



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

## PROVINCIAL TREASURY

Ref: 12/1/3/1

Enq: Mbungela NN Tel: 015 291 8431

**TO: ALL MUNICIPAL MANAGERS  
ALL CHIEF FINANCIAL OFFICERS**

Dear Sir/Madam

**PROVINCIAL TREASURY MFMA CIRCULAR NO. 2 OF 2016: MUNICIPAL FINANCE ACCOUNTING, REPORTING AND REVENUE: SUBMISSION OF MONTHLY AND QUARTERLY RETURNS.**

### 1. PURPOSE

- 1.1. The MFMA Section 74 sub-section (1) states that The Accounting Officer of the municipality must submit to the National Treasury, the Provincial Treasury, the department of the local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required.
- 1.2. Subsection (2) states that if the accounting officer of the municipality is unable to comply with any of the responsibilities in terms of this Act, he or she must promptly report the inability together with reasons, to the Mayor and the Provincial Treasury.
- 1.3. Circular 71 states that it is important that the Municipal Manager ensure that the Circular (71) is brought to the attention of the Municipal Council, Board of Directors of Municipal Entities, relevant oversight structures (Municipal Executive, Audit Committee, and Municipal Public Account) and all other relevant stakeholders.

The consistent use of these ratios and norms will assist in reporting accurately the status of municipal finances.

- 1.4. Furthermore in terms of Section 11(4) The Accounting Officer must within 30 days after the end of each quarter table in the municipal council a consolidated report of all withdrawals made in terms of subsection 1(b) to (j) during that quarter.

## **SUBMISSION OF MONTHLY RETURNS**

- 1.5. Municipalities and municipal entities are required as part of in-year reporting requirements to submit to this office the following documents **by no later than 10 working days after end of each month:**

- 1.5.1. Back reconciliation.

- 1.5.2. Investment Register.

- 1.5.3. Progress on Action Plan to address audit queries.

- 1.5.4. Progress Report on Departmental outstanding debts/ Intergovernmental debts

- 1.5.5. Assets additions and updated register.

- 1.5.6. Loans Register

- 1.5.7. Debtors Reconciliation

- 1.5.8. Creditors Reconciliation

- 1.5.9. Reconciliation of Valuation roll and billing system

- 1.5.10 Indigent Register

- 1.5.11 Water and Electricity Distribution loss reports

## **2 SUBMISSION OF QUARTERLY RETURNS**

- 2.1 Municipalities and municipal entities are required as part of in-year reporting requirements to submit to this office the following documents **by no later than 10 working days after end of each month:**

2.1.1 Consolidated report of all withdrawals made in terms of subsection 1(b) to (j) during that quarter

2.1.2 Interim/Quarterly Financial Statements

2.1.3 Quarterly Financial Ratios

Looking forward to an immediate submission of the reports as well as timeous submission of future reports.

Regards



G. PRATT CA(SA)

HEAD OF DEPARTMENT



DATE