



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Enquiries: Communications Unit • Email: media@treasury.gov.za • Tel: (012) 315 5046 • 40 Church Square, PRETORIA, 0002 • www.treasury.gov.za

MEDIA STATEMENT

RESPONSE TO SABC INTERVIEW WITH THE SPEAKER OF THE ENOCH MGJIJIMA LOCAL MUNICIPALITY

In a recent interview by the SABC News with the Speaker of the Enoch Mgijima Local Municipality, Councillor Noluthando Nqabisa, National Treasury observed certain inaccuracies in the comments provided by the Speaker regarding the financial recovery plan and the current national intervention. In this regard, the National Treasury would like to correct some of these statements in order to facilitate accurate reporting to the public in general and more specifically the citizens of the Enoch Mgijima Local Municipality.

The comment that the council has not been presented with a financial recovery plan under the national intervention is misleading as a financial recovery plan for the Enoch Mgijima Local Municipality was approved by the Minister of Finance on 14 December 2022 and submitted to the municipality as required by Section 143(3) of the Municipal Finance Management Act (No 56 of 2003). National Treasury subsequently informed the acting municipal manager in writing of the requirement to place the recovery plan on the website of the municipality. Only the Minister of Finance can approve the recovery plan under a nationally imposed mandatory intervention. It is incorrect to state that council has not adopted the plan. There is no requirement for council to adopt the financial recovery plan as a mandatory national intervention imposes the plan on the municipality. The role of council is to ensure that the plan is implemented and that it oversees progress on the plan made by the administration.

The National Treasury therefore confirms that the 2022 financial recovery plan imposed under the national intervention is valid and binding on the municipality, however, the plan is not being implemented by the municipality as they refute the validity thereof. National Treasury also confirms that it has complied with all consultative processes required to prepare and approve the plan. Confirmation of consultation can be provided upon request.

National Treasury also wishes to correct the statement that the municipality is implementing the 2018 financial recovery plan. National Treasury records show that the Enoch Mgijima Local Municipality last reported on the 2018 financial recovery plan in January 2022. No further reports have since been received although reporting on this plan is mandated by the court.

Lastly, the municipal council has since December 2022 expressed its dissatisfaction with the current National Cabinet Representative (NCR) placed at the municipality. A number of allegations have been levelled against the National Cabinet Representative by the municipal council without the requisite proof from Council to substantiate any of these allegations. The National Cabinet Representative has effectively been prevented and restricted from executing his responsibilities in



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this intervention as a result of extreme resistance and non-cooperation from the municipal council and administration.

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