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PROVINCIAL TREASURY CIRCULAR NO. 29 OF 2026

TO:
MUNICIPAL MANAGERS
CHIEF FINANCIAL OFFICERS

SUBJECT: DRAFT BUDGET ENGAGEMENTS FOR 2026/27 FINANCIAL YEAR

1. INTRODUCTION

This budget circular provides guidance to municipalities with their compilation of the 2026/27 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (*m*SCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake the annual budget preparation processes in accordance with the budget and financial management reform agenda by focusing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimized, assets are managed efficiently, supply chain management processes are adhered to, *m*SCOA is implemented correctly and that audit findings are addressed. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

1.1 2026/27 TABLED MTREF ENGAGEMENTS AND MUNICIPAL BENCHMARKING EXERCISE

The budget and benchmark engagement is to review your Municipality's tabled 2026/27 Medium-term Revenue and Expenditure Framework as informed by the broader municipal planning and development and to ensure that the tabled budgets meets the following criteria:

- a. Credibility
- b. Relevance
- c. Sustainability
- d. Compliance with *m*SCOA Budgeting requirements
- e. Progress on the Audit Action Plan

- f. **Progress on the Budget Funding Plans for the 2025/26 financial year (Only for Unfunded Budgets)**
- g. Compliance with Municipal Budget Reporting Regulations
- h. Progress on municipal reconciliation of the billing system, valuation roll and Deeds Property Register
- i. Progress report on the implementation of the Financial Recovery Plan achieved to date on the Rescue Phase (Only for FRP Municipalities)
- j. Municipal Compliance and Progress Report on the Debt Relief (NB Only municipalities under debt relief)

To ensure a robust and meaningful engagement, it is imperative that your delegation be represented by at least the following officials:

- a. Municipal Manager;
- b. Chief Financial Officer;
- c. Member of Mayoral Committee on Finance
- d. All section 57 Managers, Town planning manager, Electrical and Water Managers;
- e. IDP Manager, Chief Audit Executive and Risk Manager
- f. Budget Manager and relevant officials.
- g. Chairperson of the Audit Committee

You are more than welcome to expand on the delegation should you wish, but it is imperative that the delegation be represented by at least the abovementioned officials. The engagement also provides a platform to discuss challenges and obtain guidance by the various units within the Provincial Treasury and relevant sector departments.

The following departments/organizations will also be invited to attend and provide comments on your tabled plans and budgets:

- a. Department of Co-operative Governance and Traditional Affairs (CoGTA)
- b. Department of Water and Sanitation
- c. National Energy Regulator of South Africa (NERSA)
- d. The South African Local Government Association (SALGA)
- e. Eskom
- f. Department of Economic Development and Tourism
- g. Department of Human Settlement

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- h. Department, monitoring and Evaluation
- i. Office of the Premier in the Province
- j. District Municipalities

These engagements have been scheduled in such a manner that any comments and views emanating from the engagements should subsequently be considered during the finalization of the 2026/27 MTREF and planning documents prior to approval by the Municipal Council.

Presentations must be submitted to Provincial Treasury (05) working days before the engagement date stated below:

The meetings are scheduled as follows:

PROPOSED DATES FOR THE 2026/27 MTREF TABLED BUDGET BENCHMARK EXERCISE				
MUNICIPALITY	PROPOSED DATE	TIME	SUGGESTED VENUE	PRESENTATION DATE TO PT
Ehlanzeni District Municipalities				
Ehlanzeni District	04 May 2026	09:00	Ehlanzeni District Council Chamber	23 April 2026
Thaba Chweu LM	06 May 2026	10:00	Thaba Chweu Council Chamber	29 April 2026
Nkomazi LM	08 May 2026	09:00	Nkomazi Council Chamber	04 May 2026
Bushbuckridge LM	12 May 2026	10:00	Bushbuckridge Council Chamber	06 May 2026
Nkangala District Municipalities				PRESENTATION DATE TO PT
Emalahleni LM	05 May 2026	10:00	Emalahleni Council Chamber	24 April 2026
Steve Tshwete LM	06 May 2026	10:00	Steve Tshwete Council Chamber	29 April 2026

