

# NATIONAL TREASURY

## MFMA IMPLEMENTATION PLAN - TEMPLATE

### (High Capacity Municipality Only)



**Name of municipality: Maluti - A - Phofung**  
(eg: City of Johannesburg)

**Demarcation code: FS 194**

(eg: GT001)

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Comments (NT)
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## 1 MANAGEMENT ARRANGEMENTS

Reforming the municipality's finances will require a new approach to organisational change, one that takes into account change management processes as well as a clear understanding of the relevant legislation - not only the MFMA, but also the Constitution, Municipal Structures Act, Municipal Systems Act and annual Division of Revenue Act. This section outlines some of the key management and organisational considerations that must be borne in mind when commencing the reforms required. Note that this list is not exhaustive, and must be amended as required to meet the council's own individual circumstances. Refer MFMA Chapters 7, 8, 9, 13, 14 and 15, and s51 and s59 of the MSA. s51 of the MSA describes the organisation of a municipality's administration in more detail.

<b>CORPORATE MANAGEMENT</b>							
<b>Council and the mayor</b>							
1.1	In instances where there is no mayor, executive mayor or executive committee, designate a councillor to exercise the powers and duties assigned to a mayor	57 59	Council	ref s59 of MSA		07-Feb-14	Cllr. V Tshabalala
1.2	In instances where there is an executive committee, exercise the powers and functions in consultation with the executive committee	58 59	Executive Mayor	ref s59(1) of MFMA		YES	
1.3	Take steps to ensure that the mayor is aware of his or her general responsibilities under the MFMA	52 59	Municipal Manager	ref s79(1) of MFMA		YES	
<b>Municipal officials: municipal manager, CFO and top management</b>							
1.4	Appoint/assign a person to assume the duties of the municipal manager		Council	ref s59 of MSA		19-Nov-15	Adv. M.R. Tsupa
1.5	Take steps to ensure that the municipal manager is aware of his or her fiduciary responsibilities as the accounting officer of the municipality	60 61	Executive Mayor	ref s59(1) of MFMA		YES	
1.6	Provide guidance and advice on compliance with the MFMA to political structures, political office-bearers and officials and undertake all fiduciary responsibilities	60(b) 61	Municipal Manager	ref s79(1) of MFMA		YES	
1.7	Implement the appropriate systems to help ensure that the resources of the municipality are used effectively, efficiently and economically	62(1)(a)	Municipal Manager	ref s79(1) of MFMA		YES	
1.8	Implement the appropriate systems to help ensure that full and proper records of the financial affairs of the municipality are kept in accordance with prescribed norms and standards	62(1)(b)	Municipal Manager	ref s79(1) of MFMA		YES	
1.9	Appoint/assign persons to assume the roles of other senior managers to form a top (or senior) management team	77	Council	ref s59 of MSA		YES	
1.10	Designate a person to assume the duties of the chief financial officer (CFO)	80	Municipal Manager	ref s79(1) of MFMA		17-Jan-14	Mr A M Mofokeng
1.11	Administer the budget office, advise the municipal manager, senior managers and other senior finance officials, and undertake financial duties as delegated by the municipal manager	81	CFO	restricted by s82 of MFMA		YES	
1.12	Review contracts of employment in line with compliance with new roles and responsibilities under the MFMA for senior managers and other officials exercising financial responsibilities	78	Municipal Manager	ref s79(1) of MFMA		YES	
1.13	Take all reasonable steps within their respective areas of responsibility to ensure their compliance with s78	78	senior managers & officials exercising financial responsibilities	n/a		YES	
<b>Review of delegations</b>							
1.14	Initiate a review of delegations in terms of the MFMA, in order to take account of s59 (mayor), s79 (municipal manager) and s82 (CFO)	59 79 82	Municipal Manager	ref s79(1) of MFMA		YES	
<b>Review of finance related by-laws and ordinances</b>							

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1.15	In conjunction with a review of finance and budget-related policies, review all by-laws and ordinances relating to the budget and financial management (incl tariff policy)		24(2) 53(1)(c)(i)	Council	cannot be delegated, mayor to ensure		May-16		
	<b>Budget and treasury office</b>								
1.16	Establish a budget and treasury office with CFO, officials allocated to the CFO and other persons contracted by the municipality for the work of the office		80	Municipality	ref s59 of MSA		YES	*	Refer 1.9 and 1.10
	<b>Competency levels and training</b>								
1.17	Meet prescribed financial management competency levels		83(1)	Municipal manager, CFO, other finance officials	n/a		YES		Senior Managers and other municipal officials are currently attending the MFPM training
1.18	Provide the appropriate resources and opportunities for training of officials to meet the prescribed financial management competency levels		83(2)	Municipality	ref s59 of MSA		YES		
	<b>INTERNAL CONTROL</b>								
1.19	Ensure that the municipality has and maintains effective, efficient and transparent systems of financial and risk management, internal control and internal audit, operating with prescribed norms and standards, and has and implements a tariff policy, a rates policy and credit control and debt collection policy as required by applicable legislation		62(1)(c)&(f)(i)(ii)&(i ii)	Municipal Manager	ref s79(1) of MFMA		YES	*	
1.20	Establish an internal audit unit in accordance with s165		165	Municipality	ref s59 of MSA		YES	*	
1.21	Establish a council audit committee in accordance with s166		166	Municipality	ref s59 of MSA		YES	*	
	<b>RESOLUTION OF FINANCIAL PROBLEMS</b>								
1.22	Put in place an agreed resolution mechanism to ensure disputes concerning municipalities with organs of state of a financial nature are promptly resolved in accordance with s44. In instances when NT is not party to a dispute, report the matter to NT and where appropriate request mediation by NT		44	Municipal Manager	ref s79(1) of MFMA		N/A		
1.23	Put in place an agreed system to ensure the mayor promptly responds to and initiates any remedial or corrective steps proposed by the municipal manager in cases where the municipality faces serious financial problems and alert the council and MEC for local government in the province		54(2) 55	Executive Mayor	ref s59(1) of MFMA		YES		
1.24	Take steps to ensure that the council, the mayor and top/senior management are aware of the implications of Chapter 13 in particular, what constitutes "serious financial problems", triggers for provincial intervention and the role of the Municipal Financial Recovery Service		C 13	Municipality	ref s59 of MSA		YES		
1.25	Take steps to ensure that the council, the mayor and top/senior management and other officials are aware of the implications of Chapter 15 in particular, what constitutes "financial misconduct", offences, penalties, and disciplinary and criminal proceedings, to ensure that the appropriate systems are in place to investigate allegations of financial misconduct		C 15	Municipality	ref s59 of MSA		YES		
	<b>GENERAL MATTERS</b>								
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1.26	Put in place an appropriate system to ensure that disciplinary action, or when appropriate, criminal proceedings are instituted against any official of the municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15		62(1)(e)	municipal manager	ref s79(1) of MFMA		YES		
1.27	Put in place an appropriate system to ensure that the municipality does not enter into any forbidden activity prescribed in s164, and develop a strategy to phase out those activities entered into prior to 1 July 2015		164	municipality	ref s59 of MSA		YES		

