



Annexure to MFMA Circular No. 99

This Annexure to MFMA Circular No. 99 provides further guidance to municipalities and municipal entities regarding Government Gazette No.43181 on local government: Municipal Finance Management Act, 2003 - exemption from the Act and Regulations that was published on 30 March 2020.

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1. MFMA Exemption Notice

The President of South Africa declared a nationwide lockdown, where all citizens, except those that form part of essential services, were ordered to stay home for a period of 21 days. Those working in essential services, as defined in the latter announcement, were exempted from the nationwide lockdown declaration. The nationwide lockdown commenced at midnight on Thursday, 26 March 2020. This announcement will broadly affect how municipalities and municipal entities undertake their financial management responsibilities for the remainder of the 2019/20 financial year in terms of the MFMA and more imminently the 2020/21 MTREF budget preparations process.

As a result, the Minister of Finance issued a conditional Exemption Notice in terms of section 177(1)(b) of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA) on 30 March 2020 to facilitate and enable the performance of legislative responsibilities by municipalities and municipal entities during the national state of disaster. Find hereto attached **a list of key time bound actions to be taken by MUNICIPALITIES which may be affected during the National State of Disaster (Appendix 1)**. However, it should be noted that:

- (a) this is not an exhaustive list; and
- (b) some of these provisions may fall outside or within the scope of the exemption should:
 - i. the period of the disaster be extended; or
 - ii. the period of the disaster be terminated earlier than anticipated.

Furthermore, the Minister of Cooperative Governance and Traditional Affairs, in terms of section 27(2) of the Disaster Management Act, 2002 (Act 57 of 2002) ("the DMA"), issued directives to address, prevent and combat the spread of COVID-19 in South Africa.

Municipalities and municipal entities will be exempted from the timeline provisions in the MFMA, until such time that the national state of disaster declaration is lifted by the Minister of Cooperative Governance and Traditional Affairs. The exemption is conditional in that "any action that was required to be taken in terms of the MFMA must be taken within 30 days after the national state of disaster lapsed or is terminated". This exemption should therefore enable municipalities and municipal entities to undertake their financial management responsibilities including their budget preparation processes in a manner taking cognisance of the challenges experienced as a result of the announcement of the national state of disaster and the nationwide lockdown. It also provides for a special adjustments budget to address any expenditure relating to COVID-19 for the current municipal financial year ending 30 June 2020.

Municipalities should note that only one adjustments budget will be allowed between the date of the declaration of the national state of disaster and 15 June 2020, which is the date when it is envisaged to end in terms of the DMA. Municipalities should therefore plan the date when the municipal council will pass the adjustments budget carefully to ensure that all related expenditure is authorised in this one special adjustments budget.

It is important that the Exemption Notice be understood within the context of the COVID 19 pandemic and the related declarations made by the President of the Republic of South Africa. The Exemption provided enabled a relaxation of all those provisions that would have compromised amongst others, the social distancing and the prohibition of gatherings of more than 100 people measures that was introduced as part of the national state of disaster declaration. The latter refers to council meetings where reports had to be approved before being made public, public consultation meetings, sitting of bid committees etc. In other words, every action or decision that requires some degree of human contact will be covered by this conditional exemption. All other actions or decisions e.g. paying suppliers within 30 days of receipt of invoice, etc. that involve minimal to no human contact should continue as normal.

Subsequent to the issue of the exemption notice, there were various queries raised by municipalities and other stakeholders on certain practical implications of the notice. This circular seeks to provide further clarity in this regard.

2. Socio-economic Impact

The National State of Disaster and subsequent lockdown comes amidst already dire macro-economic conditions which have seen South Africa slump into a technical recession and downgraded to sub-investment grade ("junk" status) and worsening already high levels of unemployment.

The lockdown will likely have a devastating effect on economic activity as non-essential business are forced to shut down completely resulting in a reduction in overall economic output and job losses. National Government, in conjunction with prominent private sector role-players, has introduced various forms of relief programmes to aid small businesses and employees alike during the period of the lockdown to compensate for a loss of income and wages, etc.

Municipalities will be impacted negatively due to a loss of revenue streams as businesses, households and communities reel from the economic fallout caused by COVID-19. They may also be required to expand their scope of basic services and free basic services to respond

directly to the socio-economic impacts of the pandemic and prevent the transmission of communicable diseases.