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Nkangala District	07 May 2026	10:00	Nkangala District Council Chamber	30 April 2026
Victor Khanye LM	08 May 2026	10:00	Victor Khanye Council Chamber	04 May 2026
Emakhazeni LM	11 May 2026	10:00	Emakhazeni Council Chamber	05 May 2026
Thembisile Hani LM	12 May 2026	10:00	Thembisile Hani Council Chamber	06 May 2026
Dr JS Moroka LM	13 May 2026	10:00	Dr JS Moroka Council Chamber	07 May 2026
Gert Sibande District Municipalities				PRESENTATION DATE TO PT
Chief Albert Luthuli LM	05 May 2026	10:00	Chief Albert Luthuli Council Chamber	24 April 2026
Gert Sibande District	06 May 2026	10:00	Gert Sibande District Chamber	29 April 2026
Msukaligwa LM	07 May 2026	10:00	Msukaligwa Council Chamber	30 April 2026
Dr Pixley Ka Isaka Seme LM	08 May 2026	10:00	Dr Pixley Ka Isaka Seme Council Chamber	04 May 2026
Mkhondo LM	11 May 2026	10:00	Mkhondo Council Chamber	05 May 2026
Lekwa LM	12 May 2026	10:00	Lekwa Council Chamber	06 May 2026
Dipaleseng LM	13 May 2026	10:00	Dipaleseng Council Chamber	07 May 2026
Govan Mbeki LM	14 May 2026	10:00	Govan Mbeki Council Chamber	08 May 2026

2. DISCUSSIONS

2.1 Release of Version 7.1 of the Chart

Version 7.1 of the *m*SCOA chart is released with this circular and must be used to compile the 2026/27 MTREF. The linkages to chart version 7.1 can be downloaded from the Local Government Database and Reporting System (LGDRS) on the following link under the *m*SCOA/ List *m*SCOA WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

The reports on the Local Government Database and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must therefore use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting Regulation (MBRR) Schedules when generating their data strings.

The MBRR Schedules (A to F) and non-financial data string (A1S) will be aligned to chart version 7.1. A protected version of these Schedules for version 7.1 of the A1S will be available by 31 January 2026 on the MFMA Webpage and the LGDRS under GoPublic / Explore *m*SCOA on the links below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

https://lg.treasury.gov.za/ibi_apps/portal/Explore_mSCOA

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal, as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

To ensure that all integrated municipal system solutions have incorporated the required changes for *m*SCOA chart version 7.1, several municipalities across all systems will be required to submit test data to the LGDRS in January and February 2026. Communication in this regard will follow in January 2026.

For the National Treasury to consider a new chart change in version 7.2 of the chart, the issue must be logged with all relevant details and supporting documents on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2026. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when an FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *m*SCOA Technical and Steering Committees for recommendation and approval. This process concludes annually by the end of October. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be sent to lgdataqueries@treasury.gov.za

Municipalities are required to develop and implement a *m*SCOA road map to address gaps in the implementation of the *m*SCOA Regulations and the minimum business processes and system specifications articulated in MFMA Circular No 80 and its Annexure B. The *m*SCOA road map has been incorporated as a module into the web-based Financial Management Capability

Maturity Model (FMCMM). From the 2026/27 MTREF, all municipalities will be required to prepare their *m*SCOA road maps on the FMCMM web-based platform. The web-based *m*SCOA Road Map assesses compliance with regards to *m*SCOA implementation for the following focus area:

- System landscape, i.e. the ICT architecture that enables compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- Governance and institutional arrangements to drive compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- The functionality of the integrated system solution, as per the requirements articulated in MFMA Circular No 80 and its Annexure B; and
- Proficiency of municipal officials in utilising the integrated financial system solution.

2.2 Improving *m*SCOA data string credibility

Gaps in implementation will require the development of an action plan in the FMCMM web-based platform. Progress on the implementation of the *m*SCOA road map will be monitored via the FMCMM platform by National and Provincial Treasuries. From the 2026/27 financial year, this will form the basis for decisions on the withholding of the equitable share pertaining to *m*SCOA non-compliance, as well as the *m*SCOA compliance certificate to be issued by the National Treasury in respect of the Metro Trading Services reform.

2.3 Regulation of the minimum business process and system specifications for *m*SCOA

The National Treasury will conclude the consultation and preparatory work to regulate the minimum business process and system requirements for *m*SCOA in 2026/27. Once promulgated, the regulations will be applicable to municipalities and their entities.

