



Our reference: **Circulars to Municipalities**
Inkombayethu :
Onsverwysing:

Date: **12 August 2016**
Usuku:
Datum:

Please quote our reference on all correspondence

TO:

MAYORS

MUNICIPAL MANAGERS

CHIEF FINANCIAL OFFICERS

KWAZULU NATAL MUNICIPALITIES

PROVINCIAL TREASURY CIRCULAR TC/RM 2 OF 2016/17

NON-COMPLIANCE WITH THE MFMA REPORTING REQUIREMENTS

Provincial Treasury issues circulars to Mayors to highlight non-compliance with the Municipal Finance Management Act (MFMA) Act No. 56 of 2003 and the Division of Revenue Act (DoRA) Act No. 1 of 2015 reporting requirements. Despite the issuing of previous non-compliance circulars, it is of serious concern that a number of municipalities in KwaZulu-Natal are still not fully complying with all the requirements of the MFMA and DoRA.

Following the reports submitted for the fourth quarter of the 2015/16 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 are submitting reports for compliance purposes only without ensuring the accuracy of the information submitted.

The following annexures list some of the most important MFMA and DoRA reporting requirements that have not been complied with by municipalities, together with a list of municipalities who did not fully comply with those reporting requirements:

- Annexure A: 2015/16 MFMA Implementation Plan
- Annexure B: 2015/16 Budget Returns (Appendix B) and Annual Returns
- Annexure C: 2015/16 Section 71 Monthly Returns
- Annexure D: 2015/16 Quarterly Returns
- Annexure E: 2015/16 Conditional Grants Return Forms
- Annexure F: 2015/16 Verification of Figures for Quarter 4
- Annexure G: 2015/16 Mid Year Budget and Performance Assessment
- Annexure H: 2015/16 Adjustments Budget Process
- Annexure I: Publication of Section 75 Information on Municipal Websites

- Annexure J: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns
- Annexure K: 2015/16 MFMA Competency Level Return (S1 and S2)

Both the National and Provincial Treasuries 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. Provincial Treasury will consider the following steps, should the non-compliance by municipalities persist:

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 to laying charges against the Accounting Officer for financial misconduct in terms of Section 171 of the MFMA and Regulation 19 of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (*issued on 30 May 2014*); and
4. Explore options to stop all transfers to the municipality for breach of their reporting obligations.

During the 2015/16 financial year, Provincial Treasury reported non-compliance with both the MFMA and DoRA reporting requirements to the KwaZulu-Natal Provincial Legislature on a quarterly basis through the Section 71(7) Report, where I as MEC for Finance am 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 continue 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 urges all the municipalities to ensure full compliance with all the reporting requirements in terms of the MFMA and DoRA in the 2016/17 financial year. The officials from Provincial Treasury will continue to assist and support their designated municipalities to enforce full compliance by all municipalities.

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

Please direct any enquiries to the Chief Director: Municipal Finance: Mr.FarhadCassimjee on telephone (033) 897 4541.

Yours sincerely



MS BELINDA SCOTT
MEC FOR FINANCE - KZN

CC Jan Hattingh, National Treasury
TV Pillay, National Treasury
V Maharaj, Business Executive (Auditor General)
SL Magagula, HOD, KZN Provincial Treasury
NR Shezi, DDG – Fiscal Resource Management, KZN Provincial Treasury

Annexure A: 2015/16 MFMA Implementation Plan

The National Treasury issued MFMA Circular No.7 "MFMA Implementation Plan Template" on 23 September 2004. All municipalities were required to prepare and submit the MFMA Implementation Plan indicating how they would implement the MFMA reforms. The MFMA Implementation Plan should be used by municipalities to enable them to achieve compliance with relevant legislation. Municipalities are required to establish a steering committee to manage and oversee, inter alia the MFMA implementation plan. The MFMA implementation plan for 2015/16 was due on 31 October 2015. As at 25 July 2016, the municipalities in Table 1 below have still not submitted their 2015/16 MFMA Implementation Plans.

Table 1: List of the municipalities that did not submit their MFMA implementation plan for the 2015/16 financial year.