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FINANCIAL PLANNING AND BUDGETING

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This section incorporates the development of the municipality's annual budget, and the integration of that budget with a review of the municipality's integrated development plan (IDP) and budget-related policies, performance measures as well as annual performance agreements. The tabling and process for approval of the annual budget is described, together with consequences for any failure to table or adopt the budget within an appropriate timeframe. It summarises new requirements involved in implementing the annual budget, using a service delivery and budget implementation plan (SDBIP) and if required an adjustments budget. Refer MFMA Chapters 4, 7 and 8, as well as s34 and s57 of the MSA and s215 of the Constitution.

	<b>BUDGET ADMINISTRATION</b>							
2.1	Provide general political guidance over the budget process	53(1)(a)	Executive Mayor	ref s59(1) of MFMA		YES		
2.2	Assist the mayor in performing the budgetary functions assigned to him or her and provide the administrative support, resources and information necessary for him or her to perform those functions	68	Municipal Manager	ref s79(1) of MFMA		YES		
	<b>PREPARATION OF ANNUAL BUDGET</b>							
2.3	Coordinate annual budget process and review of IDP and budget-related policies to ensure that the tabled budget, IDP and policy revisions are consistent and credible	21(1)(a)	Executive Mayor	ref s59(1) of MFMA		Mar-16		
2.4	When preparing the annual budget take into account the IDP (ensuring its revision under the MSA) and take into account national budget, provincial budget and national government policy, and consult with stakeholders in accordance with s21(2)(d)	21(2), 53(1)(b)	Executive Mayor	ref s59(1) of MFMA		Mar-16		
2.5	For the purposes of the annual budget, certify that revenues anticipated to be collected are realistic, and confirm that adequate provision for bad and doubtful debts has been made	18	Executive Mayor	municipal manager must assist (s68)		Mar-16		
2.6	Before approving a capital project in terms of the annual budget, consider projected costs covering all financial years until the project is operational and future operational costs and revenue including tariff implications	19(2)	Council	ref s59 of MSA		Mar-16	*	
2.7	Set out the annual budget in a schedule that shows revenue by source, and expenditure by vote divided into capital and operating accompanied by appropriate draft resolutions, a cash flow projection, IDP and budget policy amendments, particulars on investments, municipal entities, service delivery agreements, grant allocations, employment costs and other prescribed information	17(1)(a)(b)(d)(i)(e)(2)&(3)(a)&(c) to (m)	Executive Mayor	ref s59(1) of MFMA, municipal manager must assist (s68)		Mar-16		Must be in accordance with an NT framework (as prescribed).
2.8	Note: Set out the annual budget as above, but in addition, over a 3 year period, showing revenue and expenditure by vote for the preceding year, with measurable performance objectives for revenue by source and expenditure by vote linked to the IDP	17(1)(c)(d)(ii)&(3)(b)	Executive Mayor	ref s59(1) of MFMA, municipal manager must assist (s68)		Mar-16	*	
2.9	Table in council a time schedule outlining the key deadlines for the forthcoming annual budget at least 10 months before the start of the budget year	21(1)(b)	Executive Mayor	ref s59(1) of MFMA	AUGUST	28-Aug-15		
2.10	Ensure that in instances where a municipality must transfer an allocation of funds to another municipality, notify the receiving municipality by no later than 120 days before the start of the budget year of the projected amount of the allocation during each of the next 3 financial years	37(2)	Municipal Manager	ref s79(1) of MFMA		N/A		Council to notify municipality of 3 year allocations by end of February each year.
	<b>TABLING OF ANNUAL BUDGET</b>							
	<b>Tabling and failure to table</b>							
2.11	Table annual budget at a council meeting at least 90 days before the start of the budget year	16(2)	Executive Mayor	ref s59(1) of MFMA	31-Mar-16	31-Mar-16		
2.12	In instances of any delay in tabling the annual budget, approving the service delivery and budget implementation plan (SDBIP) or signing of the annual performance agreements, report the matter promptly to the council and MEC for finance in the province	53(2)	Executive Mayor	ref s59(1) of MFMA		YES		s
	<b>Consultation and revision of annual budget</b>							
2.13	Make public the annual budget and associated documentation immediately after tabling in council, and invite the community to make representations	22(a)	Municipal Manager	ref s79(1) of MFMA	APRIL	08-Apr-16		

