

**NATIONAL ASSEMBLY  
QUESTION FOR WRITTEN REPLY  
QUESTION NUMBER: 2316 [NW2665E]  
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**2316. Mr K Ceza (EFF) to ask the Minister of Finance:**

What remedial action has been taken to ensure that the four districts in the North West, which were listed as being in financial distress, fulfil their obligations of delivering on the allocated grants in their local municipalities? NW2665E

**REPLY:**

The North West province has four districts namely, Ngaka Modiri Molema, Bojanala Platinum, Dr Kenneth Kaunda and Dr Ruth Segomotsi Mompati Molema District municipalities. These districts receive grant allocations in terms of the annual Division of Revenue Act (DoRA) in accordance with the powers and functions allocated to them in terms of section 84 of the Municipal Structures Act and Regulations (Act No. 117 of 1998). Therefore, various districts and local municipalities in North West would have different powers and functions allocated to them in terms of the Structures Act. These powers are in the main the powers to provide the water, sanitation, roads, refuse, and electricity services.

In the North West province, Bojanala Platinum and Dr Kenneth Kaunda districts municipalities have no powers and functions to provide services for water, sanitation, refuse, roads and electricity, while Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema districts municipalities are delivering these services on behalf of their local municipalities.

It is therefore important to distinguish and note that the local municipalities in the Bojanala Platinum and Dr Kenneth Kaunda districts are the ones responsible for delivering these services, while the other two districts in the North West province, Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema districts municipalities are responsible for both receiving and spending the DoRA allocations on behalf of their local municipalities.

Through the principle of delegated and non-delegated responsibility, the Provincial Treasury is directly responsible to support these municipalities to ensure that tabled budgets are assessed and adopted in time and to ensure that municipalities consider the recommendations provided to them for various Council's considerations. Only Rustenburg and Mahikeng local municipalities are non-delegated and remains a direct responsibility of National Treasury whilst the rest of the local and district municipalities are under a direct support of the Provincial Treasury.

The Provincial Treasury has been providing support to the municipalities in distress through placing various support skills and capacity support in those municipalities. A number of employees through the National Treasury's Municipal Finance Improvement Programme (MFIP) continues to support in the affected municipalities. Further, National Treasury continues to identify struggling municipalities through the process of Invoice Verification Process (IVP) wherein, payments and transfers of grants can only be made to the municipalities only after the work done and invoiced has been verified by both National Treasury (PT) and DCoG

(MISA). On an annual basis, National Treasury and DCoG agree on a list of municipalities that are placed under these micro-management support.

In exceptional circumstances or persistent and material breach of the measures on prudent financial management, National Treasury may consider exploring the feasibility of utilising other organs of state to deliver these services on behalf of the municipalities that are in distress. These measures are, the utilisation of the district municipality to be a delivery vehicle against a municipality in distress to avoid conditional grants misuse or vice versa, wherein, the local municipality is considered to assist its district.