



Our reference: Circulars to Municipalities
Inkomba yethu :
Ons verwysing:

Date: 19 November 2015
Usuku:
Datum:

Please quote our reference on all correspondence

**To: CHANGE MANAGEMENT COMMITTEES
MAYORS
MUNICIPAL MANAGERS
CHIEF FINANCIAL OFFICERS
KWAZULU NATAL MUNICIPALITIES – AFFECTED BY RE-DEMARCATION**

PROVINCIAL TREASURY CIRCULAR TC/RM 4 OF 2015/16

REMINDER OF COMPLIANCE WITH THE EXTRA-ORDINARY PROVINCIAL GAZETTE NUMBER 1169

All municipalities affected by the process of the re-determination of municipal boundaries (Annexure A) are reminded that in terms of Section 4(2) of the Provincial Gazette indicated above, the functions of the Municipal Technical Change Management Committee (TCMC) shall be to recommend to the Municipal Political Change Management Committee (PCMC) measures to be implemented with regard to amongst others:

- the transfer of staff from the disestablished municipalities to the existing municipalities as well as the filling of vacancies during the transitional period;
- the acquisition and disposal of assets with a value exceeding R500 000 (five hundred thousand rand);
- the negotiation and approval of long term loans; and
- the utilisation of reserves.

The measures indicated above have been raised in Circular No. 7 of 2015 issued by the Provincial Department of Co-operative Governance and Traditional Affairs (CoGTA) (Copy attached). It is emphasised that these measures are aimed at ensuring that all municipalities affected by re-determination of municipal boundaries act responsibly during the restructuring process and that the financial sustainability of the newly established municipalities are in good stead.

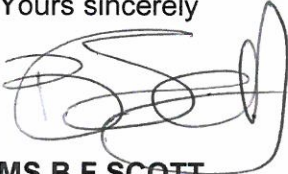
Notwithstanding the approval of the 2015/16 budgets by PCMCs, municipalities have the responsibility of reporting on the progress of the restructuring process.

To monitor the implementation of measures stated above, all TCMCs are required to submit technical reports to PCMCs as required by Section 3(3) of the Provincial Gazette No. 1169, which includes the following:

- List of all capital acquisitions and disposals with a value of more than R500 000;
- List of all projects and assets to be funded from reserves; and
- The negotiation and approval of long term loans.

Provincial Treasury and CoGTA will jointly monitor the submission of these reports. Non-compliance will be reported to the Provincial Legislature, National Treasury and the Auditor General.

Yours sincerely



MS B F SCOTT
MEC FOR FINANCE – KZN

c.c. Jan Hattingh, National Treasury

TV Pillay, National Treasury

V Maharaj, Business Executive (Auditor General)

ND Qhobosheane, Head of Department: KZN Co-operative Governance and Traditional Affairs

T Tubane, Senior General Manager: KZN Co-operative Governance and Traditional Affairs

Chairperson of Municipal Audit Committee

The table below shows all municipalities in the province which are affected by the process of re-determination of municipal boundaries in terms of Section 26 of the Municipal Demarcation Act, No.27 of 1998:

List of all the Municipalities affected by the process of re-determination of municipal boundaries:

District	Name of Municipalities affected	Re-demarcation
Ugu	KZN211 - Vulamehlo KZN212 - Umdoni Metro - eThekwini	Vulamehlo to be split into Umdoni and eThekwini.
	KZN215 - Eziqoleni KZN216 - Hibiscus Coast	To merge and establish new municipality.
Uthukela	KZN232 - Emnambithi KZN233 - Indaka	To merge and establish new municipality.
	KZN234 - Umtshezi KZN236 - Imbabazane	To merge and establish new municipality.
Umkhanyakude	KZN273 - Big Five False Bay KZN274 - Hlabisa	To merge and establish new municipality.
Uthungulu	KZN281 - uMfolozi KZN282 - uMhlathuze KZN283 - Ntambanana KZN285 - Mthonjaneni	Ntambanana to be split into uMhlathuze, uMfolozi and Mthonjaneni.
Harry Gwala	KZN431 - Ingwe KZN432 - KwaSani	To merge and establish new municipality