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Godongwana's Firm Grip on the Purse Strings

In modern democratic governments, the second most powerful person after the president is often the finance minister. Proving the point, Minister Enoch Godongwana has, over the last few weeks, demonstrated that he is no pushover in exercising his authority over the national fiscus. His decision to withhold equitable share payments to 69 municipalities drew widespread praise, and resulted in many of the 69 taking quick steps to improve their financial management. Despite this, however, some critics remained unconvinced.

What the temporary withholding of equitable shares teaches us about municipalities

"The announcement to temporarily withhold equitable shares due to municipalities in July was met with both cheers and scrutiny. Equitable shares are 'non-negotiable', and the national government has no say in how those shares are used by the municipality, indicating the severity of the withholding measure."

https://tinyurl.com/42yajya7

Parliament welcomes Treasury's release of R7.1bn in municipal funds

"Parliament's joint oversight committees have welcomed National Treasury's announcement that the remaining R7.1-billion in withheld local government equitable share transfers will be released to 49 municipalities."

https://tinyurl.com/3uu56m6b

Municipalities scramble to fix finances after payment freeze

"Over the past few weeks an unexpected illustration of soft power has been exercised by Minister Enoch Gondongwana."

https://tinyurl.com/8zpvtbfp

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Treasury's municipal funding freeze sparks bigger governance debate

"National Treasury's decision to withhold equitable share allocations from 69 municipalities has renewed debate over whether tougher financial discipline alone can resolve South Africa's deepening local government crisis. The intervention is intended to enforce compliance with financial management rules, but analysts argue it does little to address longstanding weaknesses in governance, institutional capacity and service delivery."

https://tinyurl.com/2h9vkue8

Praise for Treasury's tough stance on municipal finances

"South Africans should commend the National Treasury for taking a difficult but necessary stand on the financial crisis facing municipalities. For far too long, the country has watched municipal finances deteriorate while the same problems persist, such as unfunded budgets, growing debt, irregular expenditure, failure to pay creditors, weak revenue collection and a lack of consequence management."

https://tinyurl.com/2mv26x5y

Treasury falters over municipal funds

"The National Treasury appears to have bungled its attempt to impose a firm hand over municipal finance mismanagement this month, conveying an unfortunate and uncharacteristic message of weakness."

https://tinyurl.com/4c8u6twt

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