

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 397 [NW576E]

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

What remedial processes have been put in place to deal with the consecutive disclaimers in the (a) Bojanala Platinum District Municipality, (b) Ngaka Modiri Molema District Municipality, (c) Madibeng Local Municipality and (d) Mamusa Local Municipality in the North West?

NW576E

REPLY:

The Honourable Member to note that the National Treasury, in consultation with the Provincial Treasury, had provided support to three of the four municipalities, as required by the Municipal Finance Management Act. Support is provided to those municipalities that commit to implementing the reforms required to address the audit findings. The time required to address all of the institutional, governance, and administrative weaknesses go beyond one financial cycle.

Moreover, the full commitment of both the municipal council and its administration is required to address the negative audit findings as the primarily responsibility and accountability resides with the municipality.

Therefore, the support included a reviewing and revision of support plans for the financial management grant programme, rendering of technical support through audit specialists, assistance in the development and reviews of audit action plans, capacity building of internal audit units, audit committees and municipal officials to address audit findings. Additional support was provided to review the draft annual financial statements, supporting audit files, correction of previous technical errors, assistance in responding to audit findings, and appropriate responses. The following details relate to the support provided to the municipalities mentioned above.

a) Bojanala Platinum District Municipality

The following support was provided:

- Reviewed the post audit action plan and annual financial statements (AFS) preparation plan and schedule.
- Meetings with Management to discuss AFS preparation plan and advice on audit preparation.
- Reviewed interim financial statements.
- Escalated initiatives for training to address irregular expenditure.
- Reviewed prior period error note on draft financial statements and submitted recommendations.
- Advised training and capacitation of internal audit unit.

b) Ngaka Modiri Molema District Municipality

The following support was provided:

- Reviewed the post audit action plan and provided feedback to the municipality.
- Advised the CFO and internal auditor on AFS readiness.
- Reviewed and provided feedback on AFS preparation.
- Followed up on progress made in addressing common audit findings pertaining to roads and water services that had an impact on local municipalities in the district.
- Supported the municipality at audit steering committee meeting with the Auditor-General

c) Madibeng Local Municipality

The following support was provided:

- Reviewed the post audit action plan and provided feedback to the municipality.
- Attended audit steering committee meeting to render advice.
- Advised the municipality on tracking and maintaining records, and copies of documentation required for audit purposes.

d) Mamusa Local Municipality

The National Treasury could not provide support to this municipality due to institutional instability which was referred to the province for further intervention.

In conclusion, the Honourable Member could request the Legislature to perform additional oversight, especially to all those municipalities that received a disclaimer or an adverse audit opinion, to ascertain progress made and consequence measures taken.