Non Compliant Municipalities	Non Compliant Municipalities
uMzumbe	uMsinga
Ezinqoleni	Hlabisa
Hibiscus Coast	Ntambanana
Mpofana	Mthonjaneni
Nquthu	Ndwedwe
uBuhlebezwe	

Source: Local Government Database

Annexure B: 2015/16 Budget Returns (Appendix B) and Annual Returns

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

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

The budget figures from Appendix B: Budget Returns Forms is utilised by National Treasury for their quarterly publications on municipal financial performance. National Treasury further hosts the LG Database to which the municipalities submit various other monthly, quarterly and annual reports, as the department endeavours to maintain accurate and complete financial information on all municipalities for planning, reporting and decision making purposes. Table 2 shows the municipalities that have not uploaded/ submitted their relevant return forms. The non-complying municipalities have been identified from the National Treasury database report dated 25 July 2016.

Table 2: List of municipalities that have not submitted the Appendix B Budget Returns Forms and Annual Returns as at 25 July 2016

Name of Return	Period	Non Compliant Municipalities
Age Creditors Audited	2014/15	eDumbe
Age Debtors Audited	2014/15	eDumbe, Ulundi

Name of Return	Period	Non Compliant Municipalities
Asset Management Audited	2014/15	Harry Gwala DM, Hibiscus Coast, Nquthu, uThukela DM, eDumbe, Nongoma, uPhongolo, Mthonjaneni and
Financial Position	2014/15	eDumbe
Capital Acquisition	2014/15	eDumbe
Cash Flow Audited	2014/15	Hibiscus Coast, eDumbe and Mthonjaneni
Financial Performance Audited	2014/15	eDumbe and Mpfana
Asset Management Budgeted	2015/16	Harry Gwala DM, Hibiscus Coast, Nquthu, uThukela DM, eDumbe, Nongoma, Ulundi, uPhongolo, Mthonjaneni and uMlalazi
Cash Flow Budgeted	2015/16	Hibiscus Coast, eDumbe and Mthonjaneni
Grant And Subsidies	2015/16	Hibiscus Coast and Mpfana
Grant And Subsidies Received	2015/16	Mpfana
IDP to Budget	2015/16	Ezingoleni, Hibiscus Coast, Mpfana, uMfolozi and Ntambanana

Source: Local Government Database

Annexure C: 2015/16 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; and*
- (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 25 July 2016, the monthly returns listed in Table 3 have not been submitted to the local government database.

Table 3: List of municipalities that did not submit the monthly returns

Name of Return	Period	Non Compliant Municipalities
Age Creditors	April 2016	Mpfana
	May 2016	Hlabisa
	June 2016	eMadlangeni, Greater Kokstad, Harry Gwala DM, Hlabisa, Jozini, uMsinga, Nquthu, Imbabazane, AbaQulusi, Ulundi, Mpfana and Ntambanana

Age Debtors	January 2016	uMvoti and uPhongolo
	February 2016	Ulundi
	April 2016	Hlabisa, Ulundi and Mpfana
	May 2016	eMadlangeni, uBuhlebezwe, uMzimkhulu and Hlabisa
	June 2016	eMadlangeni, Harry Gwala DM, Hlabisa, uMsinga, Nquthu, Imbabazane, Ulundi, Mpfana and Ntambanana
Financial Position	July 2015	Ulundi
	January 2016	Hibiscus Coast
	April 2016	Hibiscus Coast, Hlabisa, uMsinga, Nquthu, uThukela DM, Nongoma and Mpfana
	May 2016	Hibiscus Coast, Hlabisa, Msinga, uThukela DM, Nongoma and Mandeni
	June 2016	Dannhauser, eMadlangeni, Newcastle, Harry Gwala DM, Ingwe, Hlabisa, uMsinga, Nquthu, Imbabazane, Nongoma, Ulundi, Mandeni, Mpfana and Ntambanana
Name of Return	Period	Non Compliant Municipalities
Capital Acquisitions Actuals	February 2016	AbaQulusi and Ulundi
	March 2016	Greater Kokstad
	April 2016	Hlabisa and uMsinga
	May 2016	uBuhlebezwe, Hlabisa, uMsinga, uMvoti, Emnambithi/Ladysmith
	June 2016	eMadlangeni, uBuhlebezwe, Hlabisa, Jozini, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, Ulundi, Mpfana and Ntambanana
Cash Flow Actuals	January 2016	Hibiscus Coast
	February 2016	Hibiscus Coast
	March 2016	Hibiscus Coast
	April 2016	Hibiscus Coast, Hlabisa, Ulundi and Mpfana

	May 2016	Newcastle, Hibiscus Coast, uMuziwabantu, Hlabisa and Ulundi
	June 2016	eMadlangeni, Newcastle, Greater Kokstad, Harry Gwala DM, Hibiscus Coast, Hlabisa, uMsinga, Nquthu, Imbabazane, Ulundi and Ntambanana
Repairs and Maintenance	May 2016	Hibiscus Coast, Hlabisa and uMvoti
	June 2016	eMadlangeni, Hlabisa, uMsinga, Nquthu, Imbabazane, uThukela DM, AbaQulusi, Ulundi and Ntambanana

