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**AGENDA ITEM 2.3**

**DEPARTMENT OF COOPERATIVE GOVERNANCE**

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**REPORT TO THE PORTFOLIO COMMITTEE ON THE MIG EXPENDITURE AS AT END SEPTEMBER 2015**

The Division of Revenue Act, Act 1 of 2015 allows for the withholding of the MIG transfers to municipalities under various conditions. Specifically with regard to expenditure, section 18 stipulates that:

“*a transferring national officer may withhold the transfer of schedule 4, 5, or 6 allocation or any portion of such allocation for a period not exceeding 30 days, if-roll-overs of conditional allocations approved by National Treasury in accordance with section 21 have not been spent; or if- expenditure on previous transfers during the financial year reflects significant under-spending, for which no satisfactory explanation is given.”*

Based on the expenditure figures of September 2015, 129 municipalities were affected by the withholding process which meant that they did not receive the transfer that was scheduled for October 2015. These municipalities had not reached the 60 percent targeted expenditure of their July 2015 transfer which meant that they could not receive their scheduled transfer for October 2015.

The tables below show the amounts transferred in July as well as the expenditure as at end September 2015. The municipalities highlighted in yellow are those affected by the withholding process.

**EASTERN CAPE**

**FREE STATE**



**GAUTENG**



**KWAZULU-NATAL**



**KWAZULU-NATAL (CONTD)**

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**LIMPOPO**

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**MPUMALANGA**

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**MPUMALANGA (CONTD)**

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**NORTH WEST**

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**WESTERN CAPE**

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**NORTHERN CAPE**

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