



PROVINCE OF KWAZULU-NATAL

MEMO

To: Ms I Cronjé  
MEC Finance

From: Mr L.S Magagula  
Head of Department

Enquiries: Mr F Cassimjee  
General Manager: Municipal Finance

Date: 31 January 2011

Subject: Non-Compliance with the MFMA Reporting Requirements

Attach is a circular directed at Mayors, Municipal Managers and Chief Financial Officers in the Province with regard to the above matter for your signature.

The circular list those municipalities that have not fully complied with the following MFMA reporting requirements:

- Annexure A: 2010/11 MFMA Implementation Plan
- Annexure B: 2011/12 Budget Timetable (Schedule of Key deadlines)
- Annexure C: 2010/11 Service Delivery Budget Improvement Plan (SDBIP)
- Annexure D: 2010/11 Appendix B Budget Returns and Annual Returns
- Annexure E: 2010/11 Section 71 Monthly Returns
- Annexure F: 2010/11 Quarterly Returns
- Annexure G: 2010/11 Verification of Figures for Quarter 1 of 2010/11
- Annexure H: Publication of Section 75 Information on Municipal Websites
- Annexure I: Finance Management Grant (FMG) Conditions/Appointment of Municipal Interns

Kindly return the signed copy to my office for distribution as there are strict deadlines for municipalities to adhere to.

Mr L.S Magagula  
Head of Department

Date: 01/02/2011



# KWAZULU-NATAL PROVINCIAL TREASURY

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Our reference:  
Inkomba yethu:  
Ons verwysing:

Date: 31<sup>st</sup> January 2011  
Usuku:  
Datum:

**To: MAYOR  
MUNICIPAL MANAGERS  
CHIEF FINANCIAL OFFICERS  
KWAZULU NATAL MUNICIPALITIES**

## **PROVINCIAL TREASURY CIRCULAR TC/RM 5 OF 2010/11**

### **NON-COMPLIANCE WITH THE MFMA REPORTING REQUIREMENTS**

It is of serious concern that a number of municipalities in KwaZulu-Natal are not fully complying with the Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) and the 2010 Division of Revenue Act (DoRA).

Following the second quarter of the 2010/11 financial year, it emerged that a number of municipalities in our province are either failing to comply with **ALL** the reporting requirements as set out in the different sections of the MFMA and DoRA or submitting reports for compliance purposes only without ensuring the accuracy of the information submitted.

Some of the most important MFMA and DoRA reporting requirements that have not been complied with and a list of those municipalities that have not been fully complying with those reporting requirements are discussed and attached as the following annexes:

- Annexure A: 2010/11 MFMA Implementation Plan
- Annexure B: 2011/12 Budget Timetable (Schedule of Key deadlines)
- Annexure C: 2010/11 Service Delivery Budget Improvement Plan (SDBIP)
- Annexure D: 2010/11 Appendix B Budget Returns and Annual Returns
- Annexure E: 2010/11 Section 71 Monthly Returns
- Annexure F: 2010/11 Quarterly Returns
- Annexure G: 2010/11 Verification of Figures for Quarter 1 of 2010/11
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Both the National Treasury and the Provincial Treasury have provided support and training to assist municipalities in meeting their reporting requirements and can no longer overlook any deliberate or inadvertent non-compliance with the law. Should the non-compliance by municipalities persist, the following steps to enforce compliance may be considered:

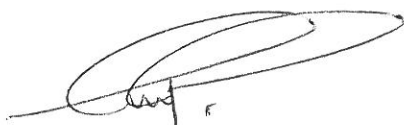
1. Notify the Auditor-General of the municipality's failure to comply with relevant MFMA reporting requirements.
2. Recommend to the concerned municipality's council that it considers investigating the Accounting Officer in terms of Section 171(4) of the MFMA, with a view to taking disciplinary action against the Accounting Officer in the light of his or her failure to comply with relevant MFMA reporting requirements.
3. Launch an investigation with a view of laying charges against the Accounting Officer for financial misconduct in terms of Section 171 of the MFMA; and
4. Explore options to stop all transfer to the municipality for breach of their reporting obligations.

