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UrnNjongo weMali Zesifunda

Provinciale Tesourie

Enquiries : Mr IDP Strauss  
Ref : MPT 12/1/1/3

## PROVINCIAL TREASURY CIRCULAR NO. 47 OF 2024

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR J NGOBENI)  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR XT MABILA)  
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR W KHUMALO)  
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR R MAKWAKWA)  
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (DR NP MAHLALELA)  
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)  
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR T MASHABELA)  
THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY (MR D MAHLANGU)  
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MS M MATHABELA)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR W SHABANGU)  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)  
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)  
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY  
(MR ME THABETHE)  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR L CINDI)  
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY  
(MR MA NGCOBO)  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR EN MASEKO)  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR M LAMOLA)  
THE ACTING MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR M MSIBI)  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M KUNENE)  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)  
  
THE ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR P NYONI)  
THE HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR S NGUBANE)  
THE ACTING PROVINCIAL CHIEF EXECUTIVE OFFICER: SALGA (MS D MATUMBA)  
  
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE  
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT  
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

## PROVINCIAL TREASURY CIRCULAR NO. 47 OF 2024

### ROLL OVER APPLICATION PROCESS FOR 2023/24 UNSPENT CONDITIONAL GRANTS

When requesting a rollover in terms of section 21(2) of the 2023 DoRA, municipalities should include the following information with their submission to National and Provincial Treasury.

1. A formal letter, signed by the accounting officer addressed to the National and Provincial Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2023 DoRA.
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project.
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
  - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March 2024; or
  - b) Proof of project tender and tender submissions published and closed before 31 March 2024 with the appointment of contractor or service provider for delivery of service before 30 June 2024 in cases where additional funding was allocated during the course of the final year of the project;
  - c) Incorporation of the Appropriation Statement;
  - d) Evidence that all projects linked to an allocation will be fully utilized by 30 June 2025 (attach cash flow projection for the applicable grant)
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan).
5. The value of the committed project funding and the conditional allocation from the funding source.
6. Reasons why the grants were not fully spent during the year of original allocation per the DoRA.
7. Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request.
8. An indication of the time period within which the funds are to be spent if the rollover is approved.
9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments as a result of suspensions of either MM or CFO that are more than 12 months.

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10. If any of the above information is not provided or the application is received by National and Provincial Treasury (Intergovernmental Relations Division) after 31 August 2024, the application will be declined.
11. In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:
  - a) Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2023 DoRA, including the Municipal Manager and Chief Financial Officer signing-off on the information sent to National Treasury;
  - b) Submission of the pre-audited Annual Financial Statements to National and Provincial Treasury by 31 August 2024;
  - c) Accurate disclosure of grant performance in the 2023/24 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
  - d) Despite the fact local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2023/24 pre-audited Annual Financial Statements in order to verify grant expenditure; and
  - e) Cash available in the bank (net position including short term investments) as at 30 June 2024 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover is not entirely cash-backed, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

**It should be noted that under no circumstances will the National Treasury consider to rollover:**

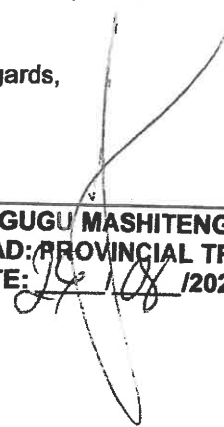
12. The entire 2023/24 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2023/24 allocation.
13. Rollover request of the same grant for the third consecutive time. in a case where a municipality is applying for rollover as a result of additional funding, the application will be carefully considered.
14. Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted;
15. A portion of an allocation where the proof of commitment for the rollover application linked to invoices that were issued before or on 31 March 2024. all invoices issued to Treasury in order to prove that the unspent funds are committed and also provide approval to allow the unspent funds to be spent in the 2023/24 financial year.
16. Reasons why the funds were not fully spent during the year of original allocation per the DoRA.

**PROVINCIAL TREASURY CIRCULAR NO. 47 OF 2024**

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Your co-operation in this regards will be highly appreciated

Regards,

  
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**MS GUGU MASHITENG**  
**HEAD: PROVINCIAL TREASURY**  
**DATE: 29/10/2024**