



Our reference: M-3/2/1/66 Circulars
Inkomba yethu :
Ons verwysing:

Date: 22 February 2019
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Please quote our reference on all correspondence

To: MAYORS

MUNICIPAL MANAGERS

CHIEF FINANCIAL OFFICERS

KWAZULU NATAL MUNICIPALITIES

PROVINCIAL TREASURY CIRCULAR PT/MF 09 of 2018/19

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 2018 reporting requirements. Despite the issuing of previous non-compliance circulars in previous years by my office, 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 2018/19 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 sections 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 those reporting requirements:

- Section A: 2018/19 MFMA Implementation Plan;
- Section B: 2018/19 Budget Returns (Appendix B) and Annual Returns;
- Section C: 2018/19 Section 71 Monthly Returns;
- Section D: 2018/19 Quarterly Returns;
- Section E: 2018/19 Conditional Grants Return Forms;
- Section F: 2018/19 Verification of Figures for Quarter 2;
- Section G: 2018/19 Mid-Year Budget and Performance Assessment;
- Section H: Publication of Section 75 Information on Municipal Websites;

- Section I: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns;
- Section J: 2018/19 MFMA Competency Level Return (S1);
- Section K: Tabling of the Time schedules outlining key deadlines for the 2019/20 budget preparation process; and
- Section L: 2018/19 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 going forward:

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; and
4. Explore options to stop all transfers to the municipality for breach of their reporting obligations.

During the 2018/19 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 MFMA 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 2018/19 financial year. 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 Sections, 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 Management: Mr. Farhad Cassimjee on telephone (033) 897 4541.

Kind Regards



Ms Belinda F. Scott

MEC FOR FINANCE - KZN

CC Jan Hattingh, National Treasury
TV Pillay, National Treasury
Ntombifuthi Mhlongo, Business Executive (KZN, Auditor-General)
SL Magagula, HOD, KZN Provincial Treasury

Section A: 2018/19 MFMA Implementation Plan

National Treasury issued MFMA Circular No. 7 “MFMA Implementation Plan Template” on 23 September 2004. As per this circular, 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 2018/19 financial year was due on 31 October 2018.

As at 04 February 2019, the municipalities shown in Table 1 had still not submitted their 2018/19 MFMA Implementation Plans.

Table 1: List of the municipalities that did not submit their MFMA implementation plan for the 2018/19 financial year.

| Non-Compliant Municipalities | Non-Compliant Municipalities | Non-Compliant Municipalities |
|------------------------------|------------------------------|------------------------------|
| Amajuba DM | eDumbe | uMdoni |
| eMadlangeni | Nongoma | iNkosi Langalibalele |
| uMfolozi | ULundi | uThukela DM |
| Ray Nkonyeni | uPhongolo | uMngeni |
| Nquthu | iMpendle | uMgungundlovu DM |
| eNdumeni | uMshwathi | Maphumulo |
| Okhahlamba | Dannhauser | Mkhambathini |
| uMvothi | Harry Gwala DM | Nkandla |

Source: Local Government Database

Section B: 2018/19 Budget Returns (Appendix B) and Annual Returns

In terms of Section 22(b) of the MFMA, *Immediately after an annual budget is tabled in a municipal council, 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 the 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 04 February 2019.

Table 2: List of municipalities that have not submitted the Appendix B Budget Returns Forms and Annual Returns as at 04 February 2019.