Given the developmental role of Local Government articulated in the Constitution, municipalities must assist Small-Medium Micro Enterprises (SMMEs) and communities to access the information on relief measures to ease the impact of COVID-19 provided by government.

3. Generic principles for considering a municipal response

The following core principles have been identified as being relevant in an event of disasters, where governance and financial management practices are still required, but balanced with the need for rapid and impactful responses:

- **Strategic management:** (i) Extraordinary operations that are different from day-to-day activities are required. (ii) A balance is required between the controls and speed of decision-making within the applicable legal framework, and the need to be responsive to COVID -19 requirements; and (iii) Disaster-related decisions should be sub-delegated to and exercised by those closest to and critical to the need to respond to the pandemic;
- **Supply chain management:** (i) Sourcing rules should be appropriately adapted within the applicable legal framework to enable procurement decisions to be exercised in a manner that achieves the desired procurement outcomes with the required urgency and responsiveness as far as is reasonably possible. MFMA Circular No. 100 already provide guidance in this regard. (ii) Applicable procurement roles should be adapted for the purposes of ensuring adequate emergency preparedness planning and responsiveness to the pandemic; and (iii) Resources will be deployed by organs of state most suitable to respond to the COVID-19 relief procurement needs from a legal, practical, resource and skill capability perspective;
- **Donations and sponsorship:** regulation 48 of the Municipal Supply Chain Management Regulations provides that the accounting officer of a municipality or municipal entity must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorships promised, offered or granted to the municipality or municipal entity, whether directly or through a representative or intermediary, by any person who is (i) a provider or prospective provider of goods or services to the municipality or municipal entity or (ii) a recipient or prospective recipient of goods disposed or to be disposed of by the municipality or municipal entity. Therefore, municipalities or municipal entities, must as part of the envisaged reporting in terms of MFMA Circular No. 100, report all donations/sponsorships received from the local or international donor community to the National Treasury and the relevant provincial treasury within 30 days of receipt.
- **Disaster Response Plans:** Municipalities should commit to pre-approved response plans, adjusted as necessary, and guard against deviations from established disaster response frameworks;
- **Risk assessment and mitigation:** As the pandemic rapidly spreads, municipalities must conduct a localised risk assessment to help identify areas of most pressing need. The assessment should reflect on likelihood and impact/magnitude of each risk. Municipalities are advised to amend their risk registers accordingly;
- **Revenue Management:** Revenue streams must be actively protected to mitigate the financial impact of COVID-19. Most business and households will feel the financial impact of COVID-19 (albeit to a varying degree) and will likely reprioritise their own spending patterns;
- **Expenditure Management:** All non-essential spending should be curtailed to optimise savings that can in turn be applied for disaster relief. Strategic management of priority functional classifications of budget allocations and basic incremental increases to primary mandates and functions to ensure basic operational effectiveness (recurrent budgeting) should be undertaken, with savings and developmental project allocations

channelled to areas of need identified through risk assessment while not losing sight of existing capital projects requirements; and

- Records are maintained for all expenditure incurred to ensure effective internal controls, special adjustments budget allocations and appropriations, and audit purposes.

4. Budgetary Implications

In response to the impact of COVID-19, municipalities are currently considering the reprioritisation of their funding allocations for the 2019/20 and 2020/21 financial year. Given the prevailing circumstances, municipalities may be under pressure to grant some form of relief to consumers, such as rates holidays, etc. However, we advise municipalities not to make assumptions about the ability of consumers to pay under these circumstance and prematurely grant relief measures as this is not supported by the National Treasury. We strongly advise municipalities to assess the merits of each case.

In doing so, National Treasury recommends that municipalities consider the following guiding principles:

- i) Where municipalities consider initiatives to reduce the impact of COVID-19 on businesses and economic households such as rebates, payment holidays, relaxation of credit control measures municipalities –
 - a. must ensure that their liquidity and overall financial sustainability is not compromised;
 - b. in granting rebates to their consumers, should consider all the relevant legislation, regulations such as Municipal Property Rates Act (MPRA), MFMA dealing with revenue management within the disaster management principles;
 - c. must ensure that the relaxation of levying of interest for overdue payments for municipal services should be in line with Council’s policies, by-laws and other applicable legislation;
 - d. must from a tariff perspective, understand that the prohibition on increasing tariffs in terms of section 28(6) of the MFMA still remains. Any tariff increase required during this national disaster period will be considered on a case by case basis. Municipalities are however allowed to decrease their tariffs in-year. With regard to tariffs tabled as part of the draft budget, the National Treasury views this as “indicative” and might change after the public consultation process. We therefore advise that whatever tariff is introduced or proposed as part of the draft budget tabled in March is indicative and municipalities are allowed to change the tariff (increase or decrease) **before** the final budget is adopted by the municipal council;
 - e. must as it relate to public consultation consider section 17(3)(a) of the MFMA which requires that the draft budget must be accompanied by draft resolutions that amongst others, impose any municipal taxes and setting any municipal tariff for the specific budget year. If the indicative tariff that was used to consult the public on the draft budget changed significantly post consultation, the municipal council will have to consult again on the revised tariff given the impact on the consumer. The nature of the consultation is the discretion of the municipality as it is not a legal requirement at the moment to consult again after the initial draft budget was made public. However, reasons for increasing the tariffs must be provided, and the municipality must consider special short-term tariff measures, so any increase may be undertaken on a short-term basis and reversed, depending on a case-by-case basis; and
 - f. Expenditure side measures and cost savings on the budget must also allow for limitations on increases as the levels of affordability for households and business may be breached.

- ii) With respect to relief strategies to indigent households, municipalities should consider:
 - a. reviewing their respective indigent policies to factor in the potential economic impact of COVID-19 on poor households; and
 - b. the possibility of an increase in the number of indigent households while the quantum for free basic services remains within the national policy e.g. 6 kilolitres for water. Municipalities must ensure that financial sustainability is not compromised in implementing these policies. If the increase is implemented for the remainder of 2019/20 financial year (quarter four), it can be effected as part of the anticipated adjustments budgets allowed for by the Exemption Notice No. 43181 dated 30 March 2020.

- iii) Municipalities are reminded that any expenditure related to COVID-19 should be **limited to the implementation of their mandates as outlined in the Constitution**, specifically related to the provision of basic services i.e. water, sanitation, refuse and electricity amongst others. By implication avoid creating unfunded mandates for themselves.

5. Conditional grants being used to respond to COVID-19

Municipalities should follow guidance issued by transferring officers regarding the use of conditional grant funds to support the response to the disaster. Some of the projects that need to be implemented urgently (such as provision of water infrastructure) can already be funded within the purpose and rules of conditional grants. In such cases, transferring officers will advise on the process for changing conditional grant business plans to enable the implementation of such projects.

Transferring officers and National Treasury will advise municipalities of any further changes to the use of conditional grants in 2019/20 to facilitate the response to the COVID-19 disaster.

Municipalities should follow closely any announcements from the National Treasury regarding revisions to allocations and conditional grant rules for 2020/21.

6. Tabling and adoption of 2020/21 MTREF budgets

It should be noted that municipalities that have already tabled their budgets will not be required to re-table such budgets after the lockdown given that they have already complied with the timelines for tabling. The exemption notice does not nullify compliance with the requirements of the MFMA prior to the nationwide lockdown. The exemption notice was issued to facilitate instances where municipalities could not comply with the provisions of the MFMA due to the nationwide lockdown.

Where a municipality has not submitted or published the tabled budget during the nationwide lockdown, then the exemption notice enables those municipalities to comply with these requirements within 30 days from the date that the national state of disaster is lifted. All requirements are therefore relaxed for as long as the national state of disaster is in effect. Note however that those municipalities that can comply with the law despite the current situation should continue to do so and report accordingly. The use of electronic mechanisms is encouraged.

The Minister of Cooperative Governance and Traditional Affairs (Minister of COGTA) issued a directive that suspends all council meetings during the period of the 21-day nationwide lockdown period. The same directive from the Minister of COGTA provides guidance around how council meetings and decision making must unfold post the 21-day nationwide lockdown period to consider amongst other, the adoption of the 2020/21 MTREF budget.

Therefore, depending on the municipality's ability to implement the measures introduced by the Minister of COGTA post the 21-day national lock down period, adoption of the budget by 31 May 2020 (including the approval of the BEPPs for Metros) should not be a problem and compliance in this regard should be attained. It is only in the event that, the municipality is unable to implement the measures introduced by the Minister of COGTA in relation to council sittings and associated decision making that the MFMA Exemption Notice issued by the Minister of Finance will cover the municipality in terms of allowing municipal councils to sit and adopt their budgets 30 days post the lifting of the national state of disaster by the President of the Republic of South Africa.

