



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

Date: 23 February 2018
Usuku:
Datum:

Please quote our reference on all correspondence

To: Mayors
Municipal Managers
Chief Financial Officers
KwaZulu Natal Municipalities

PROVINCIAL TREASURY CIRCULAR PT/MF 07 OF 2017/18

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 2017 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 reporting requirements of the MFMA and DoRA.

Following the reports submitted for the second quarter of the 2017/18 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; and/ or are submitting reports for compliance purposes only without ensuring the accuracy of the information submitted.

The following annexures list out 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 these reporting requirements:

- Annexure A: 2017/18 MFMA Implementation Plan;
- Annexure B: 2017/18 Budget Returns (Appendix B) and Annual Returns;
- Annexure C: 2017/18 Section 71 Monthly Returns ;
- Annexure D: 2017/18 Quarterly Returns;
- Annexure E: 2017/18 Conditional Grants Return Forms;
- Annexure F: 2017/18 Verification of Figures for Quarter 2;
- Annexure G: 2017/18 Mid-Year Budget and Performance Assessment Report;
- Annexure H: Publication of Section 75 Information on Municipal Websites;
- Annexure I: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns;
- Annexure J: 2017/18 MFMA Competency Level Return (S1 and S2);

- Annexure K: Tabling of the Time schedules outlining key deadlines for the 2018/19 budget preparation process; and
- Annexure L: 2017/18 Service Delivery and Budget Implementation Plan (SDBIP).

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 the relevant MFMA and DoRA 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 the relevant MFMA and DoRA 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 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 2017/18 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) Reports, 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 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.

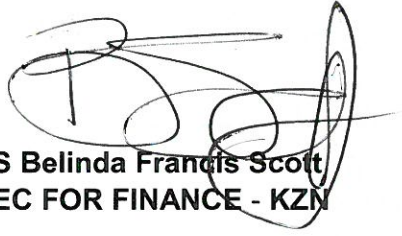
The KwaZulu-Natal Provincial Treasury urges all municipalities to ensure full compliance with all the reporting requirements in terms of the MFMA and DoRA in the 2017/18 financial year. Officials from Provincial Treasury will continue to assist and support their designated municipalities to enforce full compliance by all municipalities.

All municipalities are required to table this Provincial Circular PT/MF 07 of 2017/18 at the next Council Meeting. Furthermore, municipalities should forward to Provincial Treasury a copy of the Council resolution as well as the remedial action on how the identified areas of non-compliance will be addressed and avoided in future.

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. Farhad Cassimjee on telephone (033) 897 4541.

Yours sincerely

A handwritten signature in black ink, appearing to be 'MS Belinda Francis Scott', written over a circular stamp or seal.

MS Belinda Francis Scott
MEC FOR FINANCE - KZN

CC Jan Hattingh, National Treasury

TV Pillay, National Treasury

Ntombifuthi Mhlongo, Business Executive (Auditor General)

SL Magagula, HOD, KZN Provincial Treasury

NR Shezi, DDG – Fiscal Resource Management, KZN Provincial Treasury

Annexure A: 2017/18 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 the 2017/18 financial year was due on 31 October 2017. As at 31 January 2018, the municipalities in Table 1 had still not submitted their 2017/18 MFMA Implementation Plans.

Table 1: List of the municipalities that did not submit their MFMA implementation plan for the 2017/18 financial year.

Non-Compliant Municipalities	Non-Compliant Municipalities
uMzumbe	uMshwathi
Ugu DM	uMngeni
Alfred Duma	uMgungundlovu DM
uThukela DM	eMadlangeni
Nquthu	Dannhauser
uMsinga	Amajuba DM
uMvoti	uMkhanyakude DM
eDumbe	uMfolozi
uPhongolo	Harry Gwala DM
AbaQulusi	Zululand DM
Nongoma	Ndwedwe
Ulundi	Maphumulo

Source: Local Government Database

Annexure B: 2017/18 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 31 January 2018.