Source: Local Government Database

Annexure D: 2015/16 Quarterly Returns

Section 74(1) of the MFMA states that *the accounting officer of a municipality must submit to the National Treasury, the 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.*

National Treasury has prescribed that the quarterly returns must be submitted on borrowings, investments, long term contracts, municipal entities, the implementation of the MFMA priorities (as specified in MFMA Circular No. 38) and public-private partnerships. Table 4 shows the list of municipalities that did not submit the required quarter returns for 2015/16 as at 25 July 2016.

It should be noted that Table 4 also includes municipalities that do not have a municipal entity, however were still required to submit a MFMA Municipal Entity return with nil information.

Table 4: List of the municipalities that did not submit the different quarterly returns for the 2015/16 financial year

Quarter	Borrowings Monitoring	MFMA Long Term Contracts	MFMA Municipal Entity	MFMA Implementation Priorities	Investment Monitoring
Quarter 1		AbaQulusi	Amajuba DM uThukela DM		
Quarter 2	Hibiscus Coast	Amajuba DM Harry Gwala DM Ezinqoleni uThukela DM AbaQulusi Ulundi	Harry Gwala DM Ezinqoleni Nongoma Ulundi	Mpofana	

Quarter	Borrowings Monitoring	MFMA Long Term Contracts	MFMA Municipal Entity	MFMA Implementation Priorities	Investment Monitoring
		uPhongolo			
Quarter 3	uMsinga Mpofana	Amajuba DM uBuhlebezwe uMsinga uThukela DM AbaQulusi Ulundi uPhongolo Mpofana Ntambanana	Amajuba DM eMadlangeni uBuhlebezwe Ezinqoleni uMsinga Nquthu uThukela DM Ulundi Ntambanana	eMadlangeni Ezinqoleni uMsinga Mpofana Ntambanana	uMsinga eDumbe uPhongolo Mpofana
Quarter 4	uMvoti			uMuziwabantu eDumbe	uMdoni eDumbe

Source: Local Government Database

Annexure E: 2015/16 Conditional Grants Return Forms

In terms of Section 12(2) (b) of the 2015 DoRA, a municipality must, as part of the report required in terms of Section 71 of the MFMA, report on their grant expenditure *to the relevant Provincial Treasury, the National Treasury and the relevant transferring national officer.*

Section 12(4) of 2015 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; regarding an allocation which has been received and a summary of the steps taken to deal with such problems;*
- (e) *any matter or information that may be determined in the framework for the allocation; and*
- (f) *such other issues and information as the National Treasury may determine.*

As at 25 July 2016, the conditional grant returns listed in Table 5 have not been submitted to the Local Government Database.

Table 5: List of the municipalities that did not submit the monthly conditional grants returns for the 2015/16 financial year

Name of Return	Period	Non Compliant Municipalities
Municipal Disaster Grant	May 2016	uMvoti and Emnambithi/Ladysmith
	June 2016	uMdoni, uMzambe and Emnambithi/Ladysmith
Energy Efficiency And Demand Management Grant	June 2016	Greater Kokstad
Finance Management Grant	February 2016	AbaQulusi
	March 2016	AbaQulusi
	April 2016	Hlabisa and AbaQulusi
	May 2016	Hlabisa and AbaQulusi
Name of Return	Period	Non Compliant Municipalities
Finance Management Grant	June 2016	Dannhauser, Greater Kokstad, Hlabisa, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, uThukela DM, AbaQulusi, eDumbe and Ulundi
Integrated National Electrification Programme	May 2016	Hlabisa, uMvoti and Emnambithi/Ladysmith
	June 2016	eMadlangeni, Hlabisa, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, AbaQulusi, eDumbe, Ulundi, and Maphumulo
Municipal Demarcation Transition Grant	March 2016	Ntambanana
	May 2016	Hlabisa
	June 2016	Hlabisa
Municipal Infrastructure Grant	May 2016	Hlabisa, uMvoti and AbaQulusi

