



## KWAZULU-NATAL PROVINCE

TREASURY  
REPUBLIC OF SOUTH AFRICA

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

### PROVINCIAL TREASURY CIRCULAR PT/MF 02 OF 2025/26

#### **TIME SCHEDULE OUTLINING KEY DEADLINES FOR THE 2026/27 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK (MTREF) BUDGET**

##### **1. PURPOSE:**

The purpose of this circular is:

- To remind municipalities of the requirements of Section 21 of the Municipal Finance Management Act, No. 56 of 2003, (MFMA); and
- To remind municipalities about the additional key processes to be included in the municipalities' customised Time schedule outlining key deadlines for the preparation of the 2026/27 MTREF Budget.

##### **2. BACKGROUND:**

Section 21 of the MFMA, Budget preparation process states that:

(1) *The Mayor of a municipality must –*

- (a) *co-ordinate the processes for preparing the Annual Budget and for reviewing the municipality's integrated development plan and budget-related policies to ensure that the Tabled Budget and any revisions of the integrated development plan and budget related policies are mutually consistent and credible;*
- (b) *at least 10 months before the start of the budget year, table in the municipal council a Time schedule outlining key deadlines for-*
  - (i) *the preparation, tabling and approval of the Annual Budget;*
  - (ii) *the annual review of-*
    - (aa) *the integrated development plan in terms of Section 34 of the Municipal Systems Act;*
    - and*
    - (bb) *the budget related policies;*



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- (iii) *the tabling and adoption of any amendments to the integrated development plan and budget-related policies; and*
- (iv) *any consultative processes forming part of the processes referred to in subparagraphs (i), (ii) and (iii) [of Section 21(1)(b) of the MFMA].*

(2) *When preparing the Annual Budget, the Mayor of a municipality must-*

- (a) *take into account the municipality's integrated development plan;*
- (b) *take all reasonable steps to ensure that the municipality revises the integrated development plan in terms of Section 34 of the Municipal Systems Act, taking into account realistic revenue and expenditure projections for future years;*
- (c) *take into account the national budget, the relevant provincial budget, the national government's fiscal and macro-economic policy, the annual Division of Revenue Act and any agreements reached in the Budget Forum;*
- (d) *consult-*
  - (i) *the relevant district municipality and all other local municipalities within the area of the district municipality, if the municipality is a local municipality;*
  - (ii) *all local municipalities within its area, if the municipality is a district municipality;*
  - (iii) *the relevant provincial treasury, and when requested, the National Treasury; and*
  - (iv) *any national or provincial organs of state, as may be prescribed; and*
- (e) *provide, on request, any information relating to the budget-*
  - (i) *to the National Treasury; and*
  - (ii) *subject to any limitations that may be prescribed, to-*
    - (aa) *the national departments responsible for water, sanitation, electricity and any other service as may be prescribed;*
    - (bb) *any other national and provincial organ of states, as may be prescribed; and*
    - (cc) *another municipality affected by the budget.*

Furthermore, Section 68 of the MFMA states that:

(1) *The Accounting Officer of a municipality must—*

- (a) *assist the Mayor in performing the budgetary functions assigned to the Mayor in terms of Chapters 4 and 7 [of the MFMA]; and*
- (b) *provide the Mayor with the administrative support, resources and information necessary for the performance of those functions.*

### 3. IMPLEMENTATION

MFMA Circular No. 10 of 2004 lists six (6) key steps in the budget preparation process. Step one in the process is planning, which includes the tabling of a Time schedule outlining key deadlines for the budget process to Council as required by Section 21 of the MFMA. Municipalities are reminded that Section 68 of the MFMA requires the Accounting Officer to assist the Mayor in preparing and implementing the budget.

In order to approve a credible budget that is consistent with the municipality's strategy, the municipality's Time schedule outlining key deadlines must contain key processes with realistic deadlines which also comply with the MFMA and related legislation. Annexure A to this Circular is an example of a Time



schedule outlining key deadlines as contained in MFMA Circular No. 10. The example contains legislated deadlines which **must** be adhered to, the key processes identified and the legislation from which these processes emanate. Municipalities are reminded that Annexure A contains a minimum amount of information that should be included in the Time schedule outlining key deadlines. Municipalities are encouraged to include the detailed activities and deadlines required to achieve each key process and to highlight the municipal section or official that will drive the achievement of each activity.

