



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

KZN MEC FOR FINANCE APPROVES PAYMENT OF WORKERS SALARIES IN UMKHANYAKUDE DISTRICT MUNICIPALITY, MOVES TO ASSURE RESIDENTS OF THE GOVERNMENT'S COMMITMENT FOR A LASTING SOLUTION IN BOTH UMKHANYAKUDE AND EMADLANGENI LOCAL MUNICIPALITY

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MS. NOMUSA DUBE-NCUBE

MEC: FINANCE

MEDIA STATEMENT
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KwaZulu-Natal MEC for Finance Nomusa Dube-Ncube has moved swiftly to restore stability at the distressed Umkhanyakude District Municipality by conditionally approving and authorising the payment of the workers' salaries and other allied municipal needs to comply with its other obligations.

The Municipality had written to the MEC last week requesting her to approve the payment of salaries as they could not use their funds without authorisation since they had not convened to pass their budget. After due diligence the MEC approved the payment of salaries on this week subject to the Municipality convening to pass their Budget.

Umkhanyakude and Emadlangeni Local Municipalities have both been confronted with serious governance, financial and service delivery challenges. One of these has been their failure to convene to pass and approve Annual Budgets despite protracted efforts by KZN Treasury and the Department of COGTA which had been working with both municipalities to resolve their financial and administrative challenges in line with the prescripts of the Municipal Finance Management Act (MFMA) following its missing of the salary deadline.

"We noted that the payments were urgent and were necessary for the stability of Umkhanyakude hence our conditional approval. I have also approved the intervention in terms of section 139(4) of the Constitution, 1996, at the uMkhanyakude District, and eMadlangeni Local, Municipalities, to ensure the continued functioning of the Municipalities," said Dube-Ncube.

The MEC also approved the extension the temporary budgets and associated revenue-raising measures for the Municipalities, and to conclude all formalities related to this intervention. KZN Treasury is also working with KZN COGTA to stabilise a compromised governance system in both municipalities which have been contributed to current state of affairs.

"The Cabinet approved the intervention in its special sitting on Wednesday and we have now advised the Minister of Finance of this decision to intervene. The intervention will be undertaken with KZN COGTA to ensure fluidity of our work stream and in keeping with the spirit and letter of the recent Municipal Finance Road Shows for a last solution in both municipalities," said Dube-Ncube.

The MEC has expressed regretted that Emadlangeni Municipality went ahead and paid salaries without authorisation of MEC Treasury thus flouting sections of the MFMA which give the Executive Authority powers to determine and authorise payments for a municipality that has failed to pass its budget.

“I have directed officials from my department to look into consequence management measures to be applied to rectify this oversight,” she said.

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