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PROVINCIAL NOTICES

[NO. 93 OF 2008]

FREE STATE PROVINCIAL TREASURY

AMENDMENT OF CONDITIONS - PROVINCIAL CAPACITY BUILDING GRANT

In terms of the Division of Revenue Act, no. 1 of 2007, section 31(1) & (2)) for the 2007/08 financial year and the Public Finance Management Act, 1999, section 38(1)(i-n), the Provincial Treasury hereby publishes the information set out in Schedule 1 that relates to the allocation of the amounts as stated in Schedule 2 relating to the allocation of funds from the Provincial Revenue Fund by the Accounting Officer of the Provincial Treasury to municipalities.

SCHEDULE 1

Provincial capacity building grant (Amended)	
Transferring Department	<ul style="list-style-type: none"> ● Provincial Treasury (Vote 4)
Purpose	<ul style="list-style-type: none"> ● To improve capacity and to support municipalities with the implementation of the Municipal Financial Management Act (MFMA)
Measurable Output	<ul style="list-style-type: none"> ● The establishment of a website ● Compilation and submission of AFS ● Improvement of revenue collection (billing system) ● Implementation of GRAP/GAMAP ● Other related financial issues ● Appointment of suitable competent officials in finance department ● Implementation of SCM procedures ● Implementation of electronic fund transfers (EFT) ● Enhance revenue collection ● Skills development audit in finance department ● Capacity building for current staff in finance department ● Implementation of PROPAC resolutions, MFMA & GRAP/GAMAP
Conditions	<ul style="list-style-type: none"> ● Funds not spent as per conditions by 30 June 2008 must be utilized for the defrayment of outstanding Auditor-General accounts.
Allocation Criteria	<ul style="list-style-type: none"> ● Allocations were made during the 2006/07 financial year.
Reasons not incorporated in Equitable Share	<ul style="list-style-type: none"> ● To provide for support to develop websites, implement GRAP/GAMAP, AFS and to improve billing systems.

<p>Monitoring System</p>	<ul style="list-style-type: none"> • Submission of quarterly reports on the progress made with the implementation of the plan according to the outputs identified • Submission of monthly expenditure reports by municipalities
<p>Project Life</p>	<ul style="list-style-type: none"> • The grant is a one year allocation to assist and support municipalities to implement the MFMA. The grant forms part of Provincial Treasury's support to municipalities and focus on specific problems identified.
<p>Allocation</p>	<ul style="list-style-type: none"> • Xhariep District Municipality (R50,000) – Establishment of website • Letsemeng Local Municipality (R100,000) – Establishment of website • Kopanong Local Municipality (R200,000) – GRAP/GAMAP implementation • Mohokare Local Municipality (R100,000) – Establishment of website • Naledi Local Municipality (R800,000) - Appointment of suitable competent officials in finance department <ul style="list-style-type: none"> - Implementation of SCM procedures - Implementation of electronic fund transfers (EFT) - Enhance revenue collection - Skills development audit in finance department - Capacity building for current staff in finance department - Implementation of PROPAC resolutions, MFMA & GRAP/GAMAP - SAMRAS Licences & printers - Fixed assets tagging • Masilonyana Local Municipality (R1,000,000) – Annual Financial Statement <ul style="list-style-type: none"> - Appointment of suitable competent officials in finance department - Implementation of SCM procedures - Implementation of electronic fund transfers (EFT) - Enhance revenue collection - Skills development audit in finance department - Capacity building for current staff in finance department - Implementation of PROPAC resolutions, MFMA & GRAP/GAMAP • Nketoana Local Municipality (R100,000) – Establishment of website • Mafube Local Municipality (R100,000) – Improvement of billing system
<p>Payment Schedule</p>	<ul style="list-style-type: none"> • The grant was disbursed during January / February 2007
<p>Responsibility by provincial department</p>	<ul style="list-style-type: none"> • Provincial Treasury is responsible for the monitoring and management of the programme

SCHEDULE 2

DEPARTMENT OF PROVINCIAL TREASURY

Provincial Capacity Building Grant		
Number	Municipality	2006/07 (R'000)
FREE STATE		
C DC 16	Xhariep	50
B FS 161	Letsemeng	100
B FS 162	Kopanong	200
B FS 163	Mohokare	100
Total: Xhariep Municipalities		450
B FS 171	Naledi	800
Total: Motheo Municipalities		800
B FS 181	Masilonyana	1,000
Total: Lejweleputswa Municipalities		1,000
B FS 193	Nketoana	100
Total: Thabo Mofutsanyana Municipalities		100
B FS 205	Mafube	100
Total: Fezile Dabi Municipalities		100
Total: Free State Municipalities		2,450

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FREE STATE PROVINCIAL TREASURY

PROVINCIAL ALLOCATION TO MUNICIPALITIES: FINANCIAL ASSISTANCE GRANT

In terms of the Division of Revenue Act, no. 1 of 2007, section 31(1) & (2)) for the 2007/08 financial year and the Public Finance Management Act, 1999, section 38(1)(i-n), the Provincial Treasury hereby publishes the information set out in Schedule 1 that relates to the allocation of the amounts as stated in Schedule 2 relating to the allocation of funds from the Provincial Revenue Fund by the Accounting Officer of the Provincial Treasury to municipalities.

