



provincial treasury

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

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Provinciale Tesourie

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Ref : MPT 12/1/1

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## PROVINCIAL TREASURY CIRCULAR NO. 80 OF 2020

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**TO:**

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 W KHUMALO)  
THE 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 MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY  
(MS TS MATLADI)  
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR ON NKOSI)  
THE ADMINISTRATOR: DR JS MOROKA LOCAL MUNICIPALITY (MR BM MHLANGA)  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MR G MTHIMUNYE)  
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 ACTING MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR J MOKGATSI)  
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR L  
TSHABALALA)  
THE ACTING MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MRS EK  
TSHABALALA)  
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 DIRECTOR-GENERAL: OFFICE OF THE PREMIER (MS S XULU)  
THE ACTING HEAD: CO - OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS:  
(MR S NGUBANE)

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

## 2020/21 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 2017/18, 2018/19 and 2019/20 to be used as trend to determine the key achievements and challenges during this period;
- b) The actual mid-year results for the 2020/21 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 2020/21 adjustments budget and inputs thereto;
- f) The 2021/22 budget schedule and progress made in achieving the milestones and timelines specified in the schedule in the compilation of the 2021/22 Medium Term Revenue and Expenditure Framework (MTREF); and
- g) Progress on the implementation of the Financial Recovery Plan.

The engagement will take place for a day focusing on the municipality's budget and performance. Please note that the agenda is structured to facilitate comprehensive discussions and ensure the standardization 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 2018/19 and 2019/20 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 2019/20 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 respond to questions.

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

<b>MUNICIPALITY</b>	<b>PROPOSED DATE</b>	<b>TIME</b>	<b>PROPOSED VENUE</b>
<b>Ehlanzeni District Municipalities</b>			
Nkomazi LM	09 February 2021	10:00	Nkomazi Council Chamber
Ehlanzeni District	10 February 2021	09:00	Ehlanzeni District Council Chamber
Bushbuckridge LM	11 February 2021	10:00	Bushbuckridge Council Chamber
Thaba Chweu LM	12 February 2021	10:00	Thaba Chweu Council Chamber
<b>Nkangala District Municipalities</b>			
Nkangala District	08 February 2021	10:00	Nkangala District Council Chamber
Emakhazeni LM	09 February 2021	10:00	Emakhazeni Council Chamber
Steve Tshwete LM	10 February 2021	10:00	Steve Tshwete Council Chamber
Dr JS Moroka LM	11 February 2021	10:00	Dr JS Moroka Council Chamber
Thembisile Hani LM	12 February 2021	10:00	Thembisile Hani Council Chamber
Victor Khanye LM	15 February 2021	10:00	Victor Khanye Council Chamber
Emalahleni LM	16 February 2021	10:00	Emalahleni Council Chamber
<b>Gert Sibande District Municipalities</b>			
Chief Albert Luthuli LM	08 February 2021	10:00	Chief Albert Luthuli Council Chamber
Msukaligwa LM	09 February 2021	10:00	Msukaligwa Council Chamber
Dr Pixley Ka Isaka Seme LM	10 February 2021	10:00	Dr Pixley Ka Isaka Seme Council Chamber
Gert Sibande District	11 February 2021	10:00	District Council Chamber
Mkhondo LM	12 February 2021	10:00	Mkhondo Council Chamber
Dipaleseng LM	15 February 2021	10:00	Dipaleseng Council Chamber
Lekwa LM	16 February 2021	10:00	Lekwa Council Chamber
Govan Mbeki LM	17 February 2021	10:00	Govan Mbeki Council Chamber

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Please confirm your attendance by not later than 17 January 2021, with Mr Nimrod Hlabane at 013 766 8713 and email to **nhlabane@mpg.gov.za**

Your co-operation is always appreciated.

Kind regards

  
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**MS GUGU MASHITENG**  
**HEAD: PROVINCIAL TREASURY**  
DATE: 04/12 /2020