



# KWAZULU-NATAL PROVINCIAL TREASURY

## OFFICE OF THE MEC FOR FINANCE

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Our reference: Circulars to Municipalities  
Inkomba yethu :  
Ons verwysing:

Date: 9 February 2012  
Usuku:  
Datum :

Please quote our reference on all correspondence

To: MAYOR  
MUNICIPAL MANAGERS  
CHIEF FINANCIAL OFFICERS  
KWAZULU NATAL MUNICIPALITIES

### PROVINCIAL TREASURY CIRCULAR TC/RM 4 OF 2011/12

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

My office issues circulars to Mayors regarding the non compliance with Division of Revenue Act (DoRA) (Act No. 6 of 2011) and Municipal Finance Management Act (MFMA) (Act No. 56 of 2003) reporting requirements. Despite the issue of previous non compliance circulars, it is of serious concern that a number of municipalities in KwaZulu-Natal are not fully complying with the MFMA and DoRA.

Following the second quarter of the 2011/12 financial year, it emerged that a number of municipalities in the 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: 2011/12 MFMA Implementation Plan
- Annexure B: 2012/13 Budget Timetable (Time Schedule of Key deadlines)
- Annexure C: 2011/12 Service Delivery Budget Implementation Plan (SDBIP)
- Annexure D: 2011/12 Appendix B Budget Returns and Annual Returns
- Annexure E: 2011/12 Section 71 Monthly Returns
- Annexure F: 2011/12 Quarterly Returns
- Annexure G: Verification of Figures for Quarter 2 of 2011/12
- Annexure H: 2011/12 Mid Year Budget and Performance Assessment
- Annexure I: Publication of Section 75 Information on Municipal Websites
- Annexure J: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns
- Annexure K: 2011/12 MFMA Competency Level Return

Both National Treasury and Provincial Treasury have provided support and training to assist municipalities in meeting their reporting requirements and can no longer allow 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:

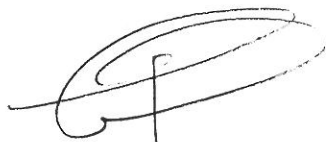
1. Notify the Auditor-General of the municipality's failure to comply with relevant MFMA reporting requirements.
2. Recommend to the concerned municipality's council that it considers investigating the Accounting Officer in terms of Section 171(4) of the MFMA, with a view to taking disciplinary action 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 transfers to the municipality for breach of their reporting obligations.

During the 2010/11 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 for 2011/12 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 2011/12 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 15 February 2012**.

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 sincerely



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

C C      Mr J Hattingh, National Treasury  
            TV Pillay, National Treasury  
            V Maharaj, Auditor General of SA (KZN)

## **Annexure A: 2011/12 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 budget steering committee to manage and oversee, inter alia the MFMA implementation plan. The MFMA implementation plan for 2011/12 was due on 31 October 2011; 24 municipalities have not submitted their implementation plans for the 2011/12 financial year. Those municipalities that did not submit their implementation plans for 2011/12 are listed in Table 1.

Table 1: List of the municipalities that did not submit their MFMA implementation plan for the 2011/12 financial year

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Vulamehlo	Umzumbe	uMuziwabantu
Ezingoleni	Hibiscus Coast	uMshwathi
Impendle	Indaka	Okhahlamba
Uthukela District	Endumeni	eMadlangeni
Dannhauser	Newcastle	uPhongolo
Ulundi	Amajuba District	The Big Five False Bay
Ntambanana	Zululand District	Maphumulo
Ingwe	Mthonjaneni	Nkandla

Source: Local Government Database

The non-complying municipalities are urged to upload their 2011/12 MFMA Implementation Plans on [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) before the 15 February 2012 and send a copy to the Provincial Treasury.

## **Annexure B: 2012/13 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 additional, 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 2012/13 financial year. As at 6 February 2012, 2 municipalities in KZN (listed in Table 2) failed to submit the schedules of key budget deadlines to the National and Provincial Treasuries.

Table 2: List of the municipalities that did not submit the times schedules of key budget deadlines for 2012/13 financial year

Non Compliant Municipalities	Non Compliant Municipalities
Nkandla	Hibiscus Coast

Source: Local Government Database

Municipalities are reminded to submit the times schedules of key budget deadlines for the 2012/13 financial year immediately.

#### Annexure C: 2011/12 Service Delivery and Budget Implementation 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.

As at 6 February 2012, the SDBIPs for the municipalities listed in Table 3 were outstanding. Furthermore, if the SDBIPs for these municipalities were not approved by the mayors, this could effectively mean that Section 53(1)(c)(ii) of the MFMA has been breached.

