



treasury

Department:

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PROVINCE OF KWAZULU-NATAL

Municipal Finance Management

1st Quarter Review

2020/21

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Data Source and Reliability

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All information in this report is based on the MFMA Section 71 reports that each Municipal Manager and Chief Financial Officer were required to verify, sign and submit to National Treasury. Therefore, any queries on the budget, revenue or expenditure figures reflected in the report must be referred to the relevant Municipal Manager or Chief Financial Officer.

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Methodology and Approach

The methodology and approach used for the compilation of this report included the following:

The data for the analysis used in this report was extracted from the 2020/21 Municipal Budget Information: First Quarter Financial Results as at 30 September 2020. The non-delegated municipalities, namely, the eThekweni Metro, the Msunduzi and uMhlathuze Local Municipalities are included in the report. By the time of publishing the first quarter information by National Treasury, some municipalities did not submit all the required monthly MFMA Section 71 performance data strings. This has distorted the review of the budget performance as at the end of the first quarter for the respective municipalities, the district totals and the aggregated provincial total.

The mechanical straight line method of projection was used as the benchmark for expenditure and revenue as at the end of the first quarter. In terms of the straight line method of projection, all municipalities should have generated and spent approximately 25 percent of their Original Budgets as at the end of the first quarter.

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Introduction

This consolidated municipal budget performance review covers the financial performance of municipalities in KwaZulu-Natal as at the end of the first quarter of the 2020/21 financial year ending 30 September 2020.

The consolidated statement provides the in-year financial performance of municipalities against their budgeted revenue and expenditure. It includes the capital and operating budget performances as well as the debtors, creditors, conditional grants and compliance with the DoRA and MFMA reporting requirements. It also provides a status report on the implementation of the Municipal Regulations on the Standard Chart of Accounts (mSCOA).

Assessing the expenditure performance of municipalities assists in serving as a control and management tool and also serves as an early warning signal for the identification of financial problems.

This is the second financial year that the report is prepared using the figures from the mSCOA data strings. The Municipal Standard Chart of Account (mSCOA) Regulations were promulgated on 22 April 2014 and prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. The mSCOA Regulations require that municipalities upload their budget and financial information in a data string format to the Local Government portal across the six mSCOA regulated segments. The credibility of the information contained in the mSCOA data strings remains a serious concern. At the core of the problem is:

- The incorrect use of the mSCOA and municipal accounting practices by municipalities;
- A large number of municipalities are not budgeting, transacting and reporting directly in/from their core financial systems. Instead they prepare their budgets and reports on excel spreadsheets and then import the excel spreadsheets into the system; and
- Municipalities are not locking their Adopted Budgets and/or their financial systems at month-end to ensure prudent financial management.

Due to the matters noted above, some of the information contained in this report might not be credible.

Legislative Framework

In terms of Section 71(7) of the MFMA, *the Provincial Treasury must, within 30 days after the end of each quarter, make public as may be prescribed, a consolidated statement in the prescribed format on the state of municipalities' budgets per municipality and per municipal entity. The MEC for Finance must submit such consolidated statement to the provincial legislature no later than 45 days after the end of each quarter.*