Table 2: List of municipalities that have not submitted the Appendix B Budget Returns Forms and Annual Returns as at 31 January 2018

Name of Return	Period	Non-Compliant Municipalities
IDP to Budget	2017/18	eNdumeni, uMsinga, Okhahlamba and Ulundi
Age Creditors Audited	2016/17	Amajuba DM, uBuhlebezwe, uMkhanyakude DM, uMsinga, Nquthu, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mandeni, Mkhambathini, uMgungundlovu DM, uMfolozi
Age Debtors Audited	2016/17	Amajuba DM, eMadlangeni, uBuhlebezwe, uMzumbe, uMkhanyakude DM, uMsinga, Nquthu, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mandeni, Mkhambathini, uMgungundlovu DM, uMfolozi
Asset Management Audited	2016/17	Amajuba DM, Dannhauser, uBuhlebezwe, Ray Nkonyeni, uMuziwabantu, uMzumbe, uMkhanyakude DM, uMsinga, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mkhambathini, Richmond, uMgungundlovu DM, uMfolozi, uMlalazi
Financial Position Audited	2016/17	Amajuba DM, uBuhlebezwe, Ray Nkonyeni, Ugu DM, uMzumbe, uMkhanyakude DM, uMsinga, Nquthu, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mkhambathini, uMgungundlovu DM, uMfolozi
Capital Acquisition Audited	2016/17	Amajuba DM, Dannhauser, uBuhlebezwe, Ray Nkonyeni, Ugu DM, uMzumbe, uMkhanyakude DM, eNdumeni, uMsinga, Nquthu, uMvoti, uMzinyathi DM, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mkhambathini, uMgungundlovu DM, uMfolozi
Cash Flow Audited	2016/17	Amajuba DM, uBuhlebezwe, Ray Nkonyeni, Ugu DM, uMzumbe, uMkhanyakude DM, uMsinga, Nquthu, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, Mkhambathini, uMgungundlovu DM, uMfolozi
Financial Performance Audited	2016/17	Amajuba DM, uBuhlebezwe, Ray Nkonyeni, Ugu DM, uMzumbe, uMkhanyakude DM, uMsinga, Nquthu, uMvoti, Alfred Duma, AbaQulusi, eDumbe, Ulundi, Zululand DM, iMpendle, Mkhambathini, uMgungundlovu DM, uMfolozi

Name of Return	Period	Non-Compliant Municipalities
Annual Financial Statement Audited	2016/17	uBuhlebezwe, Jozini, uMkhanyakude DM, uMsinga, uMvoti, AbaQulusi, eDumbe, Mandeni, Maphumulo, Ndwedwe, iMpendle, Mkhambathini, uMgungundlovu DM, uMshwathi

Source: Local Government Database

Annexure C: 2017/18 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.*

As at 31 January 2018, the monthly returns shown 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	November 2017	Ugu DM
	December 2017	Ugu DM, Ndwedwe
Age Debtors	July 2017	uMvoti, Nongoma
	August 2017	uMvoti, Nongoma
	September 2017	uMvoti
	October 2017	uMvoti, iMpendle, uMfolozi
	November 2017	Jozini, Mtubatuba, uMvoti, eDumbe, iMpendle, Mkhambathini, Mfolozi
	December 2017	Jozini, Mtubatuba, uMvoti, eDumbe, Nongoma, iMpendle, Mkhambathini, uMfolozi
Financial Position	July 2017	Harry Gwala DM, Nongoma, Mkhambathini
	August 2017	Harry Gwala DM, Nongoma, Mkhambathini
	September 2017	Harry Gwala DM, Nongoma, Mkhambathini
	October 2017	Harry Gwala DM, Nongoma