During the 2009/10 financial year, Provincial Treasury reported non-compliance with the MFMA Reporting Requirements to Legislature on a quarterly basis through the Section 71(7) Report, where the MEC for Finance is required to submit a consolidated statement on the state of municipalities' budgets *to the provincial legislature no later than 45 days after the end of each quarter*. It is therefore the intention of Provincial Treasury to submit a list of those municipalities that are persistently not complying with the MFMA and DoRA reporting requirements to the legislature for their consideration.

The KwaZulu-Natal Provincial Treasury once again through this circular urges all municipalities affected to address their failure to fully comply with all the reporting requirements in terms of the MFMA and DoRA pertaining to the 2010/11 financial year. Provincial Treasury has communicated extensively with municipalities on this topic. You undoubtedly will agree that the Provincial Treasury has been extremely patient and has relentlessly accommodated municipalities. The officials from Provincial Treasury will continue to assist and support their designated municipalities. They will also be following up with each of the municipalities on all non-compliance issues; however, the onus rests with Accounting Officer to ensure that their municipality fully complies with all outstanding reporting requirements **as a matter of urgency but no later than 11 February 2011**.

It should also be noted that our source of information is the National Treasury Local Government Database (lgdatabase). Should your municipality dispute any of the information reflected in the annexes, please provide both the Provincial Treasury and National Treasury with the evidence to confirm any discrepancy.

Yours faithfully



**MS INA CRONJÉ, MPP**  
**MEC FOR FINANCE**

CC Jan Hattingh, National Treasury  
TV Pillay, National Treasury  
Herman van Zyl, Auditor General

#### **Annexure A: 2010/11 MFMA Implementation Plan**

The National Treasury issued MFMA Circular 7 in 2004 together with a “MFMA implementation plan template”. All municipalities were required to prepare and submit the MFMA implementation plan indicating how they would implement the MFMA reforms. The MFMA implementation plan provides municipalities with a starting point to develop and manage the reforms. Furthermore, municipalities were required to establish a steering committee to manage and oversee the MFMA implementation plan. The MFMA implementation plan for 2010/11 was due on 31 October 2010; 8 municipalities have not submitted their implementation plans for the 2010/11 financial year. Those municipalities that did not submit their implementation plans for 2010/11 are listed in Table 1.

**Table 1: List of municipalities that did not submit their MFMA implementation plan for the 2010/11 financial year**

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Umdoni	Nquthu	Indaka
Okhahlamba	eDumbe	Umvoti
eMadlangeni	Umhlabuyalingana	

Source: Local Government Database

The non-complying municipalities are urged to upload their 2010/11 MFMA Implementation Plans on [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) **as a matter of urgency** and send a copy to the Provincial Treasury.

#### **Annexure B: 2011/12 Budget Timetable (Time Schedule of Key deadlines)**

In terms of Section 21 (1)(a) of the MFMA, *the Mayor of a municipality must co-ordinate the processes for preparing the annual budget and for reviewing the municipality's integrated development plan and budget related policies to ensure that the tabled budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible*. In addition, as required by Section 21 (1)(b), the mayor of a municipality must *at least 10 months before the start of the budget year, table in the municipal council a time schedule outlining key deadlines for the various budget related activities*. Also stated in Section 21(2)(e)(ii)(bb), *the mayor of a municipality must provide, on request, any information relating to the budget to any national and provincial organ of states, as may be prescribed*.

The Provincial Treasury has been liaising with the municipalities requesting a copy of the time schedules of key budget deadlines for the 2011/12 financial year. As at 31 January 2011, 2 municipalities in KZN (listed in the Table 2) failed to submit the schedules of key budget deadlines to the National and Provincial Treasuries.

**Table 2: List of municipalities that did not submit the times schedules of key budget deadlines for 2011/12 financial year**

Non Compliant Municipalities	Non Compliant Municipalities
Impendle	uMuziwabantu

Source: Local Government Database

Municipalities are reminded to submit the times schedules of key budget deadlines for the 2011/12 financial year **immediately**.

### **Annexure C: 2010/11 Service Delivery Budget Improvement Plan (SDBIP)**

Section 53(1) (c) (ii) of the MFMA indicates that *the mayor of a municipality must take all reasonable steps to ensure that the municipality's service delivery and budget implementation plan is approved by the mayor within 28 days after the approval of the budget.*

Section 20(2)(b) of the Municipal Budget and Reporting Regulations further states that the Municipal Manager must submit to the National Treasury and the relevant provincial treasury, in both printed and electronic format, the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan.

