

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 606 [NW797E]
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606. Mr I M Groenewald (FF Plus) to ask the Minister of Finance:

- (1) Whether the National Treasury monitors the maintenance of asset registers of municipalities; if not what is the position in this regard; if so, what number of municipalities in each province have (a) asset registers that are (i) up to date and (ii) not up to date and (b) no asset registers;
- (2) whether he will make a statement on the matter?

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REPLY:

- (1) The National Treasury monitors the submission of municipal asset registers together with the annual financial statements, each financial year.
 - a) The Honourable Member to note that whilst municipalities are required to record movements of assets on an ongoing basis as part of their recording and accounting process, for acquisition, upgrading or disposal. These are generally checked annually, when the Annual Financial Statements are prepared. Since the introduction of Generally Recognised Accounting Practices (GRAP), we have consistently encouraged municipalities to undertake this reconciliation on an in-year basis.
 - b) All 257 municipalities have asset registers as they are all reporting in terms of the GRAP standards.
- (2) Each municipality, through the Accounting Officer, is responsible for the management, safeguarding and maintenance of assets, as contained in section 63 of the Municipal Finance Management Act (MFMA), Act 56 of 2003. To assist municipalities in complying with this provision, the National Treasury has issued frameworks, guidelines, circulars, tools and conducted training on asset management, accounting and reporting thereof. The National Treasury has also rendered additional support to municipalities on asset management. The strength of a municipality's asset management practices (including the completeness of its asset register) is measured by the quality of the information reported in its annual financial statements, which is also audited by the Auditor-General.