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Provinsiale Tesourie

Enquiries : Mr JN Hlabane
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PROVINCIAL TREASURY CIRCULAR NO. 8 OF 2021

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS CN NKUNA)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR W KHUMALO)
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MS S MATSI)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MS TS MATLADI)
THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY (MR ON NKOSI)
THE ADMINISTRATOR: DR JS MOROKA LOCAL MUNICIPALITY (MR BM MHLANGA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR G MTHIMUNYE)
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 MA DLAMINI)
THE ACTING MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR J MOKGATSI)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR L TSHABALALA)
THE ACTING MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MRS EK TSHABALALA)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MRS G MHLONGO NTSHANGASE)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MM KUNENE)
THE ACTING MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR SI MALAZA)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR P NYONI)
THE ACTING HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR S NGUBANE)
THE PROVINCIAL CHIEF EXECUTIVE OFFICER: SALGA (MS G LANGA)

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

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2020/21 TABLED MTREF ENGAGEMENTS AND MUNICIPAL BENCHMARKING EXERCISE

Section 23 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) requires that the Municipal Council must consider the views of the National Treasury, the relevant Provincial Treasury and relevant provincial and national organs of state on the tabled annual budget. In order to give effect to the Provincial Treasury's legislated monitoring and oversight responsibilities, this formal engagement has been institutionalised over the past years.

The purpose of the budget and benchmark engagement is to review your Municipality's tabled 2021/22 Medium-term Revenue and Expenditure Framework as informed by the broader municipal planning and development and to ensure that the tabled budgets meets the following criteria:

- a) Credibility
- b) Relevance
- c) Sustainability
- d) Compliance with mSCOA Budgeting requirements
- e) Progress on the Audit Action Plan
- f) Progress on Provincial Revenue Management Action Plan
- g) Progress on municipal reconciliation of the billing system, valuation roll and Deeds Property Register
- h) Progress report on the implementation of the Financial Recovery Plan and an Impact Assessment Plan

To ensure a robust and meaningful engagement, it is imperative that your delegation be represented by at least the following officials:

- a) Municipal Manager;
- b) Chief Financial Officer;
- c) All section 57 Managers, Town planning manager, Electrical and Water Managers;
- d) IDP Manager, Chief Audit Executive and Risk Manager
- e) Budget Manager and relevant officials.

You are more than welcome to expand on the delegation should you wish, but it is imperative that the delegation be represented by at least the abovementioned officials.

The engagement also provides a platform to discuss challenges with and obtain guidance from various units within the Provincial Treasury and relevant sector departments.

The following departments/organisations will also be invited to attend and provide comments on your tabled plans and budgets:

- a) Department of Co-operative Governance and Traditional Affairs (CoGTA)
- b) Department of Water and Sanitation
- c) National Energy Regulator of South Africa (NERSA)
- d) The South African Local Government Association (SALGA)
- e) Eskom
- f) Department of Economic Development and Tourism
- g) Department of Human Settlement
- h) Department, monitoring and Evaluation in the President's Office
- i) Office of the Premier in the Province

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These engagements have been scheduled in such a manner that any comments and views emanating from the engagements should subsequently be considered during the finalisation of the 2021/22 MTREF and planning documents prior to approval by the Municipal Council.

The meetings are scheduled as follows:

PROPOSED DATES FOR THE 2021/22 MTREF TABLED BUDGET BENCHMARK EXERCISE			
MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE
Ehlanzeni District Municipalities			
Thaba Chweu LM	03 May 2021	10:00	Thaba Chweu Council Chamber
Bushbuckridge LM	10 May 2021	10:00	Bushbuckridge Council Chamber
Ehlanzeni District	11 May 2021	09:00	Ehlanzeni District Council Chamber
Nkomazi LM	12 May 2021	10:00	Nkomazi Council Chamber
Nkangala District Municipalities			
Emalahleni LM	07 May 2021	10:00	Emalahleni Council Chamber
Thembisile Hani LM	10 May 2021	10:00	Thembisile Hani Council Chamber
Dr JS Moroka LM	11 May 2021	10:00	Dr JS Moroka Council Chamber
Steve Tshwete LM	12 May 2021	09:00	Steve Tshwete Council Chamber
Nkangala District	12 May 2021	13:00	Nkangala District Council Chamber
Victor Khanye LM	13 May 2021	10:00	Victor Khanye Council Chamber
Emakhazeni LM	14 May 2021	10:00	Emakhazeni Council Chamber
Gert Sibande District Municipalities			
Msukaligwa LM	04 May 2021	10:00	Msukaligwa Council Chamber
Lekwa LM	05 May 2021	10:00	Lekwa Council Chamber
Govan Mbeki LM	06 May 2021	10:00	Govan Mbeki Council Chamber
Gert Sibande District	10 May 2021	10:00	Gert Sibande District Chamber
Dr Pixley Ka Isaka Seme LM	11 May 2021	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Mkhondo LM	12 May 2021	10:00	Mkhondo Council Chamber
Dipaleseng LM	13 May 2021	10:00	Dipaleseng Council Chamber
Chief Albert Luthuli LM	14 May 2021	10:00	Chief Albert Luthuli Council Chamber

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Submitting budget documentation and schedules for 2021/22 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, Accounting Officers are reminded that:

Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that municipalities must submit the approved annual budget to both National Treasury and the relevant provincial treasury **within ten working days** after the council has approved the annual budget. E.g. if the council approves the annual budget on **31 May 2021**, given the new timeframe for the evaluation of the municipal budgets, the adopted budget data strings and documentation must be submitted by the latest **Monday, 14 June 2021**.

Section 22(b)(i) of the MFMA requires that, **immediately** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2021**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 April 2021**.

The deadline for submission of hard copies including a Council Resolution is **Monday, 06 April 2021**.

(NB: Municipalities who conclude the budget process earlier by 31 May 2021, will have sufficient time i.e. 30 days prior to the start of the budget year to publish tariffs for the 2021/22 budget.)

The Municipal Manager must submit:

- a) The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- b) The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA24 and any other information not contained in the financial data string) in the A1 in the prescribed *m*SCOA data string in the format published with Version 6.5 of the A1 schedule;
- c) The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- d) The draft and final IDP;
- e) The council resolution for the tabled and adopted budgets;
- f) Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- g) D Schedules specific for the entities; and
- h) A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

Budget-related documents and schedules must be uploaded by approved registered users using the LG Upload Portal at: <https://lguploadportal.treasury.gov.za/>. It should be emphasised that municipalities should submit all required documents to the LG Upload portal and not to lgdocuments@treasury.gov.za. National Treasury will retire lgdocuments@treasury.gov.za on 1 July 2021 to ensure that there is a single collection point of municipal financial data.

Your Municipality is further reminded of the Budget Forum Resolution of 08 June 2015, which obligates all Municipalities to table and adopt funded budgets.

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The Provincial Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, ***they will be required to go back to the Municipal Council and table a complete budget document aligned to the requirements of the Municipal Budget and Reporting Regulations.***

In an instance where a Municipality is unable to correct the budget to be funded in a financial year due to financial challenges, such a Municipality must, together with their 2021/22 MTREF budgets, table a Budget funding plan in the municipal Council on how and by when the budget will improve from an unfunded to a funded budget.

The Provincial Treasury will assess the budget together with the plans and support the Municipality accordingly.

We look forward to a constructive engagement with your Municipality.

Your co-operation in this regard is appreciated.

Regards



MS G MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 01/03 /2021