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2.14	Submit the annual budget as tabled in printed and electronic form to NT, the provincial treasury and others as prescribed	22(b)	Municipal Manager	ref s79(1) of MFMA	APRIL	07-Apr-16	within 10 days after approval by council
2.15	When the annual budget has been tabled in council, consider the views of the local community, NT, the provincial treasury and other provincial or national organs of state or municipalities	23(1)	Council	ref s59 of MSA	APRIL-MAY	13 April- 04 May 2016  16 May 2016	Public participation  Budget and benchmark assessments
2.16	Provide the mayor with an opportunity to respond to budget submissions made and if necessary revise the budget and table amendments for council consideration	23(2)	Council	ref s59 of MSA	MAY	17-May-16	
	<b>APPROVAL OF ANNUAL BUDGET</b>						
	<b>Approval of budget</b>						
2.17	Approve 2016/17 annual budget before start of financial year	16(1)	Council	cannot be delegated, mayor must ensure approval	31-May-16	31-May-16	
2.18	Where a capital project spans more than 1 year, ensure that a separate appropriation is made in each financial year. Note: such projects not to exceed 3 financial years, unless in compliance with s33.	16(3)	Council	cannot be delegated		YES	
2.19	Submit the approved annual budget to NT and the provincial treasury	24(3)	Municipal Manager	ref s79(1) of MFMA	JUNE	JUNE	within 10 days after approval by council
2.20	Consider the approval of the 2016/17 annual budget at least 30 days before the start of the budget year	24(1)	Council	cannot be delegated, mayor must ensure approval	MAY	31-May-16	
2.21	Approve annual budget by council resolution, with resolutions to impose and set taxes and tariffs and changes to the IDP and budget-related policy before the start of the budget year	16(1) 24(2) 53(1)(c)(i)	Council	cannot be delegated, mayor must ensure approval	MAY	31-May-16	
2.22	Note: Approve annual budget as above, but in addition, approve measurable performance objectives for revenue by source and expenditure by vote	24(2)	Council	cannot be delegated, mayor must ensure approval	MAY	31-May-16	*
	<b>Failure to approve</b>						
2.23	If the council fails to adopt the annual budget by the first day of the budget year, report the matter immediately to the MEC for Local Government in the province in accordance with s55	25(3)	Executive Mayor	ref s59(1) of MFMA		N/A	
2.24	Inform the MEC for finance in the province in writing of any impending non-compliance with any provision of the MFMA relating to the tabling or approval of a budget or compulsory consultative processes	27(1) 55	Executive Mayor	ref s59(1) of MFMA		N/A	
2.25	If the impending non-compliance referred to in s27(1) pertains to a time provision, apply to the MEC for finance for an extension of time if considered necessary	27(2)	Executive Mayor	ref s59(1) of MFMA		N/A	
2.26	Inform the council, the MEC for finance and NT in writing of any actual non-compliance with a provision of Chapter 4 and any remedial or corrective measures to be taken to avoid any recurrence of the problem	27(3)	Executive Mayor	ref s59(1) of MFMA		N/A	
2.27	If the council fails to approve the annual budget before the start of the budget year, reconsider and again vote on the annual budget (as amended) within 7 days of the meeting that failed to approve the budget, and if still not adopted at that time, repeat the process until the budget is adopted	25(1)	Council	cannot be delegated		N/A	
	<b>IMPLEMENTATION OF ANNUAL BUDGET</b>						
	<b>Implementation and failure to implement</b>						
2.28	Implement the approved budget in accordance with s69(1)	69(1)	Municipal Manager	ref s79(1) of MFMA	JULY	01-Jul-16	
2.29	Inform the provincial treasury in writing of any failure by the council to adopt or implement a budget-related policy or a supply chain management policy or any non-compliance by a political structure or office-bearer with the policy	73	Municipal Manager	ref s79(1) of MFMA		N/A	
	<b>Service delivery and budget implementation plan</b>						