Once again, as per Provincial Treasury circular TC/RM 1 of 2010/11, municipalities were reminded to upload their 2010/11 SDBIP to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) **within 28 days after the approval of the budget.** As at 31 January 2011, the SDBIPs for the municipality listed in Table 3 was outstanding. Furthermore, if the SDBIPs for this municipality was not approved by the mayor, this could effectively mean that Section 53(1)(c)(ii) of the MFMA has been breached.

**Table 3: List of municipalities that did not submit their SDBIP for the 2010/11 financial year**

<b>Non Compliant Municipalities</b>
Indaka

Source: Local Government Database

The abovementioned municipalities are required to **urgently** furnish the Provincial Treasury with the SDBIP and the Council Resolution approving the SDBIP. If the SDBIP was not approved, please advise Provincial Treasury with the reasons why the municipality has not approved their SDBIP.

### **Annexure D: 2010/11 Appendix B Budget Returns and Annual Returns**

In terms of Section 22(b) of the MFMA, *the accounting officer of the municipality must submit the annual budget -*

- (a) in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury; and*
- (b) in either format to any prescribed national or provincial organs of the state and to other municipalities affected by the budget.*

National Treasury uses the budget figures from Appendix B: Budget Returns Forms for their quarterly publication of municipal financial performance. Furthermore, in order for National Treasury to build and maintain data on local government, all municipalities are required to upload a number of annual returns and other important documents. The purpose of collecting data into one database, amongst other things is to assist with effective planning and decision making. In this regard, a number of municipalities have not uploaded their Appendix B Budget Returns Forms and a number of annual returns. Table 4 shows the municipalities that have not uploaded/submitted the relevant return forms. The non-complying municipalities have been identified from the National Treasury database report dated 31 January 2011.

**Table 4: List of municipalities that have not submitted the Appendix B Budget Returns Forms, and Annual Returns**

Name of Return	Period	Non Compliant Municipalities
Asset Management	2010/11	Ugu, Impendle, Uthukela, Nquthu, Umvoti, Newcastle, Mtubatuba and Sisonke
Grant and Subsidies Received	2010/11	Ubuhlebezwe
IDP to Budget	2010/11	Ezinqoleni, Umvoti, eMadlangeni and Ubuhlebezwe

Source: Local Government Database

### **Annexure E: Section 71 Monthly Returns**

In terms of Section 71 (1) of the MFMA, *the accounting officer of a municipality must by no later than 10 working days after the end of each month submit to the mayor of the municipality and the relevant provincial treasury a statement in the prescribed format on the state of the municipality's budget reflecting the following particulars for that month and for the financial year up to the end of that month:*

- (a) *Actual Revenue, per revenue source;*
- (b) *actual borrowings;*
- (c) *actual expenditure, per vote;*
- (d) *actual capital expenditure, per vote;*
- (e) *the amount of any allocations received;*
- (f) *actual expenditure of those allocations" .....*

The Section 71 Monthly Returns are divided into two categories, namely the monthly *Budget Reform Return Forms* and the *Conditional Grants Return Forms*.

As at 31 January 2011, the monthly returns listed in Table 5 has not been submitted to the local government database.

**Table 5: List of municipalities that did not submit the monthly returns**

Name of Return	Period	Non Compliant Municipalities
Age Creditors	October 2010	Mkhambathini
	November 2010	Mkhambathini, Umtshezi, eDumbe, The Big Five False Bay and Maphumulo
	December 2010	Ezinqoleni, Hibiscus, uMshwathi, Umtshezi, Imbabazane, Amajuba, Newcastle, Zululand, eDumbe, Jozini and Maphumulo
Age Debtors	October 2010	Mkhambathini
	November 2010	Mkhambathini, Umtshezi, Okhahlamba, eMadlangeni, The Big Five False Bay and Ingwe
	December 2010	Vulamehlo, Ezinqoleni, uMshwathi, Mpofana, Umtshezi, Okhahlamba, Imbabazane, Amajuba, Newcastle, eMadlangeni, Zululand, eDumbe,



