

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER: 138 [NW144E]
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138. Mr K J Mileham (DA) to ask the Minister of Finance:

- (1) Whether any municipalities have used conditional grant funds like the Municipal Infrastructure Grant to finance operational activities; if so, (a) which municipalities, (b) what are the relevant details of such use and (c) what steps will he take in this regard;
- (2) whether any disciplinary or criminal charges will be laid against the accounting officers or any other officials of these municipalities for using such grants for operational activities;
- (3) whether he will make a statement on the matter?

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REPLY:

- 1(a) Yes, the Division of Revenue Act (DoRA) allows municipalities to use a portion (not more than 5 per cent of the allocation) of some grants for administration. For instance all municipalities that are allocated Municipal Infrastructure Grants (MIGs) are allowed to utilize 5 per cent of their allocation towards operations (to pay for salaries and travel costs of Project Management Unit officials working on MIG-funded projects).
- (b) Conditional grant frameworks are published in the government gazette and set out the purpose and conditions associated with each grant. Certain conditional grants are specifically designed and intended to fund operational expenditure of the municipalities, such as the Local Government Financial Management Grant (FMG), Infrastructure Skills Development Grant (ISDG) and Rural Road Asset Management Systems (RRAMS) Grant.
- (c) No steps will be taken in this regard, as the legal framework makes provision for this requirement.
2. No, no action will be taken in instances where legitimate use has been made of the grants.
- 3 Given the information provided, there is no need to make a statement with regard to this matter.