

Welcome Address by the Executive Mayor during SALGA Finance Working Group Strategic Planning Session at Capanero, 16-17 May 2007

Councillors
CFO's
SALGA Officials

Let me take this opportunity to welcome everyone who have sacrificed other commitments to come and contribute in this very important strategic planning session. SALGA Finance Working Group is one of those working groups that seek to assist and advance financial viability of the municipalities. This strategic planning session is important in the sense that it will map out the strategy to assist the municipalities.

In an attempt to implement the social transformation agenda and good governance in local government, sound relationship between Councillors and Officials is central. Notwithstanding our different roles, working in silos will not achieve what we want to achieve. We need to work together to free our people from poverty.

In our oversight strategy, we need to be hands on and give support to municipalities in terms of meeting deadlines on MFMA compliance. This would also include meeting deadlines for the budget processes as well as tabling of Annual Reports. Annual Report is a document that covers the progress made on the programs of the municipality. State of the City Address as espoused by other municipalities is a new concept which does not appear anywhere in the Act. That role of reporting about municipalities' achievements is covered by the Annual Reports.

In terms of the Act, as municipalities we are required to adhere to the international accounting standards such as GAMAP and GRAP. Municipalities are given timeframes in which to meet including those that are rated as low capacity. As this forum, we need to chat the way forward on how best we can help one another to meet those deadlines.

In our quest as local government to attract investors, we need to have a turnaround strategy that will try to overcome financial challenges. This approach can benefit the municipalities of the Free State because the investors in most cases do evaluate the financial status of the municipality before they can put their money.

I thank you.