

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 969 [NW1258E]
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969. 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 Madibeng Local Municipality by invoking section 139 of the 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?

NW1258E

REPLY:

- (a) The preparation of the financial recovery plan for the Madibeng Local Municipality has not yet commenced. Due to the nature of the problems confronting the municipality, a multi-disciplinary team with experience in Financial Management, Human Resources, Legal Skills, Organizational Design and other competencies is required. Some of this expertise does not currently exist within the Municipal Finance Recovery Services Unit of the National Treasury and a process to recruit these skills externally is underway.

It is anticipated that a multi-disciplinary team will be on board by June 2020 and once imposed restrictions on travel are lifted and working conditions return to normal, the team will be able to assist the North West Provincial Treasury and the municipality in drafting a financial recovery plan. Alongside these appointments at National Treasury, the North West Provincial Treasury have also finalized a Terms of Reference for the appointment of specialists to provide assistance to the province in preparing financial recovery plans for the Madibeng municipality and other municipalities in the North West.

- (b)(i)(ii)(iii)(iv) In order to determine the changes required, a diagnostic assessment will first have to be undertaken by the multi-disciplinary team. Only once this assessment is concluded, will it be possible to determine the changes required in terms of the budget, revenue raising measures, spending limits and revenue targets.