



KWAZULU-NATAL PROVINCE

TREASURY
REPUBLIC OF SOUTH AFRICA

OFFICE OF THE MEC

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Date: 06 September 2021

**To: MAYORS
MUNICIPAL MANAGERS
CHIEF FINANCIAL OFFICERS
KWAZULU-NATAL (KZN) MUNICIPALITIES**

PROVINCIAL TREASURY CIRCULAR PT/MF 03 OF 2021/22

NON-COMPLIANCE WITH THE RELEVANT MFMA REPORTING REQUIREMENTS

In terms of Section 5(4)(a)(i) of the Municipal Finance Management Act, Act No. 56 of 2003 (MFMA), Provincial Treasury is required to monitor compliance with the MFMA by municipalities. As part of the monitoring framework established by Provincial Treasury in order to fulfill its mandate in terms of Section 5(4)(a)(i) of the MFMA, guidelines and circulars are issued to municipalities to promote compliance with the MFMA and the Division of Revenue Act (DoRA) and support is provided to municipalities to prevent non-compliance with the MFMA and DoRA. A crucial aspect of the monitoring framework involves the issuing of non-compliance letters to municipalities that do not adhere to the requirements of the MFMA and DoRA during the various processes over the course of the year.

The purpose of the Provincial Treasury non-compliance circular is to:

- Provide a status of the non-compliance with the MFMA and the DoRA for the various key processes and reporting requirements during the 2020/21 financial year;
- Highlight the main areas of non-compliance to enable municipalities to develop and implement relevant procedures and internal controls within their monitoring and reporting processes to avoid any future contravention of the MFMA and the DoRA. For example, ensure that reports and documents are reviewed by senior municipal officials for accuracy and completeness before submission to the National and Provincial Treasuries; and
- List the municipalities that did not comply with the MFMA and DoRA to enable the leadership of the non-compliant municipalities to implement consequence management in instances of persistent non-compliance with the provisions of the MFMA and DoRA.

Despite all the support provided as detailed below and notifying municipalities of the areas of non-compliance via the issuing of non-compliance letters and 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 2020/21 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.

KwaZulu-Natal Provincial Treasury therefore urges all municipalities to ensure full compliance with all the reporting requirements in terms of the MFMA and DoRA in the 2021/22 financial year. The officials from Provincial Treasury will continue to assist and support their designated municipalities to enforce full compliance by all municipalities and will continue to notify municipalities of the areas of non-compliance via the issuing of non-compliance letters in terms of our mandate in terms of Section 5(4)(a)(i) of the MFMA.

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

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 the municipalities who did not fully comply with those reporting requirements:

- Section A: 2020/21 MFMA Section 71 Monthly data strings;
- Section B: 2020/21 Quarterly data strings;
- Section C: 2020/21 Mid-Year Budget and Performance Assessment;
- Section D: 2020/21 Adjustments Budget Process;
- Section E: Publication of MFMA Section 75 Information on Municipal Websites;
- Section F: Financial Management Grant (FMG) Conditions/Appointment of Municipal Interns;
- Section G: Tabling of the Time schedules outlining key deadlines for the 2021/22 budget preparation process;
- Section H: 2021/22 Tabled Budget Process; and
- Section I: 2021/22 Approved Budget Process.

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 by the municipalities.

Support provided to municipalities includes, but is not limited to the following: sending the exception reports drawn from the National Treasury LG Database reflecting the status of compliance by all the delegated municipalities on a weekly basis; engaging municipalities on the status of compliance on an ongoing basis throughout the year as well as frequent reminders to municipalities to submit outstanding documents through telephonic and email correspondence. Provincial Treasury also provided technical support when requested by the municipalities.

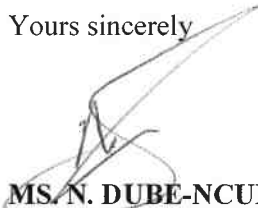
In a bid to enforce compliance by municipalities, Provincial Treasury will continue to:

1. Report non-compliance with the MFMA and DoRA to the KwaZulu-Natal Provincial Legislature for their consideration and further action via the MFMA Section 71(7) Report;

2. Report non-compliance with the MFMA and DoRA to National Treasury for their consideration in invoking Section 38 of the MFMA which empowers National Treasury to withhold a municipality's Equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(1) of the Constitution which includes reporting obligations set out in the MFMA; and
3. Notify the Auditor-General of the municipality's failure to comply with relevant MFMA and DoRA reporting requirements.

