

DEPARTMENT OF FINANCE

NO. 49

22 JANUARY 2016

NORTHERN CAPE PROVINCIAL TREASURY

GAZETTING OF ALLOCATIONS TO MUNICIPALITIES AS CONTAINED IN THE NORTHERN CAPE ADJUSTED ESTIMATES OF PROVINCIAL EXPENDITURE 2015/16 AND THE 2015/16 ADJUSTMENTS APPROPRIATION BILL

I, Maccollen Ntsikelelo Jack, in my capacity as the Acting Member of Executive Council for Finance, Economic Development and Tourism hereby publish the attached schedule in terms of section 30(3)(b) of the Division of Revenue Act, 2015 (Act 1 of 2015). These allocations have been taken up in the Northern Cape 2015 Adjustments Appropriation Bill.



M.N. JACK, MPL
ACTING MEC FOR FINANCE, ECONOMIC DEVELOPMENT AND TOURISM
DATE:

NORTHERN CAPE FINANCIAL SUPPORT GRANT	
Transferring Provincial Department	Northern Cape Provincial Treasury (Vote 8)
Strategic goal	The goal of the grant is to strengthen the capacity of the municipalities to manage their own affairs, to produce reliable GRAP compliant asset register and annual financial statements to improve the audit results and enhance service delivery to communities.
Grant purpose	To provide financial assistance to municipalities to improve overall asset management and the quality of annual financial Statements inclusive of internal controls.
Outcomes statements	<ul style="list-style-type: none"> • Improvement in the quality of financial management and reporting. • Improve the capacity of municipalities to deliver services. • Strengthen internal control systems and processes. • Improve viability of municipalities. • Improved audit outcomes.
Outputs	<ul style="list-style-type: none"> • Effective asset management system and GRAP compliant asset register • Training and support to municipalities on asset management and annual financial statements. • Build capacity in financial management
Details contained in Business plan	Improvement in general financial governance (conformance and performance) of municipalities such as improving on reporting requirements, supply chain management, financial systems, audit outcomes, etc.
Conditions	<ul style="list-style-type: none"> • Municipalities to submit credible business plans to Provincial Treasury which will address intended outputs and outcomes as stipulated above. • The business plan must indicate that the municipality will co-fund the project. • Business plans to be approved to by the Department before transfers are made. • Further conditions are set out in the respective Service Level Agreements that should be adhered to.
Allocation criteria	<ul style="list-style-type: none"> • Funds allocated to municipalities to assist with improvements in financial systems and/or additional modules that will improve the credibility of financial information provided to relevant institutions (AGSA, NT, etc.). • There must be evidence that funding will make an impact/change within the municipality. • A municipality should have the capability and capacity to spend the funding within the planned timeframe. • Good governance and appropriate controls must be in place within the municipality. • The municipality must fully comply with all the MFMA reporting requirements.

Reason not incorporated in Equitable share	Provincial Support Programme to: <ul style="list-style-type: none"> • Provide direct support to enhance municipal financial management for the implementation of the MFMA related activities and regulations. • Improve overall financial governance in municipalities. • Support identified as a result municipal engagements and other intergovernmental engagements etc.
Past performance	This is a newly piloted project and no historical performances will be reported.
Projected life	12/10/2015 to 31/03/2016
Northern Cape financial Support Grant	
MTEF allocations	2015/16: R4 .709 million
Payment schedule	Transfer payment to the municipalities in accordance with the agreement between the Department and Municipality.
Responsibilities of the Provincial transferring Officer and receiving Officer	Responsibilities of the provincial department <ul style="list-style-type: none"> • Monitoring and management of the programme (outputs and intended outcomes). • Transfer funds to municipalities to assist implementation of the MFMA and its supporting regulations. • Finalise and agree on business plans with affected municipalities. • Ad hoc visits by the Department to monitor the impact and the appropriateness in terms of the spending of the funds allocated. Responsibilities of the Municipalities <ul style="list-style-type: none"> • Prepare credible business plans that are aligned to outputs and outcomes. • Signed MOA. • All the recipient municipalities are required to submit monthly reports on the spending of the grant in line with the conditions as stated above. • Demonstrate results/impact.

