



KwaZulu Natal Provincial Treasury

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Ref TC/RM 2

24 January 2008

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

TREASURY CIRCULAR RM 2 OF 2008

Dear Municipal Manager

Verification of information to be published in compliance with Section 71 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) and Section 31(2) of the Division of Revenue Act, 2007 (Act No. 2 of 2007)

The Municipal Finance Management Act (MFMA), Section 71 requires that a municipality submit to the relevant Treasury a monthly statement on the state of the municipality's budget. The submission of the monthly statement is paramount in order for Provincial Treasury to submit accurate and credible set of data to various stake holders.

Tables reflecting actual financial information, based on the returns submitted by municipalities, as at 31 December 2007 (**2nd Quarter results**) to be published on the National Treasury Website and in a *Government Gazette* was E-Mail by Provincial Treasury budget analyst to the municipalities. You are kindly requested to scrutinise, verify and certify the correctness of the numbers contained in these tables for your municipality.

In the event of any changes, please correct these on the relevant electronic return (Appendix B) emailed to the lgdatabase@treasury.gov.za which is now referred to as the In-year Management, Monitoring and Reporting System (IYM Model) as this is the main source of data for the publication and gazette. Please notify Ms Elsabe Rossouw at the following e-mail address: Elsabe.Rossouw@treasury.gov.za and your respective Provincial Treasury budget analyst no later than Wednesday, 30 January 2008 at 10:00 of any changes to be affected.

If there are changes made to the inputs to the IYM Model, you will be given a final opportunity to sign-off on the final information by Friday, 01 February 2008 at 14:00 (please note that changes will not be accepted after this deadline). This will allow the National Treasury to consolidate this information for signature by the Director-General: National Treasury.

It is compulsory for the Municipal Manager and Chief Financial Officer to sign-off on their submission. In instances where the Municipal Manager and Chief Financial Officer are not available, arrangements will have to be made by the Municipal Manager to ensure that this requirement is met.

The information on Conditional Grant spending, which now forms part and parcel of the Section 71 quarterly publication, will be circulated separately for verification purpose within the next few days.

It is also important to be aware that, in future, this publication will form the basis of one aspect of municipal performance evaluation at the Select Committee of Finance (SCOF) in the NCOP.

Your urgent attention would be highly appreciated.

Yours faithfully

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

D S D SHABALALA

HEAD OF PROVINCIAL TREASURY