In terms of the 2026/27 MTREF Budget process, municipalities are requested to make provision for engagements with Provincial Treasury in their Time schedules outlining key deadlines for the following processes:

1. 2025/26 Mid-year budget and performance assessment (January – February 2026); and
2. 2026/27 Tabled (Draft) Budget Assessments (April – May 2026).

Municipalities are further reminded that a Time schedule outlining key deadlines should include tasks and consultations both internally (within the municipality) and externally (local community and other stakeholders). Furthermore, municipalities with entities must also ensure that the processes and timelines in the budget process plan of each entity supports the achievement of the Time schedule outlining the key deadlines of the parent municipalities.

While the Time schedule outlining the key deadlines should be detailed, MFMA Circular No. 10 advises municipalities to publish a simplified version for the public. This will ensure that the community is aware of the timelines, processes and opportunities to have input into the budget and Integrated Development Plan (IDP).

#### **4. COMPLIANCE ASSESSMENTS**

Provincial Treasury will conduct a high-level assessment of all Time schedules outlining key deadlines submitted by municipalities to determine if they comply with the minimum requirements shown in the attached Annexure A. The feedback on these assessments will only be sent to municipalities where discrepancies are identified. Municipalities are required to consider any feedback from Provincial Treasury in order to improve future Time schedules outlining key deadlines prepared by municipalities.

The following discrepancies, compliance and credibility issues were identified by Provincial Treasury in previous assessments undertaken on the Time schedules outlining key deadlines tabled by municipalities and submitted to Provincial Treasury:

- Some municipalities did not include the bilateral engagements between Provincial Treasury and municipalities for the Mid-year budget and performance assessments scheduled for January – February and/or for the Tabled (Draft) Budget Assessment in April – May;
- The dates for the finalisation of the Tariff policies for Property rates and Service charges were not clearly reflected for some municipalities;
- The Time schedules outlining key deadlines for some municipalities did not indicate the process of reviewing the prices of bulk resources;
- There was no specific deadline with regards to the annual review of all other budget related policies for some municipalities;
- The Time schedules outlining key deadlines for some municipalities did not indicate the process for the finalisation of the Service Delivery and Budget Implementation Plans (SDBIPs) and an indication of the dates on which the SDBIPs will be approved by the Mayors;



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- There were no dates reflected with regards to the Budget Steering Committee meetings, as well as the Council meeting dates for all the mandatory processes included in the timeline for some municipalities;
- The Time schedules outlining key deadlines for some municipalities did not reflect timelines for the submission of the Tabled (Draft) Budget and all related documents for assessment and comments;
- The consultative process for some municipalities did not include public participation with the respect to the budget related policies, the Annual Budget and the IDP; and
- The timelines for some municipalities did not indicate proposed dates on which the Tabled (Draft) and Approved Budget and all related documents will be placed on municipal websites as per Section 75 of the MFMA.

Municipalities must therefore ensure that these are included when preparing their 2026/27 Time schedules outlining key deadlines prior to its tabling to Council.

### 5. SUBMISSION REMINDER

You are reminded to table your Time schedule outlining key deadlines for the 2026/27 budget year to Council by **31 August 2025** as required by Section 21(1)(b) of the MFMA.

Furthermore, 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.*

The municipality is therefore reminded to upload electronic copies of the following documents in pdf format in terms of Section 74(1) of the MFMA to National Treasury using the National Treasury GoMuni Upload Portal at <https://lg.treasury.gov.za>. Additionally, the documents as listed below must also be sent to the KwaZulu-Natal Provincial Treasury at [mfma@kzntreasury.gov.za](mailto:mfma@kzntreasury.gov.za) as well as to the Provincial Treasury Budget Analyst assigned to your municipality by **no later than close of business on 02 September 2025:**

- Tabled Time schedule outlining key deadlines; and
- A copy of the signed Council resolution confirming the tabling of the 2026/27 Time schedule outlining key deadlines in Council.

Yours faithfully

**Ms. C. Coetzee**  
Head of Department: KZN Provincial Treasury

**CC**    **Mayors – KZN Municipalities**  
         **Deputy Mayors - KZN Municipalities**  
         **Speakers – KZN Municipalities**  
         **Ministerial Representatives**  
         **Mr. J. Hattingh – National Treasury**  
         **Mr. W. McComans – National Treasury**  
         **Ms. N. Mkhize – KwaZulu-Natal Business Unit Leader (Auditor-General)**