Name of Return	Period	Non Compliant Municipalities
		Nongoma, Jozini and Ingwe
<b>Capital Acquisitions Actuals</b>	October 2010	Mkhambathini, eDumbe and Maphumulo
	November 2010	Ezinqoleni, Mpofana, Umtshezi, eDumbe, The Big Five False Bay, Maphumulo and Ubuhlebezwe
	December 2010	Ezinqoleni, uMshwathi, Umtshezi, Imbabazane, Amajuba, Dannhauser, Zululand, eDumbe, Jozini, The Big Five False Bay, Maphumulo and Greater Kokstad
<b>Cash Flow Actuals</b>	July 2010	Ezinqoleni
	August 2010	Ezinqoleni
	September 2010	Ezinqoleni
	October 2010	Ezinqoleni, eDumbe
	November 2010	Ezinqoleni, uMuziwabantu, Umtshezi and eDumbe
	December 2010	Umdoni, Ezinqoleni, uMshwathi, Impendle, Richmond, Umtshezi, Imbabazane, Amajuba, Newcastle, Zululand, eDumbe, Umkhanyakude and Jozini
<b>Financial Performance Actuals</b>	July 2010	Ezinqoleni
	August 2010	Ezinqoleni
	September 2010	Ezinqoleni
	October 2010	Ezinqoleni, eDumbe
	November 2010	Ezinqoleni, Umtshezi, eMadlangeni and eDumbe
	December 2010	Ezinqoleni, uMshwathi, Mpofana, Impendle, Richmond, Umtshezi, Imbabazane, Amajuba, Newcastle, eMadlangeni, Zululand, eDumbe, Umkhanyakude, Jozini, The Big Five False Bay, Mfolozi and Maphumulo

Source: Local Government Database

#### *Conditional Grants Return Forms*

In terms of Section 12(2)(b) of the 2010 DoRA, a municipality must, as part of the report required in terms of Section 71 of the Municipal Finance Management Act, report on their grant expenditure *to the relevant provincial treasury, the National Treasury and the relevant transferring national officer.*

Section 12(4) of 2010 DoRA further specifies that the report by a municipality in terms of Section (2)(b) *must set out for that month and for the financial year up to the end of that month:*

- (a) *the amount received by the municipality;*
- (b) *the amount of funds stopped or withheld from the municipality;*
- (c) *the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;*

- (d) an explanation of any material problems experienced by the municipality;
- (e) regarding an allocation which has been received and a summary of the steps taken to deal with such problems;
- (f) any matter or information that may be prescribed in the relevant framework for the particular allocation; and
- (g) such other issues and information as the National Treasury may determine.

As at 31 January 2011, the conditional grant returns listed in Table 6 have not been submitted to the local government database.

**Table 6: List of municipalities that did not submit the monthly conditional grants returns for the 2010/11 financial year**

Name of Return	Period	Non Compliant Municipalities
<b>Finance Management Grant</b>	August 2010	eDumbe
	September 2010	eDumbe
	October 2010	eDumbe
	November 2010	Vulamehlo, Umtshezi, Amajuba, eDumbe, Nongoma and Jozini
	December 2010	Vulamehlo, uMshwathi, Richmond, Umtshezi, Okhahlamba, Amajuba, Newcastle, Zululand, eDumbe, Jozini and Maphumulo
<b>Integrated Electrification Programme Grant</b>	July 2010	Ubuhlebezwe
	August 2010	Ubuhlebezwe
	September 2010	eDumbe and Ubuhlebezwe
	October 2010	eDumbe, Jozini and Ubuhlebezwe
	November 2010	uMuziwabantu, Umtshezi, eDumbe, Ulundi, Jozini and Ubuhlebezwe
	December 2010	uMshwathi, Umtshezi, Newcastle, eDumbe, Jozini, Ingwe and Ubuhlebezwe
<b>Municipal Infrastructure Grant</b>	September 2010	eDumbe
	October 2010	eDumbe
	November 2010	Vulamehlo, Umtshezi, Amajuba, eDumbe, Nongoma, Ulundi and Hlabisa
	December 2010	uMgungundlovu, uMshwathi, Richmond, Umtshezi, Okhahlamba, Amajuba, Newcastle, Zululand, eDumbe, Jozini, Hlabisa, Maphumulo and Ingwe
<b>Municipal Systems Improvement</b>	August 2010	eDumbe
	September 2010	eDumbe



