

## **CORE RESPONSIBILITIES OF THE CFO**

The MFMA, section 81, states that the CFO is "... administratively in charge of the budget and treasury office...". The CFO is responsible for establishing the budget and treasury office as this is the financial management hub of the municipality where the core finance functions are performed.

### **1 Establishing the budget and treasury office**

The establishment of the budget and treasury office (BTO) by the municipality in terms of the MFMA was delayed until 1 July 2007 to allow municipalities to build the necessary capacity to adequately staff the BTO.

The MFMA prescribes that the CFO heads the BTO and that competent finance officials must support the CFO in his role. The competencies of municipal officials assigned to the budget and treasury office must meet the minimum prescribed financial competency levels.

The Act does not specify or propose a structure for the budget and treasury office as this is for the municipality to determine however, in so doing, the following minimum functions must be provided for:

- Budget planning, monitoring and reporting

- Revenue management

- Expenditure management

- Supply chain Management

- Payroll administration

- Risk management

Sound governance arrangements are integral to municipal finance management. A culture of transparency that includes regular reporting is necessary.

It is important that professional standards and best practices are implemented and complied with throughout the municipality.

### **2 Budget Planning**

The budget planning process is described in detail in Part Three of the CFO Handbook. The role of the CFO is to assist the accounting officer with budget preparation and budget implementation amongst other financial management duties in terms of section 81 (1) of the MFMA. The CFO is duty bound to assist senior managers with their duties and responsibilities inferred on them in terms of section 78 and with duties delegated to them by the accounting officer in terms of section 79 of the Act.

The CFO, in terms of the written delegations from the accounting officer, is accountable to the accounting officer for ensuring that the municipality complies with the budget preparation, budget compilation, including the required consultation processes and budget implementation requirements of the MFMA.

The CFO must ensure that the timelines and deliverables in respect of the municipal budget schedule as tabled by the mayor are achieved. The CFO will have to ensure that the necessary systems, processes and policies are in place to assist senior managers with their contributions to the budget compilation process.

The CFO must ensure that he/she has complete knowledge of the legislative requirements and supporting regulations, guidelines and budget formats so that he/she can compile an accurate and credible budget within the legislative timeframes.