



Enquiries :
Ref :

PROVINCIAL TREASURY CIRCULAR NO 55

THE MUNICIPAL MANAGER: BUSHBUCKRIDGE LOCAL MUNICIPALITY (MR C LISA)
THE MUNICIPAL MANAGER: UMJINDI LOCAL MUNICIPALITY (MR DP MSIBI)
THE MUNICIPAL MANAGER: NKOMAZI LOCAL MUNICIPALITY (MR MD NGWENYA)
THE MUNICIPAL MANAGER: MBOMBELA LOCAL MUNICIPALITY (MR N SEANEGO)
THE ACTING MUNICIPAL MANAGER: THABA CHWEU LOCAL MUNICIPALITY (MR LM MOKWENA)
THE MUNICIPAL MANAGER: EHLANZENI DISTRICT MUNICIPALITY (ADV H MBATHA)
THE ACTING MUNICIPAL MANAGER: STEVE TSHWETE LOCAL MUNICIPALITY (MR M MNGUNI)
THE MUNICIPAL MANAGER: THEMBISILE HANI LOCAL MUNICIPALITY (MR O NKOSI)
THE MUNICIPAL MANAGER: VICTOR KHANYE LOCAL MUNICIPALITY (MR MJ MAHLANGU)
THE MUNICIPAL MANAGER: EMAKHAZENI LOCAL MUNICIPALITY (MS EK TSHABALALA)
THE ACTING MUNICIPAL MANAGER: EMALAHLENI LOCAL MUNICIPALITY (MR T VAN VUUREN)
THE MUNICIPAL MANAGER: DR JS MOROKA LOCAL MUNICIPALITY (MR BS MAHLANGU)
THE MUNICIPAL MANAGER: NKANGALA DISTRICT MUNICIPALITY (MS MM SKOSANA)
THE MUNICIPAL MANAGER: CHIEF ALBERT LUTHULI LOCAL MUNICIPALITY (MR VN MPILA)
THE MUNICIPAL MANAGER: DIPALESENG LOCAL MUNICIPALITY (MR VD NGCOBO)
THE MUNICIPAL MANAGER: DR PIXLEY KA ISAKA SEME LOCAL MUNICIPALITY (MR PB MALEBYE)
THE MUNICIPAL MANAGER: GOVAN MBEKI LOCAL MUNICIPALITY (MR MF MAHLANGU)
THE MUNICIPAL MANAGER: LEKWA LOCAL MUNICIPALITY (MR L TSHABALALA)
THE MUNICIPAL MANAGER: MKHONDO LOCAL MUNICIPALITY (MR MJS MABUZA)
THE MUNICIPAL MANAGER: MSUKALIGWA LOCAL MUNICIPALITY (MR S SHONGWE)
THE MUNICIPAL MANAGER: GERT SIBANDE DISTRICT MUNICIPALITY (MR CA HABLE)

THE HEAD OF DEPARTMENT: DEPARTMENT OF COOPERATIVE GOVERNANCE AND
TRADITIONAL AFFAIRS:
(MR CM CHUNDA)

THE CHIEF EXECUTIVE OFFICER: SOUTH AFRICAN LOCAL GOVERNMENT ASSOCIATION:
(MS GA LANGA)

THE CHIEF DIRECTORATE: FINANCIAL GOVERNANCE: PROVINCIAL TREASURY:
(MS J BEZUIDENHOUT)

THE CHIEF DIRECTORATE: ASSETS AND LIABILITIES MANAGEMENT: PROVINCIAL
TREASURY: (MS E VISSER)

THE CHIEF DIRECTORATE: SUSTAINABLE RESOURCE MANAGEMENT: PROVINCIAL
TREASURY (MR MN MADIKE)

GOVERNMENT DEBT REPORTING REQUIREMENTS

In terms of Section 64 (3) of the Municipal Finance Management Act no. 56 of 2003, the accounting officer must immediately inform the National Treasury of any payments due by an organ of state to the Municipality in respect of municipal tax or for municipal services, if such payments are regularly in arrears for the periods of more than 30 days.

In order to facilitate the above process the Provincial Treasury has developed a standard reporting template to assist your Municipality to report promptly on a monthly basis, within **10 working days after the end of each month**.

GOVERNMENT DEBT REPORTING REQUIREMENTS

Your Municipality is required to submit the government debt template to the Provincial Treasury within 10 working days after the end of the month together with the Section 71 reports after the Municipal Manager and Chief Financial Officer have duly verified and signed off the reporting template. (Refer to attached template)

Kindly note that the information must be populated on a monthly basis per department, per age analysis.

The reporting template must reflect payment for the respective month and outstanding balance as this will enable the Provincial Treasury to consolidate credible reports for tabling to the Chief Financial Officer's, MuniMec and Premiers Coordinating forums.

The Provincial Treasury will only intervene when a dispute arises and mediate in order to assist in resolving the dispute amicably, out of Court in terms of Section 44 of the Municipal Finance Management Act 56 of 2003.

The Provincial Treasury has also developed in addition to the above template a standard Business Process (SBP) to guide the Chief Financial Officer of your Municipality and Chief Financial Officer of Sector departments on the following:

- a. Reporting deadlines (Frequency of reporting)
- b. Dispute resolution
- c. Monthly government debt schedules with reconciling invoices for service charges
- d. Annual property rate schedules and reconciling invoices

Your Municipality must interact with government departments on a monthly basis as the above mechanism has been developed to assist in expediting prompt payment of monies owed to your Municipality for services rendered.

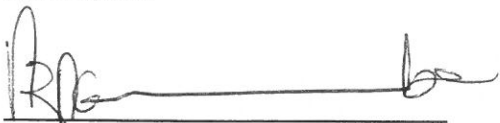
Your Municipality is further requested that the Executive Mayor table these reports to Council as part of your monthly reporting requirements to ensure oversight and accountability on the matter.

The Premiers Coordinating forum which was held on the 12th of November 2015 resolved that monies paid by departments for service charges must be ring-fenced in order to pay the Eskom account for bulk purchases.

Please note that failure to report will result in non-compliance and will be considered as financial misconduct by the Accounting Officer in terms of Section 171 (1) of the Municipal Finance Management Act 56 of 2003.

Hope you find the above in order

Kind regards



MS. NZ NKAMBA
HEAD OFFICIAL: PROVINCIAL TREASURY

DATE: 2/12/2015