

# NATIONAL TREASURY

## QUARTERLY MFMA IMPLEMENTATION AND MONITORING CHECKLIST

### IMPLEMENTATION PRIORITIES

1. Change Muncde to your own municipal code (e.g.: GT411), Year End (ccyy) to Financial Year End (e.g.: 2007 for year 2006/2007 and Quarter (Qn) to Quarter End (e.g.: Q1 for Quarter 1)
2. Enter Date if No to response (ccyy/mm/dd)
3. To Save File press the following keys at the same time with Caps Lock off: Ctrl Shift S
4. In-built macro will save file as: Muncde\_MFM1\_ccyy\_Qn.xls (e.g. GT411\_MFM1\_2006\_Q1.xls)
5. E-mail completed returns to: lgdatabase@treasury.gov.za



MunCde	Municipality Name	Financial Year End	Quarter
GT423	Lesedi	2014	Q4 Apr-June
Ref	Question	Council Use Only	
		Response	Date (if applicable)

#### 1 PREPARING AN IMPLEMENTATION PLAN

All municipalities are required to prepare an MFMA implementation plan that focuses on what the municipality intends to implement and achieve over the next few years. The plan should contain a list of activities together with target (and actual) dates, with provision to show ongoing (possibly monthly) progress with comments and a responsible councillor / official for each activity.

A copy of the MFMA Implementation Plan (Circular 7) must be submitted to the National Treasury by September each year as well as each time it is updated. Note that the MFMA Implementation Plan should include implementation issues to align implementation with amendments to the Municipal Systems Act.

1.1	Is an MFMA implementation plan prepared that contains realistic and achievable activities together with target dates, responsible councillors or officials and provision to record ongoing progress to meet targeted implementation? (If not, please download the implementation plan template from the NT website).	Yes	
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#### 2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE ACCOUNTING OFFICER

The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.

2.1	Has council appointed a person to assume the duties of the municipal manager?	Yes	
2.2	Has a report to the <u>current council</u> been tabled that creates an awareness of the roles and responsibilities of the municipal manager as the accounting officer of the municipality who must exercise the powers and functions of this position in terms of the MFMA, and to provide guidance and advice to council and officials? (s 60).	Yes	
2.3	Are the appropriate systems in place to allow the municipal manager to take responsibility for managing the financial administration of the municipality to ensure compliance with the MFMA. (s 62)	Yes	
2.4	Are the appropriate systems in place to allow the municipal manager to take full responsibility for managing the municipality's assets, liabilities, revenue and expenditure? (s 63, s 64, s 65)	Yes	
2.5	Does the municipal manager ensure that expenditure on staff benefits is reported to council on a regular basis? (s 66) If so, how often is this expenditure reported ie: monthly, quarterly, six-monthly, annually or other?	Mth	
2.6	Does the municipal manager assist the mayor in carrying out his or her responsibilities under the MFMA? (s 68)	Yes	
2.7	Is the municipal manager provided with the appropriate autonomy and flexibility to implement the budget? (s 69)	Yes	

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<b>3 ESTABLISHING A TOP (SENIOR) MANAGEMENT TEAM</b>			
The municipal manager is required to formally establish and maintain a top management team, to include all those senior managers who are responsible for a vote or the budget of a vote. Detail of top management is provided in section 77 of the MFMA. All councils should comply with the provisions of the Municipal Systems Act (as amended) and its regulations in relation to annual staff performance agreements.			
3.1	Has council appointed a person to assume the duties of the Chief Financial Officer (CFO)? (s 77, 80, 81)	Yes	2013/08/12
3.2	Has council appointed persons to assume the duties of other senior managers ie: to form top (or senior) management, with appropriate responsibilities and delegations? (s 77, 78)	Yes	
3.3	Is the CFO able to effectively assist the municipal manager in carrying out his or her duties with respect to financial management generally, in providing financial advice to senior managers and undertaking specific financial management duties? (s 81)	Yes	
3.4	Are other senior managers able to exercise the appropriate financial management responsibilities as required by legislation? (s 78)	Yes	
3.5	Does an appropriate system of delegations exist, that maximises administrative and operational efficiency and provides adequate checks and balances in financial administration within the municipality, within the confines of the MFMA in terms of limits to delegations? (s 79)	Yes	
3.6	Has a report to the <u>current council</u> been tabled that creates an awareness of and endorses the roles and responsibilities of the top (or senior) management team within the municipality? (s 77)	Yes	
3.7	Does council comply with the provisions of the MFMA and the Municipal Systems Act (as amended) and its regulations in relation to the establishment and review of annual staff performance agreements? (MFMA s 53 and Municipal Systems Act s 57)	Yes	
<b>4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK ACCOUNTS AND CASH MANAGEMENT</b>			
Municipalities must establish controls over their bank accounts, cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA.			
4.1	Does the municipality maintain at least one bank account, designated the primary bank account which receives all allocations (including those for a municipal entity), income from investments and money collected by an entity on behalf of the municipality? (s 8)	Yes	
4.2	During the quarter under review has there been any changes to the details of the primary bank account of the municipality and were such changes reported to the National Treasury and Auditor-General? (s 8(5))	No changes	
4.3	During the quarter under review did the municipality open any new bank accounts and were these reported to the Provincial Treasury and Auditor-General? (s 9)	Yes changes reported	
4.4	Does the municipal manager administer all bank accounts and is the municipal manager accountable to council for this? (s 10)	Yes	
4.5	Is an appropriate system of delegation in place in instances where the municipal manager has delegated the administration of a bank account to another officer (or the CFO)? Note limitation on delegations with respect to enforcement of sections 7, 8 and 11 that may only be delegated to the CFO (s 10).	Yes	
<b>5 MEETING OF FINANCIAL COMMITMENTS</b>			
Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure control, and meet their financial commitments to other parties promptly and in accordance with the Act.			
5.1	Does the municipality operate and maintain an effective system of expenditure control that includes procedures for approval, authorisation, withdrawal and payment of all funds? (s 65(2)(a))	Yes	
5.2	Is the municipal manager able to confirm that all moneys owing by the municipality are paid within 30 days of receiving the relevant invoice or statement? (s 65(2)(e))	Yes	
5.3	Does the municipality promptly meet all financial commitments toward other municipalities, national and provincial organs of state? (s 37(1)(c))	Yes	
5.4	Is the municipality currently party to any formal dispute concerning non-payment of monies owing between the municipality and another organ of state? (s 65(2)(g)). Note: formal disputes between organs of state are discussed in s 44 and Circular 21.	No	

