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PROVINCIAL TREASURY CIRCULAR NO. 71 OF 2024

TO:
ALL MUNICIPAL MANAGERS
ALL CHIEF FINANCIAL OFFICERS

SUBJECT: PREPARATION AND SUBMISSION OF INTERIM FINANCIAL STATEMENTS

1. INTERIM FINANCIAL STATEMENTS

The Mpumalanga Provincial Treasury has assessed the audit outcomes of the past three financial years. The assessment results indicate that the Municipalities who prepared Interim Financial Statements (IFS) improved on the quality of Annual Financial Statements (AFS) submitted to the Auditor-General. In light of the above, your Municipality is requested to prepare the IFS for the period ending 31 December 2024.

The IFS contributes to the following benefits:

- i. Improved financial statements quality;
- ii. Issues identified during the regularity audit are incorporate and reported;
- iii. Identifiable material errors are minimised;
- iv. Improved audit outcome with reduced paragraphs on matters of emphasis and audit findings;
- v. Assist Municipalities to be able to prepare financial statements with limited use of consultants.

The Interim Financial statements are to be prepared for the sixth month period (1 July 2024 to 31 December 2024) and be submitted to Provincial Treasury for review by 28 February 2025. The Municipalities are expected to address the issues raised by the Auditor-General during the regulatory audit through the IFS before submitting them for review.

The following should be adhered to by Municipalities for the process to be effective:

- Proper periodic closure of the books to be done.
- All control accounts should be cleared to zero to enable municipalities to provide complete financial information on expenditure and revenue.
- Stock counts and reconciliation of assets, VAT, creditors, debtors and bank accounts must be performed.
- The expenditure management report should be scrutinized to ensure that all expenditure is correctly allocated to the budget appropriated.
- Supporting documentation for all the transactions, and other important records, should be made available for audit purposes.

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The following officials in Provincial Treasury could be contacted for clarification and assistance in completing the IFS:

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Mr TGP Zulu
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Your cooperation in this regard is appreciated.



MS. GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 04-12-2024