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed		Comments (NT)
2.30	Submit to the mayor a draft service delivery and budget implementation plan no later than 14 days after the approval of the annual budget	69(3)	Municipal Manager	ref s79(1) of MFMA		15-Jul-16	*	
2.31	Approve service delivery and budget implementation plan within 28 days after the approval of the budget	53(1)(c)(i)	Executive Mayor	ref s59(1) of MFMA, mayor to ensure		28-Jul-16	*	
2.32	Ensure that revenue and expenditure projections for each month and the service delivery targets and performance indicators for each quarter as set out in the service delivery and budget implementation plan are	53(3)	Executive Mayor	ref s59(1) of MFMA, mayor to ensure	MONTHLY & QUARTERLY	YES	*	Within 10 Days after the approval of the SDBIP
	<b>Annual performance agreements</b>							
2.33	Submit to the mayor drafts of annual performance agreements for the municipal manager and senior managers no later than 14 days after the approval of the annual budget	69(3)	Municipal Manager	ref s79(1) of MFMA		15-Jul-16	*	
2.34	Ensure annual performance agreements comply with the MSA and are linked to the measurable performance objectives approved with the budget and to the service delivery and budget implementation plan	53(1)(c)(i) ii)	Executive Mayor	ref s59(1) of MFMA, mayor to ensure. Note also s60 MSA		YES	*	
2.35	Ensure that performance agreements of the municipal manager, senior managers and other officials prescribed are made public no later than 14 days after the approval of the service delivery and budget implementation plan, and that copies of such performance agreements are submitted to the council and the MEC for local government in the province	53(3)	Executive Mayor	ref s59(1) of MFMA, mayor to ensure. Note also s60 MSA		15-Jul-16	*	within 14 days after the approval of the SDBIP
	<b>Adjustments budgets</b>							
	<b>Note: format, content and timing of adjustments budgets for the 2004/05 financial year are not prescribed, and should be in a format consistent with council needs</b>							
2.36	Where necessary, prepare an adjustments budget and submit it to the mayor for consideration and tabling	69(2)	Municipal Manager	ref s79(1) of MFMA	FEBRUARY	23-Feb-16		
	<b>Note: format, content and timing of adjustments budgets for the 2005/06 financial year will be prescribed, and therefore target dates may vary</b>							
2.37	Table adjustments budget within prescribed limitations	28(4)	Executive Mayor	ref s59(1) of MFMA	FEBRUARY	24-Feb-16		
2.38	Where necessary, revise approved annual budget through an adjustments budget in the appropriate format	28(1) to (3)&(5) to (7)	Council	cannot be delegated	FEBRUARY	24-Feb-16		Format is in accordance with NT regulation

3 INCOME AND EXPENDITURE MANAGEMENT								
Income and expenditure management involves the management of a municipality's systems that control the calculation of revenue due, receipt of that income and management of debt due. It also involves the management of a municipality's systems that control expenditures made, ensuring that all expenditure is lawful and paid in an efficient and effective manner. <i>Income is discussed in Chapter 8 of the MFMA, with credit control and debt collection discussed in Chapter 9 of the MSA. Expenditure management is discussed further in Chapters 4 and 8 of the MFMA.</i>								
	<b>INCOME MANAGEMENT</b>							
3.1	Maintain responsibility for the management of the municipality's revenue	64(1)	Municipal Manager	ref s79(1) of MFMA		YES		
3.2	Take all reasonable steps to ensure that the municipality's revenue systems comply with s64(2)	64(2)	Municipal Manager	ref s79(1) of MFMA		YES		
3.3	Immediately inform NT of any payments due by an organ of state to the municipality in respect of municipal taxes or services if such payments are regularly in arrears for more than 30 days	64(3)	Municipal Manager	ref s79(1) of MFMA	MONTHLY	MONTHLY		
3.4	Take all reasonable steps to ensure that any funds collected on behalf of another organ of state are transferred at least on a weekly basis and are not used by that municipality for its own purposes	64(4)	Municipal Manager	ref s79(1) of MFMA	MONTHLY	MONTHLY		Income received on behalf of the Maluti Water (PtY) Ltd
3.5	Ensure that the municipality has and implements an appropriate rates and tariff policy, and credit control and debt collection policy	62(1)(f)	Municipal Manager	ref s79(1) of MFMA	MONTHLY	MONTHLY	*	
	<b>EXPENDITURE MANAGEMENT</b>							



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	<b>Expenditure management system</b>							
3.6	Take responsibility for the management of the municipality's expenditure	65(1)	Municipal Manager	ref s79(1) of MFMA	MONTHLY	MONTHLY		
3.7	Take all reasonable steps to ensure that the municipality's expenditure systems comply with s65(2) (excluding s65(2)(j))	65(2)	Municipal Manager	ref s79(1) of MFMA		YES		
3.8	Pay amounts due to other municipalities or to national or provincial organs of state in a timely manner	37(1)	Municipality	ref s59 of MSA	MONTHLY			See s65(2)(e) of MFMA: pay accounts within 30 days of receipt of invoice/statement.
3.9	Ensure that funds transferred to an organisation or body outside any sphere of government is done so in accordance with s67	67	Municipal Manager	ref s79(1) of MFMA		NONE		
3.10	Review the remuneration of political office-bearers and members of political structures to ensure that they are remunerated only in accordance with s167(1), and take steps to remedy irregular expenditure	167	Municipality	ref s59 of MSA		YES		
3.11	Report to council on all expenditure on staff salaries, wages, allowances and benefits by type in accordance with s66 and as prescribed	66	Municipal Manager	ref s79(1) of MFMA	Quarterly			To be tabled & submitted by: 28 October 2016 27 January, 28 April & 28 July 2017.
3.12	Note: In addition to the requirements of s65(2) above, ensure that all financial accounts of the municipality are closed at the end of each month and reconciled	65(2)(j)	Municipal Manager	ref s79(1) of MFMA		YES	*	
	<b>Budgeted expenditure</b>							
3.13	Ensure that all expenditure incurred is in terms of an approved budget	15(a)	Municipality	ref s59 of MSA	MONTHLY	YES		
3.14	Ensure that all expenditure is within the limits of each budget vote	15(b)	Municipality	ref s59 of MSA	MONTHLY	YES		
	<b>Expenditure beyond budget year</b>							
3.15	Incur expenditure on a capital project only when the project is budgeted for, and is approved by council after sources of funding have been considered and are available and uncommitted, and the project complies with s33 (regarding contracts with future budgetary implications)	19(1)	Municipality	ref s59 of MSA		YES	*	
3.16	Enter into a contract that will impose financial obligations in excess of three financial years only in accordance with s33	33	Municipality	ref s59 of MSA	MONTHLY	YES		Effective date that relates to 2016/17 budget. Send the LTC to National treasury on quarterly basis
3.17	Where appropriations for capital projects span more than 1 year, ensure that shifting of funds between years is in accordance with s31 (the municipal manager must receive prior written approval for the increase from the mayor)	31	Municipal Manager	ref s79(1) of MFMA		YES		
	<b>Unauthorised, irregular or fruitless and wasteful expenditure</b>							
3.18	Authorise unforeseeable and unavoidable expenditure for which no provision was made in the approved budget if considered appropriate subject to proper compliance with s29(2) and (3)	29	Executive Mayor	ref s59(1) of MFMA		YES		
3.19	Take steps to recover actual unauthorised, irregular or fruitless and wasteful expenditure	32(2)	Municipality	ref s59 of MSA		YES		
3.20	Inform council and the mayor (or executive committee) in writing of any decision taken that is likely to result in expenditure that is unauthorised, irregular or fruitless and wasteful	32(3)	Municipal Manager	ref s79(1) of MFMA		YES		
3.21	Inform the mayor, the MEC for local government in the province and A-G in writing of any expenditure that is unauthorised, irregular or fruitless and wasteful, whether any person is responsible for the expenditure and steps taken to recover or rectify the expenditure and prevent any recurrence	32(4)	Municipal Manager	ref s79(1) of MFMA		YES		
3.22	Report to SAPS all cases of alleged irregular expenditure that constitutes a criminal offence or cases of theft or fraud	32(6)	Municipal Manager	ref s79(1) of MFMA		YES		