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<b>6 REPORTING REVENUE AND EXPENDITURE</b>			
Municipal managers must take steps to put systems in place that ensure that they report on the implementation of the current budget by submitting monthly reports to the mayor and quarterly reports to the council on revenue collected and total spending. Further detail on reporting is contained in sections 71 and 72 of the MFMA.			
The municipality must monthly report on the implementation of the current budget to the National Treasury and to the relevant Provincial Treasury.			
6.1	Has the municipal manager submitted monthly budget statements to the mayor, National Treasury and the Provincial Treasury for each of the months of this quarter? (s 71)	Yes	
6.2	Has the municipal manager submitted a quarterly budget statement to council, reflecting expenditure incurred and income collected? (s 71)	Yes	
<b>7 SUPPLY CHAIN MANAGEMENT (SCM)</b>			
All municipalities must adopt and implement a supply chain management (SCM) policy in accordance with the Municipal Supply Chain Management Regulations and consistent with the "model policy" provided in MFMA Circular No 22.			
7.1	Has council adopted a supply chain management policy that complies with the Supply Chain Management Regulations? (SCM Regulations 2 & 3, Circular No 22) ?	Yes	
7.2	Has council delegated SCM powers and duties to the municipal manager as required in SCM Regulation 4?	Yes	
7.3	Does the municipal manager report at least quarterly to the mayor and at least annually to council on implementation of the supply chain management policy? (SCM Regulation 6)	Yes	
7.4	Has the municipal manager submitted monthly reports on contracts awarded above R100 000 to National Treasury for each of the months of this quarter? (Circular No 34)	Yes	
7.5	If a tender other than one recommended in the normal course of implementing the SCM policy was approved during this quarter, has the municipal manager reported the approval of tenders not recommended and the reasons for deviating from such recommendation to the National Treasury, provincial treasury and Auditor-General? (s 114)	No	
7.6	If there has been any deviation from or breach of the SCM policy during this quarter, has the municipal manager reported the reasons for such deviation from or ratification of minor breaches of procurement processes to council during this quarter? (SCM Regulations 36)	Yes	
<b>8 IMPLEMENTING REFORMS IN RELATION TO MUNICIPAL ENTITIES AND LONG-TERM CONTRACTS</b>			
Municipalities must ensure compliance with the MFMA and Municipal Systems Act (as amended) where relevant, for any new undertaking relating to a municipal entity, Public-Private Partnership (PPP), long-term contract (LTC) or any borrowings.			
8.1	Has the municipal manager submitted to the National Treasury the Municipal Entity Return Form, for this quarter? (See "Municipal Entity Return Form" under National Treasury Return Forms on website <a href="http://www.treasury.gov.za/mfma">www.treasury.gov.za/mfma</a> ).	Yes	
8.2	Has the municipal manager submitted to the National Treasury the Long Term Contract Return Form, for this quarter? (See "Long Term Contract Return Form" under National Treasury Return Forms on website <a href="http://www.treasury.gov.za/mfma">www.treasury.gov.za/mfma</a> ).	Yes	

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