



Annual Report: Guidelines

This circular has been developed to provide guidance on the preparation of the annual report and is issued after consultation with the Department of Provincial and Local Government. It aims to encourage continuous improvement in the standard of reporting by municipalities and to promote accountability to stakeholders. It also aims to consolidate reporting requirements by incorporating a range of information required by various stakeholders into the annual report reducing duplication and improving communication.

Every municipality and municipal entity must prepare an annual report for each financial year in accordance with the Municipal Finance Management Act (MFMA) and, during the MFMA transitional period, the Division of Revenue Act and the Municipal Systems Act 2000.

The purpose of the annual report is:

- to provide a record of the activities of the municipality or entity;
- to provide a report on performance in service delivery and budget implementation; and
- to promote accountability to the local community.

In the past, annual reports have often been used solely to promote the positive image of the municipality with little focus on comparing actual with promised performance. The MFMA now requires the municipality to report on all aspects of performance providing a true, honest and accurate account of the goals set by council and the success or otherwise in achieving these goals. The annual report is a key performance report to the community and other stakeholders and, once approved by the council, must be placed on the municipal website, copies sent to various authorities and made available to the wider community.

High capacity municipalities are required to follow most of the annual reporting requirements in terms of the MFMA for the 2003/04 annual report, whilst some of the provisions have been delayed for the medium and low capacity municipalities until the 2004/05 and 2005/06 annual reports respectively. No phasing has been allowed for municipal entities which, regardless of capacity of the parent municipality, must comply with the MFMA for the 2003/04 report and onwards.

This circular should be carefully followed by all municipalities and entities to ensure compliance with the MFMA and other relevant legislation. Wherever possible, early adoption of the new processes and standards is encouraged.

Overview

The most important documents tabled for any municipality or entity are its Integrated Development Plan (IDP), budget and annual report. The IDP and budget are *forward-looking*, they set out what the municipality intends to do and the funds it will raise and spend. The annual report, on the other hand, is *backward-looking* as it reports on actual performance at the end of the financial year, reporting on how the IDP and budget were implemented.

The annual report requires the collection and consolidation of a range of financial and non-financial information about the municipality. It provides an authoritative record of the activities and performance of the municipality for each financial year. In time it will serve as a key

historic record for each municipality revealing the progress, growth and development of municipal services and performance.

Annual reports must be aligned with the planning documents and municipal budget for the year reported on. This means that the IDP, budget, service delivery and budget implementation plan (SDBIP), in-year reports and annual report should have similar and consistent structures to facilitate understanding and to enable the linkage between plans and actual performance.

The content of the annual report and the process to follow for adoption are presently governed by the Municipal Finance Management Act 2003 and, during the implementation phase, the Division of Revenue Act 2004 and the Municipal Systems Act 2000 (as amended by Act 44 of 2003). Whilst having regard to the legislation, this circular promotes a holistic approach that follows the spirit of the legislation and will serve to position municipalities to comply, thereby ensuring consistency and a smooth transition to the new annual report formats.

This circular supplements National Treasury "*Budget Circular 2*", issued on 18 August 2003. The Excel spreadsheet "*Annual Report Guidelines*" also issued on 18 August 2003 remains current and provides the recommended format for municipal functions and services to appear in the annual report (see chapter 5 below).

It is important that mayors, councillors, municipal managers and senior officials give proper attention to the annual report context and the need to demonstrate municipal performance to the community.

Content of the Annual Report

In terms of Section 121(3) of the **Municipal Finance Management Act** (MFMA), the annual report of a municipality or municipal entity must include the following, please note that unless otherwise stated, these requirements apply to all municipalities and municipal entities (transitional arrangements are indicated next to each item where applicable):

- ✓ the annual financial statements;
- ✓ in addition, where a municipality has sole or effective control of a municipal entity, the consolidated annual financial statements (takes effect according to capacity: High–2004/05 annual report, Medium–2005/06 annual report, Low–2006/07 annual report);
- ✓ the Auditor-General's report on the financial statements
- ✓ any explanations that may be necessary to clarify issues in connection with the financial statements;
- ✓ an assessment by the accounting officer on any arrears on municipal taxes and service charges;
- ✓ particulars of any corrective action taken or to be taken in response to issues raised in the audit reports;
- ✓ any information as determined by the municipality or entity;
- ✓ any recommendations of the audit committee, and:
- ✓ any other information as may be prescribed.