| Name of Return | Period | Non-Compliant Municipalities |
|-------------------------------|---------|--|
| Asset Management | 2018/19 | uMvoti |
| Grant And Subsidies Given | 2018/19 | Dannhauser, uMshwathi |
| Grant And Subsidies Received | 2018/19 | uMvoti, uThukela DM, uMshwathi |
| IDP to Budget | 2018/19 | Harry Gwala DM, Nquthu, uMvoti, uThukela DM, Maphumulo, uMshwathi |
| Capital Acquisition Pre-audit | 2017/18 | uMsinga |
| Age Creditors Audited | 2017/18 | Amajuba DM, Dannhauser, Harry Gwala DM, uBuhlebezwe, uMfobozi, Nkandla, uMlalazi, Ray Nkonyeni, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Age Debtors Audited | 2017/18 | Amajuba DM, Dannhauser, Harry Gwala DM, Nkandla, uMlalazi, Ray Nkonyeni, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Asset Management Audited | 2017/18 | Amajuba DM, Dannhauser, Harry Gwala DM, uBuhlebezwe, Ray Nkonyeni, Ugu DM, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Financial Position Audited | 2017/18 | Amajuba DM, Dannhauser, Nkandla, uMlalazi, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Capital Acquisition Audited | 2017/18 | Amajuba DM, Dannhauser, Harry Gwala DM, Nkandla, uMlalazi, uMdoni, uMzambe, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Cash Flow Audited | 2017/18 | Amajuba DM, Dannhauser, Nkandla, uMlalazi, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |
| Financial Perform Audited | 2017/18 | Amajuba DM, Dannhauser, Harry Gwala DM, Nkandla, uMdoni, uMzambe, uMsinga, Nquthu, uMvoti, uMzinyathi DM, iNkosi Langalibalele, eDumbe, Ulundi, Zululand DM, iMpindle, Richmond, uMshwathi |

Source: Local Government Database

Section C: 2018/19 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 04 February 2019, 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 | December 2018 | Ulundi |
| Age Debtors | October 2018 | Mpofana |
| | November 2018 | Mpofana |
| | December 2018 | Mpofana; Dannhauser; AbaQulusi |
| Financial Position | October 2018 | Mandeni |
| | November 2018 | Nongoma; Mandeni; iMpindle |
| | December 2018 | Nquthu; uThukela DM; Mandeni; iMpindle |
| Financial Performance | October 2018 | Mandeni |
| Capital Acquisitions Actual | October 2018 | Nquthu |
| | November 2018 | Mubatuba |
| Repair and Maintenance Expenditure | July 2018 | Ugu DM |
| | December 2018 | Nongoma |
| mSCOA - Monthly Data Strings | November 2018 | eNdumeni; uPhongolo |
| | December 2018 | eNdumeni; uPhongolo; Richmond |

Source: Local Government Database

Section D: 2018/19 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 2018/19 as at 04 February 2019.

It should be noted that Table 4 also includes municipalities that do not have municipal entities, but are still required to submit MFMA Municipal Entity returns with nil information.

Table 4: List of the municipalities that did not submit the different quarterly returns for the 2018/19 financial year as at 04 February 2019.

| Quarter | Borrowings Monitoring | Investment Monitoring | MFMA Long Term Contracts | MFMA Municipal Entity | MFMA Implementation Priorities |
|-----------|-----------------------|-----------------------|----------------------------|----------------------------|--------------------------------|
| Quarter 1 | Nongoma | | Dannhauser | Ugu DM | Ugu DM |
| | iMpendle | | Ugu DM | Umzumbe | uMsinga |
| | | | Big Five Hlabisa | uMsinga | Nquthu |
| | | | Jozini | Nquthu | uMvoti |
| | | | uMsinga | uMvoti | uThukela DM |
| | | | Nquthu | Nongoma | |
| | | | uMvoti | Maphumulo | |
| | | | iNkosi Langalibalele | | |
| | | | uThukela DM | | |
| Quarter 2 | Nongoma | uMsinga | Amajuba DM | Amajuba DM | Amajuba DM |
| | Mpofana | Okhahlamba | eMadlangeni | eMadlangeni | Ray Nkonyeni |
| | | Nongoma | Dr. Nkosazana Dlamini Zuma | Dr. Nkosazana Dlamini Zuma | Ugu DM |
| | | Mpofana | uMdoni | Nkandla | uMsinga |
| | | | Jozini | uMsinga | Nquthu |
| | | | uMsinga | Nquthu | uMvoti |
| | | | Nquthu | uMvoti | uMzinyathi DM |
| | | | uMvoti | uThukela DM | iNkosi Langalibalele |
| | | | iNkosi Langalibalele | Nongoma | uThukela DM |
| | | | Okhahlamba | Zululand DM | Nongoma |
| | | | uThukela DM | Maphumulo | Zululand DM |
| | | | Nongoma | Mpofana | Mpofana |
| | | | Zululand DM | | |
| | | | Maphumulo | | |
| | | Mpofana | | | |