Provincial Treasury may also consider recommending to the concerned municipality's Council to consider 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 reporting requirements in order to implement consequence management.

Yours sincerely



MS. N. DUBE-NCUBE
MEC FOR FINANCE – KZN

cc: Ms. N. Shezi, Acting Head of Department - KZN Provincial Treasury
Mr. J. Hattingh, National Treasury
Mr. T.V. Pillay, National Treasury
Ms. N. Mhlongo, Business Executive (Auditor-General)
Administrators

Section A: 2020/21 MFMA Section 71 Monthly data strings

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, excluding expenditure on-*
 - (i) *its share of the local government equitable share; and*
 - (ii) *allocations exempted by the annual Division of Revenue Act from compliance with this paragraph.*

It should be noted that municipalities were allowed to submit outstanding monthly data strings or resubmit monthly data strings with errors to the LG Database Upload Portal up until the conclusion of the verification process for the relevant quarter to which the monthly data strings relate for the 2020/21 financial year. The verification process required the Accounting Officers and Chief Financial Officers of the municipalities to sign off on the quarterly total of the monthly data strings to ensure that they were accurate and complete. The data strings could not be submitted or resubmitted by the municipalities after the verification process as the LG Database was closed for submission at the end of the verification period. The closing date of the verification period for the fourth quarter of the 2020/21 financial year was 30 July 2021.

Furthermore, a municipality that submitted their data string with errors is regarded as non-submission as the municipality would not have successfully uploaded their data string to the LG Database Upload Portal.

The monthly data strings for the 2020/21 financial year shown in Table 1 had not been submitted to the LG Database Upload Portal by the close of the LG Database for relevant quarter.

Table 1: List of municipalities that did not submit the monthly data strings

Name of data string	Period	Non-Compliant Municipalities
In Year Monthly data strings - Outstanding	November 2020	Mpořana
	December 2020	uPhongolo
Creditors Monthly data strings - Outstanding	December 2020	Mpořana, uPhongolo
Creditors Monthly data strings - Submitted with errors	July 2020	Dannhauser
	November 2020	Dannhauser
Debtors Monthly data strings - Outstanding	October 2020	Amajuba DM
	December 2020	uPhongolo
	April 2021	uPhongolo
Debtors Monthly data strings - Submitted with errors	July 2020	Amajuba DM
	September 2020	Mandeni
	October 2020	Jozini
	November 2020	Amajuba DM, Nquthu
	June 2021	Newcastle, uMlalazi

Source: Local Government Database

Section B: 2020/21 Quarterly data strings

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 quarterly Borrowing and Investment information in the form of data strings must be uploaded to the LG Database Upload Portal.

It should be noted that municipalities were allowed to submit outstanding quarterly data strings or resubmit quarterly data strings with errors to the LG Database Upload Portal up until the conclusion of the verification process for the relevant quarter. The verification process required the Accounting Officers and Chief Financial Officers of the municipalities to sign off on the quarterly data strings to ensure that they were accurate and complete. The data strings could not be submitted or resubmitted by the municipalities after the verification process as the LG Database was closed for submission at the end of the verification period. The closing date of the verification period for the fourth quarter of the 2020/21 financial year was 30 July 2021.

Furthermore, a municipality that submitted their data string with errors is regarded as non-submission as the municipality would not have successfully uploaded their data string to the LG Database Upload Portal.

Table 2 shows the list of municipalities that did not submit the required quarterly data strings for the 2020/21 financial year by the close of the LG Database for relevant quarter.

Table 2: List of municipalities that did not submit the different quarterly returns for the 2020/21 financial year

Quarter	Borrowing Monitoring		Investment Monitoring	
Quarter 1 - Outstanding	Richmond		Richmond	
Quarter 1 - Submitted with errors	Amajuba DM	Dannhauser	Amajuba DM	uMsinga
	Ray Nkonyeni		Ray Nkonyeni	
Quarter 2 - Submitted with errors	uMgungundlovu DM		eMadlangeni	iMpendle
			Ray Nkonyeni	Richmond
Quarter 3 - Outstanding			Ray Nkonyeni	
Quarter 3 - Submitted with errors	Nongoma			
Quarter 4 - Outstanding			Ray Nkonyeni	
Quarter 4 - Submitted with errors	Ray Nkonyeni			

Source: Local Government Database

Section C: 2020/21 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 completed 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 06 of 2020/21 dated 18 December 2020 to all delegated municipalities, reminding municipalities on the date of submission, format and other necessary information regarding the preparation of the 2020/21 Mid-Year Budget and Performance Assessment Report.

