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PROVINCIAL TREASURY CIRCULAR NO. 67 OF 2016

TO:-

DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA: VOTE 1: (MR T MDAKANE)
SECRETARY: PROVINCIAL LEGISLATURE OF MPUMALANGA: VOTE 2 (MR L MWALE)
HEAD: PROVINCIAL TREASURY: VOTE 3: (MS NZ NKAMBA)
HEAD: CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: VOTE 4 (ACTING):
(MR GS NTOMBELA)
HEAD: AGRICULTURE, RURAL DEVELOPMENT, LAND AND ENVIRONMENTAL AFFAIRS: VOTE 5:
(MS SL XULU)
HEAD: ECONOMIC DEVELOPMENT AND TOURISM: VOTE 6: (MR MW MKHIZE)
HEAD: EDUCATION: VOTE 7: (MS MOC MHLABANE)
HEAD: PUBLIC WORKS, ROADS AND TRANSPORT: VOTE 8: (MR KM MOHLASEDI)
HEAD: COMMUNITY SAFETY, SECURITY AND LIAISON: VOTE 9: (MR W MTHOMBOTHI)
HEAD: HEALTH: VOTE 10: (DR S MOHANGI)
HEAD: CULTURE, SPORT AND RECREATION: VOTE 11: (MR SW MNISI)
HEAD: SOCIAL DEVELOPMENT: VOTE 12: (MS NL MLANGENI)
HEAD: HUMAN SETTLEMENTS: VOTE 13: (MR K MASANGE)

THE CHIEF FINANCIAL OFFICER: VOTE 1: OFFICE OF THE PREMIER (MR SS SHONGWE)
THE CHIEF FINANCIAL OFFICER: VOTE 2 (ACTING): PROVINCIAL LEGISLATURE
(MR C MABUNDA)
THE CHIEF FINANCIAL OFFICER: VOTE 3: PROVINCIAL TREASURY (MR MA KHOZA)
THE CHIEF FINANCIAL OFFICER: VOTE 4: CO-OPERATIVE GOVERNANCE AND TRADITIONAL
AFFAIRS (MR SEB MATSEBULA)
THE CHIEF FINANCIAL OFFICER: VOTE 5 (ACTING): AGRICULTURE, RURAL DEVELOPMENT,
LAND AND ENVIRONMENT AFFAIRS (MR SM MASEKO)
THE CHIEF FINANCIAL OFFICER: VOTE 6: ECONOMIC DEVELOPMENT AND TOURISM
(MR CT DLAMINI)
THE CHIEF FINANCIAL OFFICER: VOTE 7: EDUCATION (MS G MASHITENG)
THE CHIEF FINANCIAL OFFICER: VOTE 8: PUBLIC WORKS, ROADS AND TRANSPORT
(MS H MDAKA)
THE CHIEF FINANCIAL OFFICER: VOTE 9: COMMUNITY SAFETY, SECURITY & LIAISON
(MS S SEFALA)
THE CHIEF FINANCIAL OFFICER: VOTE 10: HEALTH (MR CB MNISI)
THE CHIEF FINANCIAL OFFICER: VOTE 11 (ACTING): CULTURE, SPORT AND RECREATION
(MR NC MAMARO)
THE CHIEF FINANCIAL OFFICER: VOTE 12: SOCIAL DEVELOPMENT (MR JB MBATHA)
THE CHIEF FINANCIAL OFFICER (ACTING): VOTE 13: HUMAN SETTLEMENTS (MR T MASHILE)

RESUBMISSION OF SECOND DRAFT BUDGET FOR THE 2017/18 FINANCIAL YEAR

All votes were requested to submit second draft 2017/18 budget estimates on 16 November 2016.

This office observed that since the estimates were done within short period of time they did not provide enough assumptions of those estimates. All votes are requested to review the estimates that were submitted and provide details how this links to the Annual Performance Plan.

Below is current consumer price inflation (CPI) assumptions for use in crafting the budgets.

The following are the consumer price inflation (CPI) assumptions for the 2017 MTEF planning process:

1. 2017/18: 6.2 per cent
2. 2018/19: 5.9 per cent
3. 2019/20: 5.6 per cent

All votes are requested to adhere to these indicative CPI numbers in preparing the estimates.

Compensation of Employees

Current projections for cost of living and other adjustments to payroll remuneration are:

The cost-of-living adjustment in 2016/17 is 7.6% and will be followed by the projected CPI numbers indicated below the next three years:

1. 7.2% (CPI + 1) in 2017/18
2. 6.9% (CPI + 1) in 2018/19
3. 6.6% (CPI + 1) in 2019/20 (not covered by the 2015 wage agreement but based on trends of wage settlements in the past few financial years).

All votes are reminded that budget ceilings should be strictly adhere to and are requested to accurately estimate and fully cover for salary related expenditure as previously communicated in the guide.

All votes are reminded that compensation of employees as well as other contractual obligations should be fully funded.

Departments with infrastructure projects are requested to review their projects list and accurately update their projects on the database.

Documents required

The budget submission must be authorised by an endorsement letter signed by the Accounting Officer, which highlights important information taken into account in preparing the submission and to confirm that the budget documents have been fully completed. Other details required on the endorsement letter are included in the **2017 MTEF Guidelines (MTEF Technical Guidelines)**.

Importantly, this letter must also indicate that the relevant Executive Authority has agreed to information contained in the budget submission and has been appraised of the requirements of the 2017 Budget process.

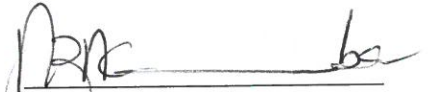
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You are requested to refer to the **2017 MTEF Guidelines** for comprehensive guidance on requirements on submission of complete budgets.

You are further requested to submit your budget documents, namely, MTEF database and Estimates of Provincial Revenue and Estimates, Cost per Head (Personnel Model) as well as the endorsement letter on the **08 December 2016**.

Your support is always appreciated.

Regards,


MS NZ NKAMBA
HEAD: PROVINCIAL TREASURY

DATE: 30/11 /2016