Municipalities are encouraged to start preparing for these regulations by addressing gaps in the current *m*SCOA implementation and resolving them prior to the promulgation of the regulations on the minimum business process and system requirements for *m*SCOA.

All consultation documents that were presented at the Integrated Consultative Forums (ICF) can be located on the MFMA Webpage under *m*SCOA – Municipal Standard Chart of Accounts/ Regulations on Minimum Business Processes and Technical Specifications for *m*SCOA/ Working Groups on the following link:

<https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/mSCOA%20Minimum%20Requirements/Forms/AllItems.aspx>

The draft documents are also available on the *m*SCOA one drive for comments and inputs on the following link and provide sufficient guidance to municipalities and system vendors to prepare for the new regulations prior to promulgation:

[E1_Draft Regulations - Consultation - Shared](#)

Currently, the LGDRS implements automated stage 1 and 2 validations to ensure that credible data strings are submitted to the GoMuni Upload portal. The stage 1 validations verifies that the file structure is correct, while the stage 2 validation verifies that the *m*SCOA chart has been used

correctly across 18 validation areas. Details on the stage 2 LGDRS validations are attached as **Annexure I**.

A third stage automated validation will be introduced from the 2026/27 MTREF to validate the credibility of *m*SCOA data strings. Details in this regard will be communicated when available.

2.4. National Treasury Guideline on Budgeting for a Funded Budget

National Treasury is concerned by the many unfunded budgets adopted by municipalities. Municipal funding plans are not realistic or credible and there is insufficient effort to achieve financial turnaround and to progress from an unfunded budget to one that is funded. Municipalities are reminded to consult the National Treasury Guideline on budgeting for a funded budget issued during the 2018/19 MTREF to assist municipalities in preparing a funded MTREF budget and or use the guideline to develop credible funding plans.

2.5 Employee related Costs

The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is a five-year agreement effective from July 1, 2024, to June 30, 2029. In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent. Municipalities should reflect these negotiated salary increases in the budget submissions.

2.6 Remuneration of Councilors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

2.7 Using section 67 transfers to pay for Councilor funeral costs

In terms of MFMA Circular 131 – Funds Transferred by Municipalities to Organizations and Bodies Outside the Government, section 67 of the MFMA provides a mechanism for municipalities to make transfers to organizations or bodies outside of government. National Treasury is aware that municipalities are erroneously applying the provisions of section 67 of the MFMA to pay for deceased councilors' funeral costs. This practice is not permissible and constitutes non-compliance to Section 67 of the MFMA; and such transfer of funds is deemed irregular expenditure. This practice must immediately be stopped. Any council policy which makes provision for the use of section 67 of the MFMA to make payment for councilor funeral costs must be rescinded with immediate effect. Municipalities must comply with section 167(1)(a) of the MFMA which provides that a municipality may remunerate its political office-bearers and members of its political structures, but only within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members.

2.8 Review of human resource policies, benefits not provided for in collective agreements

Municipalities face rising financial pressure from providing in-service and post-employment benefits that are not covered by any South African Local Government Bargaining Council (SALGBC) collective agreement or supported by a long-term affordability assessment. These benefits create long-term liabilities and spending that are not aligned with the MFMA while municipalities overreach by setting unaffordable tariffs to accommodate such expenses in the budget. To support financial sustainability, municipalities must review all benefits provided to current and former employees to identify benefits that fall outside SALGBC agreements and identify any practices or policies that create irregular, unnecessary, or unaffordable expenditure.

Examples of benefits not provided for in SALGBC agreements include annual leave encashment during service (not linked to termination of services) and post-employment medical aid contributions. These benefits strain operating budgets and expose municipalities to irregular, unauthorised, fruitless, and wasteful expenditure. They cost millions each year and, in the case of post-employment medical aid, create liabilities that run into billions for municipalities. When post-employment medical aid contribution is paid for former employees, the municipality receives no value in return. For the 2026/27 budget, municipalities must accordingly identify all benefits paid to current or former employees that are not within the SALGBC agreements, or a valid council policy supported by a long-term affordability and compliance assessment. Where such benefits exist, for example, annual leave encashment during service, municipalities must consult with labour unions and discontinue the expenditure. Another option is that municipalities may consider a phased approach to discontinue the expenditure over two or three years, subject to affordability.

