

## **SOL PLAATJE MUNICIPALITY**

# **POLICY DIRECTIVE ON RESOLUTION OF FINANCIAL DISPUTE WITH OTHER ORGANS OF STATE**

### **Purpose**

A policy directive on resolution of financial dispute with organs of state under the Municipal Finance Management Act, No. 56 of 2003, S44.

### **Background**

As a result of various reasons a municipalities may find themselves faced by situations of financial disputes among themselves, their entities or any other organ of state in the management of its finances.

To address the situation, the Municipal Finance Management Act, Number 56 of 2003, S44, stipulates that:

- Whenever a financial dispute arises between organs of state, the parties concerned must promptly as possible take all reasonable steps that may be necessary to resolve the matter out of court.
- If the National Treasury is not a party to the dispute, the parties must report the matter to the National Treasury; and may request the National Treasury to mediate between the parties or designate a person to mediate between them.
- If the National Treasury accedes to this mediation, the National Treasury may determine the mediation process.

No immediate financial implication.

**Consultation: Municipal Manager**

Was discussed and approved.

**Contact Person:**

Chief Financial Officer-053 830 6511

**RECOMMENDATION**

That process to handle financial disputes with other organs of state be adopted with effect 1 July 2005.