Name of Return	Period	Non-Compliant Municipalities
	November 2017	Harry Gwala DM, Ugu DM, Nongoma, Mkhambathini
	December 2017	Harry Gwala DM, Ugu DM, Nquthu, AbaQulusi, Nongoma, Mkhambathini
Financial Performance	July 2017	AbaQulusi, Mkhambathini
	August 2017	Mkhambathini, uMfolozi
	September 2017	Mkhambathini
	October 2017	Nongoma, uMngeni
	November 2017	AbaQulusi, iMpendle, Mkhambathini
	December 2017	Ugu DM, AbaQulusi, Mkhambathini
Capital Acquisitions Actuals	July 2017	Mkhambathini
	August 2017	Mkhambathini
	September 2017	Mkhambathini
	October 2017	uMsinga, uMvoti, Mkhambathini
	November 2017	uMsinga, AbaQulusi, Mkhambathini, uMgungundlovu DM
	December 2017	uMsinga, AbaQulusi, Mkhambathini, Mpofana
Cash Flow Actuals	October 2017	iMpendle
	November 2017	Ndwedwe, iMpendle
	December 2017	AbaQulusi, Ndwedwe, iMpendle,
Repairs and Maintenance	October 2017	Dannhauser, Nongoma
	November 2017	Ugu DM, AbaQulusi, Nongoma
	December 2017	Ugu DM, AbaQulusi, Nongoma, Ndwedwe

Source: Local Government Database

Annexure D: 2017/18 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 quarterly returns for 2017/18 as at 31 January 2018.

It should be noted that Table 4 also includes municipalities that do not have a municipal entity, however are 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 2017/18 financial year

Quarter	Borrowings Monitoring	MFMA Long Term Contracts	MFMA Municipal Entity	MFMA Implementation Priorities	Investment Monitoring
Quarter 1	Nongoma	uThukela DM, AbaQulusi, Nongoma,	Nongoma	Nongoma	Nongoma
Quarter 2	Nongoma, Mkhambathini	Amajuba DM, eMadlangeni, Newcastle, uMsinga, uMvoti, uThukela DM, AbaQulusi, Nongoma, Ulundi, uPhongolo, Zululand DM, iMpendle, Mkhambathini	Amajuba DM, eMadlangeni, Newcastle, uBuhlebezwe, uMkhanyakude DM, uMsinga, Nquthu, Nongoma, Ulundi, uPhongolo, Zululand DM, Mkhambathini	Amajuba DM, Newcastle, Ray Nkonyeni, uMuziwabant uuMsinga, uMvoti, Okhahlamba, Nongoma, Zululand DM, Mkhambathini	Zululand DM, Mkhambathini, Nkandla

Source: Local Government Database

Annexure E: 2017/18 Conditional Grants Return Forms

In terms of Section 12(2)(b) of the 2017 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 2017 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 in terms of section 18 or 19 and the reason for stopping or withholding;*
- (c) *the extent of compliance with this Act and with the conditions of the allocation or part of the allocation provided for in its framework;*
- (d) *an explanation of any material difficulties 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 matters and information as the National Treasury may determine.*

As at 31 January 2018, the conditional grant returns shown in Table 5 had 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 2017/18 financial year

Name of Return	Period	Non-Compliant Municipalities
Financial Management Grant	July 2017	AbaQulusi
	October 2017	uMshwathi
	December 2017	AbaQulusi

Source: Local Government Database

Annexure F: 2017/18 Verification of Figures for Quarter 2

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 2 signed verifications to National Treasury by 31 January 2018

Section 71	Conditional Grants	Borrowing Monitoring	Investment Monitoring
Mandeni	uMdoni	Harry Gwala DM	Amajuba DM
Ugu DM	Mpofana	uMdoni	uMdoni
uMdoni	uMshwathi	uMshwathi	uMshwathi
Mpofana	AbaQulusi	uMsinga	uMsinga
AbaQulusi	Nongoma	Nquthu	eDumbe
Nongoma		uMvoti	Nongoma
		uMfolozi	Zululand DM
		Nongoma	