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3.23	Report to SAPS all cases of alleged irregular expenditure referred to in s32(6) that involve the municipal manager, or cases in which the municipal manager has failed to act in accordance with s32(6)	32(7)	council	ref s59 of MSA		NONE	
3.24	Ensure that unauthorised, irregular or fruitless and wasteful expenditure and other losses are prevented	62(1)(d)	Municipal Manager	ref s79(1) of MFMA		YES	

4 CASH MANAGEMENT AND BANKING							
Cash management and banking involves the management of a municipality's bank accounts, including the structure of those accounts and daily account deposits and withdrawals. This is linked closely with investments (in terms of cash flows and liquid short-term, often overnight investments). In order to establish better controls, the Act requires the creation of a primary bank account, and places the onus on municipalities to advise certain parties of details of all accounts held. <i>This is discussed primarily in Chapter 3 of the MFMA, with some references in Chapter 8.</i>							
	<b>BANK ACCOUNTS AND BANKING</b>						
4.1	Open and maintain at least one bank account in the name of the municipality	7(1)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA.
4.2	Deposit all money received into the bank account(s) promptly and in accordance with Chapter 3, and any requirements to be prescribed	7(2)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA.
4.3	Check to ensure that no bank accounts have been opened in contravention of s7(3)	7(3)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA.
4.4	Check to ensure that money is withdrawn from bank account(s) in terms of s11(1)	7(4)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA.
4.5	Designate and advise NT in writing of details of the primary bank account, or any change in the primary bank account	8(1)&(5)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA & DoRA.
4.6	Deposit all moneys as required by s8 into the primary bank account	8(2) to (4)	Municipal Manager	CFO only		YES	See s10(1)(c) & 10(2) of MFMA.
4.7	Administer all bank accounts, maintain accountability to council and enforce compliance with s7, 8 and 11	10(1) 62(2)	Municipal Manager	s10(1)(c) of MFMA to CFO only		YES	
4.8	Check to ensure that any delegation made in terms of s10(1)(c) is to the CFO only	10(2)	Municipal Manager	CFO only		YES	
4.9	Withdraw or authorise withdrawal of money from accounts in accordance with s11(1)	11(1)	Municipal Manager	CFO or other senior financial official		YES	
4.10	In cases where a municipality has more than one bank account, ensure that only the municipal manager or CFO is delegated authority to withdraw funds from the primary bank account	11(2)	Municipal Manager	CFO		YES	See s10(1)(c) & 10(2) of MFMA. Must be in accordance with an NT framework (as prescribed).
4.11	Check to ensure that all relief, charitable and trust accounts are set up in the name of the municipality and are administered by the municipal manager	12(1) 62(2)	Municipal Manager	ref s79(1) of MFMA		YES	
4.12	Deposit all money received for relief, charitable and trust accounts into the correct account, and make withdrawals from those accounts only for the purposes for which the fund was established and where appropriate authorised by the municipal manager	12(2) to (4)	Municipal Manager	ref s79(1) of MFMA		YES	
4.13	Notify NT of occasions when the bank account(s) of the municipality show an (consolidated) overdraft position for a period exceeding a prescribed period, and provide details of the amount, the reasons for the overdraft and the steps taken to correct the matter	70(2)	Municipal Manager	ref s79(1) of MFMA		YES	
4.14	Table in council a consolidated report of withdrawals each quarter, and submit a copy of the consolidated report to the provincial treasury and A-G	11(4)	Municipal Manager	CFO only	Quarterly	YES	To be tabled & submitted by: 28 October 2016 27 January, 28 April & 28 July 2017.
4.15	Submit to provincial treasury and A-G, written details of new bank accounts when opened, and all bank accounts each year	9	Municipal Manager	ref s79(1) of MFMA	Annually	YES	

5 SUPPLY CHAIN MANAGEMENT REFORM							
The reform of supply chain management systems within municipalities is an important area within the MFMA. Municipalities must first take steps to ensure that the appropriate lines of oversight and accountability are established by taking councillors out of a role of implementation so as to concentrate purely on oversight of the process. Municipalities must ensure that they establish supply chain management systems that are fair, equitable, transparent, competitive and comply with the regulatory framework to be prescribed. Municipalities must also ensure that officers are appropriately trained and skilled to meet the prescribed competency levels. <i>Refer Chapter 11 of the MFMA.</i>							
	<b>SUPPLY CHAIN MANAGEMENT</b>						
	<b>Supply chain management system</b>						

