

MPUMALANGA PROVINCIAL GOVERNMENT

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Department of Finance Office of the HOD

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UmNgango weZeemali

Departement van Finansies

Kgoro ya Matlotlo

Enquiries : Ms B Gunqisa
Ref No : DOF 12/1/1

PROVINCIAL TREASURY CIRCULAR NO 26 OF 2014

TO:

THE ADMINISTRATOR: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR E NGOMANE)
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE ACTING MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR LS DITSHEGO)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR JM MNISI)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV H MBATHA)
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR WD FOUCHE)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR JI SINDANE)
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY
(MS B MOHLALA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS TJ SHOBA)
THE ADMINISTRATOR: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS M SKOSANA)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR VN MPILA)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR VD NGCOBO)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY
(MR PB MALEBYE)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR L TSHABALALA)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR AN MAHLANGU)
THE ACTING MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M ZUNGU)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE ACTING HEAD OF DEPARTMENT: DEPARTMENT OF COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS :(MR MR MNISI)
THE CHIEF EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION:
(MS GA LANGA)
THE GENERAL MANAGER: SUSTAINABLE RESOURCE MANAGEMENT: DEPARTMENT OF
FINANCE (MS G MILAZI)
THE ACTING GENERAL MANAGER: FINANCIAL GOVERNANCE: DEPARTMENT OF FINANCE
(MR W NGOMA)
THE GENERAL MANAGER: ASSETS AND LIABILITIES MANAGEMENT: DEPARTMENT OF
FINANCE (MR JB MBATHA)



UNSPENT CONDITIONAL GRANTS, APPROPRIATION STATEMENT FOR 2013/14 AND MTREF SCHEDULE OF KEY DEADLINES FOR 2014/15,

A) UNSPENT CONDITIONAL GRANTS 2013/14

The 2014 Division of Revenue Act provides legal certainty to the process of managing unspent conditional grant funds and contains the following provisions:

When applying to retain unspent conditional allocations committed to identifiable projects or requesting a rollover in terms of section 21(2) of the Division of Revenue Act, municipalities must supply National Treasury with the following information –

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2014 Division of Revenue Act
2. List of all the projects that are linked to the unspent conditional grants;
3. Evidence that work on each of the projects has commenced, namely either of the following:
 - a. **Proof that the project tender was published and the period for tender submissions closed before 30 June 2014;**
 - b. **Proof that a contract for delivery of the project was signed before 30 June 2014.**
4. A progress report on the state of implementation of each of the projects;
5. The amount of funds committed to each project, and the conditional allocation from which the funds come;
6. An indication of the time-period within which the funds are to be spent; and
7. Proof that the Chief Financial Officer is permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting chief financial officers. If any of the above information is not provided or the application is received by National Treasury after 29 August 2014, the application will be declined.

In addition, National Treasury will also take into account the following information when assessing rollover applications, and reserves the right to decline an application if there is non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in sections 71 and 72 of the MFMA and section 12 of the 2014 Division of Revenue Act, including the municipal manager and chief financial officer signing-off on the information sent to National Treasury;
2. Submission of the pre-audit Annual Financial Statements information to National Treasury by 29 August 2014;

3. Accurate disclosure of grant performance in the 2013/14 pre-audit Annual Financial Statements
4. Cash available in the bank as at 30 June 2014 to finance the roll-over request.

When approving any rollover requests, National Treasury will use the latest conditional grant expenditure information available at the time, which in this instance is likely to be the disclosure of grant performance in the 2013/14 pre-audit Annual Financial Statements which need to be concluded by 29 August 2014.

B) TABLING OF THE 2014/15 MTREF BUDGET SCHEDULE OF KEY DEADLINES

Your municipality is also reminded that Section 21(b) of the MFMA requires that a time schedule outlining key deadlines for the preparation, tabling and approval of the 2014/15 MTREF budget be tabled in Council by no later than Friday, 29 August 2014.

Kindly ensure that the timetable makes provision for the following visits by the Provincial Treasury:

1. Mid-year budget and performance assessment visits (February - March 2015); and
2. Budget and Benchmark Assessments (April - May 2015).

You are also reminded to ensure that a copy of the timetable is sent to National Treasury and respective Provincial Treasury.

C) APPROPRIATION STATEMENT (RECONCILIATION OF BUDGET AND IN YEAR PERFORMANCE ENDING JUNE 2014)


In order to ensure the seamless alignment between the Budgeting System (policy intent of Council) as regulated by the Municipal Budget and Reporting Regulations (Gazette No. 32141 dated 17 April 2009) and the accountability requirements as articulated in Sections 195 and 215 of the Constitution, 1996 (Act No. 108 of 1996) in the form of the Annual Report (which includes the Annual Financial Statements), municipalities are reminded of the additional financial disclosure requirements as communicated by MFMA Budget Circular No. 67.

These disclosure requirements must be included in the 2013/14 AFS to be submitted to the Official of the Auditor General for auditing and to the National Treasury and Provincial Treasury for information purposes. The format of the appropriation statement is attached to the email and can also be found on the NT Website at the following link:

<http://mfma.treasury.gov.za/Circulars/Pages/default.aspx>

Your municipality is once again reminded to prepare the necessary documentation at your earliest convenience to ensure compliance with the above reporting requirements.

Regards



MS NZ NKAMBA
HEAD OF DEPARTMENT
DATE: 22/8/2014

NB: Please note that all municipalities are requested to submit a copy of the roll over application to both National and Provincial Treasury. Provincial Treasury is expected to review the applications and motivate on the municipality's applications.