Table 3: List of the municipalities that did not submit their SDBIPs for the 2011/12 financial year

Non Compliant Municipalities	Non Compliant Municipalities
uMuziwabantu	Umvoti

Source: Local Government Database

The abovementioned municipalities are required to urgently furnish the Provincial Treasury with their SDBIPs 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 the SDBIP.

#### Annexure D: 2011/12 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 -

in both printed and electronic formats to the National Treasury and the relevant Provincial Treasury; and

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 6 February 2012.

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

Name of Return	Period	Non Compliant Municipalities
Appendix B: Capital and Operating Budget Returns Forms		
Capital Acquisition	2011/12	Mtubatuba
Other Annual Returns		
Grant and Subsidies Given	2011/12	Msinga
Grant and Subsidies Received	2011/12	Msinga
IDP to Budget	2011/12	Umdoni, Endumeni, Msinga, Umvoti, uPhongolo, Ntambanana, and Maphumulo
Asset Management	2011/12	uMuziwabantu, Ezinqoleni, Impendle, Uthukela District, Nquthu, Newcastle, uPhongolo, Mtubatuba and Umkhanyakude District
Statement of Financial Position	2011/12	uMuziwabantu

Source: Local Government Database

However, due to the fact that the budget figures for 2011/12 have already been published by National Treasury, the database is locked and only Grant and Subsidies Given and Grant and Subsidies Received can be submitted immediately.

#### Annexure E: 2011/12 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:

Actual Revenue, per revenue source;

actual borrowings;

actual expenditure, per vote;

actual capital expenditure, per vote;

the amount of any allocations received;

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 6 February 2012, the monthly returns listed in Table 5 have 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	July 2011	Imbabazane
	August 2011	Imbabazane
	September 2011	Imbabazane
	October 2011	Imbabazane and Ulundi
	November 2011	Imbabazane, Ubuhlebezwe and Vulamehlo
	December 2011	Imbabazane, Vulamehlo and Uthukela District
Age Debtors	September 2011	Vulamehlo
	October 2011	Vulamehlo and Imbabazane
	November 2011	Vulamehlo and Imbabazane
	December 2011	Vulamehlo and eDumbe
Capital Acquisitions Actuals	October 2011	Imbabazane
	November 2011	Imbabazane
	December 2011	Umtshezi and eDumbe
Cash Flow Actuals	July 2011	Amajuba District, eMadlangeni and Imbabazane
	August 2011	Amajuba District, eMadlangeni and Imbabazane
	September 2011	Amajuba District, eMadlangeni and Imbabazane
	October 2011	Amajuba District, eMadlangeni and Imbabazane
	November 2011	Amajuba District, eMadlangeni and Imbabazane
	December 2011	Amajuba District, eMadlangeni, Imbabazane, eDumbe and Uthukela District
Repairs and Maintenance Expenditure	July 2011	Vulamehlo
	August 2011	Vulamehlo
	September 2011	Vulamehlo
	October 2011	Vulamehlo
	November 2011	Vulamehlo and Msinga



Name of Return	Period	Non Compliant Municipalities
	December 2011	Vulamehlo, Msinga and Umtshezi
Financial Performance Actuals	October 2011	Indaka
	November 2011	Nquthu and Nongoma
	December 2011	Uthukela District
Financial Position Actuals	July 2011	Msinga, Nquthu, uPhongolo and uMuziwabantu
	August 2011	Msinga, Nquthu, uPhongolo and uMuziwabantu
	September 2011	Msinga, Nquthu, uPhongolo and uMuziwabantu
	October 2011	Msinga, Nquthu, uPhongolo and uMuziwabantu
	November 2011	Msinga, Nquthu, uPhongolo, Ezingoleni, Amajuba District and Ubuhlebezwe, Imbabazane, Okhahlamba and Ndwedwe
	December 2011	Msinga, Nquthu, uPhongolo, uMuziwabantu, Ezingoleni, Amajuba District, Ubuhlebezwe, eDumbe and Ndwedwe

Source: Local Government Database

#### Conditional Grants Return Forms

In terms of Section 12(2)(b) of the 2011 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 2011 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:

the amount received by the municipality;

the amount of funds stopped or withheld from the municipality;

the extent of compliance with this Act and with the conditions of an allocation or part of an allocation provided for in a framework;

an explanation of any material problems experienced by the municipality;

regarding an allocation which has been received and a summary of the steps taken to deal with such problems;

any matter or information that may be prescribed in the relevant framework for the particular allocation; and

such other issues and information as the National Treasury may determine.

As at 6 February 2012, the conditional grant returns listed in Table 6 have not been submitted to the local government database.