The municipality may consider other forms of having council meetings i.e. councillors can use their tools of trade to receive and consider draft budgets and casting their votes via email to a centrally controlled email system via the Office of the Speaker who can count all votes received and communicate the results via email to all councillors. The administration can then implement what council has decided. The latter will then ensure that council proceedings especially as it relate to the budget still proceeds albeit within the confines of the current situation. The exemption provided will then only be used in the event that it is extremely impossible to convene a council sitting in the manner described above.

7. 2019/20 reporting requirements

The nationwide lockdown affects amongst others, the monthly and quarterly performance reporting in terms of section 71 and section 52(d) of the MFMA respectively. The section 71 reporting can be done remotely in terms of a municipality's Business Continuity Plans. Reasons should be provided if this cannot be performed. Therefore, in cases where municipalities are unable to comply, municipalities must submit all reports that they have missed during the lockdown within 30 days after the national state of disaster is lifted. This includes Division of Revenue Act (DoRA) reporting requirements that are linked to monthly reporting in terms of section 71 of the MFMA. However, this **does not apply to all** DoRA reporting requirements. No exemption/departure is possible in respect of other monthly reporting provided for in DoRA that is not linked to any reporting requirement in the MFMA.

Municipalities are still expected to undertake the 2018/19 audit verification and submit the information on trading services gross and net operating margins. Similarly, this work does not require formal sittings and approval; therefore, it can be done as officials are expected to work from home during the nationwide lockdown, where mechanisms exists. The outcome of this work will have an impact on the timing of the state of local government finances and financial management report as at 30 June 2019. Importantly, municipalities must ensure that they submit separate *m*SCOA data strings for M09 and M10 as M09 is part of the reporting for quarter 3 of the 2019/20 financial year, while M10 forms part of the quarter 4 reporting.

In addition, given that National Treasury is tasked by Cabinet to anticipate / calculate the impact of this National Disaster across the spheres of government together with the impact of the downgrading on the broader economy, municipalities are requested to still submit their monthly Section 71 and other reports informally to the Local Government Database although formally exempted to do so. This will be in the best interests of individual municipalities and the local government sphere as a whole.

Additional reporting requirements relating to the impact on your special adjustments budget for 2019/20 as well as the main 2020/21 MTREF budgets will soon be circulated. In anticipation that revenue collections are likely to be impacted by the economic fall-out of COVID-19, and by implication reducing cash buffers in municipalities, it is important that the correct and appropriate decisions are made by municipalities during this critical period, as this will have a profound impact on financial and operational sustainability going forward. This information will

be required to assist both National and provincial treasuries to excise their oversight and support responsibilities as articulated in the Constitution.

8. Revenue and Expenditure Management

Municipalities must perform their normal billing and credit control in the spirit of good financial management practices in order to ensure that they can still honour their service delivery obligations.

8.1 Payment of Creditors

Municipalities must continue to pay for services rendered within the framework of the measures introduced by the President of the Republic of South Africa. The exemption notice does not divest municipalities of their contractual obligations and such will still have to be met. Therefore, municipalities must ensure that all services rendered are paid for as and when they become due. Municipalities must still comply with section 65(2)(e) of the MFMA which requires them to pay creditors within 30 days of receiving the relevant invoice or statement.

8.2 The wage bill

The 2020 Budget Review highlighted the proposed wage bill reduction for the public service. Similar to national and provincial government, municipalities must ensure that compensation demands are balanced with the broader needs of society. In this context, municipalities should start taking decisive action to address bloated organisational structures and above inflation wage increases.

Wage bill increases are crowding out spending on capital projects for future economic growth and impacts on service delivery.

Local government also confronts tough fiscal choices in the face of financial and institutional problems that result in service-delivery breakdowns and unpaid bills. Municipalities can offset these trends by improving own revenue collection, working more efficiently and implementing cost containment measures.