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Comments (NT)
5.1	Ensure that councillors do not serve on a municipal bid committee or attend any meetings of these committees, or any other committee evaluating or approving tenders, quotations, contracts or other bids	117	Municipal Manager	ref s79(1) of MFMA		YES	
5.2	Ensure that no person interferes with the supply chain management system of the municipality or amends or tampers with any tenders, quotations, contracts or bids after their submission	118	Municipal Manager	ref s79(1) of MFMA		YES	
5.3	Implement an appropriate supply chain management policy in accordance with Chapter 11 and the prescribed regulatory framework	62(1)(f)(i) v) 111 112 115(1)(a)	Municipal Manager	ref s79(1) of MFMA		YES	*
5.4	Ensure that unsolicited bids are dealt with in accordance with s113 and the prescribed regulatory framework	113	municipality	ref s59 of MSA		NONE	
5.5	If a tender other than one recommended is approved, notify in writing the A-G, the provincial treasury and NT and advise the reason for deviating from the original recommendation	114	Municipal Manager	ref s79(1) of MFMA		YES	
5.6	Take all reasonable steps to ensure that proper mechanisms and separation of duties are in place in relation to supply chain management systems, to minimise the likelihood of fraud, corruption, favouritism and	115(1)(b)	Municipal Manager	ref s79(1) of MFMA		YES	
5.7	Ensure that all contracts and contract management procedures are administered in accordance with s116	116	Municipal Manager	ref s79(1) of MFMA		YES	
5.8	Note: In addition to the above requirements, establish capacity in the administration of all contracts and agreements in accordance with s116(2)(c)	116(2)©	Municipal Manager	ref s79(1) of MFMA		YES	*
<b>Competency levels and training</b>							
5.9	Meet prescribed supply chain management competency levels	119(1)	Municipal manager, SCM officials	n/a		YES	Official and Senior Managers currently attending the MFMP
5.10	Provide the appropriate resources and opportunities for training of officials to meet the prescribed supply chain management competency levels	119(2)	Municipality	ref s59 of MSA		YES	
<b>PUBLIC-PRIVATE PARTNERSHIPS</b>							
5.11	Ensure that the municipality only enters into a public-private partnership in accordance with the conditions and processes outlined in s120	120	Municipality	ref s59 of MSA		NONE	

6 MUNICIPAL INVESTMENTS AND BORROWINGS							
Municipalities must review their investment activities and their short and long-term borrowing arrangements as a high priority. <i>Municipal investments are to be regulated by investment regulations and municipal policy. Municipal borrowings are governed by s160(2), s218 and s230A of the Constitution, and Chapter 6 of the MFMA.</i>							
	<b>INVESTMENTS</b>						
6.1	Establish an appropriate cash management and investment policy	13(2)	Municipality	ref s59 & s60(2) of MSA		YES	Must be in accordance with an NT framework (as prescribed).
	<b>BORROWINGS (INCLUDING DEBT)</b>						
	<b>Short-term debt</b>						
6.2	Check to ensure that all short-term debt is incurred in accordance with the provisions of the MFMA and only when necessary to bridge shortfalls and capital needs within a financial year	45(1)	Municipality	ref s59 of MSA		YES	Note that the raising of loans can only be done by council, ref s160(2) of Constitution.
6.3	Obtain resolution of council, signed by the mayor approving the short-term debt agreement, and signed by the municipal manager to create or acknowledge the debt	45(2)	Municipality	ref s59 of MSA		YES	
6.4	Check to ensure that the council resolution above refers to an individual short-term debt transaction, credit facility or line of credit or bank overdraft only	45(3)	Municipality	ref s59 of MSA		YES	
6.5	Develop a plan to ensure that all short-term debt is fully repaid by 1 July 2015 (with an aim to extinguish debt by 25% pa)	45(4)	Municipality	ref s59 of MSA		YES	NT recommends that debt be extinguished over a 4 year period (maximum)
	<b>Long-term debt</b>						
6.6	Check to ensure that all long-term debt is incurred in accordance with the provisions of the MFMA and only for the purpose of capital expenditure (see s46(4)) and consistent with the capital budget (see s46(6)) or for the re-financing of existing long-term debt (see s46(3))	46(1)	Municipality	ref s59 of MSA		YES	



Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed		Comments (NT)
6.7	Obtain resolution of council, signed by the mayor approving the long-term debt agreement and signed by the municipal manager to create or acknowledge the debt	46(2)	Municipality	ref s59 of MSA		YES		
6.8	Enter into long-term debt agreements only in accordance with s46(3)	46(3)	Municipality	ref s59 of MSA		YES		
	<b>Security over debt</b>							
6.9	Check to ensure that all debt is denominated in Rand and is not indexed or affected by fluctuations against foreign currencies, and in instances where security is to be provided by the municipality it is in accordance with s48(3)	47	Municipality	ref s59 of MSA		YES		
6.10	Ensure that security over debt obligations is strictly in accordance with s48	48	Council	ref s59 of MSA		YES		
6.11	Ensure that municipal debt guarantees are only provided in terms of s50	50	Municipality	ref s59 of MSA		NONE		
	<b>Disclosure of information</b>							
6.12	Ensure that all persons involved in the borrowing of money are aware of requirements to disclose information accurately when interacting with a prospective lender	49	All councillors and officials	n/a		YES		

