



treasury

Department
Treasury
PROVINCE OF KWAZULU-NATAL

145 Chief Albert Luthuli Street
Treasury House
Private Bag X9082, Pietermaritzburg 3200
Tel: 033 897 4307/4583 - Fax: 033 342 2486
simiso.magagula@kzntreasury.gov.za
lungile.mkhize@kzntreasury.gov.za

HEAD OF DEPARTMENT

Date: 28 March 2017
Enquiries: Mr F Cassimjee

**TO: MAYORS
MUNICIPAL MANAGERS
CHIEF FINANCIAL OFFICERS
KWAZULU NATAL MUNICIPALITIES**

PROVINCIAL TREASURY CIRCULAR PT/MF 10 OF 2016/17

2017/18 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET

Reference is made to Provincial Treasury Circular PT/MF 06 of 2016/17 dated 24 February 2017 regarding the 2017/18 MTREF Budget circulated to municipalities.

The objectives of this circular are:

- To alert municipalities to the 2017 Provincial Gazette No.1803 of transfers of funds to municipalities reflecting allocations from KwaZulu-Natal Provincial Government for inclusion by municipalities in their 2017/18 MTREF Budgets (Annexure A); and
- To alert municipalities of the additional submission requirements as indicated in MFMA Circular No. 86.

Transfers of funds to municipalities

Subsequent to tabling the KZN Budget in the Provincial Legislature, the provincial allocations (preliminary figures) for the 2017/18 financial year were circulated to municipalities. The attached Provincial Gazette No.1803 hereby confirms the figures which should be used in the preparation of the 2017/18 MTREF Budget.

Submission of the Tabled (Draft) and the Approved Budgets

According to MFMA Circular No. 86 (Page 8-9), municipalities are required to submit 2 versions of the A1 Schedule (Version 2.8 and Version 6.1) when submitting the Tabled (Draft) Budget and Approved Budget in terms of Section 22(b)(i) of the MFMA as well as Section 24(3) of the MFMA, read together with Regulation 20(1) of the MBRR, respectively.

As per National Treasury, should only Version 6.1 of the A Schedule be used for the 7 year horizon, municipalities may experience challenges in the mapping of prior period information due to the large number of amendments in a number of supporting tables between Version 2.8 and Version 6.1 of the A Schedule.



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As a result, municipalities **MUST** disclose information related to the Audited Outcome period and Current budget year (2016/17) using **Version 2.8** of the A schedule while information relating to the 2017/18 MTREF Budget **MUST** be populated in **Version 6.1** of the A schedule.

Yours sincerely

MR S.L. MAGAGULA
HEAD OF DEPARTMENT

CC **JAN HATTINGH, NATIONAL TREASURY**
TV PILLAY, NATIONAL TREASURY
PHAKAMISA STAMPER, ACTING BUSINESS EXECUTIVE – KZN AUDITOR-GENERAL