2. Provincial and District Overview

2.1 Operating Revenue and Expenditure – Provincial Total

Table 1: Operating Revenue and Expenditure as at the end of Quarter 1 - 2020/21

	2020/21					2019/20		Q1 of 2019/20 to Q1 of 2020/21
	Budget	First Quarter		Year to Date		First Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
R thousands								
Operating Revenue and Expenditure								
Operating Revenue	72 122 484	25 823 098	35.8	25 823 098	35.8	20 858 166	30.3	23.8
Property rates	14 453 309	5 411 996	37.4	5 411 996	37.4	4 270 016	32.9	26.7
Service charges - electricity revenue	21 529 409	7 359 615	34.2	7 359 615	34.2	5 901 795	26.8	24.7
Service charges - water revenue	8 518 774	2 588 631	30.4	2 588 631	30.4	1 852 582	23.4	39.7
Service charges - sanitation revenue	1 997 982	533 408	26.7	533 408	26.7	410 804	21.3	29.8
Service charges - refuse revenue	1 563 827	465 322	29.8	465 322	29.8	369 133	24.0	26.1
Rental of facilities and equipment	1 029 036	217 229	21.1	217 229	21.1	216 805	19.8	0.2
Interest earned - external investments	734 298	137 748	18.8	137 748	18.8	206 461	23.0	(33.3)
Interest earned - outstanding debtors	1 214 999	453 010	37.3	453 010	37.3	267 912	30.0	69.1
Dividends received	-	357	-	357	0.0	532	-	(32.9)
Fines, penalties and forfeits	352 702	34 859	9.9	34 859	9.9	29 950	6.9	16.4
Licences and permits	145 263	24 527	16.9	24 527	16.9	72 972	57.3	(66.4)
Agency services	54 827	12 406	22.6	12 406	22.6	12 332	18.7	0.6
Transfers and subsidies	16 250 986	7 382 105	45.4	7 382 105	45.4	6 167 508	41.4	19.7
Other revenue	4 229 379	1 126 547	26.6	1 126 547	26.6	1 059 598	26.4	6.3
Gains on disposal of PPE	47 693	75 338	158.0	75 338	158.0	19 767	54.2	281.1
Operating Expenditure	72 176 330	20 894 783	28.9	20 894 783	28.9	15 754 656	22.6	32.6
Employee related costs	20 812 092	5 942 872	28.6	5 942 872	28.6	4 656 642	22.2	27.6
Remuneration of councillors	894 136	235 109	26.3	235 109	26.3	187 373	22.9	25.5
Debt impairment	4 156 733	595 378	14.3	595 378	14.3	334 987	15.8	77.7
Depreciation and asset impairment	6 348 517	1 657 082	26.1	1 657 082	26.1	962 824	16.5	72.1
Finance charges	1 107 678	276 232	24.9	276 232	24.9	302 512	25.3	(8.7)
Bulk purchases	21 191 272	8 488 957	40.1	8 488 957	40.1	5 670 605	28.5	49.7
Other Materials	1 865 387	379 709	20.4	379 709	20.4	415 923	22.6	(8.7)
Contracted services	9 302 353	2 015 918	21.7	2 015 918	21.7	1 948 166	20.4	3.5
Transfers and subsidies	816 603	206 865	25.3	206 865	25.3	175 926	20.5	17.6
Other expenditure	5 614 304	998 912	17.8	998 912	17.8	1 109 392	17.3	(10.0)
Loss on disposal of PPE	67 255	97 750	145.3	97 750	145.3	(9 693)	(11.8)	(1 108.4)
Surplus/(Deficit)	(53 846)	4 928 314		4 928 314		5 103 510		
Transfers and subsidies - capital (monetary allocations) (Nat / Prov and Dist)	8 209 593	1 178 431	14.4	1 178 431	14.4	444 855	5.5	164.9
Transfers and subsidies - capital (monetary alloc)(Deparm Agencies,HH,PE,PC,..)	71 089	86 997	122.4	86 997	122.4	20 354	29.0	327.4
Transfers and subsidies - capital (in-kind - all)	2 520	1 508	59.8	1 508	59.8	1 883	22.8	(19.9)
Surplus/(Deficit) after capital transfers and contributions	8 229 356	6 195 250		6 195 250		5 570 601		