## 7 ASSET AND LIABILITY MANAGEMENT

The municipality must put in place appropriate systems of control to safeguard its assets, and to manage liabilities. *Refer Chapters 3, 8 and 14 of the MFMA and s60 of the MSA.*

	<b>ASSET MANAGEMENT</b>							
	<b>Asset management system</b>							
7.1	Maintain responsibility for management of the municipality's assets and liabilities	63(1)	Municipal Manager	ref s79(1) of MFMA		YES		
7.2	Take all reasonable steps to ensure that the municipality maintains appropriate systems and controls and that assets and liabilities are valued according to GRAP	63(2)	Municipal Manager	ref s79(1) of MFMA		YES	*	
	<b>Disposal of assets</b>							
7.3	Ensure that an appropriate system is established to dispose of capital assets in accordance with s14 ie: to ensure that assets required for the minimum level of basic municipal services are not inappropriately disposed	14	Municipality	ref s59 of MSA		YES		
7.4	Consider the delegation of power to make determinations to dispose of movable capital assets below a certain value to the municipal manager	14(4)	Council	ref s59 & 60(1)(a) of MSA		YES		
	<b>LIABILITY MANAGEMENT</b>							
7.5	Take appropriate steps to ensure that the municipality does not incur a liability or risk payable in a foreign currency	163	Municipality	ref s59 of MSA		YES		

## 8 IN-YEAR AND ANNUAL REPORTING

The MFMA requires councils to report monthly and quarterly and mid-year, on its budget performance. It also requires that municipalities provide a range of information on the municipal website and contains other additional reporting requirements. Councils must also prepare and review their annual financial statements and provide an annual report within set timeframes. An oversight report must be prepared in response to the auditor's report on the state of municipal finances. *Refer primarily to chapters 7, 8, and 12 of the MFMA and s46 of the MSA.*

	<b>IN-YEAR REPORTING</b>							
	<b>Monthly reporting</b>							
8.1	Report to council in writing on any impending shortfalls in budgeted revenue and overspending in the budget, and steps taken to prevent or rectify such shortfalls or overspending	70(1)	Municipal Manager	ref s79(1) of MFMA	MONTHLY	YES		
8.2	Submit to the mayor and provincial treasury no later than 10 working days after the end of each month, a monthly budget statement in the prescribed format reflecting information required by s71(1)(a), (b), g (iii), (2), (3) and (4)	71	Municipal Manager	ref s79(1) of MFMA	MONTHLY	YES	*	
8.3	Consider monthly budget statements and mid-year budget and performance assessment reports: issue appropriate instructions to the municipal manager to ensure revenue and expenditure proceed in line with the budget, identify any real or potential financial problems and submit reports and take appropriate action	54(1)	Executive Mayor	ref s59(1) of MFMA	MONTHLY	YES		Effective date is 1 July 2016, However read in context of 8.2 above.

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed	Comments (NT)
8.4	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(e), (f), and (5)	71	Municipal Manager	ref s79(1) of MFMA	MONTHLY	YES	Report from 1 July 2016
8.5	Note: In addition, check and if necessary make the appropriate amendments to the SDBIP, and make revisions public	54(1)&(3)	Executive Mayor	ref s59(1) of MFMA		YES	* By capacity - relates to 2016/17 budget for high capacity councils. Effective date 1 July 2016, however read in context of 8.3 above.
8.6	Note: In addition to the detail provided in the monthly budget statement referred to above, provide information required by s71(1)(c), (d), and (g) (i) and (ii)	71	Municipal Manager	ref s79(1) of MFMA		YES	* By capacity - relates to 2016/17 year for high capacity councils. Effective from 1 July 2016 (first monthly report refers to July).
	<b>Quarterly reporting</b>						
8.7	Submit a report to the council on the implementation of the budget and state of municipal finances within 30 days of the end of each quarter	52(d)	Executive Mayor	ref s59(1) of MFMA	Quarterly	YES	To be tabled & submitted by: 28 October 2016 27 January, 28 April & 28 July 2017.
	<b>Mid-year reporting</b>						
8.8	Submit to the mayor, NT and provincial treasury by 25 January each year, a mid-year budget and performance assessment reflecting information required by s72(1)(a)(i), (iii), (iv), (1)(b), (2) and (3)	72	Municipal Manager	ref s79(1) of MFMA	MID-YEAR	21-Jan-16	*
8.9	Note: In addition to the detail provided in the mid-year budget and performance assessment referred to above, provide information required by s72(1)(a)(ii)	72	Municipal Manager	ref s79(1) of MFMA		YES	*
	<b>Other reporting</b>						
8.10	Submit information as prescribed or required to NT, the provincial treasury, the provincial department for local government or the A-G.	74(1)	Municipal Manager	ref s79(1) of MFMA		YES	
8.11	If unable to comply with any of the responsibilities contained in the MFMA report that fact with reasons to the mayor and the provincial treasury	74(2)	Municipal Manager	ref s79(1) of MFMA		YES	
8.12	Submit to NT within 3 months of 1 July 2004, a list of corporate entities, public-private partnerships and long-term contracts as detailed in s178(2)	178(2)	Municipality	ref s59 of MSA		YES	
8.13	Submit to the provincial treasury and A-G, the appropriate documentation authorising lawful over-expenditure in a capital programme within a financial year	31(e)	Municipal Manager	ref s79(1) of MFMA		NONE	
	<b>Website reporting</b>						
8.14	Place on the website information required by s75, no later than 5 days after its tabling in council or on the date which it must be made public, whichever comes first	75	Municipal Manager	ref s79(1) of MFMA		YES	*
	<b>END-OF-YEAR REPORTING</b>						
	<b>Annual financial statements</b>						
8.15	Prepare 2015/16 annual financial statements in accordance with s122(1) containing disclosures as required by s124 and s125	122(1) 124 125	Municipality	ref s59 of MSA		YES	Also ref s5 DoRA
8.16	If a municipality encounters a serious financial problem or anticipates problems in meeting its financial commitments, it must immediately seek solutions to the problem and notify the MEC for local government and MEC for finance in the province and SALGA	135	Municipality	ref s59 of MSA		YES	
8.17	Submit 2015/16 annual financial statements to the A-G within 2 months after the end of the financial year	126(1)(a)	Municipal Manager	ref s79(1) of MFMA	AUGUST	31-Aug-16	Relates to 2015/16 financial statements.
8.18	Note: Ensure that annual financial statements disclose information on intergovernmental and other allocations as required by s123(1)	123(1)	Municipality	ref s59 of MSA		YES	Relates to 2015/16 financial statements.
8.19	Take appropriate action in terms of s133 in instances where financial statements are not submitted to the A-G	133(1)	Council	ref s59 of MSA		YES	Target date dependent upon 8.17 above.
8.20	Ensure that the municipality addresses any issues raised by the A-G in the audit report	131	mayor	ref s59(1) of MFMA		YES	Relates to 2015/16 financial statements. Note: date of 30 January, based on receipt of audit report 3 months after its presentation to A-G at end of August, allowing council 60 days to respond (see s131(2) of MFMA).

