

Media Release

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SALGA Governance and Finance Indaba (MPUMALANGA)

The South African Local Government Association (SALGA) in Mpumalanga hosted the Governance and Finance Indaba on the **9th to the 10th of March 2017**, at The Winkler Premier Hotel in White River.

Themed ***“Improving governance and financial management as a catalyst towards fast tracking service delivery”***, the Indaba focused on the four pillars underpinning the SALGA Municipal Audit Support Programme (MASP) which include Leadership, Institutional Capacity, Governance and Financial Management with the key emphasis on the two pillars of financial management and governance.

The Indaba tackled issues of the National Development Plan (NDP), ensuring that local government starts moving towards implementing the NDP and realising the ideals of a capable and developmental state. SALGA has adopted a multi-disciplinary approach that aims to curb working in silos and enhance the effectiveness of a consolidated hands-on support programme to member municipalities. This multi-disciplinary approach is also extended to other stakeholders through the Integrated Municipal Support Plan (IMSP) partnerships in the province.

The Indaba took on a form of panel discussion, where technocrats and experts were brought in to debate and discuss issues with municipalities, which are relevant and affect municipalities.

The **Enhancing Local Government Authority** panel discussion, which comprised of Mr. Michael Chauke (SALGA), Mr. Pat Nkosi (CoGTA), Dr Sam Koma (Milpark Education) and Mr. Solani Ngobeni (University of Mpumalanga) discussed and recommended that:

- The Constitution be reviewed with regards to the powers and functions of provincial and local government, to address planning in silos;
- Professionalisation of local government;
- The Department of Co-operative Government and Traditional Affairs should have a dashboard which would indicate when there are red flags and for them to provide the necessary support required by municipalities before instituting section 106 (Local Government Municipal Systems Act, No. 32 of 2000) or 139 to municipalities (Constitution of the Republic of South Africa 1996);
- Municipalities should look at the type of bursaries that are being offered in order to address the issue of skills gap within municipalities. Bursary receivers should work back the time within the municipality.

The panel discussion on **Improving Audit Outcomes through the SALGA Municipal Audit Support Programme (MASP)** comprising of Mr Simphiwe Dzengwa (SALGA), Prof Chris Thornhill (University of Pretoria), Ms Bomkazi Bhubho (Auditor General of South Africa) and Mr Alexi Colyvas (Ernest and Young), a status quo was done as to which municipalities in the province are not yet ready to implement mSCOA, what the challenges are and how they can be assisted. The Indaba further recommended the need to improve on record keeping and providing information to the Auditor-General, improving on the relations between auditors and the municipality, as well as improving communication channels between SALGA and Treasury. SALGA was also tasked to develop guidelines on the institutionalisation of MPAC in order for municipalities to improve on their functioning, as well as to workshop councillors on financial management in order to enable proper interpretation of such.

“Municipalities should have completed their planning, business process planning, work streams, data cleansing, data migration and all other relevant requirements for mSCOA by now need to have been done by municipalities in order for municipalities to be ready to implement mSCOA by the 1st of July as required by National Treasury”, said Mr. David Ramotsepane from Camelsa Consulting Group.

The panel discussion on **Enhancing Financial Viability of Municipalities** comprising of Mr. Simphiwe Dzengwa (SALGA) and Mr. Oupa Mokoena (City of Mbombela) discussed the need for proper relations between the political arm and the administrative arm in the municipality, and that revenue management is the work and effort of all department within the municipality and not just that of the Finance Department.

Effective Financial Management is critical to any organisation. In the context of local government, a lack of sound financial management will have a direct adverse impact on service delivery as there is a strong correlation between sound financial management and effective service delivery. To support service delivery and provide the necessary accountability, municipalities should create and maintain authentic, reliable and usable records.

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