Source NT Igdatabase

- The municipalities in KwaZulu-Natal have generated Operating revenue amounting to R25.8 billion or 35.8 percent of the Original Budget of R72.1 billion. The revenue generated is above the expected straight line projection of 25 percent as at the end of the first quarter of the 2020/21 financial year.
- Sources of Operating revenue that generated more than 25 percent of the budgeted amounts include *Gain on disposal of PPE* of R75 338 or 158 percent, *Transfers and subsidies* at R7.4 billion or 45.4 percent, *Property rates* at R5.4 billion or 37.4 percent, *Interest earned – outstanding debtors* at R453 million or 37.3 percent, *Service charges – electricity* at R7.4 billion or 34.2 percent, *Service charges – water* at R2.6 billion or 30.4 percent, *Service charges – refuse* at R465.3 million or 29.8 percent, *Service charges – sanitation* at R533.4 million or 26.7 percent and *Other revenue* at R1.1 billion or 26.6 percent.
- The fact that municipalities received a significant portion of their Equitable share allocation in the first quarter contributed to the municipalities having generated the highest revenue, in rand value, against *Transfers and subsidies*.
- Municipalities in the province have generated the least amount of revenue on *Fines, penalties and forfeits* at R34.9 million or 9.9 percent against the budget. It should be noted that the Big Five Hlabisa Local Municipality incorrectly reported R357 000 against *Dividends received* which was not budgeted for.
- The municipalities in KwaZulu-Natal have incurred Operating expenditure of R20.9 billion or 28.9 percent against the total budgeted expenditure of R72.2 billion. The overall spending is slightly above the straight line projection of 25 percent for the first quarter.
- The highest expenditure was noted on *Bulk purchases* at R8.5 billion or 40.1 percent followed by *Employee relates costs* at R5.9 billion or 28.6 percent.
- Significantly low expenditure was reported for *Debt impairment* at R595.4 million or 14.3 percent and *Other expenditure* at R998.9 million or 17.8 percent as at the end of September 2020 against their respective budgets. A number of municipalities did not account for *Debt impairment* on a monthly basis which has contributed to the overall low expenditure against the budget as at the end of September 2020.

2.2 Operating Revenue – District Total

Table 2: Operating Revenue per source and per district as at the end of Quarter 1 - 2020/21

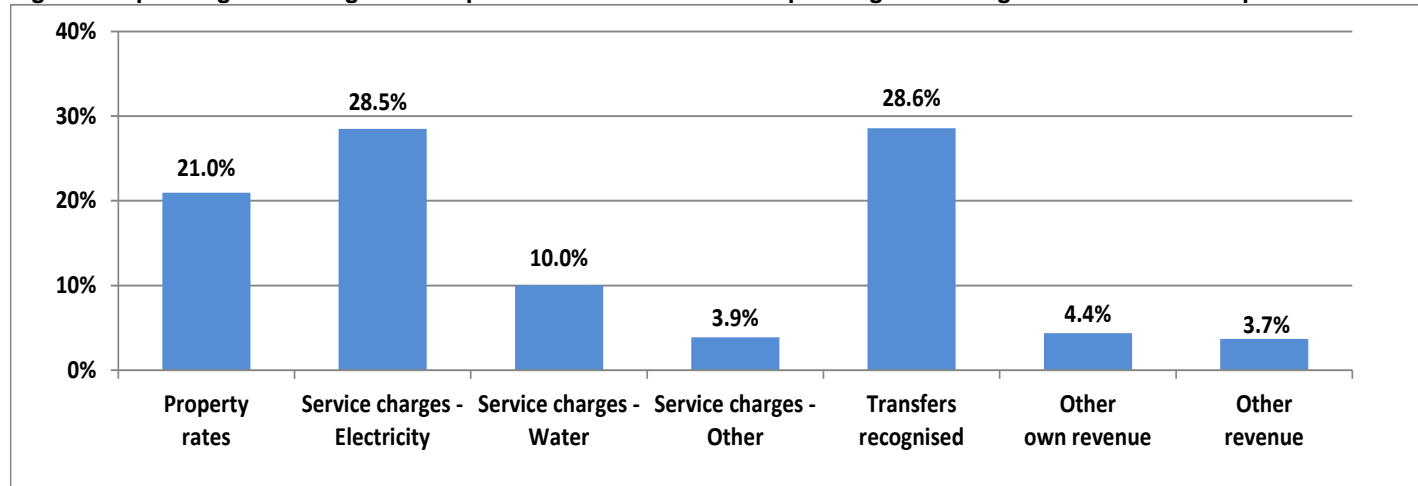
R000	Original Budget	Unaudited Actual	% Generated	Detail						
				Property rates	Service charges			Transfers recognised - operational	Other own revenue	Other revenue ²
					Electricity revenue	Water revenue	Other ¹			
eThekweni	40 534 246	10 775 050	26.6	2 724 234	3 496 170	1 296 030	387 783	1 607 572	1 007 884	255 379
Ugu	2 949 892	923 779	31.3	218 341	41 376	64 465	51 418	501 086	14 156	32 936
uMgungundlovu	7 930 637	7 278 823	91.8	1 484 422	2 610 832	872 166	335 265	1 408 992	69 645	497 501
uThukela	2 736 900	795 776	29.1	132 233	173 235	51 000	16 330	383 991	1 971	37 017
uMzinyathi	1 616 138	587 549	36.4	60 883	57 324	15 029	12 522	409 908	8 083	23 800
Amajuba	2 574 321	735 232	28.6	104 404	181 710	52 669	55 427	327 796	4 428	8 798
Zululand	2 195 938	753 034	34.3	120 917	76 596	15 868	22 191	500 463	860	16 139
uMkhanyakude	1 442 522	680 538	47.2	51 992	1 216	10 936	4 246	596 199	899	15 049
King Cetshwayo	5 188 662	1 741 207	33.6	284 176	521 285	154 969	65 622	685 395	4 255	25 505
iLembe	3 459 501	1 001 399	28.9	160 481	164 324	42 372	38 250	555 237	13 251	27 484
Harry Gwala	1 493 726	550 710	36.9	69 914	35 546	13 128	9 677	405 465	1 117	15 864
Total	72 122 484	25 823 098	35.8	5 411 996	7 359 615	2 588 631	998 730	7 382 105	1 126 547	955 473