Source: Local Government Database

Section E: 2018/19 Conditional Grants Return Forms

In terms of Section 12(2)(b) of the 2018 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 the 2018 DoRA further specifies that the report by a municipality in terms of Section 12(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 04 February 2019, 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 2018/19 financial year as at 04 February 2019.

| Name of Return | Period | Non-Compliant Municipalities |
|--------------------------------|---------------|------------------------------|
| Finance Management Grant | December 2018 | iMpendle |
| Municipal Infrastructure Grant | November 2018 | Nquthu |

Source: Local Government Database

Section F: 2018/19 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.

All the municipalities submitted their schedules for Conditional Grants Actual Transfers and Expenditure with exception of the following schedule by the municipalities as listed in the following table:

Table 6: List of municipalities that did not submit their Quarter 2 signed verifications to National Treasury by 04 February 2019.

| Section 71 | Borrowing Monitoring | Investment Monitoring |
|---------------|----------------------|-----------------------|
| uMzinyathi DM | Newcastle | uMuziwabantu |
| | iMpendle | Mpotana |
| | Mpotana | Richmond |
| | Nongoma | uMsinga |
| | | Nongoma |

Source: Local Government Database

Section G: 2018/19 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 performed and submitted to the Mayor of the municipality, 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 PT/MF 08 of 2018/19 dated 13 December 2018 to all delegated municipalities, reminding municipalities on the date of submission, format and other necessary information regarding the preparation of the 2018/19 Mid-Year Budget and Performance Assessment Report.

Submission of the 2018/19 Mid-Year Budget and Performance Assessment Reports

As at 25 January 2019, 49 of the 51 delegated municipalities had submitted their 2018/19 Mid-Year Budget and Performance Assessment Reports to Provincial Treasury in both the electronic and printed versions. The two municipalities shown in Table 7 failed to submit their 2018/19 Mid-Year

Budget and Performance Assessments Reports to Provincial Treasury in either the electronic or printed formats or both, thereby contravening Section 72(1)(b)(iii) of the MFMA. All these municipalities have subsequently submitted their 2018/19 Mid-Year Budget and Performance Assessment Reports in the relevant formats 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 2019.

| Non - Compliant Municipalities | Non - Compliant Municipalities |
|--------------------------------|--------------------------------|
| uMshwathi | uMkhanyakude DM |

Source: KZN Provincial Treasury

Format of the 2018/19 Mid-Year Budget and Performance Assessment Reports

The following three municipalities did not submit their 2018/19 Mid-Year Budget and Performance Assessment in the prescribed Schedule C format as required in terms of Regulation 33 of the MBRR. All these municipalities subsequently submitted their 2018/19 Mid-Year Budget and Performance Assessment Report in the prescribed format to Provincial Treasury.

Table 8: List of the municipalities that did not submit their Mid-Year Budget and Performance Assessment Reports in the prescribed Schedule C format as at 25 January 2019.

| Non - Compliant Municipalities | Non - Compliant Municipalities | Non - Compliant Municipalities |
|--------------------------------|--------------------------------|--------------------------------|
| iMpendle | uBuhlebezwe | Dr. Nkosazana Dlamini Zuma |

Source: KZN Provincial Treasury

Tabling of the 2018/19 Mid-Year Budget and Performance Assessment Reports

All delegated municipalities have tabled their 2018/19 Mid-Year Budget and Performance Assessments Reports to Council by 31 January 2019 as required by Section 54(1)(f) of the MFMA.

