



provincial treasury

MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

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UmNyango weeMali ZesiFunda

Provinsiale Tesourie

Enquiries : Mr IDP Strauss

Ref : MPT 12/1/1/6

PROVINCIAL TREASURY CIRCULAR NO. 13 OF 2024

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR J NGOBENI)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR XT MABILA)
THE MUNICIPAL MANAGER: CITY OF MBOMBELA (MR W KHUMALO)
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR R MAKWAKWA)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (DR NP MAHLALELA)
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR T MASHABELA)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR D MAHLANGU)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MS M MATHABELA)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR W SHABANGU)
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 ME THABETHE)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR L CINDI)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR MA NGCOBO)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR EN MASEKO)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR M LAMOLA)
THE ACTING MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR M MKHONZA)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR M KUNENE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABILE)

THE DIRECTOR-GENERAL (ACTING): OFFICE OF THE PREMIER (MR TP NYONI)
THE HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS: (MR S NGUBANE)
THE ACTING PROVINCIAL CHIEF EXECUTIVE OFFICER: SALGA (MS D MATUMBA)

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

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2024/25 TABLED MTREF ENGAGEMENTS AND MUNICIPAL BENCHMARKING EXERCISE

Section 23 of the Municipal Finance Management Act, No. 56 of 2003 (MFMA) requires that the Municipal Council must consider the views of the National Treasury, the relevant Provincial Treasury and relevant provincial and national organs of state on the tabled annual budget. In order to give effect to the Provincial Treasury's legislated monitoring and oversight responsibilities, this formal engagement has been institutionalised over the past years.

The purpose of the budget and benchmark engagement is to review your Municipality's tabled 2024/25 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 mSCOA Budgeting requirements
- e) Progress on the Audit Action Plan
- f) Compliance with Municipal Budget Reporting Regulations
- g) Progress on municipal reconciliation of the billing system, valuation roll and Deeds Property Register
- h) Progress report on the implementation of the Financial Recovery Plan and an Impact Assessment Plan
- i) Municipal Compliance and Progress Report on the Debt Relief (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) All section 57 Managers, Town planning manager, Electrical and Water Managers;
- d) IDP Manager, Chief Audit Executive and Risk Manager
- e) Budget Manager and relevant officials.

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 with and obtain guidance from various units within the Provincial Treasury and relevant sector departments.

The following departments/organisations 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
- h) Department, monitoring and Evaluation in the President's Office
- i) Office of the Premier in the Province
- j) District Municipality

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These engagements have been scheduled in such a manner that any comments and views emanating from the engagements should subsequently be considered during the finalisation of the 2024/25 MTREF and planning documents prior to approval by the Municipal Council.

The meetings are scheduled as follows:

PROPOSED DATES FOR THE 2024/25 MTREF TABLED BUDGET BENCHMARK EXERCISE			
MUNICIPALITY	PROPOSED DATE	TIME	VENUE
Ehlanzeni District Municipalities			
Ehlanzeni District	30 April 2024	09:00	Ehlanzeni District Council Chamber
Thaba Chweu LM	03 May 2024	10:00	Thaba Chweu Council Chamber
Bushbuckridge LM	07 May 2024	10:00	Bushbuckridge Council Chamber
Nkomazi LM	09 May 2024	09:00	Nkomazi Council Chamber
Nkangala District Municipalities			
Emalahleni LM	06 May 2024	10:00	Emalahleni Council Chamber
Thembisile Hani LM	07 May 2024	10:00	Thembisile Hani Council Chamber
Dr JS Moroka LM	08 May 2024	10:00	Dr JS Moroka Council Chamber
Steve Tshwete LM	09 May 2024	09:00	Steve Tshwete Council Chamber
Nkangala District	09 May 2024	13:00	Nkangala District Council Chamber
Victor Khanye LM	10 May 2024	10:00	Victor Khanye Council Chamber
Emakhazeni LM	13 May 2024	10:00	Emakhazeni Council Chamber
Gert Sibande District Municipalities			
Chief Albert Luthuli LM	06 May 2024	10:00	Chief Albert Luthuli Council Chamber
Gert Sibande District	07 May 2024	10:00	Gert Sibande District Chamber
Msukaligwa LM	08 May 2024	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	09 May 2024	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Mkhondo LM	10 May 2024	10:00	Mkhondo Council Chamber
Lekwa LM	13 May 2024	10:00	Lekwa Council Chamber
Dipaleseng LM	14 May 2024	10:00	Dipaleseng Council Chamber
Govan Mbeki LM	15 May 2024	10:00	Govan Mbeki Council Chamber

