**NATIONAL ASSEMBLY**

**QUESTION FOR WRITTEN REPLY**

**QUESTION NUMBER: 966 [NW1096E]**

**DATE OF PUBLICATION: 11 APRIL 2016**

**966. Mr T Z Hadebe (DA) to ask the Minister of Finance:**

(1) What was the status of (a) cash-on-hand, (b) debtors book and age analysis, (c) collection ratio, (d) monthly operating (i) income and (ii) expenditure and (e) creditors book and age analysis of Makana Local Municipality Eastern Cape (i) for the 2014-15 financial year and (ii) since 1 April 2015;

(2) (a) what capital grants have been awarded to the specified municipality in the 2015-16 financial year and (b) in each case, what amount was spent;

(3) whether the funds for any capital grant have been utilised to finance operational expenditure; if not, what is the position in this regard; if so, what (a) are the details thereof and (b) steps have been taken in this regard?

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**REPLY:**

1. The Honourable Member should note that this question should be referred to the relevant municipality or sourced from their Budget documents or annual reports (including audited financial statements). Only a municipality can verify such information.

The National Treasury collects budget, financial and other information as a consolidated resource center for the public but cannot verify the information. The National Treasury publishes annually by November the Budgets of all municipalities in terms of Section 17 of MFMA. In addition, the National Treasury also publishes detailed quarterly reports submitted by all municipalities as per the Section 71 of the MFMA. The latest publication available for the 2015/16 municipal financial year can be found on our website. The accuracy of the reports can only be confirmed by the respective municipality. The quarterly reports have been available since 2006/07 on the National Treasury Website.

<http://mfma.treasury.gov.za/Media_Releases/s71/Pages/default.aspx>

I refer the Honourable Member to the page or table in the latest report published on 4 March 2016 as follows:

1. Cash-on-hand

See Part 3 of the 2-page summary per municipality

OR

Refer to the cash flow summary on C7 in the Municipal Budget and Reporting Regulation (MBRR) formats.

1. Debtor’s analysis

See Part 4 of the 2-page summary per municipality

1. Collection rate

Refer to the high level summary on C1 in the Municipal Budget and Reporting Regulation (MBRR) formats.

1. Operation revenue and expenditure

See Part 1 of the 2-page summary per municipality

OR

Refer to the Statement of financial performance on C4 in the Municipal Budget and Reporting Regulation (MBRR) formats.

1. Creditor’s analysis

See Part 5 of the 2-page summary per municipality

1. In terms of the information required regarding Capital grants, refer to the conditional grant summaries per municipality as well as the Summary per program / grant.

AND

Part 2 of the 2-page summary per municipality.

1. The National Treasury is not in a position to confirm whether Makana municipality spent its capital grant for operational purposes, reason being our reporting system does not provide detail to that level. However, the national department responsible for administering of the capital grant would be in a better position to provide required detail. It should be noted however, that Makana Municipality is allowed by law (DoRA) to use a portion of capital grant allocation for operational purposes within the threshold prescribed by the national department responsible for the grant.

As noted in the 2015 Division of Revenue Act, Makana municipality received one capital grant being Municipal Infrastructure Grant (MIG) administered by the department of Corporative Governance. The MIG provides that municipalities can use a maximum of 5% of the grant allocation for operational purposes.