



Enquiries : Mr. IDP Strauss X8718
Ref :

PROVINCIAL TREASURY CIRCULAR NO. 20 OF 2016

THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY: MS M SKOSANA
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY: ADV H MBATHA
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY: MR CA HABILE
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY: MR MF MAHLANGU
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY:
MR M MNGUNI
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY: MS.EK SHABALALA
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY: MR C LISA
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY: MR MD NGWENYA
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY: MR DP MSIBI
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY:
MR LM MOKOENA
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY: MR NM SEANEGO
THE MUNICIPAL MANAGER: DR.PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY:
MR PB MALEBYE
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY: MR S SHONGWE
THE ACTING MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY: MR C MABUZA
THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY: MR O NKOSI
THE ACTING MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY: MR SL
NETSHIVHALE

THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY: MR VN
MPILA
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY: MR LB TSHABALALA
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY: MR MJ
MAHLANGU
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY: MR BS MAHLANGU
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY: MR T VAN VUUREN

THE DIRECTOR GENERAL: MPUMALANGA PROVINCIAL GOVERNMENT: (MR T
MDAKANE)
THE BUSINESS EXECUTIVE: AUDITOR GENERAL (MS S LUBAMBO)
THE ACTING HEAD OF DEPARTMENT: DEPARTMENT OF COOPERATIVE GOVERNANCE
AND TRADITIONAL AFFAIRS: (MR GS NTOMBELA)
THE CHIEF EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT
ASSOCIATION: (MS GA LANGA)

ENGAGEMENT AND FEEDBACK ON 2016/17 MUNICIPAL ANNUAL DRAFT BUDGETS

Section 23(1) & (2) of the Municipal Finance Management Act, No. 56 of 2003 requires that:

- (1) When the annual budget has been tabled, the municipal Council must consider any views of -
 - (a) The local community; and
 - (b) The National Treasury, the relevant Provincial Treasury and any provincial or national organs of state or municipalities which made submissions on the budget.
- (2) After considering all budget submissions, the Council must give the Mayor and opportunity-
 - (a) To respond to the submissions; and
 - (b) If necessary, to revise the budget and table amendments for consideration by the Council.

Approach to be adopted by municipalities for the 2016/17 budget process in terms of Circular 78

Outgoing council approves 2016/17 budget

1. Current Mayor prepares a budget schedule that brings the review of the IDP and the tabling of the budget forward to late February or the beginning of March 2016;
2. Community consultations on the annual budget conducted in the remainder of March and early April 2016;
3. Officials complete technical work on annual budget by mid-April 2016;
4. Current council approves annual budget and reviewed IDP before the end of April 2016;
5. Council implements annual budget from 1 July 2016.

Benefits

1. Minimises the risk of being without an approved budget at the start of the financial year;
2. Ensures continuity of operations; and safeguards the financial sustainability of the municipality by ensuring tariff increases are locked in before the start of the financial year.

Methodology for the engagement

The Provincial Treasury will present on the key findings and recommendations emanating from the analysis and your municipality will be required to present your responses to the findings.

Please note that the Municipal Manager, CFO and all the Heads of departments are invited to the budget engagement to ensure meaningful discussions during the engagement. Furthermore, you are requested to present on the key issues raised in the 2016/17 annual draft budget analysis as this will assist in improving the budget to meet the requirements of the Budget and Reporting Regulations and National Treasury Circulars.

Municipalities are required to table the reports and recommendations provided by the relevant treasury in Council and submit a copy of the council resolution in this regard to National Treasury and the respective Provincial Treasury.

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Please note that Provincial Treasury team will be accompanied by officials from various disciplines and the following key strategic partners:

1. SALGA
2. COGTA

Below is the schedule of dates to be confirmed by the municipality:

MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE
Ehlanzeni District Municipalities			
Nkomazi LM	15 April 2016	10:00	Nkomazi Council Chamber
Umjindi LM	12 April 2016	09:00	Umjindi Council Chamber
Bushbuckridge LM	11 April 2016	10:00	Bushbuckridge Council Chamber
Ehlanzeni District	13 April 2016	09:00	Ehlanzeni District Council Chamber
ThabaChweu LM	14 April 2016	10:00	Thaba Chweu Council Chamber
Nkangala District Municipalities			
Dr JS Moroka LM	12 April 2016	10:00	Dr JS Moroka Council Chamber
Thembisile Hani LM	13 April 2016	10:00	Thembisile Hani Council Chamber
Emakhazeni LM	14 April 2016	10:00	Emakhazeni Council Chamber
Emalahleni LM	07 April 2016	10:00	Emalahleni Council Chamber
Steve Tshwete LM	11 April 2016	10:00	Steve Tshwete Council Chamber
Victor Khanye LM	08 April 2016	10:00	Victor Khanye Council Chamber
Nkangala District	15 April 2016	10:00	Nkangala District Council Chamber
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	11 April 2016	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	08 April 2016	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	07 April 2016	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Lekwa LM	15 April 2016	10:00	Lekwa Council Chamber
Dipaleseng LM	12 April 2016	10:00	Dipaleseng Council Chamber
Govan Mbeki LM	13 April 2016	10:00	Govan Mbeki Council Chamber
Gert Sibande District	06 April 2016	10:00	Gert Sibande District Chamber
Mkhondo LM	14 April 2016	10:00	Mkhondo Council Chamber

Submitting budget documentation and schedules for 2016/17 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 31 March 2016, the final date of submission of the electronic budget documents and corresponding electronic returns is **Friday, 1 April 2016**. The deadline for submission of hard copies including council resolution is **Friday, 8 April 2016**.

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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 2016, the final date for such a submission is **Thursday, 14 July 2016**, otherwise an earlier date applies.

The municipal manager must submit the following documents:-

1. The budget documentation as set out in Schedule A (version 2.8) of the Municipal Budget and Reporting Regulations, including the main Tables (A1 - A10) and ALL the supporting tables (SA1 – SA37) in both printed and electronic formats;
2. The draft service delivery and budget implementation plan in both printed and electronic format;
3. The draft integrated development plan;
4. A council resolution;
5. A signed Quality Certificate as prescribed in the Municipal Budget and Reporting Regulations.

Lastly the Provincial Treasury expresses appreciation for the enormous effort that went into the budget assessment process for the 2015/16 MTREF to ensure that the Budget Council / Budget Forum resolutions with regard to **unfunded budgets** were implemented.

The progress made as a collective is by far the best to date and your Municipality is humbly requested to ensure that the 2016/17 budgets are once again funded as per the Budget Council Resolution and as per the Budget Speech by the Minister of Finance on the 24th of February 2016, which emphasises on only spending money that we have.

Your co-operation in this regard is appreciated.

Regards



MS NZ NKAMBA
HEAD OFFICIAL: PROVINCIAL TREASURY
DATE: 22/3/2016