	June 2016	Greater Kokstad, Hlabisa, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, uThukela DM, AbaQulusi, eDumbe and Ulundi
Municipal Systems Improvement Programme Grant	December 2015	Ulundi
	April 2016	Hlabisa
	May 2016	Hlabisa, uMvoti and Emnambithi/Ladysmith
	June 2016	Greater Kokstad, Hlabisa, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, uThukela DM, AbaQulusi, eDumbe and Ulundi
Municipal Water Infrastructure Grant	June 2016	uThukela DM
Expanded Public Works Programme Grant	December 2015	Ulundi
	February 2016	Nquthu
	May 2016	Hlabisa, uMvoti and Emnambithi/Ladysmith
	June 2016	Greater Kokstad, Hlabisa, uMsinga, Nquthu, Emnambithi/Ladysmith, Imbabazane, uThukela DM, AbaQulusi, eDumbe and Ulundi
Rural Roads Asset Management Grant	June 2016	uThukela DM
Water Service Operating Subsidy Grant	June 2016	uThukela DM

Source: Local Government Database

Annexure F: 2015/16 Verification of Figures for Quarter 4

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 four quarterly verification schedules, namely:

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

Table 6: List of municipalities that did not submit their Quarter 4 signed verifications to National Treasury by 25 July 2016

Section 71	Conditional Grants	Borrowing Monitoring	Investment Monitoring
Vulamehlo	Vulamehlo	Vulamehlo	Vulamehlo
uMdoni	uMdoni	uMdoni	uMdoni
Hibiscus Coast	Ezinqoleni	Hibiscus Coast	Hibiscus Coast
Ugu DM	Hibiscus Coast	Ugu DM	Ugu DM
Mpofana	Ugu DM	Mpofana	Mpofana
iMpendle	Mpofana	eNdumeni	eNdumeni
Imbabazane	iMpendle	Nquthu	Nquthu
Nquthu	Imbabazane	Newcastle	Newcastle
Newcastle	Nquthu	eMadlangeni	eMadlangeni
eMadlangeni	uMvoti	Dannhauser	Dannhauser
Dannhauser	Newcastle	AbaQulusi	uPhongolo
eDumbe	eMadlangeni	Ulundi	AbaQulusi
Abaqulusi	Dannhauser	Zululand DM	Ulundi
Ulundi	AbaQulusi	Ntambanana	Zululand DM
Zululand DM	Ulundi	Mthonjaneni	Ntambanana
Hlabisa	Hlabisa		

Ntambanana	Ntambanana		
uBuhlebezwe	Mthonjaneni		

Annexure G: 2015/16 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 by 25 January of each year as per Section 72(1)(b) of the MFMA.

Provincial Treasury issued Circular TC/RM 5 of 2015/16 on 07 December 2015 to all delegated municipalities, reminding municipalities on the date of submission, format and other necessary information regarding the preparation of the Mid-Year Budget and Performance Assessment Report.

Submission of the 2015/16 Mid-Year Budget and Performance Assessment Reports

As at 25 January 2016, 53 of the 58 delegated municipalities had submitted their 2015/16 Mid-Year Budget and Performance Assessment Reports to Provincial Treasury. Letters for non-compliance were sent to the 4 municipalities listed in Table 7, that did not submit their 2015/16 Mid-Year Budget and Performance Assessments Reports to Provincial Treasury, thereby contravening Section 72(1)(b)(iii) of the MFMA. All these municipalities have subsequently submitted their 2015/16 Mid-Year Budget and Performance Assessment Reports to Provincial Treasury.

Table 7: List of the municipalities that did not submit Mid-Year Budget and Performance Assessment Reports as at 25 January 2016

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Nquthu	Mthonjaneni	Vulamehlo
uPhongolo		

Source: KZN Provincial Treasury

Tabling of the 2015/16 Mid-Year Budget and performance Assessment Reports

With the exception of the municipalities listed in Table 8, all delegated municipalities have tabled their 2015/16 Mid-Year Budget and Performance Assessments to Council by 31 January 2016 as required by Section 54(1)(f) of the MFMA. The 2015/16 Mid-Year Budget and Performance Assessment Report for AbaQulusi, Jozini and uMzinyathi District Municipalities were subsequently tabled on, 02 February 2016, 04 February 2016 and 11 February 2016, respectively.

Table 8: List of the municipalities that did not table their 2015/16 Mid-Year Budget and Performance Assessment Reports to Council by 31 January 2016

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
AbaQulusi	Jozini	uMzinyathi DM

Uploading of the 2015/16 Mid-Year Budget and Performance Assessment Reports onto municipal websites

The 20 municipalities listed in Table 9 did not upload their 2015/16 Mid-Year Budget and Performance Assessments Reports on their municipal websites within 5 days of 25 January 2016, thereby contravening Regulation 34(1) of the MBRR as well as Section 75(2) of the MFMA.