Source NT Igdatabase

1 Includes Service charges revenue for Sanitation and Refuse.

2 Includes Rental of facilities and equipment, Interest earned on external investments & outstanding debtors, Dividends received, Fines, penalties and forfeits, Licences and permits, Agency services and Gains on disposal of PPE.

Figure 1: Operating Revenue generated per source as a % of Total Operating Revenue generated as at 30 September 2020



- The bulk of the Operating revenue as at the end of the first quarter was generated by the eThekweni Metro at R10.8 billion followed by the uMgungundlovu District at R7.3 billion and the King Cetshwayo District at R1.7 billion.
- All districts, including the eThekweni Metro, exceeded the benchmark of 25 percent against their respective Original Budgets for the first quarter. The uMgungundlovu District recorded the highest percentage at 91.8 percent or R7.3 billion revenue generated against the Original Budget of R7.9 billion. This is mainly due to the Msunduzi Local Municipality incorrectly reporting R6.6 billion or 110.8 percent against a budget of R5.9 billion as at the end of the first quarter. As per the MFMA Section 52(d) report, the Msunduzi Local Municipality reported R1.5 billion or 25.8 percent against the Operating revenue budget. On the other hand, the uPhongolo Local Municipality incorrectly reported the lowest Operating revenue against budget of 8.2 percent. As per the MFMA Section 52(d) report, the uPhongolo Local Municipality reported to have generated 28.2 percent or R94 million of the budgeted total Operating revenue.
- Transfers recognised - operational* at R7.4 billion or 28.6 percent contributed the most to the total Operating revenue generated followed by *Service charges – electricity revenue* at R7.4 billion or 28.5 percent and *Property rates* at R5.4 billion or 21 percent.
- Actual Operating revenue generated as at the end of the first quarter for the uMkhanyakude, Harry Gwala, uMzinyathi, Zululand, iLembe and Ugu Districts are largely due to their dependency on grants at 87.6 percent, 73.6 percent, 69.8 percent, 66.5 percent, 55.5 percent and 54.2 percent respectively. The eThekweni Metro (14.9 percent), the uMgungundlovu (19.4 percent) and King Cetshwayo (39.4 percent) Districts are the least dependent on grant funding. The low grant dependency in the uMgungundlovu and King Cetshwayo Districts is mainly due to the high own revenue base in the Msunduzi and uMhlathuze Local Municipalities within the districts.
- The Ugu, Zululand, iLembe, Harry Gwala, uMzinyathi and uMkhanyakude Districts generated the bulk portion of their own Operating revenue from *Property rates*. On the other hand, the eThekweni Metro and the uMgungundlovu, uThukela, King Cetshwayo and Amajuba Districts generated the highest portion of their own operating revenue on *Service charges-electricity*.
- Excluding eThekweni Metro (R3.5 billion), the uMgungundlovu District (R2.6 billion) contributed the most towards the *Service charges-electricity* revenue while the uMkhanyakude District (R1.2 million) contributed the least towards the revenue for *Service charges-electricity*.
- Similar to *Service charges - electricity*, excluding the eThekweni Metro (R1.3 billion), the uMgungundlovu District (R872.2 million) contributed the most towards *Services charges - water* whilst the uMkhanyakude District (R10.9 million) contributed the least to *Services charges -water*.