Table 6: List of the municipalities that did not submit the monthly conditional grants returns for the 2011/12 financial year

Name of Return	Period	Non Compliant Municipalities
Finance Management Grant	December 2011	uPhongolo
Integrated Electrification Programme Grant	November 2011	Ulundi
Municipal Infrastructure grant	November 2011	Ulundi
Municipal Systems Improvement Programme Grant	November 2011	Umzumbe, Ulundi and Mkhambathini

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)) and send a copy to Provincial by 15 February 2012.

#### Annexure F: 2011/12 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 6 February 2012.

Table 7: List of the municipalities that did not submit the different quarterly returns pertaining to quarter two of the 2011/12 financial year

Quarter	Borrowing Monitoring	MFMA Long Term Contracts	MFMA Implementation Priorities	Municipal Entities
Quarter 1		Implendle	Kwa Sani	Ulundi
			Ntambanana	
Quarter 2	Vulamehlo	Impendle	Umzumbe	Impendle
	Impendle	Mkhambathini	Impendle	Mkhambathini
	Mkhambathini	Imbabazane	Mkhambathini	Umtshezi
	Emnambithi / Ladysmith	Uthukela District	Umtshezi	Imbabazane
	Imbabazane	Endumeni	Imbabazane	Endumeni
	Endumeni	Newcastle	Endumeni	Newcastle
	Newcastle	Amajuba District	Newcastle	eDumbe
	eDumbe	eDumbe	eDumbe	Ulundi
	Ulundi	Ulundi	Nongoma	Zululand District
	Zululand District	Zululand District	Ulundi	Jozini
	The Big Five	The Big Five	Zululand District	The Big Five False



	False Bay	False Bay		Bay
	Jozini	Umkhanyakude District	Jozini	Umkhanyakude District
	Umkhanyakude District	Ntambanana	The Big Five False Bay	Ntambanana
	Ntambanana	Jozini	Umkhanyakude District	Ndwedwe
	Ubuhlebezwe	Ndwedwe	Maphumulo	Ubuhlebezwe
		Ubuhlebezwe	Kwa Sani	
			Ubuhlebezwe	

Source: Local Government Database

Municipalities are urgently required to submit all outstanding quarterly returns for 2011/12 to the [lgdatabase@treasury.gov.za](mailto:lgdatabase@treasury.gov.za) by 15 February 2012 and send a copy to Provincial Treasury.

#### Annexure G: Verification of Figures for Quarter 2 of 2011/12

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:

Statement of Operating and Capital Expenditure (Section 71 Verification); and

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 second quarter of 2011/12.

Table 8: List of the municipalities that did not submit signed copies of the required quarterly verifications of quarter two of the 2011/12 financial year

Verifications Not Submitted to National / Provincial Treasury	
Section 71 Verification	Grant Verification
Vulamehlo	Vulamehlo
uMuziwabantu	Umzumbe
Impendle	Umzimkhulu
Indaka	Impendle
Uthukela District	Indaka
Nquthu	Uthukela District
Umvoti	eDumbe
eDumbe	uPhongolo
Umkhanyakude District	Umkhanyakude District
Ndwedwe	Ndwedwe
	Ubuhlebezwe

Source: National and Provincial Treasury

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 and Provincial Treasury at 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 and Provincial Treasury at mfma@kzntreasury.gov.za.

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

#### Annexure H: 2011/12 Mid Year Budget and Performance Assessment

Section 72(1)(a) of the MFMA requires that the accounting officer of a municipality assesses the performance of the municipality for the first half of the financial year. A report on such assessment must be done and submitted to the Mayor of the municipality, the National Treasury and the relevant Provincial Treasury (PT) by 25 January of each year as per Section 72(1)(b) of the MFMA, read in conjunction with Section 35 of the Municipal Budget and Reporting Regulations.

Provincial Treasury issued PT circular TC/RM 2 and TC/RM 3 of 2011/12, which provided guidance to municipalities on the preparation and submission of the 2011/12 Mid-Year Budget and Performance Assessment Report. Table 9 provides a list of municipalities that did not submit their Mid Year Budget and Performance Assessment Report for the 2011/12 financial year.

Table 9: List of municipalities that did not submit their Mid Year Budget and Performance Assessment for the 2011/12 financial year

Non compliant municipalities	Non compliant municipalities
Vulamehlo	Big Five False Bay
uMuziwabantu	Hlabisa
Okhahlamba	Umkhanyakude District
Uthukela District	Ntambanana
uPhongolo	Nkandla
Kwa Sani	Nquthu

#### Format of Mid Year Budget and Performance Assessment:

Section 33 of the Municipal Budget and Reporting Regulations, states that a Mid-Year Budget and Performance Assessment of the municipality referred to in Section 72 of the MFMA, must be in the format specified in Schedule C and include all the required tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of section 168 (1) of the Act.