Uploading of the 2018/19 Mid-Year Budget and Performance Assessment Reports onto municipal websites

The four municipalities shown in Table 9 did not upload their 2018/19 Mid-Year Budget and Performance Assessments Reports on their municipal websites within five days after 25 January 2019, 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 2018/19 Mid-Year Budget and Performance Assessment Reports onto their municipal websites.

| Non - Compliant Municipalities | Non - Compliant Municipalities |
|--------------------------------|--------------------------------|
| uMshwathi | Mpofana |
| Nkandla | uMfobozi |

Source: KZN Provincial Treasury

Section 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) *the 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;*

contracts to which subsection (1) of Section 33 apply, subject to Subsection (3) of that Section;

- i) public-private partnership agreements referred to in Section 120;
- j) all quarterly reports tabled in the council in terms of section 52(d); and
- k) 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, whichever occurs first.

As at 04 February 2019, the municipalities shown in Table 10 had not placed majority of the required documents on their websites:

Table 10: List of the municipalities that did not place majority of the required documents on their websites.

| Non-Compliant Municipalities | Non-Compliant Municipalities |
|------------------------------|------------------------------|
| uMuziwabantu | Zululand DM |
| Ugu DM | uMfolozi |
| Nquthu | Nkandla |
| Dannhauser | eDumbe |

Source: Municipal Websites

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

In terms of the Financial Management Grant (FMG) conditions published in the 2018 DoRB, 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 04 February 2019, the six municipalities shown in Table 11 had not appointed five interns.

Table 11: List of the municipalities that did not appoint five interns.

| Non-Compliant Municipalities | Non-Compliant Municipalities |
|------------------------------|------------------------------|
| uMdoni | Endumeni |
| Ray Nkonyeni | uMzinyathi DM |
| Ugu DM | eMadlangeni |

Source: KZN Provincial Treasury

Section J: 2018/19 MFMA Competency Level Return (S1)

Regulation 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 within the timeframes set out in regulation 15.*

Regulation 14(2) states further that such information must be reported to National Treasury and the relevant Provincial Treasury by 30 January and 30 July of each year.

As at 04 February 2019, all delegated municipalities had submitted the relevant return pertaining to the minimum competency levels for the first half of the 2018/19 financial year, which was due on 30 January 2019.

Section K: Tabling of the Time schedules outlining key deadlines for the 2019/20 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.

With this regard, 46 of the 51 delegated municipalities timeously tabled their *Time schedule outlining key deadlines* by the 31 August 2018 as per the requirements of the MFMA. Table 12 shows the five municipalities who did not table their *Time schedule outlining key deadlines* by the prescribed deadline of 31 August 2018. The eNdumeni Local Municipality applied for an extension before 31 August 2018 and thus was not issued with a non-compliance letter. The Dannhauser Local Municipality did not respond to various requests from Provincial Treasury requesting confirmation that the municipality had approved their 2019/20 *Time schedule outlining key deadlines* beyond the legislated tabling date and the Mayor was notified of the non-compliance as part of the High Level Assessment of the 2019/20 *Time schedule outlining key deadlines* letter sent to the municipality. The eMadlangeni and Dr. Nkosazana Dlamini Zuma Local Municipalities as well as the Zululand District Municipality were all issued with non-compliance letters.

Table 12: Municipalities that did not table their 2019/20 Time schedules outlining key deadlines by 31 August 2018.

| Non-Compliant Municipalities | Non-Compliant Municipalities |
|------------------------------|------------------------------|
| eNdumeni | Zululand DM |
| eMadlangeni | Dr. Nkosazana Dlamini Zuma |
| Dannhauser | |

Source: KZN Provincial Treasury

All the municipalities shown in Table 12 subsequently tabled their *Time schedule outlining key deadlines* in Council.

Municipalities are reminded to ensure that their 2020/21 Time schedules outlining key deadlines for the budget process are tabled in Council by 31 August 2019 in terms of Section 21(1)(b) of the MFMA.

Section L: 2018/19 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 by 4 February 2019, all Mayors of the 51 delegated municipalities had approved their Service Delivery and Budget Implementation Plans and the municipal managers have submitted these plans 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 2018/19 financial year within 10 working days.

| Non Compliant Municipalities | Non Compliant Municipalities | Non Compliant Municipalities |
|------------------------------|------------------------------|------------------------------|
| uMzambe | Nkandla | Mthonjaneni |

Source: KZN Provincial Treasury