9. Tabling and adoption of completely new 2020/21 MTREF budgets

The National Treasury will have no objection if any municipality is of the opinion that it will have to re-do their entire 2020/21 MTREF budget, given that these budgets were prepared prior to the declaration of the national disaster and subsequent nationwide lockdown. Municipalities seeking to exercise this option should take into consideration the principles outlined in paragraph 3 above as well as the extent of reprioritisation required. Furthermore, the public participation process as a result of the changes made must be considered as outlined in paragraph 4 above. Those municipalities that are unsure of their ability to make decisions of this nature are invited to approach their respective provincial treasury during this process to assist them in this regard.

10. Conclusion and the way forward

The COVID-19 pandemic has introduced new dimensions of volatility, uncertainty, complexity and ambiguity to the task of financial stewardship across all spheres of government. Public policy decision-makers at all levels of government must act with vision, understanding, clarity and agility in responding to the crisis in a resilient manner. This will require a fundamental strategic rethink of the way in which we currently conduct our planning, budgeting and implementation processes.

The annual National and Provincial Budget and Benchmark assessment process of the tabled municipal budgets is still in progress within the constraints of the national lockdown. The discussion will be strategic in nature and include a focus on the implications of the municipality's proposed response to Covid-19. The annual Budget and Benchmark assessment engagements on the annual budgets are scheduled to take place from end of April 2020 until the end of May 2020 via video conferencing.

Any enquiries pertaining to this circular or the MFMA directive should be directed to MFMA helpdesk at the following email address: MFMA@treasury.gov.za.

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Appendix 1

SCHEDULE OF SOME KEY TIMEBOUND ACTIONS TO BE TAKEN BY MUNICIPALITIES IN TERMS OF THE MFMA TO WHICH THE EXEMPTION NOTICE APPLIES

Note: *This schedule is not an exhaustive list of all time-bound actions to be taken by municipalities and municipal entities in terms of the MFMA and regulations thereto to which the Exemption Notice applies. This schedule lists examples of time-bound actions to be taken by municipalities to which parts of the Exemption Notice applies.*

No.	Action	Empowering provision	Timeline specified in the MFMA
1.	The accounting officer of a municipality must: <ul style="list-style-type: none"> • Table in the municipal council a consolidated report of all withdrawals made in terms of section 11(1)(b)-(j) of the MFMA; and • Submit a copy of such report to the Provincial Treasury and the Auditor-General. 	Section 11(4)(a) of the MFMA	Within 30 days after the end of each of the following quarters: <ul style="list-style-type: none"> • 1 July to 30 September • 1 October to 31 December • 1 January to 31 March • 1 April to 30 June
2.	The municipal council must approve the annual budget (together with all supporting documents referred to in section 24(2) of the MFMA) for the forthcoming financial year.	Section 16(1), read with section 24(2), of the MFMA	On or before 30 June
3.	The mayor of a municipality must table the annual budget, together with all supporting documents referred to in section 17(3) of the MFMA, at a municipal council meeting.	Section 16(2) of the MFMA	At least 90 days before 1 July (i.e. on or before 31 March)
4.	The accounting office of a municipality must make the annual budget and supporting documents referred to in section 17(3) of the MFMA public and invite the local community to submit representations in connection with the annual budget.	Section 22(1)(a) of the MFMA	Immediately after tabling of the annual budget
5.	The accounting officer of a municipality must submit the annual budget: <ul style="list-style-type: none"> • In both printed and electronic formats to the National Treasury and the Provincial Treasury; and • In either format to any prescribed national or provincial organs of state and to other municipalities affected by the budget. 	Section 22(1)(b) of the MFMA	Immediately after the tabling of the annual budget
6.	The municipal council must consider the views of the local	Section 23(1) of the MFMA	After the tabling of the annual budget and completion of the

