



## KwaZulu Natal Provincial Treasury

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Ref TC/RM 1

16 January 2008

**TO: MUNICIPAL MANAGERS  
CHIEF FINANCIAL OFFICER  
KWAZULU NATAL MUNICIPALITIES**

### **TREASURY CIRCULAR RM 1 OF 2008**

Dear Municipal Manager

**Re: Mid- Year Budget Performance Assessment Report - Section 72, Municipal Finance Management Act (MFMA)**

Reference is made to section 72 of the MFMA where municipalities are mandated to submit Mid-Year Performance Assessment Reports to the Mayor, National and Provincial Treasuries.

The Provincial Treasury reminds and requests municipalities to comply with Section 72 of the MFMA by submitting reports covering the following before the 25 January 2008:

- (1)(a) An assessment of the performance of the municipality during the first half of the financial year, taking into account—
  - (i) the monthly statements referred to in section 71 for the first half of the financial year;
  - (ii) the municipality's service delivery performance during the first half of the financial year, and the service delivery targets and performance indicators set in the service delivery and budget implementation plan;
  - (iii) the past year's annual report, and progress on resolving problems identified in the annual report; and
  - (iv) the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports in terms of section 88 from any such entities; and
- (3) The accounting officer must, as part of the review—
  - (a) make recommendations as to whether an adjustments budget is necessary; and
  - (b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

For further clarification, kindly contact your respective budget analyst in the Provincial Treasury.

Yours faithfully

“signed Mr. F Cassimjee- General Manager: Municipal Budget Management”

**D S D SHABALALA  
HEAD OF PROVINCIAL TREASURY**