

NATIONAL ASSEMBLY

QUESTION FOR WRITTEN REPLY

QUESTION NUMBER: 2334 [NW2754E]

INTERDEPARTMENTAL TRANSFER: EFFECTIVE FROM 21 JUNE 2022

2334. Mr I M Groenewald (FF Plus) to ask the Minister of Finance: [*Interdepartmentally Transferred from Cooperative Governance and Traditional Affairs with effect Tuesday, 21 June 2022*]

- (1) Whether, with regard to the provisions of section 116 of the Local Government: Municipal Finance Management Act, Act 56 of 2002, read with section 84 of the Local Government: Municipal Systems Act, Act 32 of 2000, regarding municipal contracts, contract management and the requirement for the publication of such contracts for public inspection, she will indicate (a) the total number of municipalities that fully complied with the specified provisions of the specified Acts and (b) which municipalities did not fully comply with the provisions of the Acts; if not, why not, in each case; if so, what are the relevant details in each case;
- (2) whether she will make a statement on the matter? NW2754E

REPLY

No, the National Treasury does not receive and / or keep this information. The municipalities' compliance with set SCM legislation and prescripts is tested and reported by the Auditor General.

Section 116 of the MFMA prescribes the way contracts/agreements must be established and provides the responsibilities of the Accounting Officers on the management of these contracts. The section further provides for the modification/amendment of a contract with conditions set in the provision.

Section 84 (3) of the Municipal Systems Act (MSA) provides that:

“When a municipality has entered into a service delivery agreement it must—

- (a) make copies of the agreement available at its offices for public inspection during office hours; and
- (b) give notice in the media of—
 - (i) particulars of the service that will be provided under the agreement;
 - (ii) the name of the selected service provider; and

(iii) the place where and the period for which copies of the agreement are available for public inspection.

These provisions are such that compliance can only be demonstrated through hard copy evidence at the municipalities.

Section 75 of the MFMA also requires that the Accounting Officer must place on the website of the municipality all supply chain management contracts, amongst other documents. Therefore, the evidence of compliance can only be tested at the municipalities through audit processes.

As such National Treasury does not receive and/or keep this information. The municipalities' compliance with set SCM legislation and prescripts is tested and reported by the Auditor General.