



## HEAD OF DEPARTMENT

Our Ref: 11/6/13/1  
Enquiries: Mr F. Cassimjee  
Date: 08 August 2017

To: **MAYORS  
MUNICIPAL MANAGER  
CHIEF FINANCIAL OFFICERS  
KWAZULU-NATAL MUNICIPALITIES**

### **PROVINCIAL TREASURY CIRCULAR PT/MF 4 OF 2017/18**

#### **TIME SCHEDULE OUTLINING KEY DEADLINES FOR THE 2018/19 MTREF BUDGET**

##### **Purpose**

The purpose of this circular is:

- To remind municipalities of the requirements of Section 21 of the Municipal Finance Management Act, (MFMA); and
- To inform the municipalities about additional key processes to be included in the time schedule outlining key deadlines for the preparation of the 2018/19 MTREF budget.

##### **Background**

Section 21 of the MFMA, budget preparation process states that:

*(1) The mayor of a municipality must-*

- (a) co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible;*
- (b) at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for-*
  - (i) the preparation, tabling and approval of the annual budget;*
  - (ii) the annual review of-*
    - (aa) the integrated development plan in terms of section 34 of the Municipal Systems Act; and*
    - (bb) the budget-related policies;*
  - (iii) the tabling and adoption of any amendments to the integrated development plan and budget-related policies; and*
  - (iv) any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii).*

*(2) When preparing the annual budget, the mayor of a municipality must-*

- (a) take into account the municipality's integrated development plan;*
- (b) take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;*

- (c) *take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;*
- (d) *consult-*
  - (i) *the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;*
  - (ii) *all local municipalities within its area, if the municipality is a district municipality;*
  - (iii) *the relevant provincial treasury, and when requested the National Treasury; and*
  - (iv) *any national or provincial organs of state, as may be prescribed; and*
- (e) *provide, on request, any information relating to the budget-*
  - (i) *to the National Treasury; and*
  - (ii) *subject to any limitations that may be prescribed, to-*
    - (aa) *the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;*
    - (bb) *any other national and provincial organ of states, as may be prescribed; and*
    - (cc) *another municipality affected by the budget.*

### **Implementation**

In order to achieve a consistent and credible budget, the municipality's time schedule outlining key deadlines must contain key processes with realistic and compliant deadlines. Municipalities are also encouraged to detail the activities required for each key process and to highlight the responsible unit or department for each process. Furthermore, municipalities with entities should also ensure that the processes and timelines in the budget process plan of the entity supports the achievement of the time schedule outlining key deadlines of the municipality.

For the 2018/19 MTREF Budget Process, municipalities are requested to make provision for engagements with Provincial Treasury in their time schedule outlining key deadlines for:

1. Mid-year budget and performance assessment visits (January – March 2018); and
2. Budget and Benchmark Assessments (April – May 2018)

### **Conclusion**

You are reminded to table your time schedule outlining key deadlines for the 2018/19 budget year to Council by the **31 August 2017** as required by Section 21(1)(b) of the MFMA and submit the approved document together with the Council resolution to National Treasury at [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) and copy the KwaZulu-Natal Provincial Treasury at [mfma@kzntreasury.gov.za](mailto:mfma@kzntreasury.gov.za).

Yours faithfully

  
**Mr L.S. MAGAGULA**

**HEAD OF DEPARTMENT: PROVINCIAL TREASURY**

cc Ms B.F. Scott – MEC For Finance

Mr J. Hattingh – National Treasury