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PROVINCIAL TREASURY CIRCULAR NO. 16 OF 2018

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR TMP KGOALE)
THE ACTING MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR S SIBOZA)
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY
(MR B KHENISA)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR RS RIBA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE ACTING MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR MJ MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE ACTING MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY
(MR MA DLAMINI)
THE ACTING MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MRS TC MAMETJA)
THE ACTING MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY
(MR P THWALA)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR BM MHLANGA)
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 DI MALULEKE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR P NYONI)
THE PROVINCIAL EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION: (MS
GA LANGA)
THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE: PROVINCIAL TREASURY
THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT: PROVINCIAL TREASURY
THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT: PROVINCIAL TREASURY

2018/19 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 2018/19 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:

- Credibility
- Relevance
- Sustainability

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

- Municipal Manager;
- Chief Financial Officer;
- Senior Manager: Infrastructure Services;
- IDP Manager and
- 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:

- Department of Co-operative Governance and Traditional Affairs (COGTA)
- Department of Water and Sanitation
- National Energy Regulator of South Africa (NERSA)
- The South African Local Government Association (SALGA)
- Eskom
- Department of Economic Development and Tourism

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 2018/19 MTREF and planning documents prior to approval by the Municipal Council.

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The meetings are scheduled as follows:

PROPOSED DATES FOR THE 2018/19 MTREF Tabled Budget Benchmark Exercise			
MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE
Ehlanzeni District Municipalities			
Nkomazi LM	03 May 2017	10:00	Nkomazi Council Chamber
Bushbuckridge LM	04 May 2017	10:00	Bushbuckridge Council Chamber
Ehlanzeni District	05 May 2017	09:00	Ehlanzeni District Council Chamber
Thaba Chweu LM	09 May 2017	10:00	Thaba Chweu Council Chamber
Nkangala District Municipalities			
Dr JS Moroka LM	25 April 2017	10:00	Dr JS Moroka Council Chamber
Thembisile Hani LM	26 April 2017	10:00	Thembisile Hani Council Chamber
Emalahleni LM	27 April 2017	10:00	Emalahleni Council Chamber
Nkangala District	03 May 2017	10:00	Nkangala District Council Chamber
Emakhazeni LM	04 May 2017	10:00	Emakhazeni Council Chamber
Steve Tshwete LM	05 May 2017	09:00	Steve Tshwete Council Chamber
Victor Khanye LM	09 May 2017	10:00	Victor Khanye Council Chamber
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	21 April 2017	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	25 April 2017	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	04 May 2017	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Mkhondo LM	05 May 2017	10:00	Mkhondo Council Chamber
Gert Sibande District	08 May 2017	10:00	Gert Sibande District Chamber
Lekwa LM	10 May 2017	10:00	Lekwa Council Chamber
Dipaleseng LM	11 May 2017	10:00	Dipaleseng Council Chamber
Govan Mbeki LM	12 May 2017	10:00	Govan Mbeki Council Chamber

Submitting budget documentation and schedules for 2018/19 MTREF

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

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 both printed and electronic formats.

If the annual budget is tabled to Council on 29 March 2018, the final date of submission of the electronic budget documents and corresponding electronic returns is **Tuesday, 03 April 2018**.

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The deadline for submission of hard copies including a Council Resolution is **Friday, 06 April 2018**.

Section 24(3) of the MFMA, read together with Regulation 20(1), requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury **within ten working days** after the Council has approved the annual budget.

If the Council only approves the annual budget on 30 June 2018, the final date for such a submission is **Friday, 13 July 2018**, otherwise an earlier date applies.

(NB: Municipalities who conclude the budget process earlier by 31 May 2018, will have sufficient time i.e. 30 days prior to the start of the budget year to publish tariffs for the 2018/19 budget.)

The Municipal Manager must submit:

- The budget documentation as set out in Schedule A (version 6.2) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1-SA 38)
- The draft Service Delivery and Budget Implementation Plan in both printed and electronic format;
- The draft Integrated Development Plan;
- The Council Resolution; and
- Signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.

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

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 addition, where municipalities have adopted an unfunded budget, they will be required to correct the budget to ensure it adopts and implements a funded budget.

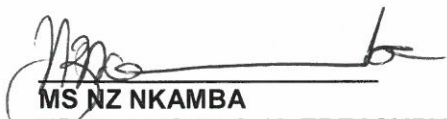
In an instance where a Municipality is unable to correct the budget to be funded in a financial year due to financial challenges, such a Municipality must, together with their 2018/19 MTREF budgets, table a plan in the municipal Council on how and by when the budget will improve from an unfunded to a 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 NZ NKAMBA
HEAD: PROVINCIAL TREASURY
DATE: 13 10.3 12018