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Finance, Economy & Enterprise Development
North West Provincial Government
Republic of South Africa



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Department:
Local Government & Human Settlements
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

Media Statement

Date: 13 April 2014

Municipalities made to commit to paying creditors on time

Municipal officials in Bokone Bophirima who do not implement the signed agreement to honour the conditions set out by the National Treasury to address non-payment of creditors within stipulated period of 30 days, are likely to have disciplinary and or civil criminal proceedings instituted against them in terms of Section 172 and 173 of the Municipal Finance Management Act (MFMA)



This follows National Treasury decision to withhold the transfer of equitable share of 15 municipalities after they failed to honour their financial commitments and to pay Eskom and other service delivery creditors in line with Section 65 of the MFMA, 2003 (Act no 56).

Early in March this year, National Treasury informed municipalities of its intention to invoke Section 216(2) of the Constitution, subject to municipalities entering into repayment arrangements with creditors and preparing a financial recovery plan.

Both the Provincial Departments of Local Government and Human Settlements, Finance, Economy and Enterprise Development, have since summoned municipalities to commit to:

- Ensuring that the current accounts of Eskom and water boards are settled by no later than 30 April 2015
- Submit proof of settlement of outstanding amounts to both Provincial and National Treasury within two days of settlement of the account
- In the event that municipalities owe either Eskom or Water Boards monies in excess of 30 days, the necessary repayment schedule will be determined and an agreement entered between the relevant parties.

MEC for Local Government and Human and Settlements in Bokone Bophirima, Collen Maine said municipalities will be expected to commit to addressing the non-payment of creditors for services rendered, as a matter of urgency.

MEC Wendy Nelson also urged municipalities to get their houses in order as their non-spending on allocated grants impacts negative on the future allocations by



National Treasury. She further encouraged municipalities to submit their plans for next financial year by April 14.

15 municipalities whose equitable share has been withheld are : Lekwa Teemane, Tswaing, Ventersdorp, Kgetleng Rivier, Madibeng, Maquassie Hills, Ratlou, mamusa, Ditsobotla, Naledi, Moses kotane, Dr Ruth Segomotsi Mompati, Matlosana, Ngaka Modiri Molema and Mahikeng.

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Issued by: NW Dept of Local Government and Human Settlements and Finance Economy, Economy and Enterprise Development.

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