2.3 Operating Expenditure – District Total

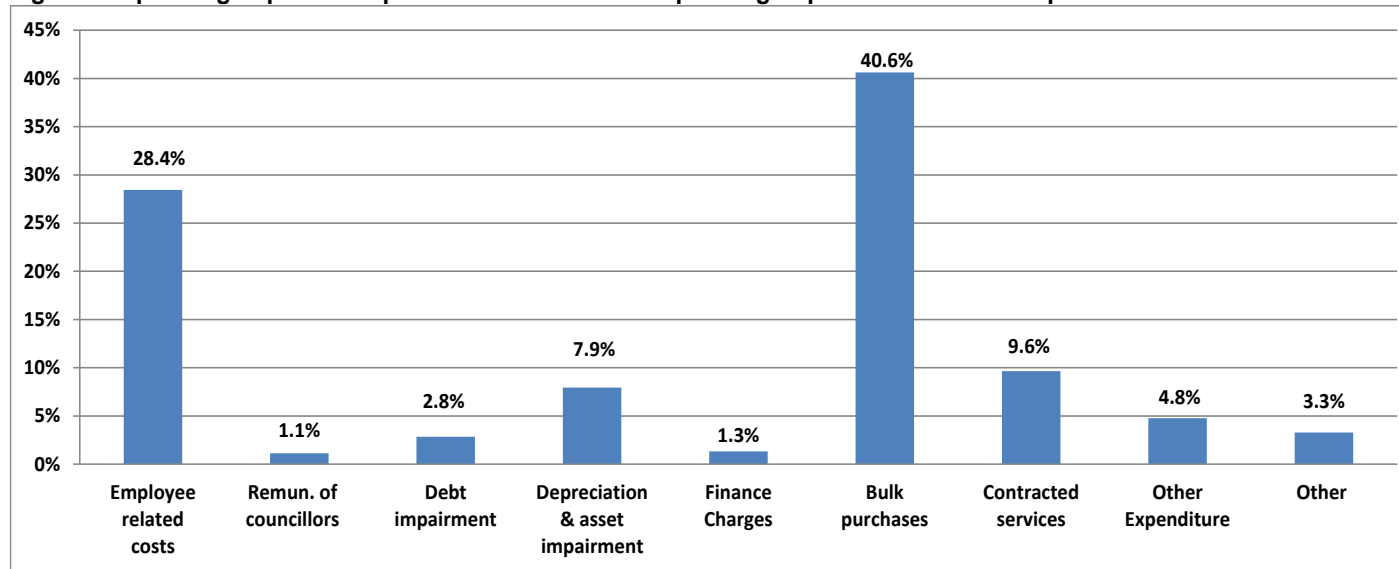
Table 3: Operating Expenditure per item and per district as at the end of Quarter 1 – 2020/21

