

# The Citizen

## FSTATE MUNICIPALITIES MUST ACT ON AUDITS

**Free State mayors and municipal managers were urged on Thursday to act against those at municipalities deliberately flouting audit processes.**

26 July 2012

Provincial government spokesman Mondli Mvambi said the Free State leadership had encouraged mayors and municipal managers to take appropriate action in regard to the outcomes of the Auditor-General's latest report.

Apart from one municipal entity the Free State received no clean audit for the financial year ended 30 June 2011, Auditor-General Terence Nombembe announced this week. More than 50 percent of the municipalities and municipal entities still have disclaimed and adverse audit opinions.

Nombembe said the Free State situation was a concern because suitably qualified chief financial officers had been appointed at 80 percent of the municipalities and they had readily available support from the provincial government.

Despite this daily and monthly transactions were not adequately monitored or supervised. The skills and competence of other strategic officials therefore, remained a concern.

Nombembe said the lack of consequences for transgressions was a contributing factor to irregular expenditure incurred by the province.

The audit report also indicated lack of commitment and monitoring by more than 80 percent of the mayors and councils, which further contributed to the breakdown in accountability.

Mvambi said the audit outcomes emphasised the need for the intervention and support measures as announced by Premier Ace Magashule. He said the efforts of the five district municipalities and the Nketoana Local Municipality to obtain financially unqualified audit opinions with other findings were noteworthy. Maluti-A-Phofung Water's improved audit outcome from a disclaimer to a qualified audit opinion was also welcomed.

Mvambi said the regression in the audit outcomes of the Setsoto and Phumelela local municipalities was disappointing. "The inabilities of other local municipalities to improve their audit outcomes were equally disappointing." He said additional financial intervention and support measures had been put in place at identified municipalities.

These included the municipalities of Kopanong, Mohokare, Letsemeng, Naledi, Nala, Setsoto, Phumelela, Tokologo, Tswelopele, Ngwathe, Metsimaholo, Moqhaka, Maluti-a-Phofung and Nketoana.

Mvambi said additional experts in municipal management were deployed at Nala, Matjhabeng, Naledi, Mohokare, Setsoto and Phumelela. The Auditor-General's report said better audit outcomes were possible if Free State leaders at council and provincial levels took ownership of the audit results and created stability at municipalities.

[Source: [www.citizen.co.za](http://www.citizen.co.za)]

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