The following provisions only apply to municipalities:

- ✓ the Auditor-General's audit report on the municipality's performance report (takes effect according to capacity: High-2003/04, Medium 2005/06, Low-2006/07 annual reports);
- ✓ an assessment by the municipality's accounting officer on the municipality's performance against measurable performance objectives for revenue collection (takes effect according to capacity: High-2005/06, Medium-2006/07, Low-2007/08 annual reports);
- ✓ all relevant information on municipal entities.

In terms of **Division of Revenue Act** information on the following matters of public interest is regulated for inclusion in the annual report:

- ✓ the use of conditional grants, per grant (see example format in chapter 4 below) to include the current year and details of spending on all previous conditional grants, for the previous two financial years. For example, municipalities must report on all transfers received from provincial housing departments for housing subsidy grants for three financial years, and indicate how such funds were spent, and for what projects. The Auditor-General will ensure that the audit process includes a proper assessment (and reconciliation) on all national grants received by a municipality;
- ✓ the extent to which a municipality met the conditions of such grants;
- ✓ the use of any donor funding support;
- ✓ agreements, contracts and projects under Private-Public-Partnerships;
- ✓ service delivery performance on key services provided;
- ✓ information on long-term contracts ;
- ✓ information technology and systems purchases and the effectiveness of these systems in the delivery of services and for ensuring compliance with statutory obligations.
- ✓ three year capital plan for addressing infrastructure backlogs in terms of the Municipal Infrastructure Grant (MIG) framework (see MIG section on page 10 of this circular);

The following provisions only apply to municipalities:

- ✓ the annual performance report of the municipality prepared in terms of Section 46 of the Municipal Systems Act as amended by Act 44 of 2003 (whilst initially delayed in terms of the MFMA this is required by the DoRA);
- ✓ list all municipal entities, their purpose and disclose any financial contributions to and from the municipality; and
- ✓ performance of municipal entities and municipal service providers.

Wherever possible, municipalities are encouraged to adopt the new reporting requirements before the phasing deadlines as this will facilitate a more uniform sector wide approach.

Additional disclosure requirements

Municipalities and entities are reminded of the requirement to include, in their annual **financial statements**, amounts owed to them and persistently delayed beyond 30 days, by national or provincial departments and public entities. It is also a requirement to report on whether the municipality or entity has met its statutory commitments, including the payment of taxes, audit fees, and contributions for pension and medical aid funds. As part of the monitoring of national and provincial allocations a reconciliation will be undertaken to ensure all amounts are correctly reported.

The accounting officer is also required to report to the council (section 66) and to include disclosure notes in the annual financial statements (section 124) on all expenditure incurred on **staff salaries, wages, allowances and benefits** and in a manner that discloses such expenditure by type, namely:

- salaries and wages;
- contributions for pensions and medical aid;
- travel, motor car, accommodation, subsistence and other allowances;
- housing benefits and allowances;
- overtime payments;
- loans and advances, and;
- any other type of benefit or allowance related to staff.

If salary disclosures and amounts owing to municipalities are not included in the notes to the annual financial statements then this information must be incorporated in the annual report. Refer to the example table on staff disclosures provided in chapter 4 of this circular.

Timelines for producing the Annual Report

The annual report, and that of any municipal entity for which it is a parent, must be tabled in council by 31 January. For a municipal entity, the chief executive officer of that municipal entity must provide the parent municipality with the entity's annual report at least one month earlier.

The annual report must contain a copy of the audited financial statements and the audit report. For the 2003/04 financial year, municipalities and entities had an extra month until 30 September 2004 to submit their **financial statements** to the Auditor-General, in accordance with section 5(7)(c) of the 2004 Division of Revenue Act. Thereafter, from the 2004/05 financial year, the annual financial statements must be submitted to the Auditor-General by 31 August, or by 30 September in the case of those municipalities with a municipal entity. In the latter instance, the municipal entity must provide the parent municipality with statements by 31 August.

The Auditor-General will be required to return a report to the municipal manager or chief executive officer within three months of receiving the statements for audit.