No.	Action	Empowering provision	Timeline specified in the MFMA
	community, as well as the National Treasury, Provincial Treasury and any national or provincial organs of state or municipalities which made submissions on the annual budget.		prescribed public participation processes but before the approval of the annual budget
7.	The municipal council must give the mayor an opportunity: <ul style="list-style-type: none"> • To respond to the submissions received on the annual budget; and • If necessary, to revise the budget and table amendments for consideration by the municipal council. 	Section 23(2) of the MFMA	Once the municipal council has considered all submissions on the annual budget but before the approval of the annual budget
8.	The municipal council must consider approval of the annual budget.	Section 24(1) of the MFMA	At least 30 days before the start of the next financial year (i.e. at least 30 days before 1 July)
9.	The municipal council must reconsider and vote again on the annual budget, or an amended version thereof, where it fails to approve the annual budget.	Section 25 of the MFMA	Within 7 days of the council meeting that failed to approve the annual budget
10.	The mayor of a municipality must inform the Provincial Minister responsible for Finance, in writing, of any impending non-compliance with any provision of the MFMA or any other legislation pertaining to the tabling or approval of an annual budget process or compulsory consultation processes	Section 27(1) of the MFMA	Upon becoming aware of any impending non-compliance with any provision of the MFMA or any other legislation pertaining to the tabling or approval of an annual budget process or compulsory consultation processes
11.	The mayor of a municipality may apply to the Provincial Minister responsible for Finance, on good cause shown, for an extension of any time limit or deadline imposed by the MFMA (excluding section 16(1) of the MFMA).	Section 27(2) of the MFMA	Upon becoming aware of any impending non-compliance with any time provision of the MFMA or any other legislation pertaining to the tabling or approval of an annual budget process or compulsory consultation processes, but before the time limit expires or the deadline passes
12.	The mayor of a municipality must, upon becoming aware of any actual non-compliance by the municipality of a provision of Chapter 4 of the MFMA, inform the council, the Provincial Minister responsible for Finance and the National Treasury, in writing, of— <ul style="list-style-type: none"> (a) such non-compliance; and (b) any remedial or corrective measures the municipality intends to implement to avoid a recurrence. 	Section 27(3) of the MFMA	Upon becoming aware of any actual non-compliance by the municipality of a provision of Chapter 4 of the MFMA

No.	Action	Empowering provision	Timeline specified in the MFMA
13.	The mayor must table an adjustment budget in line with prescribed timelines.	Section 28 of the MFMA	Prescribed in regulations to the MFMA
14.	If the mayor of a municipality, in emergency or other exceptional circumstances, authorises unforeseeable and unavoidable expenditure for which no provision was made in an approved budget, such expenditure must be appropriated in an adjustments budget passed by the municipal council.	Section 29(3) of the MFMA	Within 60 days after the date on which the expenditure was incurred
15.	Funds appropriated in an annual or adjustments budget must be spent to avoid the relevant appropriation lapsing to the extent that such funds are unspent.	Section 30 of the MFMA	On or before the end of the financial year (i.e. 30 June), unless the appropriation of expenditure was made for a period longer than the financial year
16.	The accounting officer of a municipality must promptly inform the mayor, the Provincial Minister responsible for Local Government and the Auditor-General of certain matters relating to unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality	Section 32(4) of the MFMA	Promptly after the unauthorised, irregular or fruitless and wasteful expenditure in question has been incurred
17.	The accounting officer must comply with the consultation and public participation requirements applicable before certain contracts that have future budgetary implications beyond the three-year period covered in the annual budget are concluded.	Section 33(1)(a) of the MFMA	At least 60 days before the meeting of the municipal council at which the contract in question is approved
18.	Municipalities must meet all financial commitments towards other municipalities or national or provincial organs of state.	Section 37(1)(c) of the MFMA	Promptly
19.	The accounting officer of a municipality responsible for the transfer of an allocation to another municipality must notify the receiving municipality of the projected amount of any allocation proposed to be transferred to that municipality during the next financial year.	Section 37(2) of the MFMA	At least 120 days before the start of the next financial year
20.	Municipalities and municipal entities must take all reasonable steps necessary to resolve disputes of a financial nature without having to resort to litigation and, where necessary, report such disputes to the National Treasury.	Section 44 of the MFMA	As promptly as possible

