

GOOD PROGRESS – SOME MUNICIPALITIES

20 February 2013

For two financial years in succession, a second municipality in the Free State, the Nketoana municipality has received an unqualified audit from the auditor-general (AG) for the financial year 2011-12.

Speaking during a sitting of the standing committee on public accounts (Scopa) in the Free State legislature, the chairman Neels van Rooyen, said the smaller municipalities in the province have been leading the way with sound financial performance.

Nketoana, which comprises the towns of, Reitz, Lindley, Arlington and Petrus Steyn, as well as the Twelopele municipality, received unqualified audits for the financial year which ended in June, 2012.

An unqualified audit is an auditor's opinion that a client's financial statements are fairly presented in accordance with agreed upon criteria.

Members of the Scopa asked the top management of the Nketoana municipality about the viability of consultants who have been used to prepare the financial statements of the entity. The chief financial officer of the municipality, Vincent Mkhafa, said skills transfers took place in this regard and that the municipality will be able to prepare its own financial statements from this year onwards.

The AG mentioned in his report that an unauthorised expenditure of R21m was incurred, as the municipality has exceeded its total budget for the year ending June 30, 2012. Irregular expenditure of R8.6m was incurred, which was mainly due to non-compliance with supply chain management requirements in respect of expenditure.

Regarding strategic planning and management, the AG found the municipality did not establish a performance management system and did not clarify the roles and responsibilities of each role player in the functioning of the system. The municipality did not monitor performance, with regard to each of the development objectives and against the key performance indicators and set targets at least once a year.

The top management of the troubled Setsoto municipality, which consists of Ficksburg, Senekal, Clocolan and Marquard, received praise from the committee for its overall improvement although the financial statements for 2011-12 were withdrawn and only re-submitted at a later stage.

This municipality was riven by several protest actions for the past two years, including the protest in which Andries Tatane died in 2011. The entire top management of the municipality resigned that same year.

The municipal manager of Setsoto, Sugar Ramakarane, said the process of appointing permanent staff was underway including an accountant manager for expenditure and two clerks for supply-chain management. "It's not an ideal situation, but there is progress," he said.

Committee member, Abrie Oosthuizen from the Freedom Front Plus, said he was hoping Ramakarane would serve his full five-year term. "I believe he is committed. They should not see resolutions as punishment but only to lift the standard".