



Press Statement by Department of Cogta Free State

The MEC for Cogta, Hon Thembeni Nxangisa, held a consultative meeting with All Mayors, Municipal Managers and CFO's in the Free State. The meeting was held today, 19 July 2019, in Matjhabeng Local Municipality.

The purpose of the meeting was to develop a strategy and mechanisms to respond to and address the adverse Audit findings that were reported on by the Auditor General. The Auditor General recently released a report that shows that none of the Municipalities in the Free State received a Clean Audit report. This situation led to the MEC convening a meeting, to raise both his displeasure at this poor performance, but to also get a pledge and commitment to rectify this bad situation.

The meeting was also attended by the MEC for Treasury in the Free State, Hon Gadija Brown, and the Officials from National Treasury, SALGA in the Free State and the Office of the Auditor General.

The Office of the Auditor General used this opportunity to highlight areas where Municipalities can improve and also committed to assist them where and how to improve their Audit Performance.

Amongst the issues that were raised in the meeting was how to improve communication between the Municipalities and The Provincial Departments. The meeting also encouraged SALGA to adopt and incubate at least 4 Municipalities to help them improve their Financial Performance. SALGA committed to assist the following Municipalities through their incubation process:

Ngwathe

Tokologo

Letsemeng and

Mohokare

All Municipalities have pledged to improve their Audit performance; this will be used as a Performance Contract between them and CoGTA, Free State.

Of the 23 Municipalities in the Free State, 19 have committed to receive Unqualified Audit Reports in the Financial Year 2018/19. Mafube Municipality commit to move from a Disclaimer with 18 Paragraphs to 8 paragraphs. Letsemeng Municipality commit to move from Disclaimer to Qualified Report. This is as a result of issues that they have to improve on their Municipalities. Amongst issues that were raised as limitations towards Clean Audit in these Municipalities are the Assets Register than need to be cleaned and the Debt Collection Strategies that need to be put in place.

The Mangaung Metropolitan Municipality committed to clear their Governance and Shareholder Agreement between them and Centlec (Pty) Ltd, their electricity entity, which adversely affected their Audit findings.

The MEC used the meeting to encourage and re-commit the Municipalities to the mandate of Service Delivery to the People of the Free State.

The meeting closed on a note that such a gathering must be held on a Quarterly basis, and the MEC, CoGTA should be the Convener thereof.



cooperative governance
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Department of Cooperative Governance
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FREE STATE PROVINCE

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