No.	Action	Empowering provision	Timeline specified in the MFMA
21.	A municipality intending to incur long-term debt must comply with the consultation, public participation and notice requirements applicable before incurring such debt.	Section 45(3) of the MFMA	Not later than 21 days prior to the municipal council meeting which the debt in question will be considered for approval
22.	The mayor of a municipality must submit a quarterly report to the municipal council on the implementation of the budget and the financial state of affairs of the municipality.	Section 52(d) of the MFMA	Within 30 days after the end of each of the following quarters: <ul style="list-style-type: none"> • 1 July to 30 September • 1 October to 31 December • 1 January to 31 March • 1 April to 30 June
23.	The mayor of a municipality must take all reasonable steps to ensure that the municipality approves its annual budget before the start of the budget year.	Section 53(1)(c)(i) of the MFMA	Before 1 July
24.	The mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor.	Section 53(1)(c)(ii) of the MFMA	Within 28 days after the approval of the annual budget
25.	The mayor of a municipality must report to the municipal council and the Provincial Minister responsible for Finance any delay in the tabling of an annual budget, the approval of the service delivery and budget implementation plan or the signing of the annual performance agreements.	Section 53(2) of the MFMA	Promptly
26.	The mayor of a municipality must ensure that the 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 made public.	Section 53(3)(a) of the MFMA	Not later than 14 days after the approval of the service delivery and budget implementation plan
27.	The mayor of a municipality must ensure that the performance agreements of the municipal manager, senior managers and any other categories of officials as may be prescribed, are made public and that copies of such performance agreements are submitted to the council and the Provincial Minister responsible for Local Government.	Section 53(3)(b) of the MFMA	Not later than 14 days after the approval of the municipality's service delivery and budget implementation plan
28.	The mayor of a municipality must consider and take the required actions to address a statement or report submitted to him or her by the accounting officer of the	Section 54 of the MFMA	Promptly upon receipt of the statement or report

No.	Action	Empowering provision	Timeline specified in the MFMA
	municipality in terms of section 70 or 71 of the MFMA (including addressing any serious financial problems identified in such statement or report).		
29.	If a municipality has not approved an annual budget by the first day of the budget year or if the municipality encounters a serious financial problem referred to in section 136, the mayor of the municipality must report the matter to the Provincial Minister responsible for Local Government.	Section 55 of the MFMA	Immediately upon a failure by a municipality to approve an annual budget by the first day of the budget year or immediately upon a serious financial problem referred to in section 136 of the MFMA is encountered
30.	The accounting officer of a municipality must take all reasonable steps to ensure that the revenue due to the municipality is calculated on a monthly basis.	Section 64(2)(b) of the MFMA	On a monthly basis
31.	The accounting officer of a municipality must take all reasonable steps to ensure that accounts for municipal tax and charges for municipal services are prepared.	Section 64(2)(c) of the MFMA	On a monthly basis or less often as may be prescribed in regulations where monthly accounts are uneconomical
32.	The accounting officer of a municipality must take all reasonable steps to ensure that all money received is deposited in accordance with the MFMA into the municipality's primary and other bank accounts.	Section 64(2)(d) of the MFMA	Promptly
33.	The accounting officer of a municipality must take all reasonable steps to ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled.	Section 64(2)(h) of the MFMA	At least on a weekly basis
34.	The accounting officer of a municipality must 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 periods of more than 30 days.	Section 64(3) of the MFMA	Immediately
35.	The accounting officer of a municipality must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state is transferred to that organ of state.	Section 64(4)(a) of the MFMA	At least on a weekly basis
36.	The accounting officer of a municipality must take all	Section 65(2)(e) of the MFMA	Within 30 days of receiving the relevant invoice or statement,

No.	Action	Empowering provision	Timeline specified in the MFMA
	reasonable steps to ensure that all money owing by the municipality is paid.		unless prescribed otherwise in regulation for certain categories of expenditure
37.	The accounting officer of a municipality must take all reasonable steps to ensure that all financial accounts of the municipality are closed and reconciled with its records.	Section 65(2)(j) of the MFMA	At the end of each month
38.	The accounting officer of a municipality must report to the municipal council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits	Section 66 of the MFMA	As prescribed in regulation
39.	<p>The accounting officer of a municipality accounting officer must submit to the mayor:</p> <ul style="list-style-type: none"> • A draft service delivery and budget implementation plan for the budget year; and • Drafts of the annual performance agreements as required in terms of section 57(1)(b) of the Municipal Systems Act for the municipal manager and all senior managers. 	Section 69(3) of the MFMA	Not later than 14 days after the approval of the annual budget
40.	<p>The accounting officer of a municipality must report in writing to the municipal council:</p> <p>(a) any impending—</p> <p>(i) shortfalls in budgeted revenue; and</p> <p>(ii) overspending of the municipality's budget; and</p> <p>(b) any steps taken to prevent or rectify such shortfalls or overspending.</p>	Section 70(1) of the MFMA	Prior to the said revenue shortfalls and overspending occurring
41.	The accounting officer of a municipality must notify the National Treasury where the municipality's bank account(s) show(s) a net overdrawn position for a period exceeding a prescribed period.	Section 70(2) of the MFMA	Promptly
42.	The accounting officer of a municipality must submit to the mayor of the municipality and the Provincial Treasury a statement in the prescribed format on the state of the municipality's budget reflecting certain required particulars for that month and for the financial year up to the end of that month.	Section 71(1) of the MFMA	Not later than 10 working days after the end of each month
43.	The accounting officer of a municipality which has received an allocation referred to in	Section 71(5) of the MFMA	Not later than 10 working days after the end of the month in which the relevant allocation is received