In the case of post-employment medical aid benefits, these must not be granted to employees appointed from a future date, for example, from 1 July 2026. Where a municipality provides the benefit without a policy, it must adopt a policy that reflects existing practice while excluding future employees from receiving the benefit and setting upper limits on the municipality's contributions. The policy and council decision must specify the effective date of exclusion for future employees. Benefits such as post-employment medical aid should not be extended to senior managers or councilors covered by the annual upper-limits gazette notices.

Accounting officers must ensure that human resource policies, payroll practices, and benefit structures comply with the law, and that any unauthorised or unaffordable benefits are stopped in accordance with the correct procedure. All municipalities must, accordingly, as part of their annual review of their 2026/27 budget-related policies, review all human resource benefit policies to identify benefits the municipality should discontinue with effect from 1 July 2026, on affordability grounds. Accounting officers remain responsible for preventing irregular, fruitless, and wasteful expenditure, and the contemplated policy reviews must be conducted by municipal staff, not consultants.

2.9 Unauthorized, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management

As previously explained in MFMA Circular no. 129, municipalities are continuing to incur unauthorized, irregular, fruitless and wasteful expenditure (UIFWE) year-on-year. Whilst more municipalities are establishing disciplinary boards, such boards are not investigating matters as required, or where such investigations are undertaken, municipal councils are not implementing the disciplinary boards' recommendations. Municipalities are required to submit an action plan which must address the period from 02 January 2025 to 31 August 2026. The action plan should

include monthly calendar actions that will allow for the monitoring of the action plan implementation.

The action plan should include the following information:

- plan to process the UIFWE balances up to 30 June 2025 by 31 August 2025, and how future UIFWE will be prevented with specific UIFWE prevention controls;
- the key process changes (including administrative processes) the municipality will implement to ensure that the UIFWE balances are processed to adhere to the August 2025 deadline; and
- the process to be followed to establish and appoint members of the disciplinary board and address the backlog of financial misconduct referrals to the disciplinary board. This should include processes and procedures for the referral of matters to the disciplinary board.
- to the *Muni eMonitor* as part of the evidence for UIFWE reporting.

2.10 Monitoring – Water Debt Relief

As outlined in paragraph 5.2 of the Water Debt Relief Guideline of the Department of Water and Sanitation (DWS), the DWS in collaboration with the relevant Water Trading Entity (WTE) and or Water Board (WB) and or Water User Association (WUA), National Treasury, and Provincial Treasury, will closely monitor the municipality's compliance with the conditions of its water debt relief approval. The relevant National Treasury (non-delegated municipalities) or provincial treasury (delegated municipalities) monthly to assess the municipality's compliance with the conditions and issue **the compliance certificate in the format of Annexure F attached to this Budget Circular** to the DWS, and relevant WTE/WB/WUA via: munic.incentive@dws.gov.za and to the municipality in one email no later than 20 working days after month-end. It is the responsibility of the DWS to ensure that the certificate, together with any DWS input as may be relevant reaches the relevant WTE/WB/WUA within one (1) working day of the Treasuries submission.

The relevant WTE/WB/WUA is to consider any inputs as part of its own assessment and monthly report on any participating municipality's compliance via email to: munic.incentive@dws.gov.za and RevenueManagement@treasury.gov.za and to the municipality, including issuing a non-compliance letter at its sole discretion as may be relevant. The National Treasury issued guidance to all Municipal (Eskom) and Water Debt Relief participants, guiding on the reporting required as part of the monthly MFMA section 71 statement. Municipalities must closely adhere to this guidance and the relevant Treasury assessments as part of the monthly compliance certification of any debt relief participant. Municipalities must upload their Water Debt Relief application, together with the DWS approval letter, as a single PDF to the GoMuni Revenue Upload Portal.

2.11 Delivery Agency Agreement(s) (DAA) with Eskom

Municipalities intending to enter into Delivery Agency Agreement(s) with Eskom should take note of the following with immediate effect.

2.12 The Municipal Systems Act (MSA) section 78 process is a requirement before the DAA can be concluded.

The National Treasury and the Department of Cooperative Governance (DCoG) legal services jointly confirm that the process in section 78 of the MSA must be followed before a municipality may enter into any DAA that proposes that Eskom take over the electricity function from and/or operate the service on behalf of the municipality. Section 78(1) of the MSA provides the process to be undertaken when deciding on a mechanism to provide a municipal service in the municipality or a part of the municipality, or to review any existing mechanism, and would need to be applied first.