Oversight reports

The council must consider its annual report and that of any municipal entity under its shared or sole control within two months of it being tabled, by 31 March at the latest. Although not obliged until the 2004/05 annual report, municipal councils are encouraged to prepare and present an *oversight report* for the 2003/04 annual report.

The council is required to adopt the oversight report containing its comments on the annual report(s) and whether it approves, rejects or wishes it to be referred back for further revision. It is hoped that in time the council will appoint a committee to deal with audit outcomes and annual reports. The council meeting to discuss the annual report and to address any issues raised must be open to the public.

For the 2004/05 annual report the province is required to assess the oversight report and whether the council has addressed issues raised during the audit process. Any omissions by the municipality may then be reported to the provincial legislature for further action.

Municipalities are advised to timeously commence with the preparation of annual reports in order that these can be tabled before Council during January. This requires, where applicable, instructing and advising municipal entities on the preparation of their annual reports.

Municipal managers are reminded to ensure that copies of both the audited 2003/04 financial statements and certified copies of 2003/04 annual reports are received by National Treasury no later than 25 February 2005. Municipalities unable to meet this deadline **MUST** provide explanations for non-compliance, the status of such documents and when these will be completed and submitted to the National Treasury.

Format of the Annual Report

Municipalities and municipal entities are asked to adopt the following format for the annual report, which is consistent with the format for the previous year and is based around five key chapters:

- Chapter 1: Introduction and Overview
- Chapter 2: Performance Highlights
- Chapter 3: Human Resource and other Organisational Management
- Chapter 4: Audited Statements and Related Financial Information
- Chapter 5: Functional Area Service Delivery Reporting

CHAPTER 1: INTRODUCTION AND OVERVIEW

Chapter 1 should cover the following:

- 1.1. **MAYOR'S FOREWORD (or ENTITY CHAIRPERSON)**
A general summary of the municipality's and any municipal service provider's performance during the year, and its priorities for service delivery with established performance targets and measures taken or to be taken to improve performance.
- 1.2. **OVERVIEW OF THE MUNICIPALITY (or ROLE OF THE ENTITY)**
A short description of the municipality as a whole, providing a summary or overview of the municipality's geographic and demographic profile and changes both internal and external over the financial year. Include number of formal houses, number of informal houses, number of poor households, etc.
- 1.3. **EXECUTIVE SUMMARY**
A statement of the overall goals and priorities, and mission and vision for the municipality and how it will impact on the community, with a short statement of the municipality's relative financial health and important administrative considerations.

CHAPTER 2: PERFORMANCE HIGHLIGHTS

This should provide a brief narrative of all the services provided by the municipality or entity and the performance highlights for the year, including for example:

- number of households electrified during the financial year;
- number of new households provided with water during the financial year;
- number of new houses built in the municipality during the financial year;
- collection levels for revenue due.

In particular, chapter 2 should comment on the progress in eliminating backlogs in service delivery for the key services for the key functions of water, electricity, sanitation, refuse removal and roads.

Backlogs in Service Delivery

Backlogs in service delivery is intended to show the number of households that do not have access to the minimum services (level and standard) as specified by the relevant sector department or within national policy.

For example, 6KL of clean water and 30 Kwh of electricity per household per month is required to meet the minimum service standards. When reporting on backlogs it is important to describe the service standard used by the municipality to calculate backlogs. For example some municipalities work on 50 Kwh electricity per household and this will need to be clearly specified in the annual report.

Level and Standard of Service

There is an important difference between level and standard of service and this must be considered when calculating backlogs. The examples below illustrate the difference.

In relation to the provision of water, piped water to each dwelling would be considered as a high level of service whereas a communal standpipe greater than 200m from the dwelling would be considered a relatively lower level of service. If the piped water to the dwelling was in poor repair and could not actually deliver 6KL of clean water per month, the standard would be considered as poor and in fact this should be seen as a backlog. If the communal standpipe was in good condition and was able to deliver 6KL of clean water to every household in its vicinity, those households would not be counted as backlogs. Therefore, in this example it is clear that the failure of the high level of service can actually be counted as a backlog due to the poor standard or repair.

Another aspect to consider in relation to standard of service is when the service is unreliable or erratic. For example, if water were only available a few days each week or on an irregular basis, minimum health standards would not be satisfied and this would again constitute a backlog in service delivery.

