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PROVINCIAL TREASURY CIRCULAR NO. 72 OF 2018

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MS CN NKUNA)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR N DIAMOND)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY
(MS S MATSI)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (MR FS SIBOZA)
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR B KHENISA)
THE ACTING MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY
(MS TS MATLADI)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR ON NKOSI)
THE ACTING MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR MF MONKOE)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR H MAISELA)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY
(MR MA DLAMINI)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR IP MUTSHINYALI)
THE ACTING MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR P
THWALA)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR SF MNDEBELE)
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 (MS JG MAJOLA)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE ACTING DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MR KM MOHLASEDI)
HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR P NYONI)

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

2018/19 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 adjustments 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 National 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 Cooperative 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:

- a) Auditor-General's reports for 2015/16, 2016/17 and 2017/18 to be used as trend to determine the key achievements and challenges during this period;
- b) The actual mid-year results for the 2018/19 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);
- c) Infrastructure delivery achievements against the Infrastructure Plan of the municipality;
- d) Performance and spending of all national and provincial conditional grants and progress made in achieving the grant conditions;
- e) The preparation of the 2018/19 adjustments budget and inputs thereto; and
- f) The 2019/20 budget schedule and progress made in achieving the milestones and timelines specified in the schedule in the compilation of the 2019/20 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 2016/17 and 2017/18 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 2018/19 budget;
- Session 3: Financial management issues; and
- Session 4: Risk management.

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.

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

Based on previous experience, the engagement should be well represented by senior management of the municipality, in many instances the proceedings were delegated to lower level officials. This has proven to be limiting as lower level staff are not always in a position to provide clarity and adequately answer questions.

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

MUNICIPALITY	PROPOSED DATE	TIME	PROPOSED VENUE
Ehlanzeni District Municipalities			
Bushbuckridge LM	04 February 2019	10:00	Bushbuckridge Council Chamber
Thaba Chweu LM	05 February 2019	10:00	Thaba Chweu Council Chamber
Ehlanzeni District	06 February 2019	09:00	Ehlanzeni District Council Chamber
Nkomazi LM	07 February 2019	10:00	Nkomazi Council Chamber
Nkangala District Municipalities			
Steve Tshwete LM	31 January 2019	10:00	Steve Tshwete Council Chamber
Emakhazeni LM	01 February 2019	10:00	Emakhazeni Council Chamber
Dr JS Moroka LM	04 February 2019	10:00	Dr JS Moroka Council Chamber
Thembisile Hani LM	05 February 2019	10:00	Thembisile Hani Council Chamber
Victor Khanye LM	06 February 2019	10:00	Victor Khanye Council Chamber
Emalahleni LM	07 February 2019	10:00	Emalahleni Council Chamber
Nkangala District	08 February 2019	10:00	Nkangala District Council Chamber
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	04 February 2019	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	05 February 2019	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	06 February 2019	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Gert Sibande District	07 February 2019	10:00	District Council Chamber
Mkhondo LM	08 February 2019	10:00	Mkhondo Council Chamber
Dipaleseng LM	11 February 2019	10:00	Dipaleseng Council Chamber
Lekwa LM	12 February 2019	10:00	Lekwa Council Chamber
Govan Mbeki LM	13 February 2019	10:00	Govan Mbeki Council Chamber

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Please confirm your attendance by not later than 18 January 2019, with Ms A Mohlala at 013 766 8683 and email to amohlala@mpg.gov.za

Your co-operation is always appreciated.

Kind regards



MS GUGU MASHITENG
ACTING HEAD: PROVINCIAL TREASURY
DATE: 27/1/2018