The municipality may, before it decides on an appropriate mechanism, explore the possibility of providing the service through an external mechanism under MSA section 76(b).

Once a municipality has decided to utilise an external mechanism, such as entering into an agreement with an organ of state to provide the service, it may do so, considering section 110(2)(b) of the MFMA in order to contract directly with an organ of state, in this case, Eskom.

The MSA section 78 criteria and process must be complied with regardless of whether the electricity license will remain that of the municipality in terms of the proposed DAA. The MSA does not prescribe any period or deadlines within which this process must be concluded, and the municipality, planning diligently, may comply with this process within the shortest possible period without jeopardising or delegitimising it. DCoG and SALGA confirmed that they can assist municipalities with the MSA section 78 process and should partner to provide support in this regard. Concluding a DAA with Eskom without following the MSA section 78 required process will be illegal, and all expenditure incurred in terms of such a DAA will be irregular under the MFMA.

2.13 A standardized DAA.

The National Treasury, DCoG, and the Department of Electricity and Energy (DEE), working with Eskom and SALGA, are to agree on standardized terms and conditions for DAAs. It is important that municipalities maintain the standardized terms in the agreement and not deviate from them. Additional terms may be included based on municipal-specific circumstances. It will be necessary for the municipality to obtain comments from its respective provincial treasury and provincial CoGTAs before signing the DAA.

2.14 Municipalities participating in Municipal (Eskom) Debt Relief must, in parallel to the MSA Section 78(3) process, inform and obtain the inputs of the Treasuries and DCoG, demonstrating that the proposed DAA will facilitate the municipality's compliance with the debt relief conditions set out in the National Treasury's 2023 approval letter. The municipality should send any request (refer step 2 and or 3 above) for the written input of the National Treasury together with the feasibility study (MSA Section 78(3)(c)) and the proposed DAA (any additions and or deviations must clearly be highlighted in the request) to: both **RevenueManagement@treasury.gov.za** and **Wayne.McComans@treasury.gov.za** for the attention of **Mr. Sadesh Ramjathan**, Director: Local Government Budget Analysis: Revenue Section, and **Mr. Wayne McComans**, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury and DCoG.

2.15 Submission of the DAA. All municipalities signing a DAA with Eskom must submit the signed DAA together with the municipal council resolution approving such to the National Treasury to: RevenueManagement@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section and parallel to the relevant Provincial Treasury and CoGTAs. **Circular. A Tariff Tool procedural manual is also included in Annexure B to this Circular** to assist municipalities in undertaking the Tariff Tool exercise.

2.17 Electricity Tariffs, Cost of Supply Study (COS) and NERSA D-forms for electricity tariff applications

The submission of tariff applications is an obligation enshrined in the Electricity Regulation Act, 2006 ('ERA') (as amended), read with the MFMA and incorporated in the licence conditions of licensees (also municipalities). Municipalities are therefore reminded that all municipal tariff applications for the 2026/27 financial year must be accompanied by the required Cost of Supply (COS) studies and **submitted to NERSA before the outer deadline of 12 December 2025**. Failure to comply with these requirements will result in the municipality being prohibited from making any adjustment to the electricity tariffs for the 2026/27 financial year. NERSA already confirmed to municipalities that only complete municipal applications received before 12 December 2025 will be processed and approved for implementation with effect from 01 July 2026.

Failure to apply to NERSA for approval of tariffs is a breach of the licence conditions and a violation of the provisions of the ERA. Section 15 of the ERA prevents any licensee from charging a tariff that is not approved by the Regulator. Licensed distributors should note that their current tariffs will expire on 30 June 2026 and that there will be no automatic extension, as the tariffs are approved annually.