Relating Backlogs to Municipal Spending on Service Delivery Infrastructure

To ensure that minimum services are provided, municipalities need to ensure that service delivery infrastructure is in place and properly maintained. This will require new infrastructure to be built and existing infrastructure to be maintained depending on the level and standard of service the municipality has decided to provide to each section of the community based on their IDP. Hence there are two components to municipal spending required to eliminate backlogs: new infrastructure and renewal of existing infrastructure. Routine maintenance of infrastructure will also be required to ensure that additional backlogs are not created.

The following table is a suggested format for providing information, per sector or functional area, to address backlogs through new infrastructure or renewal of existing infrastructure. Additional information will need to be included for each functional area to describe the particular service being reported on, how the minimum service standard is defined and how the backlogs are being addressed. This information will assist residents and other users of the annual reports to determine, amongst others, the extent of service delivery challenges facing the municipality and how it has performed in addressing those challenges.

The first row under each service asks for backlogs in terms of the number of households (or kilometres of roads) not meeting the minimum service standard. For each year list the total number of backlogs (households or kilometres) "Required" to eliminate all backlogs, the "Budgeted" backlogs to be eliminated for that year and the "Actual" backlogs eliminated during that year.

The second row asks for the backlogs to be expressed as a percentage of total households or kilometres of road in the municipality. This gives an idea of the magnitude of the backlogs compared to overall service provision requirements. For each year list "Required", "Budgeted" and "Actual" percentages where applicable.

The third row asks for spending required to eliminate backlogs associated with the provision of new infrastructure. That is, the cost to eliminate backlogs caused by lack of infrastructure. For each year list "Required", "Budgeted" and "Actual" amounts.

The fourth row asks for expenditure to eliminate backlogs associated with the renewal of existing infrastructure, ie the cost to eliminate backlogs due to existing infrastructure in need of renewal.

The fifth row totals the third and fourth rows.

The sixth row asks for spending on maintenance required to ensure no new backlogs are created.

“Service Delivery Backlogs” (example)

	30 June 2003			30 June 2004			30 June 2005		
	Required	Budgeted	Actual	Required	Budgeted	Actual	Required	Budgeted	Actual
Water Backlogs (6KL per month)									
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percentage - HH identified as backlogs / total HH in municipality)									
Spending on New Infrastructure to Eliminate Backlogs (Rand 000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)									
Total Spending to Eliminate Backlogs (Rand 000)									
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)									
Sanitation Backlogs									
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percentage - HH identified as backlogs / total HH)									
Spending on New Infrastructure to Eliminate Backlogs (Rand 000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)									
Total Spending to Eliminate Backlogs (Rand 000)									
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)									
Refuse Removal Backlogs									
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percentage - HH identified as backlogs / total HH)									
Spending on New Infrastructure to Eliminate Backlogs (Rand 000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)									
Total Spending to Eliminate Backlogs (Rand 000)									
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)									
Electricity Backlogs (30KWH per month)									
Backlogs to be eliminated (No. Households Not Receiving Minimum Standard of Service)									
Backlogs to be eliminated (Percentage - HH identified as backlogs / total HH)									
Spending on New Infrastructure to Eliminate Backlogs (Rand 000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)									
Total Spending to Eliminate Backlogs (Rand 000)									
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)									
Roads Backlogs									
Backlogs to be eliminated (No. KMs Not Providing Minimum Standard of Service)									
Backlogs to be eliminated (Percentage - KMs identified as backlogs / total KMs)									
Spending on New Infrastructure to Eliminate Backlogs (Rand 000)									
Spending on Renewal of Existing Infrastructure to Eliminate Backlogs (Rand 000)									
Total Spending to Eliminate Backlogs (Rand 000)									
Spending on Maintenance to Ensure No New Backlogs Created (Rand 000)									
TOTALS									

Chapter 2 should also include information on the time taken to approve zoning and building plan applications during the financial year – what number of approvals are outstanding at the beginning of the year, what number was processed during the financial year, and what number was outstanding at the end of the financial year. See the example below.

