

# MPUMALANGA PROVINCIAL GOVERNMENT

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## Department of Finance

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### PROVINCIAL TREASURY CIRCULAR 45 OF 2011

TO:

THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY: MR. TC MAKOLA  
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY: ADV. H MBATHA  
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY: MR. MA NGCOBO  
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY: DR. LH MATHUNYANE  
THE MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY: MR. WD FOCHE  
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY: MR. ON NKOSI  
THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY: MR. A MNISI  
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY: MR. MR MKHATSHWA  
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY: MS. SF MNISI  
THE MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY: MR. DT PHEEHA  
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY: MRS. NP MTHEMBU  
THE MUNICIPAL MANAGER: PIXLEY KA SEME LOCAL MUNICIPALITY: MR. WJM MNGOMEZULU  
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY: MR. TBW DLAMINI  
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY: MR. AN MAHLANGU  
THE MUNICIPAL MANAGER: THEMBSILE LOCAL MUNICIPALITY: MR. A MAGWAZA  
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY: MR. PB MALEBYE  
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY: MR. V MPILA  
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY: MR. L CINDI  
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY: MR. BS RIBA  
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY: MR. BTJ MABENA  
THE MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY: MS. T MATUANE

#### PREPARATION AND SUBMISSION OF INTERIM FINANCIAL STATEMENTS (IFS)

The Mpumalanga Provincial Treasury is requesting all Municipalities to prepare Interim Financial Statements. This is in line with the requirements of Operation Clean Audit 2014 and resolution which was taken during the CFO forum held on 02 November 2010 in Emalahleni. The purpose of Interim Financial Statements is to detect and address issues that are challenging Municipalities with regard to Annual Financial Statements before year-end, improvement of audit outcomes and to assist Municipalities to be able to prepare financial statements without appointing consultants.

The Interim Financial Statements are to be prepared for the sixth month period (1 July 2011 - 31 December 2011) and submitted to Provincial Treasury, Accounting Services Section and Municipal Internal Auditors by 28<sup>th</sup> February 2012. The Internal Auditors will audit and review the Interim Financial Statements and forward reports on findings to the relevant Municipal Manager, CFO and Provincial Treasury. All Municipalities will be expected to address the issues as raised by Internal auditors and Provincial Treasury will prepare a summary of issues raised in order to identify issues which affect all Municipalities.

The following should be adhered to by Municipalities for the process to be effective:

- Proper closure of the books to be done
- All suspense accounts should be cleared to zero to enable Municipalities to provide complete financial information on expenditure and revenue.
- Stock counts and reconciliation of assets, VAT, creditors, debtors and bank accounts must be performed.
- The expenditure management report should be scrutinized to ensure that all expenditure is properly allocated to the budget appropriated.
- All the supporting documentation for all the transactions, and other important records, should be made available for audit purposes to Internal Auditors.

The template is available at Provincial Treasury, Accounting Services section and will also be sent via electronic mail to Municipalities. Please note that Municipalities are not allowed to appoint consultants for Interim Financial Statements.

The following officials in Provincial Treasury could be contacted for clarification and assistance in completing the IFS:


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Mr NN Mathako  
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Your co operation is appreciated

Regards,



MR JB MBATHA  
ACTING HEAD OF DEPARTMENT  
DATE: 3/11/2011