



 Nokuthula Simelane Building, No 7 Government Boulevard, Riverside Park Extension 2, **MBOMBELA** 1200
 Private Bag x11205, **MBOMBELA** 1200
 013 766 4437

SigcinaMafa SesiFundza

UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : MR. H.L. SILAULE Ext 4292
Ref 13/6/2/3 1

PROVINCIAL TREASURY CIRCULAR NO. 29 OF 2025

TO:
MUNICIPAL MANAGERS

CHIEF FINANCIAL OFFICERS

DIRECTOR-GENERAL: OFFICE OF THE PREMIER OF MPUMALANGA

**ACTING HEAD: CO-OPERATIVE GOVERNANCE, HUMAN SETTLEMENTS AND
TRADITIONAL AFFAIRS**

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT

THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE

SUBJECT: 2024/25 YEAR-END REPORTING GUIDANCE FOR MUNICIPALITIES

1. LEGISLATIVE REQUIREMENTS

According to the Municipal Finance Management Act, No. 56 of 2003 (MFMA), Section 126(1)(a) the Accounting Officer of a municipality -

“must prepare the Annual Financial Statements (AFS) of the Municipality, and within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.

2. DIRECTIVE 5

The Accounting Officers are advised to follow the **Directive 5** to ensure compliance to all accounting standards applicable to municipalities and municipal entities. Further details on Directive 5 is available on the ASB website <https://www.asb.co.za/>.

3. AFS REVIEW

The Provincial Treasury has commissioned resources to support your Municipality with the review of the AFS for the period ended 30 June 2025.

The review will be based on the submission of the set of draft AFS. For the support to be successful, your Municipality is required to commit to finalise and **submit the AFS on or before 20 August 2025**.

4. SUBMISSION OF AFS FOR AUDITS

The submission of the AFS for audit should be supported by a valid audit file. A thorough preparation of an audit file prior to the commencement of the audit will greatly streamline the audit process and lead to improvements in the audit outcome.

MFMA Circular No. 50 provides guidance on what should constitute the audit file. This should be considered before AFS are submitted to the Auditor-General for audit.

5. AUDIT PROCESS

Municipalities to ensure that the Audit Steering Committees are established at the beginning of the audit process. The terms of reference and the constitution of the Audit Steering Committee should be established in line with the engagement letter from AGSA.

Please **NOTE** that the reporting guidance is not limited only to the issues identified in this Circular.

Kind regards,



MS. GUGU MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 13-05-2025