Submission of the 2020/21 Mid-Year Budget and Performance Assessment Reports

Table 3 shows the three municipalities which did not submit their 2020/21 Mid-Year Budget and Performance Assessment Reports by the prescribed deadline of 25 January 2021 to Provincial Treasury.

Table 3: List of municipalities that did not submit their Mid-Year Budget and Performance Assessment Reports as at 25 January 2021

Non-Compliant Municipalities	Non-Compliant Municipalities	Non-Compliant Municipalities
uMdoni	Nquthu	eDumbe

Source: KZN Provincial Treasury

Subsequent to Provincial Treasury issuing non-compliance letters to the three municipalities, the Nquthu and eDumbe Local Municipalities submitted their reports on 27 January 2021 and 01 February 2021 respectively. The uMdoni Local Municipality did not resubmit the Schedule C component of the Mid-Year Budget and Performance Assessment Report in the prescribed PDF format after initially submitting an excel version of the Schedule C component.

Alignment of the 2020/21 Mid-Year Budget and Performance Assessments Report figures to the figures reflected in MFMA Section 71 Reports

Circular PT/MF 6 of 2020/21 dated 18 December 2020 issued by Provincial Treasury, amongst others emphasised the importance of ensuring perfect alignment between the figures reflected in the MFMA Section 71 Reports for the first six months of the financial year and the figures reflected in the MFMA Section 72 Mid-Year Budget and Performance Assessment Report submitted to the Mayor, National Treasury and Provincial Treasury.

Despite this request, the MFMA Section 71 Reports for the first 6 months of the 2020/21 financial year submitted by 50 delegated municipalities were not fully aligned to the figures as per the MFMA Section 72 Mid-Year Budget and Performance Assessment Reports submitted to the Mayors, National Treasury and Provincial Treasury. The alignment between the figures as per the MFMA Section 71 Reports and the Mid-Year Budget and Performance Assessment Report could not be assessed for the uPhongolo Local Municipality as the municipality did not submit their mSCOA data string for December 2020.

Tabling of the 2020/21 Mid-Year Budget and Performance Assessment Reports

The six (6) municipalities reflected in Table 4 did not table their 2020/21 Mid-year Budget and Performance Assessment Reports to Council by 31 January 2021 as required by Section 54(1)(f) of the MFMA.

Table 4: List of municipalities that did not table their 2020/21 Mid-Year Budget and Performance Assessment Report to Council by 31 January 2021

Non-Compliant Municipalities	Non-Compliant Municipalities	Non-Compliant Municipalities
uMdoni	eMadlangeni	uMkhanyakude DM
uMgungundlovu DM	AbaQulusi	Maphumulo

Source: KZN Provincial Treasury

The uMgungundlovu District Municipality and the Maphumulo Local Municipality submitted notifications in terms of Regulation 65(1) of the Municipal Budget and Reporting Regulations (MBRR) informing Provincial Treasury of the failure to table their Mid-Year Budget and Performance Assessment Reports. The municipalities indicated that quorums had failed to be met for the Council meetings held before 31 January 2021. Both the uMgungundlovu District Municipality and the Maphumulo Local Municipality tabled their Mid-Year Budget and Performance Assessment Reports to their respective Councils on 04 February 2021.

Non-compliance letters were issued to the AbaQulusi, uMdoni and eMadlangeni Local Municipalities as well as the uMkhanyakude District Municipality for failing to table their Mid-Year Budget and Performance Assessment Reports to Council in terms of Section 54(1)(f) of the MFMA as well as for

failing to notify the MEC for Finance of a failure to comply with a time provision pertaining to an in-year report in terms of Regulation 65(1) of the MBRR. The AbaQulusi, uMdoni and eMadlangeni Local Municipalities subsequently tabled their Mid-Year Budget and Performance Assessments Reports to their respective Councils on 04 February 2021, 24 February 2021 and 26 February 2021 respectively. The uMkhanyakude District Municipality failed to table their 2020/21 Mid-Year Budget and Performance Assessment Report to Council subsequent to receipt of the non-compliance letter dated 08 February 2021 as a result of ongoing challenges with Council.