The Municipal Budget and Reporting Regulations

Schedule A-Version to be used for the 2024/25 MTREF

*m*SCOA version 6.8 will go live on 20 March 2024, whereafter municipalities will be able to upload their tabled budget (TABB) and tabled project files (PRTA) data strings for the 2024/25 MTREF on the GoMuni portal. After going live on version 6.8 of the chart, all the reports available on the LGDRS will be aligned to *m*SCOA chart version 6.8. This includes the format of the Section 71 report for Q3 and Q4 of 2023/24. The Municipal Budget and Reporting Regulations (MBRR) Schedules (A to F) and non-financial data string (A1S) was also aligned to version 6.8 of the chart.

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A **protected** version of the MBRR Schedules for version 6.8 of the chart and A1S is available on the on the MFMA Webpage on the link below:

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

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated Municipal Budget and Reporting (MBRR) Schedules when generating their A schedule from the financial system. In terms of the *m*SCOA Regulations, municipalities must generate the regulated MBRR schedules that is tabled and adopted by Council directly from their financial ERP systems and not import or captured it on the system at a later stage. This is necessary to ensure that there is 'one version of the truth', namely the data in the financial ERP system is the same as the report tabled and adopted by Council and the information submitted to the National Treasury and other stakeholders.

Submitting budget documentation and schedules for 2024/25 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 **29 March 2024**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday, 01 April 2024**; 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 *m*SCOA 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 **31 May 2024**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 03 June 2024**.

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); and
 - Revenue and MFRS Documents (as per MFMA Circular No. 126);
- lgdataqueries@treasury.gov.za – Database related and submission queries; and
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za.

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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.

Updating of contact details on GoMuni

From 1 April 2024, municipalities (registered users) will be able to make changes/ additions to their own contact details directly on the LGDRS. To municipalities and their respective provincial treasury must select and update the relevant details on GoMuni under Database/Contacts/Reporting/Contact information on the following link:

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

Municipalities must ensure that their contact details on GoMuni are updated as soon as changes occur.

Submission of additional reports

From 14 March 2024, municipalities whose debt relief applications were approved will be required to submit reports to the GoMuni Upload portal as indicated in MFMA Circular No 124 dated 31 March 2024. The list of the required debt relief reports is attached as **Annexure A**.

mSCOA data strings credibility

Municipalities must verify the credibility and accuracy of the tabled budget (TABB) and project file (PRTA) data strings **prior and post** to uploading it to the National Treasury Local Government Database and Reporting System (LGDRS). These data strings will be the sole source used by National and Provincial Treasuries to analyse and determine if the municipality's budget is funded and the credibility is therefore of utmost importance.

From 2025/26, the National Treasury will open the access to all reports available on the LGDRS to the public. Municipalities should make a concerted effort to resolve their mSCOA data strings credibility issues as soon as possible to avoid facing the consequences of financial misconduct in terms of Section 171(1)(d) of the MFMA. The LGDRS also provides information on municipal budgets and performance to the public through the Municipal Money portal. The information on the Municipal Money portal is sourced from the Consolidated Section 71 Reports published quarterly by the National Treasury. The Municipal Money portal is part of South Africa's Open Government Partnership (OGP) 5th National Action Plan to improve transparency and public participation in government processes and a link to the Municipal Money portal is available on the OGP website (76 countries and 104 municipalities are members).

The Provincial Treasury would like to emphasise that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, **they will be required to go back to the Municipal Council and table a complete budget document aligned to the requirements of the Municipal Budget and Reporting Regulations.**

In an instance where a Municipality is unable to correct the budget to be funded in a financial year due to financial challenges, such a Municipality must, together with their 2024/25 MTREF budgets, table a Budget funding plan in the municipal Council on how and by when the budget will improve from an unfunded to a funded budget.

The Provincial Treasury will assess the budget together with the plans and support the Municipality accordingly.

Assistance with the compilation of budgets



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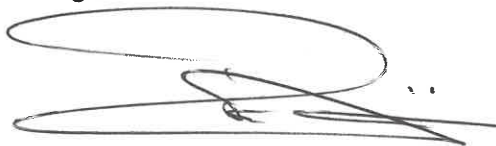
If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or **Schedule A**, they should direct their enquiries to their respective District Managers or to the following Provincial Treasury officials:

District	Responsible Managers	Cellphone Numbers	E-mail 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	frobbersts@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.

Regards



MS G MASHITENG
HEAD: PROVINCIAL TREASURY
DATE: 20/03/2024