SCHEDULE 1

FINANCIAL ASSISTANCE GRANT	
Transferring Department	<ul style="list-style-type: none"> ● Provincial Treasury (Vote 4)
Purpose	<ul style="list-style-type: none"> ● Financial assistance with regard to long overdue Audit Fees
Measurable Output	<ul style="list-style-type: none"> ● Decrease in outstanding Audit Fees
Conditions	<ul style="list-style-type: none"> ● Indirect conditional grant ● Paying outstanding audit fees of Naledi Local Municipality
Allocation Criteria	<ul style="list-style-type: none"> ● Indirect allocations are made to Naledi Local Municipality based on outstanding accounts and availability of funds at Provincial Treasury
Reasons not incorporated in Equitable Share	<ul style="list-style-type: none"> ● Due to the fact that it is an once off payment
Project Life	<ul style="list-style-type: none"> ● It is an once off payment during the 2007/08 financial year
Allocation	<ul style="list-style-type: none"> ● Auditor-General R1 100 000
Payment Schedule	<ul style="list-style-type: none"> ● The grant will be disbursed during March 2008 after gazetted.
Responsibility by provincial department	<ul style="list-style-type: none"> ● Provincial Treasury to provide funding out of own resources

SCHEDULE 2

SPECIFIC PURPOSE ALLOCATION TO THE OFFICE OF THE AUDITOR-GENERAL

Financial Assistance Grant	2007/08
FREE STATE	
Office of the Auditor-General: Naledi Local Municipality R 1 100 000	
Total Payment	R1 100 000

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ALLOCATIONS TO MUNICIPALITIES IN TERMS OF LIMITED FINANCIAL SUPPORT

In terms of the Division of Revenue Act, No.1 of 2007 Section 31(1) & (2) for the 2007/2008 financial year and the Public Finance Management Act, 1999 Section 38(1) (l-n), the Provincial Treasury hereby publishes the information set out in Schedule 1 that relates to the allocation of the amounts as stated in Schedule 2 relating to the allocation of funds from the Provincial Revenue Fund by the Accounting Officer of the Department of Local Government and Housing to municipalities.

SCHEDULE 1

LIMITED FINANCIAL ASSISTANCE TO MUNICIPALITIES

1. Transferring Provincial Department	Department of Local Government and Housing
2. Purpose	To assist medium and small Municipalities experiencing severe financial problems to restructure their financial positions and organizations over the medium term.
3. Measurable outputs	The provision of limited financial assistance to those Municipalities facing critical financial problems
4. Conditions	The provision of limited financial assistance to those Municipalities facing critical financial problems: <ul style="list-style-type: none"> i. The Municipality must implement and enforce strict credit control measures and has to report on the effects thereof. ii. The Municipality must compile a financial management plan, providing for the settlement of outstanding creditors with due consideration to the overall financial position and liquidity. The Municipality must report back on the negotiations and arrangements with creditors, as well as the implementation of the Plan. iii. The Municipality must implement a Financial Recovery Plan based on a thorough analysis of the reasons for financial failure, financial administrative backlogs and capacity constraints.
5. Allocation criteria	Allocations are based on financial position of Municipalities.
6. Monitoring mechanisms	Monthly expenditure reports Monthly progress reports
7. Projected life	Maximum of 1 year.
8. Payment schedule	Payment with regard to financial support will be made according to the conditions of paragraph 4.
9. Reason not incorporated in Equitable Share	According to Section 154 (1) of the Constitution, the National Government and the Provincial Governments, by legislative and other measures, must support and strengthen the capacity of Municipalities to manage their own affairs, to exercise their powers and to perform their functions.
10. Allocation	R 16 276 000

