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GOVERNMENT NOTICES • GOEWERMENTSKENNISGEWINGS

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

NO. 6714 **7 October 2025**

CONSTITUTION OF THE REPUBLIC OF SOUTH AFRICA, 1996; LOCAL GOVERNMENT: MUNICIPAL STRUCTURES ACT, 1998 (ACT NO. 117 OF 1998); AND LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003 (ACT NO. 56 OF 2003)

NATIONAL INTERVENTION IN DITSOBOTLA LOCAL MUNICIPALITY AND TERMS OF REFERENCE FOR NATIONAL CABINET REPRESENTATIVE AND SUPPORT TEAM

I, Velenkosini Hlabisa, Minister for Co-Operative Governance and Traditional Affairs, acting under powers bestowed on me in terms of the resolution of National Cabinet dated 03 September 2025 to intervene in Ditsobotla Local Municipality located in the North West 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 Local Government: Municipal Finance Management Act, 2003 (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 MFMA which national intervention came into effect on the 09 September 2025.

That with the powers vested in me as per the abovementioned cabinet resolution, a National Cabinet Representative and a multidisciplinary team of experts in governance, financial management, service delivery and institutional pillars of municipal sustainability have been appointed on the 18 September 2025 to assume the executive responsibilities of Ditsobotla Local Municipality and National Treasury to implement the financial recovery plan on behalf of National Cabinet.

1. TERMS OF REFERENCE FOR THE ASSUMPTION OF RESPONSIBILITIES OF NATIONAL CABINET REPRESENTATIVE AND INTERVETION SUPPORT TEAM/EXPERTS IN IMPLEMENTATION OF SECTION 139(5) OF THE CONSTITUTION

During the implementation of this intervention, the Municipal Council 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, Mayor and the Municipal Manager depending on the nature of the subject matter.

1.1 Role and responsibilities of the NCR

An Intervention Team led by the NCR is appointed to implement the National Executive intervention in terms of Section 139(7) of the Constitution at Ditsobotla Local Municipality. The NCR will report to the Inter Ministerial Committee (IMC) on Municipal Performance Turn Around Strategy (MPTAS) on a quarterly basis through the Minister of Cooperative Governance and the Minister of Finance.

The NCR will have the following powers and functions:

(a) Undertake all executive functions of a municipal council;

(b) Undertake all statutory executive functions of the Mayor;

(c) Undertake all fiscal and financial functions at the municipality, including being signatory on the municipal primary banking account and any other bank account that the municipality is operating;

(d) Undertake the functions referred to in section 67(1)(h) and schedule 2 of the Local Government: Municipal System Act, 2000, read with any other relevant legislative provisions dealing with disciplinary matters, including criminal and civil action;

(e) Implement all governance systems and procedures including oversight over the administration;

(f) Ensure implementation of financial systems, policies, and procedures;

(g) Approve all decisions taken by the Municipal Manager or Acting Municipal Manager in terms of delegated or original authority;

(h) Implement the Financial Recovery Plan (FRP) imposed by the North-West Provincial Executive Council and subsequently by the Minister of Finance;

(i) Implement a system to control and approval of all expenditures;

(j) Ensure implementation of the Local Government: Municipal Property Rates Act, 2004 (Act. No 6 of 2004), including preparing the general valuation roll (GVR), supplementary GVR and implementation thereof;

(k) Set out a specific strategy for addressing the financial problems experienced by the Municipality, including a strategy for reducing unnecessary expenditure and the collection of revenue;

(l) Review (if necessary) the organizational structure of the Municipality;

(m) Ensure that the Local Labour Forum (LLF) is functional; and that the resolutions implemented by the administration are not detrimental to the financial viability of the municipality;

(n) Ensure the review or development (as the case may be) and implement the post-audit-action-plan (PAAP) addressing the findings of the Auditor-General of South Africa;

(o) Assess the contractual obligations of the municipality and negotiate contractual payments, scope, and agreed schedule with service providers, including the termination of unlawful contracts having followed all due diligence processes;

(p) Review of all litigation by or against the municipality and ensure speedy finalization thereof;

(q) Review and process all investigations either by the municipality or by the Province (if any) and ensure speedy finalization thereof;

(r) Submit regular reports on the progress of the intervention to the Ministers of CoGTA and Finance as well as the IMC on MPTAS;

(s) Improving financial controls in the municipality including procurement processes, revenue enhancement and debt collection as well as treatment of UIF&W expenditure in terms of section 32 of the MFMA and MFMA circular 68; generally addressing Auditor General's reports (MFMA compliance);

(t) Implement the Financial Recovery Plan, including:

(i) Facilitate a funded Budget;

(ii) Review and implementation of cost containment measures;

(iii) Ensure that conditional grants are ring-fenced and are used for intended purposes.

(iv) Daily management of cash and bank balances;

(v) Management of debtors including revenue enhancement and protection;

(vi) Management of Creditors including prioritization of payments for critical services; assessment of contractual obligations of the municipality; to negotiate contractual payments and scope with service providers;

(vii) Improve the level and quality of service provision within the municipality;

(viii) Improve the institutional arrangements including the function of the LLF, review of the organizational structure, personnel costs, head count and other related variables;

(ix) Governance support including the functionality of the Executive Management Team and Performance Management System;

(x) Conduct continuous engagements with identified stakeholders;

(xi) Continuous monitoring of FRP progress;

(xii) Measure FRP impact against set key performance indicators; and

(xiii) Align senior management performance agreements with the FRP key performance indicators; and

(u) Participate in the Intergovernmental Structures and support the DDM District Champions appointed by the President and the NW Premier.



MR VELENKOSINI HLABISA

MINISTER OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS

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