



HEAD OF DEPARTMENT

Our Ref: 11/6/13/6
Enquiries: Mr F. Cassimjee
Date: 24 March 2017

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

PROVINCIAL TREASURY CIRCULAR PT/MF 9 OF 2016/17

BUDGET STEERING COMMITTEE

Purpose

The purpose of this Circular is for Provincial Treasury to update its database of information on the establishment and functioning of Budget Steering Committees (BSCs) in KwaZulu-Natal in light of the 2016 Local Government Elections.

Background

The Municipal Budget and Reporting Regulations, 2008 (MBRR) were published by the Minister of Finance in terms of Section 168 of the Municipal Finance Management Act, Act 56 of 2003 (MFMA).

“The object of these Regulations is to secure sound and sustainable management of the budgeting and reporting practices of municipalities and municipal entities by establishing norms and standards and other requirements for ensuring transparency, accountability and appropriate lines of responsibility in the budgeting and reporting processes of those institutions and other matters as required by the Act.”

In terms of Regulation 4 – **Budget Steering Committee** of the MBRR,

- (1) *The mayor of a municipality must establish a budget steering committee to provide technical assistance to the mayor in discharging the responsibilities set out in section 53 of the Act.*
- (2) *The steering committee must consist of at least the following persons:*
 - (a) *The councillor responsible for financial matters;*
 - (b) *The municipal manager;*
 - (c) *The chief financial officer;*
 - (d) *The senior managers responsible for at least the three largest votes in the municipality*
 - (e) *The manager responsible for budgeting;*
 - (f) *The manager responsible for planning; and*
 - (g) *Any technical experts on infrastructure.*

Implementation

In this regard, the Provincial Treasury has attached a questionnaire marked Annexure A that you are required to complete in order to establish the level of compliance by municipalities with Regulation 4 of the MBRR. Upon completion, please email the questionnaires to mfma@kzntreasury.gov.za and your respective Provincial Treasury Analyst on or before **31 March 2017**.

Conclusion

Municipalities should have commenced with the preparation of their 2017/18 budgets and it is therefore imperative that the Budget Steering Committees are functional in order to meet the budget timelines prescribed in the MFMA and MBRR. Should your municipality not have an approved and functional BSC, you are requested to immediately commence with the process of establishment thereof.

Yours faithfully



Mr L.S. MAGAGULA

HEAD OF DEPARTMENT: PROVINCIAL TREASURY

cc The Mayor

J Hattingh, National Treasury

TV Pillay, National Treasury

V Maharaj, KZN Business Executive (Auditor-General)

NAME OF THE MUNICIPALITY:

ANNEXURE A

QUESTIONNAIRE

No.	Description	Yes	No
1	Has the municipality established a budget steering committee		
2	If the answer to 1 is YES, was the committee approved by council (please provide a copy of the Council resolution)		
3	What is the composition of the committee (please complete the table below for details of composition)		

Details of composition

No.	Official	Designation	Section	Contact email
1				
2				
3				
4				
5				
6				
7				
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10				
11				
12				
13				
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15				