



# PROGRESS REPORT TO THE SELECT COMMITTEE ON FINANCE

24 OCTOBER 2008

# Background

- The last sitting of the NCOP in the Free State was on the 16<sup>th</sup> of October 2008.
- Since the NCOP visit to the Free State, 6 municipalities were visited by PT & LGH
- PT and LGH held a meeting on the 22<sup>nd</sup> of October 2008 to discuss further support to municipalities.
- Combined plan to be compiled on 3<sup>rd</sup> of November 2008 for the remainder of the financial year.
- PT compiled consolidated report on NCOP

# PT Progress



## □ Matjhabeng [20 October 2008]

- Terms of reference for hands on support - finalised, focus areas are:
  - Credible budgets and monthly reporting
  - Revenue collection
  - Implementation of indigent policy
  - Competency profile
- PT will deploy 2 officials for hands-on support for a period of 2 – 3 months

## □ Matjhabeng [24 October 2008]

- Meeting between Matjhabeng, PT and ABSA to discuss overdraft facility

# PT Progress continues



## □ Xhariep

- (under section 139)
- Political problems (mayor suspended by her party)
- PT and LGH compiled a report on investigations: maladministration etc.
- Acting MM resigned
- CFO recalled from suspension



# PT Progress continues

- Mohokare [20 October 2008]
  - (Under Section 139)
  - Development of a recovery plan for the municipality: Focus areas
    - Electricity contract with Centlec to be reviewed
    - Investigation/research on the billing system
    - Opening of border gate for commercial purposes
    - Revision of the tariff structures



# PT Progress continues

- Mafube [22 October 2008]
  - Discrepancies in section 71 and budget resolved
  - Improved the quality of the section 71 report
  - Raised budget related concerns



# Planned support to municipalities by DPLG & H and PT

- **Thabo Mofutsanyana [24 October 2008]**

- Rejection of budget
  - » Did not conform to the prescribed format
  - » Credibility of the budget
- Section 71 [IYM]
  - » Quality of report
- Statutory reports not submitted
  - » DoRA reporting
  - » Quarterly returns
  - » Budget evaluation checklist
  - » MFMA implementation plan
  - » etc.



## Planned support to municipalities by DPLG & H and PT

- Moqhaka [29 & 30 October 2008]
  - SDBIP evaluation and feedback presentation
  - Performance management system
- Matjhabeng [03 November 2008]
  - Deployment of support team
  - Eskom account joint meeting [24 November 2008]
  - Sedibeng Water account
  - PT and NT visit [21 November 2008]
    - » Financial recovery plan
- Ngwathe [24 October 2008]
  - Eskom arrears accounts +-R9m
  - MPRA, tariff policy and bylaws



## Planned support to municipalities by DPLG & H and PT

- Naledi
  - Section 106 report was tabled by the MEC-LG&H to council for consideration
  - LGH assists with MPRA, rates policy and bylaws
  - LGH assists with CFO support service, lack of cooperation from municipality
  - Both MM & CFO posts are vacant
- Phumelela
  - AFS for 2006/07 year finalised
  - AFS for 2007/08 year to be finalised end of December
  - Updating of indigent register



# Planned support to municipalities by LG and PT

- Masilonyana
  - Serving on the valuation and community participation task teams



## Way forward

- Joint meeting between PT and DPLG &H [3 November 2008]
- Involvement of other stakeholders