

# NATIONAL TREASURY

## MFMA IMPLEMENTATION AND MONITORING CHECKLIST TWELVE(12) URGENT IMPLEMENTATION PRIORITIES

Save File as : Muncde\_MFM1\_ccyy\_Qn.XLS (e.g.: GT411\_MFM1\_2005\_Q1)

Change Year End (ccyy) to Financial Year End (e.g.: 2005 for year 2004/2005)

Change Quarter (Qn) to Quarter End (e.g.: Q1 for Quarter 1)

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Enter Date if No to response (ccyy/mm/dd)

MunCde	Municipality Name	Financial Year End	Quarter		
NC091	Sol Plaatje	2008	Q3 Jan-Mar		
Ref	Question	Council Use Only			NT Use Only
		Response	Date (if applic)	Initials	Verified
<b>1 PREPARING AN IMPLEMENTATION PLAN</b>					
achieve over the next three to five years. The plan should contain a list of activities together with target (and actual) dates, with provision to The plan must be submitted to the National Treasury by 31 October 2004. Note that the plan should include implementation issues on amendments to the Municipal Systems Act.					
1.1	Is an MFMA implementation plan prepared that contains realistic and achievable activities together with target dates, responsible councillors or officials and provision to record ongoing progress to meet targeted implementation? (If not, please download the implementation plan template from the NT website).	Yes	2004/11/25		
<b>2 ALLOCATING APPROPRIATE RESPONSIBILITIES UNDER THE MFMA TO THE</b>					
The accounting officer of the municipality (municipal manager) must take on the responsibilities assigned to the position under the MFMA from 1 July 2004. A full list of these responsibilities is provided in Chapter 8 of the MFMA and throughout the legislation.					
2.1	Has council appointed a person to assume the duties of the municipal manager?	Yes	2005/01/03		
2.2	Has a report to council been tabled that creates an awareness of the new 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	2004/12/01		
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	2005/10/31		
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	2005/10/31		
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	2005/01/03		
2.7	Is the municipal manager provided with the appropriate autonomy and flexibility to implement the budget? (s 69)	Yes	2005/01/03		
<b>3 ESTABLISHING A TOP (SENIOR) MANAGEMENT TEAM</b>					
The municipal manager is required to formally establish a top management team from 1 July 2004, 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) in relation to annual staff performance agreements.					
3.1	Has council appointed a person to assume the duties of the Chief Financial Officer (CFO)?	Yes	2006/01/03		
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?	Yes	2005/11/01		
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	2005/04/01		
3.4	Are other senior managers able to exercise the appropriate financial management responsibilities as required by legislation? (s 78)	Yes	2005/11/01		
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	2005/11/01		
3.6	Has a report to council 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	2004/12/01		
3.7	Does council comply with the provisions of the MFMA and the Municipal Systems Act (as amended) in relation to the establishment and review of annual staff performance agreements? (MFMA s 53 and Municipal Systems Act s 57)	No	2007/07/01		

