



## KWAZULU-NATAL PROVINCE

TREASURY  
REPUBLIC OF SOUTH AFRICA

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Reference: 11/6/13/6  
Enquiries: Mr. F. Cassimjee  
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**TO: MUNICIPAL MANAGERS  
CHIEF EXECUTIVE OFFICERS  
CHIEF FINANCIAL OFFICERS  
KWAZULU-NATAL (KZN) MUNICIPALITIES  
KZN MUNICIPAL ENTITIES**

### PROVINCIAL TREASURY CIRCULAR PT/MF 10 OF 2022/23

#### **2023/24 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET PREPARATION**

The objectives of this circular are:

- A.** To share with municipalities, the provincial allocations that have been gazetted for the 2023/24 MTREF;
- B.** To highlight a change in the version of the mSCOA classification framework to be used by municipalities in the preparation of their 2023/24 MTREF Budgets; and
- C.** To remind municipalities of the submission requirements of the 2023/24 MTREF Budget Process.

This circular should be read together with National Treasury MFMA Circulars No. 122 and 123 as well as Provincial Treasury Circular PT/MF 08 of 2022/23 on the 2023/24 MTREF Budget.

#### **A. Provincial allocations to municipalities**

The 2023/24 Budget for the KwaZulu-Natal (KZN) Province was tabled in the Provincial Legislature on 10 March 2023. The Provincial Gazette No. 2523 confirming the provincial allocations to municipalities has been published and is attached (Annexure A) for use by municipalities in the preparation of their 2023/24 MTREF Budgets.

#### **B. Budget Preparation Process**

MFMA Circular No. 122 indicated that all municipalities must prepare their 2022/23 MTREF Tabled and Adopted Budgets using the Schedule A1 Version 6.7. Subsequently, MFMA Circular No. 123 has instructed municipalities and system vendors to refer to the linkages provided on the National Treasury GoMuni Portal to ensure that Enterprise Resource Planning (ERP) systems generate the Schedule A1 that is aligned to version 6.7 of the mSCOA chart. The following reports on the National Treasury GoMuni Portal should be used for this purpose:



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- List mSCOA account linkages to the Schedule A1 based on version 6.7 of the mSCOA chart under the menu option - mSCOA reporting; and
- List mSCOA Schedule A1 codes WIP (i.e. new Schedule A1 codes) under the menu option - mSCOA Administration.

Both reports can be located on the link below:

[https://lg.treasury.gov.za/ibi\\_apps/portal/Local\\_Government\\_Database](https://lg.treasury.gov.za/ibi_apps/portal/Local_Government_Database)

The new format for the non-financial data strings for the Tabled Budget (A1D) and Approved (Original) Budget (A1F) is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The A1D is the data string which populates information which does not extract from the Tabled Budget data string (TABB) while the A1F is the data string which populates information which the does not extract from the Original Budget data string (ORGB). Municipalities should ensure that they use the new format when submitting the non-financial data strings.

### C. Budget Submission Process

Municipalities are reminded of the submission details for the 2023/24 Budgets which are included in MFMA Circular No. 122, MFMA Circular No. 123 and Provincial Treasury Circular No. PT/MF 08 of 2022/23.

The following information should be submitted for the 2023/24 MTREF Budget:

- The budget documentation as set out in Schedule A of the Municipal Budget and Reporting Regulations (MBRR) for the Tabled and Adopted Budgets. The budget document must include the main Schedule A1 Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the Schedule A1 must be submitted in the prescribed mSCOA data string (Schedule A1 Draft and Final) in the format published with Version 6.7 of the Schedule A1;
- The draft and approved Service Delivery and Budget Implementation Plan (SDBIP) in PDF files;
- The draft and approved Integrated Development Plan (IDP) in PDF files;
- The Council resolution for the Tabled and Adopted Budgets;
- Signed Quality Certificate as prescribed in the MBRR for the Tabled and Adopted Budgets;
- Schedule D for municipalities which have municipal entities;
- An updated Budget funding plan together with the Tabled and Adopted Budgets, where applicable;
- Signed repayment arrangements entered into with Eskom and/or a Water Board;
- The National or Provincial Treasury feedback on the assessment of the Tabled Budget must be included as an annexure to the Adopted Budget together with the municipality's explanation on



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how the feedback was addressed in the Adopted Budget. An annexure with reasons for not addressing Provincial Treasury's findings must be included if the feedback was not addressed;

- The bulk water and electricity invoices for the three months immediately preceding the Tabled and Adopted Budgets, respectively, must be included as an annexure to the Tabled and Adopted Budgets to support the provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF; and
- A Budget Locking Certificate immediately at the start of the new municipal financial year on 01 July 2023.

The budget related information must be submitted to the Provincial and National Treasuries as per the details below:

### Provincial Treasury (PT)

Electronic copies of the required documents must be e-mailed to [mfma@kzntreasury.gov.za](mailto:mfma@kzntreasury.gov.za) and your designated Provincial Treasury Municipal Budget Analyst must be copied accordingly.

### National Treasury (NT)

Budget related documents and schedules must be uploaded by approved registered users using the National Treasury GoMuni Upload Portal at: <https://lquploadportal.treasury.gov.za/>.

It should be noted that all documents sent to this address must be in PDF files only and each PDF file should not contain multiple documents. Any problems experienced in this regard can be addressed with Sephiri Tlhomeli at [Sephiri.Tlhomeli@treasury.gov.za](mailto:Sephiri.Tlhomeli@treasury.gov.za).

Yours sincerely

**Ms. C. Coetzee**

**Head of Department: KZN Provincial Treasury**

**CC Mayors**

**Ministerial Representatives**

**Mr. J. Hattingh – National Treasury**

**Mr. T. V. Pillay – National Treasury**

**Ms. N. Mkhize – Auditor-General**