Building and zoning plans 2003/2004 (example)

Applications outstanding 1 July 2003	Category	Number of new applications received 2003/04	Total value of applications received Rand	Applications outstanding 30 June 2004
	Residential new			
	Residential additions			
	Commercial			
	Industrial			
	Other (specify)			

CHAPTER 3: HUMAN RESOURCE AND OTHER ORGANISATIONAL MANAGEMENT

The municipality or entity should comment on its organisational structure, how that structure relates to each function, various initiatives as they relate to employment issues and their relative success. This may include programmes designed to improve employment equity and skills development, and highlight significant human resource management policies and practices that may build capacity of personnel. This should also cover performance, governance, municipal transformation and institutional development.

The following information should be provided on staffing:

- numbers of staff per function expressed as total positions and current vacancies (e.g. water, health, transport, sanitation, finance, planning etc). Express as full time staff equivalents.
- skill or levels of education attained by staff (e.g. professionals, artisans, unskilled)
- trends on total personnel expenditure over the last 3 to 5 years, compared to total budget
- the number and name of pension and medical aid funds including an assessment of future risks or liabilities
- Arrears(outstanding monies) owed to the municipality/entity by staff/councillors/directors.

Please ensure this information is reconciled with the staff salary disclosures required in the Annual Financial Statement (section 124 of the MFMA) and with the section 66 reports on staff salaries, allowances and benefits to be submitted to council. If the salary disclosures were omitted from the financial statements then this information must be incorporated in the annual report. An example format is provided on the following page for the disclosure of senior official benefits.

**Disclosures Concerning Councillors, Directors and Senior Officials - Example
for the period 1 July 20xx to 30 June 200xx**

Description	Mayor	Executive Councillors (list individually)	Municipal Manager	Chief Financial Officer	Other Senior Managers (list individually)	TOTAL
Salaries and Wages R'000						
Normal						
Overtime						
Contributions R'000						
Pensions						
Medical Aid						
Other						
Allowances R'000						
Travel and Motor Car						
Accommodation						
Subsistence						
Housing Benefits and Allowances R'000						
Loans and Advances R'000						
Other Benefits and Allowances R'000 (specify)						
Arrears Owed to Municipality R'000						

CHAPTER 4: AUDITED STATEMENTS AND RELATED FINANCIAL INFORMATION

This chapter should contain the audited financial statements of the municipality and any municipal entity, the audit report of the Auditor-General for each financial statement and other disclosures required by legislation, either through direct reporting or notes to the accounts.

Further to the inclusion of the financial statements, it is critical that a **budget to actual comparison** is provided in the annual report, with a narrative for material variances. This comparison must be done against the original budgeted figures (as approved by council in the budget resolution) as this was the basis for consultation with stakeholders and used to justify the rates and charges raised. Material adjustments required to the original budget must be shown as a variance with appropriate narrative. This budget to actual comparison should be provided in the same format as the approved budget.

The financial statements must include a statement of financial position (balance sheet), statement of financial performance (operating statement), cashflow statement, statement of changes in net assets and supporting notes to the statements. They should also disclose information on intergovernmental grants and transfers, and remuneration of councillors, officials and members and officials of municipal entities. Municipalities should refer to Chapter 12 of the Municipal Finance Management Act (MFMA) and section 91(1)(b) of the PFMA, taking into account any recommendations of the Accounting Standards Board (using generally recognised accounting practice or GRAP) to prepare financial statements. More disclosure requirements are in sections 123 to 125 of the MFMA.

All intergovernmental grants received through the Division of Revenue Act (DoRA) or through any means as discussed in Chapter 12 of the MFMA should be listed individually in the Annual Report and provide quarterly financial information as shown in the *Quarterly information on grants*, example below, in order to align with both the national and municipal financial year. Furthermore, additional performance related information must be provided for each grant in terms of the outputs and outcomes achieved and whether any of the grant conditions were not satisfied including inability to spend the funds in a timely manner or not properly accounting for the grant funds.

Quarterly information on grants (example for 2003/04 financial year)

Grant Details	Amount received and spent each quarter											
	1 Apr 2003 to 30 Jun 2003		1 Jul 2003 to 30 Sep 2003		1 Oct 2003 to 31 Dec 2003		1 Jan 2004 to 31 Mar 2004		1 Apr 2004 to 30 Jun 2004		Total Rand	
Grant name, purpose/project (list individually)	Rec	Exp	Rec	Exp	Rec	Exp	Rec	Exp	Rec	Exp	Rec	Exp
Grant...												
Grant...												

