



Enquiries : Mr IDP Strauss x 8682
Ref : MPT 12/1/1

PROVINCIAL TREASURY CIRCULAR NO. 48 OF 2018

THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS C NKUNA)
THE MUNICIPAL MANAGER (ACTING): CITY OF MBOMBELA (MR N DIAMOND)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER (ACTING): THABA CHWEU LOCAL MUNICIPALITY (MS SS MATSI)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)
THE MUNICIPAL MANAGER (ACTING): CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR MA DLAMINI)
THE MUNICIPAL MANAGER (ACTING): DIPALESENG LOCAL MUNICIPALITY (MS TC MAMETJA)
THE MUNICIPAL MANAGER (ACTING): DR PIXLEY KA SEME (MR P THWALA)
THE MUNICIPAL MANAGER (ACTING): GOVAN MBEKI LOCAL MUNICIPALITY (MR C MOROLO)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MS GP MHLONGO - NTSHANGASE)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR M KUNENE)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M ZUNGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKHOSANA)
THE MUNICIPAL MANAGER: (ACTING): DR JS MOROKA LOCAL MUNICIPALITY (MR MF MONKOE)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE MUNICIPAL MANAGER (ACTING): EMALAHLENI LOCAL MUNICIPALITY (MR HS MAISELA)
THE MUNICIPAL MANAGER (ACTING): STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)
THE MUNICIPAL MANAGER: THEMBSILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MS ST MATLADI)

HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS (MR TP NYONI)
THE PROVINCIAL EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION (MS G LANGA)

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

UNSPENT CONDITIONAL GRANTS PROCESS FOR 2017/18 FINANCIAL YEAR AND THE MTREF SCHEDULE OF KEY DEADLINES FOR 2019/20 BUDGET PROCESS

A) UNSPENT CONDITIONAL GRANTS PROCESS FOR 2017/18 FINANCIAL YEAR

The 2018 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:-

UNSPENT CONDITIONAL GRANTS PROCESS FOR 2017/18 FINANCIAL YEAR AND THE MTREF SCHEDULE OF KEY DEADLINES FOR 2019/20 BUDGET PROCESS

1. A formal letter addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2018 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 2018.
 - b) Proof that a contract for delivery of the project was signed before 30 June 2018.
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. Reasons why the grants were not fully spent in the year that it was originally allocated as per the DoRA,
7. An indication of the time-period within which the funds are to be spent,
8. Proof that the Chief Financial Officer and Municipal Manager are permanently appointed. **No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 4 months.**

If any of the above information is not provided or the application is received by National Treasury after 31 August 2018, 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 2018 Division of Revenue Act (DoRA) , 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 31 August 2018,
3. Accurate disclosure of grant performance in the 2017/18 pre-audit Annual Financial Statements,
4. Cash available in the bank as at 30 June 2018 and in line with the cash flow statements to finance the roll-over request,
5. Incorporation of the Appropriation Statement as part of the pre-audit Annual Financial Statements.

B) TABLING OF THE MTREF SCHEDULE OF KEY DEADLINES FOR 2019/20 BUDGET PROCESS

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 2019/20 MTREF budget be tabled in Council by no later than 31 August 2018.

UNSPENT CONDITIONAL GRANTS PROCESS FOR 2017/18 FINANCIAL YEAR AND THE MTREF SCHEDULE OF
KEY DEADLINES FOR 2019/20 BUDGET PROCESS

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

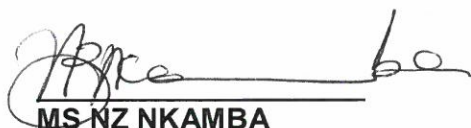
1. Mid-year budget and performance assessment visits (February 2019 – March 2019),
2. Budget and Benchmark assessments (April 2019 - May 2019).

You are also reminded to ensure that a copy of the time table is sent to both National and Provincial Treasury.

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

Your co-operation is appreciated.

Regards.



MS NZ NKAMBA
HEAD: PROVINCIAL TREASURY
DATE: 17/08/2018