



KZN PROVINCIAL TREASURY

KZN MUNICIPAL CIRCULAR NO 04 OF 2017/18

SUBMISSION OF PROCUREMENT PLANS AND REPORTING OF INFORMATION RELATING TO IRREGULAR EXPENDITURE

**TO ALL: ACCOUNTING OFFICERS OF MUNICIPALITIES
 ACCOUNTING AUTHORITIES OF MUNICIPAL ENTITIES**

1. OBJECTIVE

The objective of this KZN Municipal Circular is to prescribe the requirements for the submission of procurement plans, quarterly reports in the implementation of procurement plans and the submission of reports relating to Unauthorised, Irregular, Fruitless and Wasteful Expenditure.

2. BACKGROUND

Sections 74(1) and 104(1)(b) of the Municipal Finance Management Act (MFMA) prescribes the following regarding general reporting obligations:

"The accounting officer of a municipality [and municipal entity] must submit to the National Treasury, the provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required."

In the year 2013, the National Treasury issued Guidelines on the Implementation of Demand Management, which were aimed at providing accounting officers of municipalities and municipal entities with a general understanding of the procedures to be followed when implementing demand management and the compilation of procurement plans.

MFMA Circular No 68, also issued in the year 2013 provided an understanding on how irregular expenditure should be treated and who has the legislative power to deal with irregular expenditure. Furthermore, a register for municipalities to record, keep track and manage the different categories of expenditure in a more transparent manner was provided.

3. SUBMISSION OF PROCUREMENT PLANS

3.1. The Accounting Officer or Accounting Authority must:

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3.2. Submit an approved annual procurement plan to the Provincial Treasury by 30 June of each year;

3.3. Compile the procurement plan in accordance with the template that was issued as guideline on MFMA Circular No 62

4. SUBMISSION OF QUARTERLY REPORTS ON THE IMPLEMENTATION OF PROCUREMENT PLANS

4.1. The Accounting Officer or Accounting Authority must:

4.2. Submit a report to the Provincial Treasury on the implementation of procurement plans by the 15th of the month, following the end of the quarter.

4.3. Compile the report in accordance with the template contained in Annexure A of this KZN MFMA Circular.

5. QUARTERLY REPORTS ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

5.1. The Accounting Officer or Accounting Authority must:

5.2. Submit the register for Unauthorised, Irregular, Fruitless and Wasteful expenditure to the Provincial Treasury by the 15th of the month, following the end of the quarter.

5.3. Compile the register in accordance with the template that was issued as Annexure A of MFMA Circular No 28

6. EFFECTIVE DATE

This KZN MFMA Circular takes effect from 01 June 2018

7. CONTACT INFORMATION

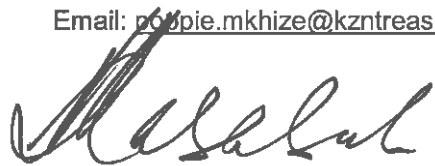
Enquiries to this KZN MFMA Circular may be directed to:

Ms Poppie Mkhize

Assistant Director: SCM Policy

Phone: 033 897 4507

Email: poppie.mkhize@kzntreasury.gov.za



MR L.S. MAGAGULA

HEAD OF DEPARTMENT: KZN PROVINCIAL SCM

DATE: 02/05/2018