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PROVINCIAL TREASURY CIRCULAR NO. 71 OF 2017

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

2017/18 MID-YEAR BUDGET AND PERFORMANCE ASSESSMENT VISITS

Section 72(1) (a) of the Municipal Finance Management Act, No. 56 of 2003 (MFMA), requires the Accounting Officer to assess the Municipality's performance for the first six months of the financial year by 25 January of each year. This assessment should directly inform the preparation of the Municipality's adjustment budget in terms of Section 28 of the MFMA. The outcome of the assessment must be submitted via a report, in the format prescribed as per the Municipal Budget and Reporting Regulations, to the Mayor of the Municipality, the National Treasury and the relevant Provincial Treasury.

To give effect to the constitutional monitoring and oversight responsibilities of Provincial Treasury, a process to comprehensively assess the mid-year performance of Municipalities was institutionalised by the National Treasury seven years ago. This process, referred to as the "Mid-year Budget and Performance Assessment Visit" is one of two annual strategic engagements undertaken by National and Provincial Treasuries to strengthen the quality and oversight of municipal budgeting and performance.

The Department of Co-operative Governance and Traditional Affairs, South African Local Government Association (SALGA) and the National Energy Regulator of South Africa (NERSA) will also be invited to participate in these engagements.

While the purpose is primarily to review the Municipality's mid-year performance, the following issues also constitute key focus areas of the engagement:

1. Auditor-General's report for 2014/15, 2015/16 and 2016/17 findings, to be used as trend to determine the key achievements and challenges during this period;
2. The actual mid-year results for the 2017/18 financial year, financial and non-financial, as measured against priorities in the Integrated Development Plan (IDP) and the targets set in the Service Delivery and Budget Implementation Plan (SDBIP);
3. Infrastructure delivery achievements against the Infrastructure Plan of the Municipality;
4. Performance and spending of all national and provincial conditional grants and progress made in achieving the grant conditions;
5. The preparation of the 2017/18 adjustment budget and inputs thereto; and
6. The 2018/19 budget schedule and progress made in achieving the milestones and timelines specified in the schedule in the compilation of the 2018/19 Medium Term Revenue and Expenditure Framework (MTREF).

The engagement will take place for a day focussing on the Municipality's budget and performance. Please note that the agenda is structured to facilitate comprehensive discussions and ensure the standardisation of presentations across all the 19 delegated municipalities. Hence, no changes to the structure of the agenda will be accommodated.

The discussions for the day have been divided into four sessions as follows:

- Session 1: Review of performance for the 2015/16 and 2016/17 financial year (including the high-level performance of the Municipality and each Department/Vote);
- Session 2: Review of the in-year performance of the Municipality against the 2017/18 budget;
- Session 3: Financial management issues; and
- Session 4: Risk management.

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As the assessment is a municipal-wide responsibility, it is expected that the Municipal Manager, CFO and the Municipality's relevant Heads of Departments and other Section 57 Managers will avail themselves to participate.

The Municipality may invite at its discretion the MMC for Finance or the Finance Committee Chairperson; however, this is not mandatory.

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

MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE
Ehlanzeni District Municipalities			
Bushbuckridge LM	25 January 2018	10:00	Bushbuckridge Council Chamber
Thaba Chweu LM	26 January 2018	10:00	Thaba Chweu Council Chamber
Ehlanzeni District	29 January 2018	09:00	Ehlanzeni District Council Chamber
Nkomazi LM	30 January 2018	10:00	Nkomazi Council Chamber
Nkangala District Municipalities			
Dr JS Moroka LM	25 January 2018	10:00	Dr JS Moroka Council Chamber
Victor Khanye LM	26 January 2018	10:00	Victor Khanye Council Chamber
Emakhazeni LM	29 January 2018	10:00	Emakhazeni Council Chamber
Nkangala District	30 January 2018	10:00	Nkangala District Council Chamber
Emalahleni LM	31 January 2018	10:00	Emalahleni Council Chamber
Steve Tshwete LM	01 February 2018	10:00	Steve Tshwete Council Chamber
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	25 January 2018	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	26 January 2018	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	29 January 2018	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Gert Sibande District	30 January 2018	10:00	District Council Chamber
Mkhondo LM	31 January 2018	10:00	Mkhondo Council Chamber
Dipaleseng LM	01 February 2018	10:00	Dipaleseng Council Chamber
Lekwa LM	02 February 2018	10:00	Lekwa Council Chamber
Govan Mbeki LM	03 February 2018	10:00	Govan Mbeki Council Chamber

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Please confirm your attendance not later than **19 January 2018**, with Ms A Mohlala at (013) 766 8683 e-mail to amohlala@mpg.gov.za.

Your co-operation is always appreciated.

Kind regards,



MS NZ NKAMBA
HEAD: PROVINCIAL TREASURY
DATE: 14/12/2017