Name of Return	Period	Non Compliant Municipalities
Programme Grant	October 2010	eDumbe
	November 2010	Vulamehlo, uMgungundlovu, Umtshezi, Okhahlamba, Amajuba, eDumbe, Nongoma, Ulundi and Jozini
	December 2010	uMshwathi, Richmond, Umtshezi, Okhahlamba, Amajuba, Newcastle, Zululand, eDumbe, Jozini, Maphumulo and Ingwe
Neighbourhood Development Partnership Grant	November 2010	Umtshezi and Nongoma
	December 2010	Umtshezi, Newcastle and Nongoma

Source: Local Government Database

The non-complying municipalities are urged to upload all the outstanding monthly returns as well as the conditional grants returns on the [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za) by **11 February 2011** and send a copy to Provincial Treasury.

#### **Annexure F: 2010/11 Quarterly Returns**

Section 74(1) of the MFMA states that *the accounting officer of a municipality must submit to the National Treasury, provincial treasury, the department for local government in the province or the Auditor-General such information, returns, documents, explanations and motivations as may be prescribed or as may be required*. Section 104(1)(b) requires the same from the accounting officer of a municipal entity.

Towards this end, National Treasury has prescribed that the quarterly returns must be submitted on borrowing, long term contracts, municipal entities and the implementation of the MFMA priorities (as specified in MFMA Circular No. 38). Table 7 provides the list of municipalities that did not submit the required quarterly returns as at 31 January 2011.

**Table 7: List of municipalities that did not submit the different quarterly returns pertaining to quarter one of the 2010/11 financial year**

Borrowing Monitoring	MFMA Long Term Contracts	MFMA Implementation Priorities
Indaka	Ezinqoleni	Ezinqoleni
Umtshezi	Indaka	

Source: Local Government Database

Municipalities are urgently required to submit all outstanding quarterly returns for 2010/11 to the [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za) by **11 February 2011** and send a copy to Provincial Treasury.

Municipalities are also reminded that the quarterly returns pertaining to quarter two were due at the end of January 2011 and should be uploaded to the [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za) and a copy must be sent to the Provincial Treasury.

### **Annexure G: Verification of Figures for Quarter 1 of 2010/11**

Provincial Treasury is concerned about the reliability of budget and expenditure figures published by National Treasury. It was noted in the past that there has been discrepancies in the data submitted to the Local Government Database by municipalities. To ensure that the figures published by National Treasury are reliable, it is imperative that municipalities scrutinise, verify and sign-off the verifications schedules sent to them by National Treasury on a quarterly basis. There are two quarterly verification schedules, namely the:

- (a) Statement of Operating and Capital Expenditure (Section 71 Verification); and
- (b) Conditional Grants Actual Transfers and Expenditure Schedule (Grant Verification).

Table 8 provides the list of municipalities that did not submit signed copies of the required quarterly verifications to National and Provincial Treasury at the end of the first quarter of 2010/11.

**Table 8: List of municipalities that did not submit signed copies of the required quarterly verifications of quarter one of the 2010/11 financial year**

<b>Verifications Not Submitted to National / Provincial Treasury</b>	
<b>Section 71 Verification</b>	<b>Grant Verification</b>
Vulamehlo	Vulamehlo
Umdoni	Umdoni
Ezinqolweni	Ezinqolweni
uMngeni	uMshwathi
Impendle	Impendle
Okhahlamba	Okhahlamba
Imbabazane	eMadlangeni
Nquthu	Amajuba
Amajuba	The Big Five False Bay
Jozini	Mfolozi
Hlabisa	Maphumulo
Mfolozi	iLembe
Ubuhlebezwe	Ingwe
	Greater Kokstad
	Ubuhlebezwe

Source: National and Provincial Treasury

National Treasury has distributed the second quarter verification schedules to municipalities on Monday, 24 January 2011. Please ensure that the schedules are scrutinised for accuracy and if the numbers are correct that the schedules are signed by both the Municipal Manager and the Chief Financial Officer and faxed or scanned and e-mailed to both National and Provincial Treasury **by 10h00 on 11 February 2011**.

