

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 2822 [NW3286E]

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Mr N Singh (IFP) to ask the Minister of Finance:

Whether he investigated the figures released by the National Treasury in respect of the fourth quarter spending by KwaZulu-Natal municipalities following their objections (details furnished); if not, why not; if so, what are the relevant details?

NW3286E

REPLY:

Before National Treasury publishes any municipal information, municipalities are afforded an opportunity in terms of an institutionalised verification process to certify the correctness of the information pertaining to their respective municipalities. This certification is signed by both the Municipal Manager as the accounting officer of the municipality and the Chief Financial Officer after which it is sent to the National Treasury.

In respect of the publication for the fourth quarter of the 2010/11 municipal financial year, 59 out of 61 municipalities submitted signed copies of their returns to the National Treasury. This means that 97 per cent of the municipalities in KwaZulu-Natal provided confirmation to the National Treasury that the information was indeed a true reflection of the state of finances.

Although National Treasury does institute broad checks and balances on the quality of the information, under-spending on capital grants and capital programmes is generally prevalent amongst municipalities. Therefore, if underspending on capital has been reported and this underspending has been certified as correct by the Municipal Manager and Chief Financial Officer through signed off returns, then it is reported as such in the S71 publication. Overall accountability for the accuracy of the information therefore is vested with the municipality.