SCHEDULE 2

LIMITED FINANCIAL ASSISTANCE TO MUNICIPALITIES				ANNEXURE A					
Category	DC	Number	Municipality	PROVINCIAL FINANCIAL YEAR			MUNICIPAL FINANCIAL YEAR		
				2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)	2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)
C	DC 16	DC 16	Xhariep	R 4 000			R 4 000		
B	DC 16	FS 161	Letsemeng						
B	DC 16	FS 163	Kopanong						
B	DC 16	FS 163	Mohokare						
Total									
C	DC 17	DC 17	Motheo						
B	DC 17	FS 171	Naledi	R 7 200			R 7 200		
B	DC 17	FS 172	Mangaung						
B	DC 17	FC 173	Mantsopa						
Total									
C	DC 18	DC 18	Lejweleputswa						
B	DC 18	FS 181	Masilonyana						
B	DC 18	FS 182	Tokologo						
B	DC 18	FS 183	Tswelopele						
B	DC 18	FS 184	Matjhabeng						
B	DC 18	FS 185	Nala						
Total									
C	DC 19	DC 19	Thabo Mofutsanyana	R 2 576			R 2 576		
B	DC 19	FS 191	Setsoto						
B	DC 19	FS 192	Dihlabeng						
B	DC 19	FS 193	Nketoana						
B	DC 19	FS 194	Maluti-a-Phofung						
B	DC 19	FS 195	Phumelela	R 2 500			R 2 500		
Total									
C	DC 20	DC 20	Fezile Dabi						
B	DC 20	FS 201	Moqhaka						
B	DC 20	FS 203	Ngwathe						
B	DC 20	FS 204	Metsimaholo						
B	DC 20	FS 205	Mafube						
Total				R 13 700			R 13 700		
Unallocated									
GRAND TOTAL				R 16 276			R 16 276		

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PROVINCIAL ALLOCATIONS TO MUNICIPALITIES: BASIC SERVICES INTERVENTION (BUCKET ERADICATION)

In terms of the Division of Revenue Act, No.1 of 2007 Section 31(1) & (2) for the 2007/2008 financial year and the Public Finance Management Act, 1999 Section 38(1) (l-n), the Provincial Treasury hereby publishes the information set out in Schedule 1 that relates to the allocation of the amounts as stated in Schedule 2 relating to the allocation of funds from the Provincial Revenue Fund by the Accounting Officer of the Department of Local Government and Housing to municipalities.

SCHEDULE 1**BASIC SERVICES INTERVENTION (BUCKET ERADICATION)**

1. Transferring Provincial Department	Department of Local Government and Housing
2. Purpose	To provide top up funding for the eradication of buckets in the Free State
3. Measurable Outputs	<ul style="list-style-type: none"> a) Reduction in infrastructure backlogs within the specified municipalities. b) The quality of infrastructure provided. c) Employment opportunities created and training provided d) SMME training involvement
4. Conditions	<ul style="list-style-type: none"> a) That the Municipal Manager only issues an appointment letter to the service provider after consultation with the DDG Local Government. b) All designs to be submitted to Chief Directorate Municipal Infrastructure for information. c) That local labour be utilized on the project. d) That the Municipality submits monthly cash flow, expenditure and KPI reports to the Chief Directorate Municipal Infrastructure. e) That payment by Municipality to Consultants and Contractors be subject to recommendation by the Chief Directorate Municipal Infrastructure. f) That a close out report be submitted by the Municipal Manager on completion of a project.
5. Monitoring mechanism	Minutes of compulsory site meetings to be submitted to LGH on a monthly basis.
6. Projected Life Cycle	The project life cycle will depend on each individual project.
7. Payment schedule	Transfer payments will be made to Municipality after publication in gazette.
8. Allocation	R 6 500 000

SCHEDULE 2

BASIC SERVICES INTERVENTION (BUCKET ERADICATION)				ANNEXURE A					
Category	DC	Number	Municipality	PROVINCIAL FINANCIAL YEAR			MUNICIPAL FINANCIAL YEAR		
				2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)	2007/08 Allocation (R'000)	2008/09 Allocation (R'000)	2009/10 Allocation (R'000)
C	DC 16	DC 16	Xhariep						
B	DC 16	FS 161	Letsemeng						
B	DC 16	FS 163	Kopanong						
B	DC 16	FS 163	Mohokare						
Total									
C	DC 17	DC 17	Motheo						
B	DC 17	FS 171	Naledi	R 1 500			R 1 500		
B	DC 17	FS 172	Mangaung						
B	DC 17	FC 173	Mantsopa						
Total									
C	DC 18	DC 18	Lejweleputswa						
B	DC 18	FS 181	Masilonyana						
B	DC 18	FS 182	Tokologo	R 5 000			R 5 000		
B	DC 18	FS 183	Tswelopele						
B	DC 18	FS 184	Matjhabeng						
B	DC 18	FS 185	Nala						
Total									
C	DC 19	DC 19	Thabo Mofutsanyana						
B	DC 19	FS 191	Setsoto						
B	DC 19	FS 192	Dihlabeng						
B	DC 19	FS 193	Nketoana						
B	DC 19	FS 194	Maluti-a-Phofung						
B	DC 19	FS 195	Phumelela						
Total									
C	DC 20	DC 20	Fezile Dabi						
B	DC 20	FS 201	Moqhaka						
B	DC 20	FS 203	Ngwathe						
B	DC 20	FS 204	Metsimaholo						
B	DC 20	FS 205	Mafube						
Total				R 6 500			R 6 500		
Unallocated					R 9 660	R 10 323		R 9 660	R 10 323
RAND TOTAL				R 6 500	R 9 660	R 10 323	R 6 500	R 9 660	R 10 323