



Reference: RCS/C.5

TREASURY CIRCULAR MUN NO. 14/2017

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THE MAYOR, BERGRIVIER MUNICIPALITY: MR EB MANUEL
THE MAYOR, SALDANHA BAY MUNICIPALITY: MR M KOEN
THE MAYOR, SWARTLAND MUNICIPALITY: MR T VAN ESSEN
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THE MAYOR, DRAKENSTEIN MUNICIPALITY: MR CJ POOLE
THE MAYOR, STELLENBOSCH MUNICIPALITY: MS G VAN DEVENTER
THE MAYOR, BREEDE VALLEY MUNICIPALITY: MS A STEYN
THE MAYOR, LANGEBOEG MUNICIPALITY: MR HM JANSEN
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THE MAYOR, THEEWATERSKLOOF MUNICIPALITY: MS CJM VOSLOO
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THE MAYOR, KANNALAND MUNICIPALITY: MS M BARRY
THE MAYOR, HESSEQUA MUNICIPALITY: MR G RIDDELS
THE MAYOR, MOSSEL BAY MUNICIPALITY: MR HJ LEVENDAL
THE MAYOR, GEORGE MUNICIPALITY: MR MG NAIK
THE MAYOR, OUDTSHOORN MUNICIPALITY: MR CF SYLVESTER
THE MAYOR, BITOU MUNICIPALITY: MR MP LOBESE
THE MAYOR, KNYSNA MUNICIPALITY: MS E BOUW-SPIES
THE MAYOR, CENTRAL KAROO DISTRICT MUNICIPALITY: MR N CONSTABLE
THE MAYOR, LAINGSBURG MUNICIPALITY: MR AA MARTHINUS
THE MAYOR, PRINCE ALBERT MUNICIPALITY: MR G LOTTERING
THE MAYOR, BEAUFORT WEST MUNICIPALITY

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THE MUNICIPAL MANAGER, BERGRIVIER MUNICIPALITY: ADV H LINDE
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THE MUNICIPAL MANAGER, DRAKENSTEIN MUNICIPALITY: DR J LEIBBRANDT
THE MUNICIPAL MANAGER, STELLENBOSCH MUNICIPALITY: MS G METLER
THE MUNICIPAL MANAGER, BREEDE VALLEY MUNICIPALITY: MR D McTHOMAS
THE MUNICIPAL MANAGER, LANGEBOEG MUNICIPALITY: MR SA MOKWENI
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THE MUNICIPAL MANAGER, BITOU MUNICIPALITY: MR T NDLOVU
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THE CHIEF FINANCIAL OFFICER, OUDTSHOORN MUNICIPALITY: MR F LÖTTER
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THE CHIEF FINANCIAL OFFICER, BEAUFORT WEST MUNICIPALITY: MR CJ KYMDELL (ACTING)

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THE DEPUTY DIRECTOR GENERAL: GOVERNANCE AND ASSET MANAGEMENT (MR A HARDIEN)
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THE PROVINCIAL AUDITOR

MASTER RECORDS OFFICIAL: BUSINESS INFORMATION AND DATA MANAGEMENT

THE HEAD OF DEPARTMENT: LOCAL GOVERNMENT

THE CHIEF DIRECTOR: LOCAL GOVERNMENT BUDGET ANALYSIS – NATIONAL TREASURY (MR J HATTINGH)

THE CHIEF DIRECTOR: MFMA IMPLEMENTATION – NATIONAL TREASURY (MR TV PILLAY)

REPAYMENT OF UNSPENT PROVINCIAL CONDITIONAL ALLOCATIONS

1. PURPOSE

The purpose of this circular is to request municipalities to repay to the respective Western Cape Government departments the unspent provincial conditional allocations from the 2012/13 financial year up to and including 2015/16 financial year that are currently in municipal bank accounts and were not applied for as per Treasury Circular Mun No. 22 of 2016 requirements and also the unspent provincial conditional allocations that were requested to be paid back via the roll over outcome letters to municipalities.

2. BACKGROUND

This process is informed by the provincial rollover process which entailed the verification and reconciliation of provincial conditional grants as per Treasury Circular Mun No. 22 of 2016 and is informed by the submission and non-submission of rollover application letters from the municipalities.

Provincial Treasury has become aware of the unspent provincial funds in municipalities through this process which was implemented for the first time in 2013/14 financial year. The application letters, to rollover unspent funding to 2016/17 financial year that were received in August 2016, contained amounts which were previously rolled over in prior financial years and during the reconciliation of the roll over applications to the 2015/16 Draft Annual Financial Statements it was identified that there are unspent conditional allocations that were not applied for.

It is a principle or norm, as captured in Treasury Circular Mun No. 22 of 2016 that funds can only be rolled over to the next financial year where commitment and proper motivation has been shown, if the municipality fails to spend, then funds must revert back to the Provincial Revenue Fund.

This process is implemented to promote proper planning and implementation of projects or activities that are funded through the provincial conditional allocations.

3. REPAYMENT METHOD

The capital portion of the unspent funds must be deposited to a bank account of the transferring department by **30 June 2017** and a proof of payment must be sent to:

MFMA.MFMA@westerncape.gov.za for the attention of Mr ZSS Zonyane.

The email must clearly indicate the department to which the repayment was made, the amount that was repaid, the year in which the allocation was gazetted and the purpose of the allocation.

The bank account details of the transferring departments are clearly contained in the table below. Municipalities are advised to use the correct banking details for respective Western Cape Government department and the municipal code as a reference.

Name of Department	Bank Name Account	Number Branch Code
Department of the Premier	Nedbank 1 452 045 038	145209
Provincial Treasury	Nedbank 1 452 045 054	145209
Department of Health	Nedbank 1 452 045 097	145209
Department of Human Settlements	Nedbank 1 452 045 046	145209
Department of Environmental Affairs and Development Planning	Nedbank 1 452 045 003	145209
Department of Transport and Public Works	Nedbank 1 452 045 100	145209
Department of Economic Development and Tourism	Nedbank 1 452 045 135	145209
Department of Cultural Affairs and Sport	Nedbank 1 452 045 127	145209
Department of Local Government	Nedbank 1 452 055 661	145209

Note that all the accounts are with Nedbank and the branch code is the same for all the departments.

4. REALLOCATION OF THE FUNDING

Municipalities that have projects to which the funds are committed must contact the respective Western Cape Government departments and copy Provincial Treasury and motivate that the funds be reallocated and gazetted for the purpose of completing such projects. This must be done by **15 June 2017** to ensure that internal processes within the Western Cape Government are conducted timeously to ensure reallocation and gazetting during the 2017 provincial adjustment budget process.



MR M SIGABI

DIRECTOR: LOCAL GOVERNMENT PUBLIC FINANCE

DATE: 26/05/2017