

MEDIA STATEMENT

MEC MKHATSHWA AND MMCS FOR FINANCE AGREES ON ROADMAP FOR EFFECTIVE OVERSIGHT ON FINANCIAL ADMINISTRATION

Thursday, 05 August 2021

The MEC for Finance, Economic Development and Tourism, Mr Vusi Mkhathshwa, convened the first Finance MUNIMEC meeting of the 2021/22 financial year on Thursday, 05 August 2021.

In his opening remarks, MEC Mkhathshwa said the MUNIMEC aims to strengthen Executive oversight on municipal finance mandate the Province.

“This is one mechanism that the Provincial Government agrees will assist in responding to the pertinent issue of leadership and oversight as raised by the Auditor General of South Africa in her 2019/2020 MFMA report on the local government audit outcomes,” said MEC Mkhathshwa.

The Finance MUNIMEC was attended by the Members of Mayoral Committees (MMC) for Finance, Municipal Managers and Chief Financial Officers from all municipalities in the Province.

The MuniMEC received reports on the state of finances and deliberated on municipalities preparations for the financial year-end and submission of financial statements for the 2020/21 audit cycle.

MEC Mkhathshwa appealed to municipalities to ensure stability in the Budget and Treasury offices and strive towards eliminating negative audit findings in the sector.

Municipalities were urged to address weak internal controls; non-compliance to policies and procedures; Unauthorised; Irregular; Fruitless, and Wasteful expenditure (UIF &W) to improve the state of finance and administration.

“Resolving financial difficulties in municipalities will require us to address all these matters, especially governance failures, as a matter of priority”, said MEC Mkhathshwa.

The Forum welcomed the report that all municipalities in the Province have established Disciplinary Boards as contemplated in Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. The MuniMEC urged all municipalities to support these Boards in order to eliminate the UIF & W and effect consequence management on violation of policy and regulations.

MEC Mkhathswa committed to ensuring that Provincial Treasury, working together with COGTA, Districts Municipalities, and SALGA, continues to support municipalities to improve the functionality of assurance functions such as Internal Audit, Audit Committees, Council oversight and address the capacity issues of Municipal Public Account Committees.

- **ENDS**

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