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<b>4 IMPLEMENTING APPROPRIATE CONTROLS OVER MUNICIPAL BANK</b>					
Municipalities must immediately take appropriate action to establish controls over their bank account, and in relation to cash management and investments. Further details of these requirements are provided in Chapter 3 of the MFMA and in the Division of Revenue Act (DoRA). These requirements should generally be completed by 1 July 2004.					
4.1	Has the municipality opened and does it 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	2004/04/07		
4.2	Has the municipal manager advised the National Treasury, and the Auditor-General in writing of the name of the bank where the primary bank account is held, and the type and number of the account, and are there systems and procedures in place to report any subsequent changes to these details? (s 8)	Yes	2004/04/07		
4.3	Does the municipal manager administer all bank accounts and is the municipal manager accountable to council for this? (s 10)	Yes	2005/01/03		
4.4	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	2005/01/03		
<b>5 MEETING OF FINANCIAL COMMITMENTS</b>					
Municipal managers must ensure that they take the appropriate steps to implement effective systems of expenditure control, and meet their financial commitments to other parties promptly and in accordance with the Act.					
5.1	Does the municipality operate and maintain an effective system of expenditure control that includes procedures for approval, authorisation, withdrawal and payment of all funds? (s 65(2)(a))	Yes			
5.2	Is the municipal manager able to confirm that all moneys owing by the municipality are paid within 30 days of receiving the relevant invoice or statement? (s 65(2)(e))	Yes			
5.3	Does the municipality promptly meet all financial commitments toward other municipalities, national and provincial organs of state? (s 37(1)(c))	Yes			
5.4	Is the municipality 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.	No			
<b>6 REPORTING REVENUE AND EXPENDITURE</b>					
Municipal managers must take immediate steps to put systems in place that ensure that they report on the implementation of their 2004/05. The response should be based on reports submitted by 31 October 2004. Note: whilst the legislation requires municipalities to report in addition, whilst the dates applicable for the implementation of sections 71 and 72 are based around capacity of municipalities, and become effective over the 2004/05 and 2005/06 financial years, National Treasury encourages early compliance by municipalities.					
6.1	Has the municipal manager submitted monthly budget statements to the mayor for the months of July, August and September 2004? (s 71)	Yes	2005/06/30		
6.2	Has the municipal manager submitted a quarterly budget statement to council, reflecting expenditure incurred and income collected, for the period July to September 2004? (s 71, also s 5 of the Division of Revenue Act)	Yes	2005/06/30		
<b>7 REVISING POLICIES FOR SUPPLY CHAIN MANAGEMENT</b>					
Councils are expected to take immediate steps to commence a process to review their supply chain management policies in line with sections 117 and 118 of the MFMA. National Treasury is currently developing regulations on supply chain management which will take effect on 1 December 2004. Refer National Treasury Circular "Implementing Supply Chain Management" - July 2004.					
7.1	Has council commenced a process to review its existing supply chain management policy to ensure that it complies with the MFMA? (s 117 and s 118)	Yes	2005/10/31		
7.2	Does the municipal manager report at least monthly to the mayor and at least quarterly to council on implementation of the revised supply chain management policy?	Yes	2004/12/02		
<b>8 IMPLEMENTING REFORMS IN RELATION TO MUNICIPAL ENTITIES, PUBLIC-</b>					
Municipalities must submit to National Treasury by 30 September 2004, a list of all corporate entities, public-private partnerships (PPPs) and other existing 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 corporate entity, PPP or long-term contract or any borrowings.					
8.1	Has the municipal manager submitted to National Treasury a list of all existing corporate entities? (s 178). This list must specify the name and address of the corporate entity, the purpose, extent and other particulars of the interest and if the corporate entity is a municipal entity, whether it is under the sole or shared control of the municipality. (See appropriate form on NT website)	NA			
8.2	Has the municipal manager submitted to National Treasury a list of all public-private partnerships with a value of more than R1 million in total? (s 178). This list must specify the name and physical address of the private party participating in the public-private partnership and the purpose and other particulars of the PPP. (See appropriate form on NT website)	NA			
8.3	Has the municipal manager submitted to National Treasury a list of all other contracts going beyond 1 January 2007 with a value of more than R1 million? (s178). (See appropriate form on NT website).	Yes	2005/03/18		