To facilitate timely submissions to NERSA and the opportunity to supplement where NERSA identify any gaps in municipal submissions, the National Treasury urges municipalities to annually before 31 October submit to NERSA and subsequently upload to the GoMuni Portal, the municipality's:

- Latest **updated and or reviewed COS** (approved by Council) supporting its Electricity tariffs application for the MTREF to NERSA and parallel upload such to the GoMuni Revenue Portal. The COS must be uploaded to the GoMuni Revenue Portal in PDF format (the content must be in the NERSA content format), and include a file heading of: **"Demarcation Code_Municipality Name_Cost of Supply Study (period)";**
- **NERSA D-forms** submitted to NERSA, supporting its Electricity tariffs application for the 2026/27 MTREF to the GoMuni Revenue Portal in the Excel format required by NERSA, and include a file heading of: **"Demarcation Code_Municipality Name_NERSA D-form (period)";** and
- **NERSA's letter approving the municipality's energy tariffs** for the MTREF annually with the tabled and adopted MTREFs. The municipality must upload the letter with the correct saving convention: **"Demarcation Code, Municipality Name, NERSA tariff approval (period)".**

2.18 Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- https://lg.treasury.gov.za/ibi_apps/welcome (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: *m*SCOA Data Strings; Budget-related, in-year and year-end documents and schedules (A, B and C); Revenue and MFRS Documents (as per MFMA Circular No. 126) procurement spent reports, etc.:
- lgdataqueries@treasury.gov.za – Database related and submission queries;

- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za ; and
- [mSCOA Regulations@treasury.gov.za](mailto:mSCOA_Regulations@treasury.gov.za) – all inputs and comments relating to the intended mSCOA Regulations on the minimum business processes and system specifications; and

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

2.19 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not. Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the *mSCOA* data strings to the LGDRS. In 2026, functionality will be added to the GoMuni Upload portal that will require accounting officers and Chief Financial Officers to sign-off on the accuracy and completeness of the data strings prior to the submission thereof.

The GoMuni Upload portal can be accessed by registered users on the following link:

https://lg.treasury.gov.za/ibi_apps/signin

2.20 Submitting budget documentation and schedules for 2025/26 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, Accounting Officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2026**, the final date of submission of the electronic budget documents and corresponding *mSCOA* data strings is **Thursday, 01 April 2026**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *mSCOA* Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council **on 29 May 2026**, the final date of submission of the electronic budget documents and corresponding *mSCOA* data strings is **Wednesday, 06 June 2026**.

2.21 2026 Local Government Elections, budget process and Transitional processes – development and adoption of IDPs during the 2026 election year

The 2025/26 municipal financial year represents the last year of the current municipal councils' electoral term. The next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

2.22 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The purpose of this hand-over report is to provide the new councils with important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed. It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy (where applicable);
- An overview of the municipality's financial health, with specific reference to:
 - Its cash and investments, and its funding of commitments (Table A8);
 - Cash coverage of normal operations (see Supporting Table SA10);
 - Creditors outstanding for more than 30 days and the reasons for delayed settlement;

- Current revenue collection levels and debtors outstanding for more than 30 days; and
- The extent of existing loans and associated finance and redemption payments.
- The municipality's 2024/25 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2026/27 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important to the transitioning process.

In addition to the hand-over report, each new councilor should be given the municipalities' revised IDP, the adopted 2026/27 MTREF budget, the mid-year budget and performance assessment report for 2026/27, the latest monthly financial statement, and the annual report for 2024/25.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

3. CONCLUSIONS

3.1 Assistance with the compilation of budgets

Should municipalities require advice with the compilation of their respective budgets, specifically the budget documents or **Schedule A**, they should direct their enquiries to their respective District Managers or to the following Provincial Treasury officials:

District	Responsible Managers	Cellphone Numbers	Email Addresses
Ehlanzeni District	Ms Lungile Mokoena	082 330 7318	ismokoena@mpg.gov.za
Ehlanzeni District	Ms Nontsikelelo Mahlakoane	073 073 1517	nmahlakoane@mpg.gov.za
Nkangala District	Mr Fanie Robberts	082 372 5463	frobberts@mpg.gov.za
Nkangala District	Mr Shadrack Masombuka	083 992 7436	ssmasombuka@mpg.gov.za
Gert Sibande District	Mr Nimrod Hlabane	082 566 6523	nhlabane@mpg.gov.za
Gert Sibande District	Mr Clarence Sago	082 415 6284	csago@mpg.gov.za

We look forward to a constructive engagement with your Municipality.

Your co-operation in this regard is appreciated.



MS. GUGU MASHITENG
HEAD OF DEPARTMENT
DATE: 02-04-2026