No.	Action	Empowering provision	Timeline specified in the MFMA
	section 71(1)(e) of the MFMA during any particular month must submit that part of the statement reflecting the particulars referred to in section 71(1)(e) and (f) to the national or provincial organ of state or municipality which transferred the allocation.		
44.	The accounting officer of a municipality must adhere to the general reporting obligations set out in section 74 of the MFMA.	Section 74 of the MFMA	As prescribed by regulation or as required
45.	The accounting officer of a municipality must place the documents referred to in section 75(1) of the MFMA on the municipality's website.	Section 75(2) of the MFMA	Not later than 5 days after each document is tabled in the municipal council or on the date on which it must be made public, whichever occurs first
46.	The accounting officer of a municipality must monitor the performance of each contractor of the municipality.	Section 116(2)(b) of the MFMA	On a monthly basis
47.	The accounting officer of a municipality must report to the municipal council on the management of contracts with contractors.	Section 116(2)(d) of the MFMA	On a regular basis
48.	The council of a municipality must within nine months after the end of a financial year deal with the annual report of the municipality and of any municipal entity under the municipality's sole or shared control in accordance with section 129.	Section 121(1) of the MFMA	Within nine months after the end of a financial year (i.e. before 31 March)
49.	The accounting officer of a municipality must prepare the annual financial statements of the municipality and, within two months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	Section 126(1)(a) of the MFMA	Within two months after the end of the financial year to which annual financial statements relate
50.	The accounting officer of a municipality referred to in section 122(2) of the MFMA must prepare consolidated annual financial statements in terms of that section and, within three months after the end of the financial year to which those statements relate, submit the statements to the Auditor-General for auditing.	Section 126(1)(b) of the MFMA	Within three months after the end of the financial year to which the relevant annual financial statements relate
51.	The mayor of a municipality must table in the municipal council the annual report of the municipality and of any municipal sole entity under the municipality's sole or shared	Section 127(2) of the MFMA	Within seven months after the end of a financial year

No.	Action	Empowering provision	Timeline specified in the MFMA
	control.		
52.	Once the annual report is tabled in the municipal council, the accounting officer of the municipality must make the annual report public, follow the required public participation process, and submit the annual report to the Auditor-General, the Provincial Treasury and the Department of Local Government.	Section 127(5) of the MFMA	Immediately
53.	The accounting officer of a parent municipality must report on any non-compliance of a municipal entity under the sole control of the parent municipality with sections 121(1) or 126(2) of the MFMA, together with reasons for such non-compliance, to the municipal council of the parent municipality, the Provincial Treasury and the Auditor-General.	Section 128 of the MFMA	Promptly
54.	The council of a municipality must adopt an oversight report containing the council's comments on the annual report.	Section 129(1) of the MFMA	Not later than two months from the date on which the annual report was tabled in the municipal council in terms of section 127 of the MFMA
55.	The accounting officer of a municipality must make an oversight report adopted by the municipal council public.	Section 129(3) of the MFMA	Within seven days of the date on which the oversight report is adopted in terms of section 129(1) of the MFMA
56.	The accounting officer of a municipality must submit the annual reports and oversight reports referred to in sections 132(1)(a) and 132(1)(b) of the MFMA to the Western Cape Provincial Legislature.	Section 132(2) of the MFMA	Within seven days after the municipal council has adopted the relevant oversight report in terms of section 129(1) of the MFMA
57.	The mayor of a municipality must promptly table in the council a written explanation setting out the reasons for the failure to submit the annual financial statements to the Auditor-General in terms of section 126(1) or 126(2) of the MFMA or the failure to table the required annual reports in terms of section 127(2) of the MFMA.	Section 133(1)(a) of the MFMA	Promptly