Uploading of the 2020/21 Mid-Year Budget and Performance Assessment Reports to the municipal websites

The seven (7) municipalities shown in Table 5 did not upload their 2020/21 Mid-Year Budget and Performance Assessments Reports on their municipal websites within five days of 25 January 2021 thereby contravening Regulation 34(1) of the MBRR read together with Section 75(2) of the MFMA.

Table 5: List of the municipalities that did not place their Mid-Year Budget and performance assessment report on their website within 5 days of 25 January 2021

Non-Compliant Municipalities	Non-Compliant Municipalities	Non-Compliant Municipalities
uMdoni	uMngeni	Nkandla
Ugu DM	Mpofana	
uMshwathi	eDumbe	

Source: KZN Provincial Treasury

The uMkhanyakude District Municipality also did not place their Mid-Year Budget and Performance Assessment Report on their website within 5 days of 25 January 2021. The uMkhanyakude District Municipality was issued with a non-compliance letter on 08 February 2021 for failing to table the Mid-Year Budget and Performance Assessment Report to Council wherein the municipality was further reminded to make the Mid-Year Budget and Performance Assessment Report public after tabling to Council.

Section D: 2020/21 Adjustments Budget Process

When an annual budget has been adjusted, a municipality is required to 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 2020/21 Adjustments Budget

As at 28 February 2021, 50 of the 51 delegated municipalities had tabled their 2020/21 Adjustments Budgets in Council. The uMkhanyakude District Municipality did not table their 2020/21 Adjustments Budgets by 28 February 2021 as required by Regulation 23(1) of the MBRR. The uMkhanyakude District Municipality had indicated to Provincial Treasury during the Mid-Year assessment engagement on 23 February 2021 that the municipality might not be able to convene a Council meeting to comply with Section 28 of the MFMA and Regulation 23(1) of the MBRR. The uMkhanyakude District Municipality failed to comply with a request from Provincial Treasury for the municipality to submit a Schedule G notification as per Section 27(1) of the MFMA to apply to the MEC for Finance for an extension for the tabling of the 2020/21 Adjustments Budget. Furthermore, since the municipality failed to table the 2020/21 Adjustments Budget in Council by 28 February 2021, the municipality also contravened Section 27(3) of the MFMA which requires that *“the Mayor of a municipality must, upon becoming aware of any actual non-compliance by the municipality of a provision of this Chapter [Chapter 4 of the MFMA] inform the Council, the MEC for Finance and the National Treasury, in writing, of such non-compliance and any remedial or corrective measures the municipality intends to implement to avoid a recurrence”*. A non-compliance letter to communicate the municipality’s failures to comply with the MFMA and the MBRR was issued by my office dated 01 March 2021. The

uMkhanyakude District Municipality subsequently tabled their 2020/21 Adjustments Budget on 11 March 2021.

Submission of the 2020/21 Adjustments Budget

The 2020/21 Adjustments Budget must be submitted to the National and Provincial Treasuries within ten working days after the Mayor has tabled the Adjustments Budget to the municipal Council as per Regulation 24(1) of the MBRR. Furthermore, the 2020/21 Adjustments Budget Data String (ADJB) and the Project Detail Adjustments Budget Data String (PRAD) must be uploaded to the LG Database Upload Portal within ten working days after the Mayor has tabled the Adjustments Budget to the municipal Council. All 50 municipalities that had tabled their 2020/21 Adjustments Budget submitted their 2020/21 Adjustments Budget in the required format to Provincial Treasury and uploaded the ADJB data string to the LG Database Upload Portal timeously.

Furthermore, out of the 50 municipalities that had tabled their 2020/21 Adjustments Budget to Council, only the Alfred Duma Local Municipality did not upload the required the PRAD data string to the LG Database Upload Portal within ten working days of tabling the budget to Council. The municipality subsequently uploaded the PRAD data string to the LG Database Upload Portal.

Uploading of the 2020/21 Adjustments Budget to the municipal websites

The five (5) municipalities shown in Table 6 did not upload their 2020/21 Adjustments Budget on their municipal websites within five days of tabling the Adjustments Budget to Council thereby contravening Section 75 of the MFMA.

Table 6: List of the municipalities that did not place their Adjustments Budget on their website within 5 days of tabling to Council

Non-Compliant Municipalities	Non-Compliant Municipalities
uMdoni	Harry Gwala DM
uMzambe	Nkandla
Ugu DM	

Source: KZN Provincial Treasury

Section E: Publication of MFMA 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;*
- 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 days after its tabling in Council or on the date on which it must be made public, whichever occurs first.*

As at 16 August 2021, the seven municipalities shown in Table 7 had not placed three or more of the required documents as per Section 75(1)(a) to (l) of the MFMA on their websites within five days.