Category	District Municipality	Number	Municipality	Allocation
				R'000 2015/16
B	Frances Baard	NC092	Dikgatlong	1 991
B	Pixley ka Seme	NC075	Renosterberg	2 718
Total				4 709

Northern Cape Financial Support Grant	Municipal Financial Year
	2015/16 Allocation (R'000)
	4 709

OPERATION KHOTSO PULA NALA	
Transferring Provincial Department	Department of Cooperative Governance, Human Settlement and Traditional Affairs (Vote 9)
Strategic goal	To expedite township revitalization and rural development initiatives through labour intensive methods.
Grant purpose	To provide funding for short term employment using Extended Public Works Programme principles.
Outcomes statement	<ul style="list-style-type: none"> • Improve the capacity of municipalities to deliver services • Enhance basic provision of basic services to all • Enhancing the capability and capacity of local municipalities to deliver the necessary services to communities
Outputs	<ul style="list-style-type: none"> • Number of jobs created using Expanded Public Works Programme (EPWP) guidelines
Details contained in Business plan	Operation Khotso Pula Nala is a programme for the revitalization and renewal of the townships and the creation of integrated human settlement areas.
Conditions	<ul style="list-style-type: none"> • Municipalities must adhere to labour intensive methods in terms of EPWP guidelines • Monthly reports on the physical progress of implementation of projects and reports on expenditure and jobs created • Non-compliance to the above conditions can result in funds being withheld
Allocation criteria	The grant is allocated to municipalities in financial distress that are not able to provide basic services
Reason not incorporate in Equitable share	<ul style="list-style-type: none"> • The funding originated with the special revitalization allocation made by provincial government for a specific purpose
Projected life	12/10/2015 to 31/03/2016
MTEF allocations	2015/16: R14 million
Payment schedule	Transfers are made in accordance with an approved payment schedule
Responsibilities of the Provincial transferring Officer and Receiving Officer	<p>Responsibilities of the provincial department</p> <ul style="list-style-type: none"> • Monitoring and management of the programme (outputs and intended outcomes) • Transfer funds to municipalities to assist the implementation of programme to expedite township revitalization and rural development initiatives • Finalize and agree on business plans with affected municipalities • Site visits by the Department to monitor the implementation of the projects <p>Responsibilities of the Municipalities</p> <ul style="list-style-type: none"> • Prepare business plans that are aligned to the outputs and outcomes • All recipient municipalities are required to submit monthly reports on the spending of the grant in line with the conditions • Demonstrate results/impact.

Category	District Municipality	Municipal Code	Allocation R'000	Allocation R'000 2015/16
C	Namakwa District Municipality	DC6		2,000
	<i>For the benefit of:</i>			
B	Kamiesberg Local Municipality	NC064	1,000	
B	Karoo Hoogland Local Municipality	NC066	1,000	
C	Pixley ka Seme District Municipality	DC7		3,000
	<i>For the benefit of:</i>			
B	Ubuntu Local Municipality	NC071	1,000	
B	Thembelihle Local Municipality	NC076	1,000	
B	Siyathemba Local Municipality	NC077	1,000	
C	ZF Mgcawu District Municipality	DC8		3,000
	<i>For the benefit of:</i>			
B	Mier Local Municipality	NC081	1,000	
B	//Khara Hais Local Municipality	NC083	1,000	
B	Ikheis Local Municipality	NC084	1,000	
C	Frances Baard District Municipality	DC9		4,000
	<i>For the benefit of:</i>			
B	Dikgatlong Local Municipality	NC081	1,333	
B	Magareng Local Municipality	NC083	1,333	
B	Phokwane Local Municipality	NC084	1,333	
C	John Taolo Gaetsewe District Municipality	DC45		2,000
	<i>For the benefit of:</i>			
B	Joe Morolong Local Municipality	NC081	667	
B	Ga-Segonyana Local Municipality	NC083	667	
B	Gamagara Local Municipality	NC084	667	
	Total			14,000

	Municipal Financial Year
	2015/16 Allocation (R'000)
Operation Khotso Pula Nala	14,000