R'000	Original Budget	Unaudited Actual	% Spent	Detail								
				Employee related costs	Remun. of councillors	Debt impairment	Depreciation and asset impairment	Finance charges	Bulk purchases	Contracted services	Other expenditure	Other ¹
eThekweni	40 161 811	8 813 869	21.9	2 591 708	31 720	1 837	750 345	203 507	3 821 390	819 335	250 151	343 876
Ugu	3 148 494	524 297	16.7	244 334	17 829	3 458	38 484	2 569	62 745	65 709	81 493	7 676
uMgungundlovu	7 435 437	7 372 704	99.2	1 624 574	70 534	542 901	572 698	46 393	3 455 533	646 093	210 450	203 529
uThukela	2 809 867	451 326	16.1	200 811	12 072	13	17 807	357	116 668	35 569	51 729	16 300
uMzinyathi	1 587 922	317 460	20.0	112 328	7 905	115	7 341	652	60 640	54 195	53 713	20 572
Amajuba	2 925 498	512 752	17.5	160 511	11 229	16 931	56 798	12 554	139 840	68 430	41 947	4 512
Zululand	2 145 179	489 099	22.8	192 009	19 157	17	28 026	1 385	107 630	73 907	50 151	16 816
uMkhanyakude	1 475 355	232 731	15.8	107 619	11 102	5 023	4 384	348	30 663	32 280	35 299	6 014
King Cetshwayo	5 349 073	1 186 161	22.2	358 638	23 938	21 127	120 250	6 978	409 639	95 903	115 142	34 546
iLembe	3 472 349	693 241	20.0	215 840	17 104	1 258	54 308	1 391	238 894	74 523	67 489	22 433
Harry Gwala	1 665 346	301 143	18.1	134 501	12 519	2 697	6 641	99	45 314	49 974	41 348	8 049
Total	72 176 330	20 894 783	28.9	5 942 872	235 109	595 378	1 657 082	276 232	8 488 957	2 015 918	998 912	684 324

Source NT Igdatabase

1 Includes Other Materials, Transfers and grants and Loss on disposal of PPE.

Figure 2: Operating Expenditure per item as a % of Total Operating Expenditure as at 30 September 2020



- With the exception of the uMgungundlovu District (99.2 percent), all districts in the province and the eThekweni Metro (21.9 percent) reported Operating expenditure of below 25 percent as at the end of the first quarter. The districts that reported the lowest expenditure rate as at the end of the first quarter are the uMkhanyakude (15.8 percent), uThukela (16.1 percent), Ugu (16.7 percent), Amajuba (17.5 percent) and Harry Gwala (18.1 percent) Districts.

- The uMgungundlovu District reflected a 99.2 percent spending rate due to the Msunduzi Local Municipality incorrectly reporting R7 billion or 126.2 percent against a budget of R5.5 billion. According to the Msunduzi Local Municipality's MFMA Section 52 (d) report, only R1.5 billion or 26.4 percent was spent against the Operating expenditure budget of R5.5 billion.

- The following municipalities reported to have spent even below 10 percent as at the end of Quarter 1: Mtubatuba Local Municipality (7.7 percent); Amajuba District Municipality (8.3 percent) and Nquthu Local Municipality (8.5 percent). It should be noted that the correct percentage spending for the Mtubatuba Local Municipality is 18.7 percent as per the MFMA Section 52(d) report that was tabled in Council. On the other hand, the Nquthu Local Municipality and the Amajuba District Municipality actually reported under-spending in their respective MFMA Section 52(d) reports without providing detailed reasons for underspending in their respective MFMA Section 52(d) reports.

- The majority of the municipalities (37) in the province have not reported against *Debt impairment*. Additionally, it was noted that 30 municipalities within the province did not reflect expenditure against *Depreciation and asset impairment*.