Table 7: List of the municipalities that did not place three or more of the required documents on their websites

Non-Compliant Municipalities	2020/21 Budget related policies	2019/20 Annual report	2020/21 Performance Agreements	SCM Contracts	MFMA Section 33 related contracts	PPP Agreements	MFMA Section 52(d) reports for 30 June 2021	Revised IDP	List of disposed assets
uMdoni			×	×				×	
uThukela DM		×					×		×
eDumbe	×	×	×	×	×	×	×		
Big Five Hlabisa			×				×		×
uMfolozi			×	×	×				
Nkandla	×		×	×			×		
uBuhlebezwe				×			×		×

Source: Municipal Websites

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

In terms of the Financial Management Grant (FMG) conditions published in the 2020 DoRA, the grant may be utilised for amongst others, appointing at least five interns in local municipalities and three interns in metropolitan and district municipalities over a multi-year period.

As at 16 August 2021, the 13 delegated municipalities shown in Table 8 did not have the required number of interns.

Table 8: List of municipalities which did not appoint the required number of interns

Non-compliant Local Municipality	Non-compliant Local Municipality	Non-compliant District Municipality
uMuziwabantu	uMlalazi	Amajuba DM
Mpofana	KwaDukuza	uMkhanyakude DM
iMpendle	Maphumulo	
Dannhauser	Dr. Nkosazana Dlamini Zuma	
uPhongolo	uBuhlebezwe	
uMhlabyalingana		

Source: KZN Provincial Treasury

Section G: Tabling of the Time schedules outlining key deadlines for the 2021/22 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.

The uMkhanyakude District Municipality is the only municipality of the 51 delegated municipalities which has to date, not approved their *Time schedules outlining key deadlines* for the 2021/22 budget preparation process. This is despite the municipality receiving a letter for non-compliance with Section 21(1)(b), Section 27(1) and Section 27(3) of the MFMA in the letter sent to the Mayor dated 08 September 2020 by Provincial Treasury.

Additionally, non-compliance letters for non-tabling of the *Time schedules outlining key deadlines for the 2021/22 budget preparation process* as per legislated timeframes were sent to municipalities listed in Table 9 below.

Of the 51 delegated municipalities, 42 municipalities timeously tabled their *Time schedule outlining key deadlines* by 31 August 2020 as per the requirements of the MFMA. Table 9 shows the nine municipalities which did not table their *Time schedule outlining key deadlines* by the prescribed deadline of 31 August 2020 and all were issued with non-compliance letters.

Table 9: Municipalities which did not table their 2021/22 Time schedules outlining key deadlines by 31 August 2020

Non-Compliant Municipalities	Non-Compliant Municipalities
uMngeni	AbaQulusi
uMgungundlovu DM	Zululand DM
Nquthu	uMkhanyakude DM
Dannhauser	Ndwedwe
Ugu DM	

Source: KZN Provincial Treasury

With the exception of uMkhanyakude District Municipality as stated earlier, all the municipalities subsequently approved their *Time schedules outlining key deadlines* for the 2021/22 budget preparation process.

Section H: 2021/22 Tabled Budget Process

Section 16(2) of the MFMA states that *the Mayor of the municipality must table the annual budget at a Council meeting at least 90 days before the start of the budget year*. With the exception of two municipalities, all delegated municipalities tabled their 2021/22 Annual Budget by 31 March 2021. The two municipalities that did not table their budgets on time in terms of MFMA Section 16(2) are the eMadlangeni Local Municipality and the uMkhanyakude District Municipality. The two municipalities applied in terms of Section 27(3) for an extension for tabling with the MEC for Finance and the extension was granted for both municipalities. The eMadlangeni Local Municipality eventually tabled their 2021/22 Annual Budget on 21 April 2021 whilst the uMkhanyakude District Municipality did not table their 2021/22 Annual Budget. The uMkhanyakude District Municipality tabled and approved their 2021/22 Annual Budget on 15 August 2021.

Submission of the 2021/22 Tabled Budget

Section 22(b)(i) of the MFMA requires that immediately after an annual budget is tabled in a municipal Council, the annual budget must be submitted to National and Provincial Treasury in both PDF and electronic formats. As per MFMA Budget Circulars No. 107 and 108, the date for the submission of the PDF and electronic copies was 01 April 2021 if a municipality tabled on 31 March 2021.

