be effected?

NW1307E

**REPLY:**

- (a) The process to draft a financial recovery plan commences with a status quo analysis of the municipality after a formal request to draft such a financial recovery plan has been received by the National Treasury. To conduct the status quo analysis, a multi-disciplinary team is required with expertise in financial, legal, human resources and organizational development. The status quo is often conducted on-site as it is impossible to infer the extent of the problems in a municipality from an analysis of the financial statements only. As part of the process, interviews are conducted with key municipal officials and this is normally a week long process.

The COVID-19 pandemic regulations have placed restrictions on travel, thus delaying this particular process. To date, a multi-disciplinary team has been appointed by the National Treasury and assumed duties on the 1<sup>st</sup> June 2020. Once travel restrictions are lifted, an on-site status-quo assessment will be undertaken to commence with the preparation of the financial recovery plan for the Lekwa-Teemane Local Municipality.

In addition, the North West Provincial Treasury have also finalized Terms of Reference for the appointment of specialists to provide assistance to the province in the preparation of a financial recovery plan for the Lekwa-Teemane Local Municipality and other municipalities in the North West.

- (b)(i)(ii)(iii)(iv) Changes required to these measures will be determined once the status-quo assessment is finalized.