

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 |
|--|--|--------------------|----------------------|
| DC18 | Lejweleputswa | 2015 | Q2 Oct-Dec |
| Ref | Question | Council Use Only | |
| | | Response | Date (if applicable) |
| 1 PREPARING AN IMPLEMENTATION PLAN | | | |
| <p>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.</p> <p>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.</p> | | | |
| 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 | |
| 2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE ACCOUNTING OFFICER | | | |
| <p>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.</p> | | | |
| 2.1 | Has council appointed a person to assume the duties of the municipal manager? | Yes | 2013-07-01 |
| 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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| 3 ESTABLISHING A TOP (SENIOR) MANAGEMENT TEAM | | | |
| 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 | 2012-10-08 |
| 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 | |
| 4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK ACCOUNTS AND CASH MANAGEMENT | | | |
| 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) | No changes | |
| 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 | |
| 5 MEETING OF FINANCIAL COMMITMENTS | | | |
| 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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| 6 REPORTING REVENUE AND EXPENDITURE | | | |
| 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 | |
| 7 SUPPLY CHAIN MANAGEMENT (SCM) | | | |
| 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 s 114 instances | |
| 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 | |
| 8 IMPLEMENTING REFORMS IN RELATION TO MUNICIPAL ENTITIES AND LONG-TERM CONTRACTS | | | |
| 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 www.treasury.gov.za/mfma). | 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 www.treasury.gov.za/mfma). | Yes | |

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| 9 COMPLETING FINANCIAL STATEMENTS AND ADVISING NATIONAL TREASURY | | | |
| The municipal manager must ensure that financial statements are promptly prepared and submitted to the Auditor-General for audit by 31 August each year. In the case of a parent municipality, the municipal manager must ensure that consolidated financial statements (including all municipal entities) are promptly prepared and submitted to the Auditor-General by 30 September each year (s 126). Also refer MFMA Circular No. 36. | | | |
| 9.1 | Have the 2013/2014 annual financial statements of the municipality been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date. | Yes | 2014-08-29 |
| 9.2 | Have the 2013/2014 annual financial statements of the municipality been prepared in compliance with the prescribed accounting framework? > If Yes also indicate in the space provided for date the format (framework) of the annual financial statements. | Yes | GRAP |
| 9.3 | In the case of a parent municipality, have the consolidated 2013/2014 annual financial statements of the municipality and all its entities been prepared and submitted to the Auditor-General for audit? >If Yes, provide actual date submitted in the space provided for date. | Yes | 2014-09-30 |
| 9.4 | If the accounting officer did not submit either the 2013/2014 annual financial statements and/or the 2013/2014 consolidated annual financial statements (including all municipal entities) to the Auditor-General for audit on time, (a) did the mayor table a written explanation in council setting out the reasons for the failure and (b) did the municipal council investigate the matter and take the appropriate steps as required by section 133(1)(c) | 4. No to both (a) & (b) | |
| 10 COMPLETING AND TABLING ANNUAL REPORT | | | |
| The municipal manager must ensure that the annual report of the municipality and the annual reports of all of its municipal entity(s) have been tabled in council by 31 January each year. Refer NT Circulars No 11 and 18. | | | |
| 10.1 | Are the appropriate management systems in place to ensure that the annual report of the municipality and the annual reports of all its municipal entity(s) will be tabled in council by 31 January each year? (s 121 & 127) | Yes | |
| 10.2 | Have the 2013/2014 annual report of the municipality and the 2013/2014 annual reports of all of its entities been tabled in council by 31 January? | Yes | |
| 11 COMPLYING WITH PROVISIONS FOR TENDER COMMITTEES, BOARDS OF MUNICIPAL ENTITIES AND IN RELATION TO FORBIDDEN ACTIVITIES | | | |
| Municipalities must ensure that there is no councillor that serves on a bid or tender committee or on any board of an entity. Municipalities must also ensure that the composition of all boards of entities comply with the Municipal Systems Act (as amended). Boards of an entity should consist of at least one-third non-executive directors and a non-executive chairperson. Municipalities must also ensure that councillors do not engage in any forbidden activities prohibited under section 164 of the MFMA. Refer MFMA Circular No 8 - Forbidden loans - Oct 2004. | | | |
| 11.1 | Does council comply with s 117 which precludes councillors from serving on a bid or tender committee? (s 117) | Yes | |
| 11.2 | Does council comply with s 118 which precludes undue interference from any person in relation to the municipal tender process? (s 118) | Yes | |
| 11.3 | Does council comply with s 93F of the amended Municipal Systems Act which precludes any councillor of any municipality or official of the municipality, or member of the National Assembly or a provincial legislature or permanent delegate to the NCOP from serving on boards of a municipal entity? (Municipal Systems Act, as amended s 93F) | Yes | |
| 11.4 | Does council comply with s 103 which precludes improper interference by any councillor in relation to the financial affairs or responsibilities of the board of directors of a municipal entity? (s 103) | Yes | |
| 11.5 | Does council comply with s 164 which precludes loans to councillors or officials of the municipality, directors or officials of a municipal entity or members of the public? (s 164) | Yes | |
| 12 COMPLYING WITH PROVISIONS FOR INTERNAL AUDIT AND AUDIT COMMITTEES | | | |
| The municipality and each of its municipal entity(s) must have an internal audit unit and an audit committee. (Refer s165 and 166). | | | |
| 12.1 | Does the municipality have an internal audit (IA) unit (s 165) and indicate whether the function is in-house or outsourced or shared? | 1. Yes, in-house IA | |
| 12.2 | Does each of the municipality's entity(s) have an internal audit unit? (s 165) | No | |

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| 12,3 | Does the municipality have an audit committee (AC)? (s 166) > If Yes, indicate in the space provided for date whether the function is shared | Yes | Shared. |
| 12,4 | Does each of the municipality's entity(s) have an audit committee (AC)? (s 166) | No | |

13 COMPLYING WITH PROVISIONS FOR BUDGETS

The municipality may only incur expenditure in terms of an approved budget and within the limits of the amounts appropriated for the different votes in its approved budget. (s15). When a municipality revises an approved annual budget it may do so only through an adjustments budget and within the framework as set-out in s 28.

| | | | |
|------|--|-----|--|
| 13,1 | Did the municipality revise its approved annual budget? > If Yes, indicate the number of adjustments budget(s) tabled in council to date in the space provided for date. | No | |
| 13,2 | If the municipality revised its approved annual budget, were the Service Delivery and Budget Implementation Plan (SDBIP) and performance agreements of the municipal manager and all senior managers (section 57 (Systems Act)) accordingly amended? | Yes | |

14 INFORMATION TO BE PLACED ON WEBSITE OF MUNICIPALITY

The municipal manager must ensure that the documents set out in s75 are placed on the website (refer s 21A of the Systems Act) of the municipality.

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|--------|--|--|--|
| 14,1 | Does the municipality have a website? | 1. Yes | |
| 14.1.1 | If Yes in 14.1 or share district website or other website arrangement, provide the website address in the space provided. | www.lejwe.co.za | |
| 14,2 | Is all the information as set-out in s75 displayed on the municipality's / shared district website? | Yes | |

Other Comments:

FOR COUNCIL USE ONLY

Prepared by: (CFO, or other)

| | |
|--|----------------|
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| (057) 391 8953 | Contact number |
| 14-January-2015 | Date |

Reviewed by: (Municipal Manager)

| | |
|--|----------------|
| | Name |
| | E-mail |
| | Contact number |
| | Date |