Plan Ref	Action Required	Act Ref	Responsibility Under the MFMA	Delegation To	Final Target Date	Date Action Completed		Comments (NT)
8.21	Note: In addition to the requirements of s122(1) and (2), prepare annual financial statements and consolidated financial statements in accordance with GRAP	122(3)	Municipality	ref s59 of MSA		YES	*	
	<b>The annual report</b>							
8.22	Prepare the 2015/16 annual report in accordance with Chapter 12 and containing information required by s121	121	Municipality	ref s59 of MSA		YES	*	By capacity - relates to 2016/17 year for high capacity councils. Ref s46(1) of MSA.
8.23	Deal with the annual report within 9 months after the end of the financial year	121	Council	ref s59 of MSA		YES	*	By capacity - relates to 2015/16 year for high capacity councils.
8.24	Table in council the 2014/15 annual report of the municipality and any municipal entities within 7 months after the end of the financial year	127(2)	Executive Mayor	ref s59(1) of MFMA		YES		Relates to 2014/15 annual report. Ref s46(1) of MSA.
8.25	If unable to comply with s127(2), submit to council a written explanation setting out reasons for the delay, tabling the annual report as soon as possible	127(3)	Executive Mayor	ref s59(1) of MFMA		YES		Target date dependent upon 8.24 above. Relates to 2015/16 annual report.
8.26	Immediately after the annual report is tabled in council, make public and invite representations on the annual report and submit the annual report to the A-G, the provincial treasury and the provincial department for local government	127(5)	Municipal Manager	ref s79(1) of MFMA		YES		Target date dependent upon 8.24 above. Relates to 2015/16 annual report. Ref s46(3) of MSA.
8.27	Take the appropriate action in terms of s133 in instances where the mayor fails to table the annual report in council	133(1)	Council	ref s59 of MSA		NONE		
8.28	Ensure that council meetings at which the annual report is to be discussed are open to the public	130(1)	Council	ref s59 of MSA		YES		Relates to 2015/16 annual report. Ref s46(3) of MSA.
8.29	Invite any representatives of the A-G to attend council meetings at which the annual report is to be discussed	130(2)	Council	ref s59 of MSA		YES		Relates to 2015/16 annual report. Ref s46(3) of MSA.
8.30	Attend council and committee meetings where the annual report is discussed and submit copies of the minutes of those meetings to the A-G, the provincial treasury and the provincial department for local government	129(2)	Municipal Manager	ref s79(1) of MFMA		YES		Relates to 2015/16 annual report. Ref s46(3) of MSA.
	<b>The oversight report</b>							
8.31	Adopt an oversight report following consideration of the annual report, containing council's comments on the annual report in accordance with s129(1), no later than 2 months from the date on which the annual report is adopted by council	129(1)	Council	ref s59 of MSA		YES		Relates to 2015/16 oversight report.
8.32	Make public the oversight report within 7 days of its adoption by council	129(3)	Municipal Manager	ref s79(1) of MFMA		YES		Target date dependent upon 8.31 above. Relates to 2015/16 oversight report.
8.33	Submit the annual report and oversight report to the provincial legislature within 7 days after being adopted by council	132	Municipal Manager	ref s79(1) of MFMA		YES		Target date dependent upon 8.31 above. Relates to 2015/16 oversight report.

FOR COUNCIL USE ONLY			
Prepared by:	<b>N P Khumalo</b>	Reviewed by:	<b>A M Mofokeng</b>
Date:	_____	Signature & Date:	_____

Disclaimer: Please note that this worksheet has been compiled to assist municipalities in developing their own project management plan - municipalities must review the activities and timeframes listed carefully to ensure that they suit their own individual needs. Municipalities are required to review the accuracy of the template, and therefore National Treasury cannot accept any responsibility for errors or omissions contained within this worksheet. As a template, there may be instances when the information contained here is not relevant to a municipality. This document will evolve over time, and users are requested to advise the National Treasury of any errors or omissions so that the template may be constantly improved and enhanced.