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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

NATIONAL TREASURY

NO. 2051

28 April 2022

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996; MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003) AND THE LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998, (ACT NO. 117 OF 1998)**NATIONAL INTERVENTION IN ENOCH MGIJIMA LOCAL MUNICIPALITY AND TERMS OF REFERENCE FOR NATIONAL CABINET REPRESENTATIVE AND SUPPORT TEAM**

I, **Enoch Godongwana**, Minister for Finance, acting under powers bestowed on me in terms of the resolution of National Cabinet dated 06 April 2022 to intervene in Enoch Mgiijima local municipality located in the Eastern Cape province in terms of section 139(7) of the Constitution of the Republic of South Africa, 1996 (“the Constitution”) read with section 150 of the MFMA, hereby give notice of the effective date of the national intervention in the stead of the provincial executive in terms of section 139(5)(a) and (c) of the Constitution read together with section 146(3)(b) of the Local Government: Municipal Finance Management Act, 2003 which national intervention comes into effect on the date of this notice in the provincial gazette.

That with the powers vested in me as per cabinet resolution, a National Cabinet Representative (NCR) and a multidisciplinary team of experts relating to the governance, financial management, service delivery and institutional pillars of municipal sustainability will be appointed on or before 05 May 2022 or soon thereafter to assume the responsibility to implement the financial recovery plan on behalf of National Cabinet with effect from the effective date of the national intervention in terms of this notice.

1. TERMS OF REFERENCE FOR THE ASSUMPTION OF RESPONSIBILITY FOR THE IMPLEMENTATION OF THE RECOVERY PLAN BY NATIONAL CABINET REPRESENTATIVE AND HIS INTERVENTION SUPPORT TEAM/EXPERTS

During the implementation of this intervention, the Council approved system of delegations remains applicable subject to the limitations expressly stated in this document. The National Cabinet Representative (NCR) in executing his/her responsibilities will consult with the Speaker, Executive Mayor and the Municipal Manager depending on the nature of the subject-matter.

1.1 Responsibilities of the National Cabinet Representative (NCR):

- a) Providing the strategic leadership and guidance necessary to ensure the effective and efficient implementation of the Financial Recovery Plan;
- b) Reporting to the Ministers of Finance and Cooperative Governance and Traditional Affairs, Municipal Council and Cabinet (where necessary) on progress made;
- c) Engaging with internal and external stakeholders;
- d) Assess and ensure that reports required for decision-making in the municipality are aligned to the FRP and the objectives of this intervention;

- e) Undertake quality assurance processes required to submit monthly performance progress reports in terms of the prescribed framework to Minister of Finance, NT MFRS, Cabinet and Municipal Council on implementation of the FRP;
- f) Attend meetings of Council, Mayoral Committee and Top Management in an advisory capacity;
- g) Maintain a record of decisions taken by the Council and the Executive Mayor on implementation of the FRP;
- h) All reports for decision making by any delegated authority including Municipal Council and Executive Mayor must be processed by the Accounting Officer with the concurrence of the National Cabinet Representative (NCR);
- i) Ensure implementation of appropriate corrective and control measures necessary for effective FRP implementation;
- j) NCR must analyse the monthly bank and budget statements of the municipality for monitoring purposes and as an internal control measure;
- k) NCR for duration of the intervention to be accountable to the Minister of Finance;
- l) Consult and provide strategic leadership and direction to the Accounting Officer and relevant staff in the implementation of the financial recovery plan;
- m) Responsible for developing and ensuring implementation of appropriate governance systems, processes, and procedures;
- n) Work closely with Municipal Financial Recovery Services (MFRS) and other Government stakeholders in the revision and implementation of Municipal Financial Recovery Plan for the municipality;
- o) Development of specific strategies and plans including the Budget in consultation with the Accounting Officer to effectively implement the Financial Recovery Plan of the municipality;
- p) Provide strategic guidance, assistance and leadership to the Accounting Officer on the review and re-allocation of resources and responsibilities to municipal staff with regard to implementation of the financial recovery plan;
- q) Ensure and oversee the execution by the Accounting Officer of the functions referred to in Section 67(1)(h) and Schedule 2 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000), read with any other relevant legislative provisions dealing with disciplinary matters, including criminal, disciplinary and civil action;
- r) Assist the Executive Mayor and the Accounting Officer in the development of human resource capacity to a level that enables it to perform its functions and exercise its functions in an economic, transparent, effective, efficient, and accountable ways;
- s) Assist in the recruitment and selection process for the appointment of Senior Managers including the Accounting Officer in the municipality;
- t) Provide strategic and technical support to ensure meaningful public participation and stakeholder engagement in the affairs of the municipality;
- u) To confirm and certify in the periodic reports to the Minister of Finance on progress with the national intervention and the implementation of the financial recovery plan that all decisions of Council and Executive Mayor are consistent with the approved financial recovery plan; and
- v) To assign and delegate responsibilities to the support team.

1.2 Strategic responsibilities of the support team

The role of the support team is to provide full-time strategic support and expertise to the NCR within the context of the approved FRP. These strategic responsibilities are meant to clearly define the expectations for the support team in facilitating effective implementation of the approved FRP and achieving financial recovery and provision of reliable and uninterrupted basic services. The support team is accountable to the NCR in the execution of their duties.

- a) To support the NCR in the implementation of the terms of reference;
- b) To provide strategic leadership and direction to the relevant pillars of sustainability as provided for in the FRP;
- c) To identify challenges and propose solutions to ensure provision of uninterrupted basic services to the community and prudent financial management;
- d) To advise and support on the approach to the implementation of FRP activities to optimise the reduction of operational expenditure and increase of revenue for the municipality;
- e) To recommend and ensure implementation of internal controls, procedures and systems for good governance, prudent financial management and effective service delivery in compliance with statutory prescripts;
- f) To prepare and submit monthly reports on the implementation of the FRP to the NCR;
- g) To execute all delegated authority and responsibilities as may be assigned from time to time by the NCR;
- h) To prepare and present progress at meetings of the oversight and inter-governmental relations structures of government;
- i) To conduct an assessment and make recommendations on the effective utilisation of human resources in their areas of expertise;
- j) To provide technical and strategic direction and support to Heads of Department in coordinating operational activities in an economic, effective and efficient manner to achieve value for money;
- k) To assist in the development and review of departmental business plans;
- l) To review policies, by-laws, strategies and plans in their respective areas of expertise;
- m) Assist in the review and amendment of the financial recovery plan as and when required;
- n) To advise on the strategic management of municipal entities; and
- o) To provide written inputs and advise on all reports for decision-making in terms of Council approved system of delegations.

Given under my Hand at Pretoria on this 26 day of April Twenty Twenty-Two.



MR ENOCH GODONGWANA
MINISTER OF FINANCE

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