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8.4	Are all municipal entities that were established from 1 July 2004 compliant with the provisions of the MFMA and Municipal Systems Act (as amended)? (MFMA Chapter 10 and s 178 and Municipal Systems Act (as amended) Chapter 8A)	NA			
8.5	Has council taken steps to ensure that all PPPs that were established from 1 July 2004 are compliant with the provisions of the MFMA? (s 120 and s 178)	NA			
8.6	Are all long-term contracts that were established from 1 July 2004 compliant with the provisions of the MFMA? (s 33 and s 178)	Yes			
<b>9 COMPLETING PAST FINANCIAL STATEMENTS AND ADVISING NATIONAL</b>					
The municipal manager must ensure that financial statements for previous financial years (ie: 2002/03 and before) for the municipality and Municipalities that have failed to meet this deadline must apply to National Treasury for an exemption, outlining the reasons for this failure and advising the date by which they will submit those financial statements to the Auditor-General for audit.					
9.1	Have the following consolidated annual financial statements (for 2002/03 and before) been submitted to the Auditor-General for audit? (Division of Revenue Act, S 5):				
	- 2002/03, ending 30 June 2003:	Yes			
	- 2001/02, ending 30 June 2002:	Yes			
	- 2000/01, ending 30 June 2001:	Yes			
	- Any financial years before 2000/01:	Yes			
9.2	In instances where consolidated annual financial statements (for 2002/03 and before) have not been submitted to the Auditor-General for audit, has the municipality applied to National Treasury for an exemption outlining the reasons for its non-compliance?	NA			
<b>10 COMPLETING 2003/04 FINANCIAL STATEMENTS AND TABLING ANNUAL</b>					
The municipal manager must ensure that the 2003/04 financial statements for the municipality and any municipal entity have been consolidated and submitted to the Auditor-General for audit by 30 September 2004. The municipal manager must ensure that the 2003/04 annual report is tabled in council by 31 January 2005. Refer NT Circular "Guidelines for Annual Reporting" - August 2003.					
10.1	Were the 2003/04 consolidated annual financial statements submitted to the Auditor-General for audit by 30 September 2004? (Division of Revenue Act, s 5)	Yes	2004/09/30		
10.2	Are the appropriate management systems in place to ensure that the 2003/04 annual report will be tabled in council by 31 January 2005? (s 127)	Yes			
<b>11 COMPLYING WITH PROVISIONS FOR TENDER COMMITTEES, BOARDS OF</b>					
Municipalities must ensure that from 1 July 2004 there is no councillor that serves on a bid or tender committee or on any board of an Municipalities must also ensure that as of 1 July 2004, they do not engage in any forbidden activities prohibited under the MFMA. Refer National Treasury Circular "Implementing Supply Chain Management" - July 2004.					
11.1	Since 1 July 2004, does council comply with s 117 which precludes councillors from serving on a bid or tender committee within council? (s 117)	Yes			
11.2	Since 1 July 2004, 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	Since 1 July 2004, 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	Since 1 July 2004, 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)	NA			
11.5	Since 1 July 2004, 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			
<b>12 COMPLYING FULLY WITH THE DIVISION OF REVENUE ACT</b>					
The provisions of the Division of Revenue Act are currently in force, and therefore all municipalities must now be in compliance with this					
12.1	Has the municipality by 30 June 2004, submitted to National Treasury a copy of its annual budget? (Division of Revenue Act s 5)	Yes			
12.2	Have all public entities by 30 June 2004, certified to National Treasury that they comply as an external mechanism as contemplated in the Municipal Systems Act (as amended)? (Division of Revenue Act s8)	NA			
12.2.1	Have the relevant public entities / municipalities taken all reasonable steps to complete negotiations with service providers in relation to electricity distribution?	NA			
12.2.2	Have the relevant public entities / municipalities taken all reasonable steps to complete negotiations with service providers in relation to water supply?	Yes			
12.3	Has the municipality entered into service delivery agreements with external service providers performing a municipal service in accordance with the provisions of the Municipal Systems Act? (Municipal Systems Act s76)	Yes			
12.4	Have all public entities that provide a municipal service on behalf of the municipality reported to the municipality on expenditure each month? (Division of Revenue Act s8)	NA			

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12.5	Have all other reporting obligations of the municipal manager as receiving officer been met? (Division of Revenue Act s.16)	Yes			
<b>Other Comments:</b>					
<b>FOR COUNCIL USE ONLY</b>					
Prepared by: _____		Signature (and name, printed) <b>CFO, or senior finance official</b>		Date: _____	
Reviewed by: _____		Signature (and name, printed) <b>Municipal Manager</b>		Date: _____	
Endorsed by: _____		Signature (and name, printed) <b>Mayor</b>		Date: _____	
<b>FOR NT USE ONLY</b>					
Responses reviewed and verified: _____				Date: _____	
NT Analyst					
Database updated: _____				Date: _____	
NT Analyst					