Table 9: List of the municipalities that did not upload the 2015/16 Mid-Year Budget and Performance Assessment Reports onto their municipal websites

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Vulamehlo	Umtshezi	eDumbe
uMuziwabantu	Imbabazane	uPhongolo
Ezinqoleni	Msinga	AbaQulusi
Mpofana	Newcastle	Nongoma
iMpendle	Amajuba DM	Hlabisa
uMkhanyakude DM	Greater Kokstad	Ntambanana

Annexure H: 2015/16 Adjustments Budget Process

In terms of Section 28(1) of the MFMA, a municipality may revise an approved annual budget through an adjustments budget.

Section 28(2) of the MFMA states that an Adjustment Budget:

- a) *Must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;*
- b) *May appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;*
- c) *May within the prescribed framework, authorize unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;*
- d) *May authorize the utilization of projected savings in one vote towards spending under another vote;*
- e) *May authorize the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;*
- f) *May correct errors in the annual budget budget; and*
- g) *May provide for any other expenditure within the prescribed framework.*

Regulation 21 of the MBRR reads as follows, *an adjustments budget and supporting documentation of a municipality must be in the format specified in Schedule B 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.

When the annual budget has been adjusted, the municipality should table their Adjustments Budget to Council at any time after the Mid-Year Budget and Performance Assessment Report has been tabled in Council but not later than 28 February of the current year as required by Regulation 23(1) of the MBRR.

Tabling of the 2015/16 Adjustments Budget

As at 28 February 2016, 55 of the 58 delegated municipalities tabled their 2015/16 Adjustments Budgets in Council with the exception of 3 municipalities listed in Table 10. Subsequent to receiving an MEC Non-compliance letter, the 3 municipalities tabled their 2015/16 Adjustments Budget.

Table 10: List of the municipalities that did not table their 2015/16 Adjustments Budget by 28 February 2016

Non-compliant municipalities	Non-compliant municipalities	Non-compliant municipalities
Zululand DM	eDumbe	Maphumulo

Submission of the 2015/16 Adjustments Budget

eMadlangeni Municipality is the only municipality that submitted their 2015/16 Adjustments Budget after the legislated deadline of 10 working days after tabling in Council. A non-compliance letter was sent to the municipality accordingly.

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:

- h) The annual and adjustments budgets and all budget-related documents;*
- i) All budget-related policies;*
- j) Annual Report;*
- k) All performance agreements required in terms of Section 57(1)(b) of the Municipal Systems Act;*
- l) All service delivery agreements;*
- m) All long-term borrowing contracts;*
- n) All supply chain management contracts above a prescribed value;*
- o) 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;*
- p) Contracts to which subsection (1) of Section 33 apply, subject to Subsection (3) of that Section;*
- q) Public-private partnership agreements referred to in Section 120;*
- r) All quarterly reports tabled in the council in terms of Section 52(d); and*
- s) 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 MFMA 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, which-ever occurs first.

As at 25 July 2016, the municipalities shown in Table 11 have not placed majority of the required

documents on their websites:

Table 11: List of the municipalities that did not place majority of the required documents on their websites

Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities	Non Compliant Municipalities
Vulamehlo	uPhongolo	Mpofana	uMkhanyakude DM
uMuziwabantu	AbaQulusi	Newcastle	iMpendle
uMshwathi	Nongoma	Ntambanana	

Source: Municipal Websites

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

In terms of the Financial Management Grant (FMG) conditions published in the 2015 DoRA, the grant may be utilised for amongst others, 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 25 July 2016, the municipalities shown 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
Vulamehlo	Emnambithi/Ladysmith
uMdoni	Nquthu
uMzumbe	uMzinyathi DM
Ugu DM	eMadlangeni
uMshwathi	uMgungundlovu DM
Mpofana	Mthonjaneni
iMpendle	

Source: KZN Provincial Treasury

Annexure K: 2015/16 MFMA Competency Level Return (S1 and S2)

Section 14(1) of the Municipal Regulations on Minimum Competency Levels 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 25 July 2016, municipalities shown in Table 13 have not submitted the relevant return pertaining to the minimum competency levels for the first half of 2015/16 financial year, which was due on 30 January 2016.

Table 13: List of the municipalities that have not submitted the minimum competency levels return (S1)

Non Compliant Municipalities	Non Compliant Municipalities
eDumbe	Mpofana
Ulundi	uMgungundlovu DM
uPhongolo	Mthonjaneni
Maphumulo	

Source: Local Government Database