



MINISTRY OF FINANCE
REPUBLIC OF SOUTH AFRICA

MEDIA STATEMENT

National Government and Limpopo agree on hand-over of powers back to the province

Further to the announcement of 28 July 2014, the national and Limpopo provincial governments have agreed the terms of the withdrawal of administrators from the province with effect from the end of January 2015.

This means that the MECs of the affected provincial departments have assumed their full executive powers and the accounting officer roles have reverted back to the heads of departments (HODs).

The intervention has brought a significant level of financial health to Limpopo, as well as initiating a number of important projects that the province could carry into the future under the leadership of the provincial Executive Council and the guidance of national departments. These include the implementation of new systems for asset management (Public Works) and supply chain management (Provincial Transport) and the development of revised organisational structures (audit and chief operating officer posts) for the Provincial Treasury.

The signing of the memorandum on 15 December 2014 marked the beginning of the transition from the administration by national government of the five provincial departments (Treasury, Basic Education, Roads and Transport, Public Works, and Health) in terms of section 100 (1) (b) of the Constitution to section 100 (1) (a) in terms of which national government issues directives to the five affected departments.

To ensure an orderly hand-over, the administrators will still be part of preparing the annual financial accounts for 2014/15 which ends on 31 March 2015. This will allow the administrators to close the books for the departments they have been administering and prepare the relevant hand-over reports. It will also allow the five MECs and heads of departments to assume full responsibility for financial accounts for the 2015/16 financial year beginning on 1 April.

Since the signing of the agreement in December, the following actions have been initiated:

- A handover workshop between heads of provincial departments and the team of national government administrators (this took place on Tuesday last week);

- Having noted the decision of the National Council of Provinces (NCOP) to adopt a report on the intervention, a progress report will be provided by the intervention team to the NCOP at the appropriate time;
- An approach is being developed to utilise the experience of the team of administrators for the purposes of monitoring the implementation of section 100 (1) (a) directives by the Limpopo Province; and
- Handover engagements are continuing in each department that was under the intervention. The process to complete a formal comprehensive close-out report is underway, and this report will be submitted to both the Cabinet and the Provincial Executive in due course.

The December 15 2014 agreement is in line with the Cabinet decision of July 2014 which set conditions that the Provincial Executive will have to fulfil as a pre-requisite for determining complete withdrawal.

In this regard, the national executive authority will define the measures that the province will need to take to address identified areas of failure and will monitor the province's progress. The province will also be supported to avoid relapse.

Issued by Ministry of Finance on behalf of Inter-Ministerial Committee (IMC) on the Limpopo Intervention

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