Source: Local Government Database

Annexure G: 2017/18 Mid-Year Budget and Performance Assessment Report

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 performed 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 6 of 2017/18 dated 20 December 2017 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 2017/18 Mid-Year Budget and Performance Assessment Reports

As at 25 January 2018, 49 of the 51 delegated municipalities had submitted their 2017/18 Mid-Year Budget and Performance Assessment Reports to Provincial Treasury. The 2 municipalities shown in Table 7, that did not submit their 2017/18 Mid-Year Budget and Performance Assessments Reports to Provincial Treasury, thereby contravening Section 72(1)(b)(iii) of the MFMA. Both these municipalities have subsequently submitted their 2017/18 Mid-Year Budget and Performance Assessment Reports to Provincial Treasury.

Table 7: List of the municipalities that did not submit their Mid-Year Budget and Performance Assessment Reports as at 25 January 2018

Non - Compliant Municipalities	Non - Compliant Municipalities
Nquthu	uMkhanyakude DM

Source: KZN Provincial Treasury

Format of the 2017/18 Mid-Year Budget and Performance Assessment Reports

With the exception of the Dannhauser Local Municipality, all other 50 delegated municipalities submitted their 2017/18 Mid-Year Budget and Performance Assessments in the prescribed Schedule C format as required in terms of Regulation 33 of the MBRR. The Dannhauser Local Municipality subsequently submitted their 2017/18 Mid-Year Budget and Performance Assessment Report in the prescribed format on 30 January 2018.

Tabling of the 2017/18 Mid-Year Budget and Performance Assessment Reports

With the exception of the eNdumeni Local Municipality, all delegated municipalities have tabled their 2017/18 Mid-Year Budget and Performance Assessments Reports to Council by 31 January 2018 as required by Section 54(1)(f) of the MFMA. The 2017/18 Mid-Year Budget and Performance Assessment Report for eNdumeni municipality will be tabled on 20 February 2018.

Uploading of the 2017/18 Mid-Year Budget and Performance Assessment Reports onto municipal websites

The 12 municipalities shown in Table 8 did not upload their 2017/18 Mid-Year Budget and Performance Assessments Reports on their municipal websites within 5 days after 25 January 2018, thereby contravening Regulation 34(1) of the MBRR as well as Section 75(2) of the MFMA.

Table 8: List of the municipalities that did not upload the 2017/18 Mid-Year Budget and Performance Assessment Reports onto their municipal websites

Non-Compliant Municipalities	Non-Compliant Municipalities	Non-Compliant Municipalities
iNkosi Langalibalele	Nquthu	eDumbe
AbaQulusi	Nongoma	Ulundi
Mthonjaneni	Nkandla	uMshwathi
Richmond	Mpofana	Impendle

Source: KZN Provincial Treasury

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 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 31 January 2018, the municipalities shown in Table 9 have not placed majority of the required documents on their websites:

Table 9: 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
Inkosi Langalibalele	Dannhauser	Mthonjaneni
Greater Kokstad	eDumbe	Mpofana
Harry Gwala DM	Mkhambathini	Jozini
Nquthu	uMfolozi	uMkhanyakude DM
Nkandla	uMshwathi	uMzumbe

		uMgungundlovu DM
--	--	------------------

Source: Municipal Websites

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

In terms of the Financial Management Grant (FMG) conditions published in the 2017 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 the appointment of a minimum of five interns over a multi-year period. As at 31 January 2018, the municipalities shown in Table 10 have not appointed five interns.

Table 10: List of the municipalities that did not appoint five interns

Non-Compliant Municipalities	Non-Compliant Municipalities
uMuziwabantu	uMhlabuyalingana
uMgungundlovu DM	Mtubatuba
iNkosi Langalibalele	uMkhanyakude DM
uMvoti	Maphumulo
uMzinyathi DM	iLembe DM
Zululand DM	

Source: KZN Provincial Treasury

Annexure J: 2017/18 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, and take any necessary steps to ensure, compliance with the prescribed minimum competency levels for financial officials 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 31 January 2018, municipalities shown in Table 11 had not submitted the relevant return pertaining to the minimum competency levels for the first half of the 2017/18 financial year, which was due on 30 January 2018.