The municipalities listed in Table 10 below did not submit their 2021/22 Tabled Budget timeously as per the requirement of Section 22(b)(i) of the MFMA and MFMA Circular No. 107 and 108.

Table 10: Municipalities which did not submit their 2021/22 Tabled Budget timeously

Non-Compliant Municipalities	Non-Compliant Municipalities
Ugu DM	eDumbe
uMshwathi	AbaQulusi
uMngeni	Zululand DM
Mpofana	uMfolozi
Dannhauser	uMlalazi

Source: KZN Provincial Treasury

The 10 municipalities subsequently submitted their 2021/22 Tabled Budgets after receiving non-compliance letters from Provincial Treasury.

In addition to the 10 municipalities listed in Table 10, the uMdoni, uMzumbe and eMadlangeni Local Municipalities did not submit their Draft Service Delivery and Budget Implementation Plan (SDBIP) timeously in terms of Regulation 15(3)(b) of the MBRR. The uMzumbe Local Municipality subsequently submitted their Draft SDBIP whereas the uMdoni and eMadlangeni Local Municipalities had still not submitted their Draft SDBIP as at 26 August 2021. The non-compliant municipalities are required to remedy the non-compliance.

Submission of the 2021/22 Project Details Tabled Budget (PRTA) data strings

The uMuziwabantu and Dannhauser Local Municipalities failed to submit their Project Details Tabled Budget Data Strings (PRTA) by 01 April 2021 as required by Section 22(b)(i) of the MFMA. The LG Database is now closed for submission for the PRTA data strings for the 2021/22 Tabled Budget.

Section I: 2021/22 Approved Budget Process

Section 24(1) of the MFMA states that the municipal Council must at least 30 days before the start of the budget year consider approval of the annual budget, while Section 25(1) of the MFMA stipulates that if a municipal Council fails to approve an annual budget, including revenue-raising measures necessary to give effect to the budget, the Council must reconsider the budget and again vote on the budget, or on an amended version thereof, within seven days of the Council meeting that failed to approve the budget. Furthermore, Section 26(1) of the MFMA states that *if by the start of the budget year a municipal council has not approved an Annual Budget or any revenue-raising measures necessary to give effect to the budget, the Provincial Executive of the relevant province must intervene in the municipality in terms of Section 139(4) of the Constitution by taking any appropriate steps to ensure that the budget or those revenue-raising measures are approved.*

Of the total of 51 delegated municipalities in the province, 49 municipalities approved their 2021/22 Annual Budgets before 01 July 2021, in compliance with Section 24(2) (a) of the MFMA, whilst the uMkhanyakude District Municipality and the eMadlangeni Local Municipality approved their 2021/22 Annual Budget on 15 August 2021 and 19 August 2021 respectively.

Uploading of the 2021/22 Approved Budget to the municipal websites

The eMadlangeni Local Municipality and uMkhanyakude District Municipality did not upload their 2021/22 Approved Budget on their municipal websites within five days of tabling the Approved Budget to Council thereby contravening Section 75 of the MFMA.

Submission of the 2021/22 Approved Budget

Section 24(3) of the MFMA requires that the accounting officer of a municipality must submit the approved Annual Budget to the National Treasury and the relevant Provincial Treasury.

Regulation 20(1) of the MBRR states that the municipal manager must comply with Section 24(3) of the MFMA within ten working days after the municipal council has approved the Annual Budget. As per National Treasury MFMA Circular No. 107 dated 04 December 2020, if the council approves the Annual Budget on 31 May 2021, the adopted budget data strings and documentation must be submitted by the latest Monday, 14 June 2021.

The eNdumeni, Dannhauser, uMzimkhulu, uMuziwabantu, and KwaDukuza Local Municipalities as well as the Zululand District Municipality did not submit all their 2021/22 Approved Budget documents and/or data strings timeously. Non-compliance letters were sent to the respective municipalities in this regard. The eNdumeni, uMzimkhulu municipalities as well as the Zululand District Municipality subsequently submitted their outstanding 2021/22 Approved Budgets documents and/or data strings after receiving non-compliance letters from Provincial Treasury.

The uMuziwabantu, Dannhauser and KwaDukuza Local Municipalities did not submit their Project Details Original Budget Data Strings (PROR). The LG Database is now closed for submission for the PROR data strings for the 2021/22 Approved Budget.