Provincial Treasury on 14 December 2011 issued circular TC/RM 2 of 2011/12 to all KwaZulu-Natal municipalities, stipulating the format in which the Mid-Year Budget and Performance Assessment Report needs to be submitted to the Mayor, National Treasury and Provincial Treasury. However, there were municipalities who did not comply with Schedule C format. Table 10 provides a list of municipalities that did not submit their Mid Year Budget and Performance Assessment for the 2011/12 financial year in the correct Schedule C format.

Table 10: List of municipalities that did not submit their Mid Year Budget and Performance Assessment for the 2011/12 financial year in the correct Schedule C format

Non compliant municipalities	Non compliant municipalities
Umdoni	Endumeni
Umzumbe	Msinga
Impendle	Umvoti
Ezingoleni	eMadlangeni
uMshwathi	Dannhauser
Emnambithi/Ladysmith	eDumbe
Sisonke District	

Annexure I: 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:

The annual and adjustments budgets and all budget-related documents;

All budget-related policies;

Annual Report;

All performance agreements required in terms of section 57(1)(b) of the Municipal Systems Act;

All service delivery agreements;

All long-term borrowing contracts;

All supply chain management contracts above a prescribed value;

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;

Contracts to which subsection (1) of section 33 apply, subject to subsection (3) of that section;

Public-private partnership agreements referred to in section 120;

All quarterly reports tabled in the council in terms of section 52(d); and

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 6 February 2012, the municipalities listed in Table 11 have not established and/or placed updated copies of the required documents on their websites:

Table 11: List of the municipalities that did not establish and/or place updated copies of the required documents on their websites

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Vulamehlo	Richmond	Msinga
Umzumbe	Indaka	Umvoti
Mpofana	Okhahlamba	Uthukela District

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
uMngeni	Imbabazane	Mfolozi
Impendle	Nquthu	Umkhanyakude District
Mkhambathini	Jozini	Ntambanana
Nongoma	Emnambithi/Ladysmith	Nkandla
Ulundi	The Big Five False Bay	Mthonjaneni
Umhlabuyalingana	Mtubatuba	Kwa Sani
Mandeni	Ingwe	Great Kokstad
eDumbe	Sisonke District	Umzimkhulu
Ubuhlebezwe	Ndwedwe	

Source: Municipal Websites

The non-complying municipalities are urged to establish and/or place updated copies of the required Section 75 documents on their websites immediately.

#### Annexure J: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns

In terms of the Financial Management Grant (FMG) conditions published in the 2011 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 6 February 2012, the municipalities listed in Table 12 have not appointed five interns.

Table 12: List of the municipalities that did not appoint five interns

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
uMuziwabantu	Ezingoleni	uMshwathi
Mpofana	Mkhambathini	Imbabazane
Indaka	Umtshezi	Umkhanyakude District
Nquthu	Umvoti	Maphumulo
Hlabisa	Mtubatuba	Ubuhlebezwe
Ntambanana	Mthonjaneni	Jozini

Source: KZN Provincial Treasury

Please advise Provincial Treasury by no later than 15 February 2012 whether your municipality has appointed five interns or the date by which your municipality anticipates having five interns employed as per DoRA.

#### Annexure K: 2011/12 MFMA Competency level return

Section 14(1) states that the municipal manager of the municipality and chief executive officer of a municipal entity must monitor the compliance with the prescribed minimum competency levels of financial and supply chain management officials. Section 14(2) states further that such information must be reported to National Treasury and relevant Provincial Treasury by 30 January and 30 July of each year.

As at 6 February 2012, the municipalities listed in Table 13 have not submitted the relevant return pertaining to the minimum competency levels for the first half of 2011/12 financial year, which was due on 30 January 2012.

Table 13: List of the municipalities that have not submitted the minimum competency levels return

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Dannhauser	eMadlangeni	Newcastle
Kwa Sani	Sisonke District	Ubuhlebezwe
Ezingoleni	Hibiscus Coast	Ugu District
Umdoni	uMuziwabantu	Umzumbe
Vulamehlo	Hlabisa	Jozini
Mtubatuba	The Big 5 False Bay	Umkhanyakude District
Endumeni	Msinga	Nquthu
Umvoti	Umzinyathi District	Imbabazane
Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Imbabazane	Indaka	Okhahlamba
Uthukela District	eDumbe	Nongoma
Ulundi	Zululand District	Mandeni
Ndwedwe	Impendle	Mkhambathini
Mpofana	uMshwathi	Mfolozi
Mthonjaneni	Ntambanana	uThungulu District