Table 11: List of the municipalities that have not submitted the minimum competency levels return (S1)

Non-Compliant Municipalities	Non-Compliant Municipalities
Amajuba DM	Nquthu

Non-Compliant Municipalities	Non-Compliant Municipalities
Dannhauser	uMvoti
eMadlangeni	iNkosi Langalibalele
Dr. Nkosazana Dlamini Zuma	Okhahlamba
Harry Gwala DM	AbaQulusi
uBuhlebezwe	eDumbe
Ray Nkonyeni	Nongoma
Ugu DM	Ulundi
uMuziwabantu	Zululand DM
uMzumbe	Mandeni
Jozini	Maphumulo
uMkhanyakude DM	Ndwedwe
eNdumeni	iMpendle
uMsinga	Mkhambathini
uMgungundlovu DM	uMfolozi
uMngeni	Nkandla
uMshwathi	

Source: Local Government Database

Annexure K: Tabling of the Time schedules outlining key deadlines for the 2018/19 budget preparation process

Section 21(1)(b) of the MFMA requires the Mayor of a municipality to table in the municipal Council at least 10 months before the start of the budget year, a *time schedule outlining key deadlines* for the budget process. One of the objectives of this section is to ensure that the budget preparation process commences timeously and complies with all the legislative requirements.

In this regard, 45 of the 51 delegated municipalities timeously tabled their *time schedules outlining key deadlines* by 31 August 2017 as per the requirements of the MFMA. Table 12 shows the municipalities which did not table their *time schedules outlining key deadlines* by the prescribed deadline of 31 August 2017. Non-compliance letters were issued to these municipalities.

Table 12: Municipalities that did not table their 2018/19 Time schedules outlining key deadline by 31 August 2017

Non-Compliant Municipalities	Non-Compliant Municipalities
iNkosi Langalibalele	eNdumeni
uMfolozi	eDumbe

Non-Compliant Municipalities	Non-Compliant Municipalities
uPhongolo	Jozini

Source: KZN Provincial Treasury

All six non-compliant municipalities shown in Table 12 above subsequently tabled their *time schedule outlining key deadlines* in Council and all 51 delegated municipalities submitted their *time schedule outlining key deadlines* to Provincial Treasury.

All municipalities are reminded to ensure that their *ime schedules outlining key deadlines* for 2019/20 budget process are tabled in Council by 31 August 2018 in terms of Section 21 of the MFMA.

Annexure L: 2017/18 Service Delivery and Budget Implementation Plan (SDBIP)

Section 53(1)(c)(ii) of the MFMA states 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.*

Regulation 20(2)(b) of the Municipal Budget and Reporting Regulations (MBRR) 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 31 January 2018, all 51 delegated municipalities had approved their Service Delivery and Budget Implementation Plans and submitted these to the Provincial Treasury.

Regulation 19 of the Municipal Budget and Reporting Regulations (MBRR) further states that *the Municipal Manager in accordance with section 21A of the Municipal Systems Act make public the approved service delivery and budget implementation plan within ten working days after the mayor has approved the plan in terms of Section 53(1)(c)(ii) of the Act.*

The following municipalities received non-compliance letters for not making their Service Delivery and Budget Implementation Plans public as required by Regulation 19 of the MBRR.

Table 13: List of the municipalities that did not make public their approved SDBIP for the 2017/18 financial year within 10 working days

Non-Compliant Municipalities	Non-Compliant Municipalities
uMdoni	uMlalazi
uMngeni	Nkandla
Mpofana	

Source: KZN Provincial Treasury