



Implementation Priorities

This circular replaces MFMA Circular No. 5 “Twelve Urgent Implementation Priorities” and includes an updated MFMA implementation checklist to be completed and submitted each quarter to the National Treasury.

Changes to the checklist will ensure it remains current and include:

- Revised dates for key documents required by the MFMA
- Additional questions on supply chain management, annual financial statements, bank accounts and annual reports
- Removal of transitional questions on the Division of Revenue Act

This circular should also be read with the municipality’s MFMA implementation plan and the *Introductory Guide to the MFMA* (Modernising Financial Governance) available under “guidelines” on the National Treasury website.

The attached checklist must be completed each quarter and submitted to lqdatabase@treasury.gov.za. National Treasury and the Provincial Treasuries will also use the checklist to monitor implementation progress and determine further areas of targeted assistance.

Guidelines for completion

Summary of the 5 steps to complete the return each quarter

Step 1 Review previous checklist submitted to NT for the last quarter and action taken on non-compliant responses;

Step 2 Answer each question taking particular note of any that were non-compliant or incomplete from the previous quarter. Insert the appropriate response from the drop down list provided;

Step 3 Where the response is “no”, insert the anticipated date for compliance in the date column (when applicable);

Step 4 The municipal manager must review and date the return on the last page in the area provided;

Step 5 Submit the completed return electronically to lqdatabase@treasury.gov.za

This implementation checklist, in the form of an easy to use excel spreadsheet, should be completed by the municipal manager or a delegated senior finance official such as the CFO of the municipality.

- In the Financial **Year end** column, change the year end to the current financial year end (e.g. 2007 for the year ending June 2007) from the drop down list
- Change **Muncde** to your own Municipal demarcation code from the drop down list.
- Select the applicable **Quarter** from the drop-down list.
- The official should enter the appropriate response against each question using the drop down selection provided. On most occasions, the response will be a “yes” or a “no”: Some questions require a second response to be entered into the date column, please follow the instructions and choose from the drop down lists provided. If the response is a “no”, the official should then enter the date for anticipated completion and submit a report to council containing measures to address the question of implementation. A copy of the report submitted to council must also be sent to National Treasury (post, fax and general email details appear on the last page of this Circular)
- The municipal manager should review the checklist, date the document on the last page in the area provided before submitting it to National Treasury electronically each quarter. A copy should be provided to the mayor and another retained on file.

An example is provided below, in which an implementation plan is not yet prepared but the municipal manager anticipates that it will be completed by 31 December 2007:

Ref	Example 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).	No	2007/12/31

Explanatory notes

In this checklist the following points must be noted to ensure completeness:

- Any reference to mayor includes the mayor, the executive mayor or the councillor acting in the capacity of mayor (as required by s57 of the MFMA)
- Any reference to municipal manager includes the municipal manager or the acting municipal manager
- Any reference to chief financial officer includes the chief financial officer or the acting chief financial officer
- Any reference to other senior managers includes senior managers or acting senior managers

When to submit

Quarter	Period	Due Date
1	1 July – 30 September	30 October
2	1 October – 31 December	30 January
3	1 January – 31 March	30 April
4	1 April – 30 June	30 July

Please submit this return as soon as possible and no later than 30 calendar days after the end of the quarter.

Municipalities delegated to the Provincial Treasuries

Municipalities delegated to the Provincial Treasuries must submit the return form to the National Treasury lqdatabase@treasury.gov.za. The National Treasury will copy the Provincial Treasury with this information.

Electronic Submission

1. The inbuilt macro will create a file name by simultaneously pressing **Shift+Ctrl+S** (with "**Caps Lock**" off) to invoke the macro. The return file will be automatically saved in your current working directory in the required format (Muncde_MFM1_ccyy_Qn.xls) according to the **Municipality Name, Financial year** and **quarter** selected from drop-down lists on the top of the return. Before saving the file please ensure you have correctly selected the financial year, quarter and municipality name on the return.
 - Muncde = Municipality Code
 - ccyy = Financial Year End (e.g. 2007 for 2006/07 financial year)
 - Qn = Quarter (Q1, Q2, Q3 or Q4)
2. The file will be saved with the following naming convention:
 - GT001_MFM1_2006_Q1.xls
3. Email the Excel (.xls) file to lqdatabase@treasury.gov.za

A comprehensive MFMA implementation plan template is available in MFMA Circular No. 7 on www.treasury.gov.za/mfma. This template provides valuable assistance to municipalities when developing or revising their plan of financial reform.

Contact



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