Accepted numbers with regard to the *Statement of Operating and Capital Expenditure* must be signed by both the Municipal Manager and the Chief Financial Officer and faxed to (012) 395-6553 for attention Ms Elsabe Rossouw or scanned and mailed to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) and Provincial Treasury at [mfma@kzntreasury.gov.za](mailto:mfma@kzntreasury.gov.za).

Similarly, for the *Conditional Grants Actual Transfers and Expenditure Schedule*, the accepted numbers should also be signed by both the Municipal Manager and the Chief Financial Officer and faxed to (012) 395-6732 and (012) 315-5045 for attention Mr Sello Mashaba or scanned and mailed to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) and Provincial Treasury at [mfina@kzntreasury.gov.za](mailto:mfina@kzntreasury.gov.za).

To ensure that the verification schedules submitted are legible, the scanning and e-mailing of the schedules are preferred.

#### **Annexure H: Publication of Section 75 Information on Municipal Websites**

In terms of Section 75(1) of the MFMA, municipalities are required to place the following documents on their municipal websites:

- a) *The annual and adjustments budgets and all budget-related documents;*
- b) *All budget-related policies;*
- c) *Annual Report;*
- d) *All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;*
- e) *All service delivery agreements;*
- f) *All long-term borrowing contracts;*
- g) *All supply chain management contracts above a prescribed value;*
- h) *An information statement containing a list of assets over a prescribed value that have been disposed of in terms of section 14(2) or (4) during the previous quarter;*
- i) *Contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;*
- j) *Public-private partnership agreements referred to in section 120;*
- k) *All quarterly reports tabled in the council in terms of section 52(d); and*
- l) *Any other documents that must be placed on the website in terms of this Act or any other applicable legislation, or as may be prescribed.*

Section 75(2) of the Act further requires that documents *must be placed on the website not later than five working days after its tabling in council, or on the date on which it must be made public, whichever occurs first.*

As at 31 January 2011, the municipalities listed in Table 9 have not established and/or placed updated copies of the required documents on their websites:

**Table 9: List of municipalities that did not established and/or place updated copies of the required documents on their websites**

<b>Non Compliant Municipalities</b>	<b>Non Compliant Municipalities</b>	<b>Non Compliant Municipalities</b>
Vulamehlo	Richmond	Msinga
Umdoni	uMgungundlovu	Umvoti
Umzumbe	Indaka	Umzinyathi
uMuziwabantu	Okhahlamba	Newcastle
Ezinqoleni	Imbabazane	eMadlangeni
uMshwathi	Nquthu	Dannhauser
Mpofana	Jozini	Amajuba

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Impendle	The Big Five False Bay	eDumbe
Mkhambathini	Hlabisa	Umkhanyakude
Nongoma	Mtubatuba	Ntambanana
Ulundi	Ndwedwe	Nkandla
Umhlabuyalingana	Ingwe	Maphumulo
Ubuhlebezwe	Sisonke	Ilembe
	Umzimkhulu	

Source: Municipal Websites

The non-complying municipalities are urged to established and/or place updated copies of the required Section 75 documents on their websites **immediately**. Should you experience any challenges with regard to establishing and/or placing updated copies of the required Section 75 documents on your website or require any further clarity pertaining to this matter, kindly inform Provincial Treasury.

#### **Annexure I: Finance Management Grant (FMG) Conditions/Appointment of Municipal Interns**

In terms of the Financial Management Grant (FMG) conditions published in the 2010 DoRA, the grant may be utilised for amongst other things *the establishment of a Budget and Treasury Office with positions filled by appropriately qualified personnel and appointment of a minimum of five interns over a multi year period.*

As at 31 January 2011, the municipalities listed in Table 10 have not appointed five interns.

**Table 10: List of municipalities that did not appointed five interns**

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Umdoni	Dannhauser	Ingwe
Hibiscus Coast	Amajuba DM	Kwa Sani
uMngeni	Nongoma	Greater Kokstad
Impendle	Ntambanana	Umzimkhulu
Endumeni	Newcastle	

Source: KZN Provincial Treasury

Please advise Provincial Treasury by no later than **11 February 2011** whether your municipality has appointed five interns or the date by which your municipality anticipates having five interns employed as per DoRA.