CHAPTER 5: FUNCTIONAL AREA SERVICE DELIVERY REPORTING

Chapter 5 is intended to provide comprehensive information on each functional area (GFS sub-function) provided by the municipality and the municipal entity. It includes an overview, description and detailed analysis of each function and follows a spreadsheet template format.

A recommended format was distributed in August 2003 and all municipalities and entities were encouraged to follow this format for the 2003/04 annual report. The format is available as an Excel spreadsheet titled *Annual Reporting Guidelines* which can be downloaded from the National Treasury website www.treasury.gov.za/mfma (located under "Circulars and Annexures").

This format is based on the Government Finance Statistics (GFS) Functional Classification System. This is the national standard for classification of public sector expenditure by functions, and should be used wherever possible. The recommended format can be enhanced with additional information where functions provided by a municipality or entity are not listed in the spreadsheet. Further information on the GFS functional classification system can be found on the NT website.

Details should also be provided on the extent of free basic services provided by the municipality. Where other providers are providing such service (e.g. Eskom, water boards, municipal entities), this should be mentioned, including the number of households to which they provide the service, and the extent of service delivery. This information is best shown in the format of the Standard Budget Return Form available at the following web link www.treasury.gov.za/local_gov/return_forms

Municipal infrastructure grant (MIG)

The MIG was introduced in the 2004/2005 financial year to address municipal infrastructure backlogs and to rehabilitate existing infrastructure, particularly to benefit poor households.

In order to receive a direct payment of the MIG, municipalities were invited to submit to National Treasury by 30 June 2004 a three-year capital budget for 2004/05, 2005/06 and 2006/07 financial years together with the 2004/05 annual budget. Municipalities unable to provide this information may still receive grants, however these may be subject to additional conditions or the MIG may be channeled through the district municipality. Applications must comply with section 11 of the Division of Revenue Act, 2004 with the infrastructure priorities reflected in the municipal three-year capital budget and the Integrated Development Plan.

The MIG is structured in line with sector priorities. Municipalities are to address these priorities in conjunction with the relevant line departments. Line departments such as the Department of Water Affairs and Forestry will monitor the performance of municipalities and outputs from expending the MIG. Although still a conditional grant, the MIG does provide municipalities with greater flexibility when structuring three-year capital budgets. The conditions attached to the MIG are not as restrictive as those attached to the Consolidated Municipal Infrastructure Programme, in that municipalities can use the grant to fund capital

projects as contained in the IDP. However MIG funding must be focused on backlogs in water, sanitation, roads and electricity.

Expenditure of the MIG is to be incorporated in the municipal Service Delivery and Budget Implementation Plan and the annual report must compare actual with planned performance.

Municipalities receiving a MIG must comply with the following reporting requirements for the 2004/05 financial year:

- not later than 20 working days after the end of each quarter (commencing 1 July 2004), submit a report to National Treasury which provides details on the implementation of the capital budget and any other details requested by National Treasury as set out in section 11(6) of the DoRA 2004 ;
- The accounting officer at the municipality must, within 10 days after the end of each month, submit a report to the transferring national or provincial officer (DoRA section 16(1)). The report must set out for that month, and for the financial year up to the end of that month, the following items:
 - the amount received by the municipality;
 - amount of funds delayed or withheld from the municipality;
 - actual expenditure of the grant;
 - the extent of compliance with the conditions of the allocation;
 - explanation of any material problems experienced or variations effected by the province or municipality and a summary of steps taken to deal with such problems;
 - such other issues or information as the National Treasury may determine.

Conclusion

Not all municipalities and municipal entities will be in a position to report at the level of detail requested in this circular. However it is expected that those who cannot meet the requirements of this circular will make noticeable progress towards this goal.

It is hoped that this circular will go some way towards helping municipalities achieve this objective and enhance governance and promote accountability. Suggestions to improve the formats recommended are welcomed and should be directed to the dedicated MFMA email or fax number listed below. The National Treasury will, as circumstances require, update the formats and guidelines on financial statements and annual reports.

Contact



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