- Bulk purchases* and *Employee related costs* contributed the most towards the total Operating expenditure at R8.5 billion or 40.6 percent and R5.9 billion or 28.4 percent respectively. It is expected that *Bulk purchases* will contribute the most considering that revenue from Trading services, namely, *Service charges – electricity* also contributed significantly towards Operating revenue.

2.4 Repairs and Maintenance Expenditure - District Total

Table 4: Repairs and Maintenance expenditure per district (Total) as at the end of Quarter 1 – 2020/21

R'000	2019/20 Audited Outcome	Original Budget	Q1 Sept Actual	Unaudited Actual	% Spent
eThekwini	157 750	3 200 066	492 665	492 665	15.4
Ugu	101 459	183 166	10 248	10 248	5.6
uMgungundlovu	540	321 337	302 490	302 490	94.1
uThukela	81 996	109 943	10 272	10 272	9.3
uMzinyathi	247 054	147 161	59 740	59 740	40.6
Amajuba	967	32 232	7 620	7 620	23.6
Zululand	124 845	111 361	18 034	18 034	16.2
uMkhanyakude	8 493	68 449	3 222	3 222	4.7
King Cetshwayo	231 254	946 002	44 575	44 575	4.7
iLembe	82 641	139 382	22 379	22 379	16.1
Harry Gwala	34 758	87 278	15 752	15 752	18.0
Total	1 071 756	5 346 377	986 998	986 998	18.5

Source NT Igdatabase

- The total expenditure to date on *Repairs and maintenance* for all districts as well as the eThekwini Metro was R987 million or 18.5 percent as at 30 September 2020.
- The reported expenditure for *Repairs and maintenance* appears to be understated as the Mpofana Local Municipality as well as the uMkhanyakude District Municipality did not report on *Repairs and maintenance* as at the end of September 2020 despite having budgeted for *Repairs and maintenance* in the 2020/21 Original Budget.
- The uMgungundlovu and uMzinyathi Districts reported *Repairs and maintenance* expenditure of more than 25 percent at 94.1 percent and 40.6 percent respectively as at the end of the first quarter of the 2020/21 financial year. The remaining districts in the province, including the eThekwini Metro, reported *Repairs and maintenance* expenditure of below 25 percent. The uMkhanyakude and King Cetshwayo Districts reported the least *Repairs and maintenance* expenditure of 4.7 percent each and were only slightly exceeded by the Ugu District which reported 5.6 percent.
- The high expenditure of 94.1 percent in the uMgungundlovu District was due to the Msunduzi Local Municipality incorrectly reporting R280.6 million or 126.5 percent against a budget of R221.7 million. According to the Msunduzi Local Municipality's MFMA Section 52(d) report, only R13.2 million or 5.7 percent was spent against the *Repairs and maintenance* budget of R233.3 million.
- The consequence of low expenditure on *Repairs and maintenance* for municipalities supplying Electricity and Water is evident in their reported annual Electricity and Water losses.
- Low expenditure on *Repairs and maintenance* may also be an indication that the municipalities lack Asset repair and maintenance plans and could also be experiencing cash flow challenges and are therefore unable to spend at appropriate levels on *Repairs and maintenance*, thus impacting negatively on service delivery.

2.5 Capital Revenue and Expenditure - Provincial Total

Table 5: Capital Revenue and Expenditure as at the end of Quarter 1 - 2020/21

R thousands	2020/21					2019/20		Q1 of 2019/20 to Q1 of 2020/21
	Budget	First Quarter		Year to Date		First Quarter		
	Main appropriation	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	Actual Expenditure	Total Expenditure as % of main appropriation	
Capital Revenue and Expenditure								
Source of Finance	10 790 522	1 351 988	12.5	1 351 988	12.5	16 797 253	125.2	(92.0)
National Government	6 897 772	1 748 141	25.3	1 748 141	25.3	6 820 371	74.0	(74.4)
Provincial Government	1 055 332	14 055	1.3	14 055	1.3	31 483	4.4	(55.4)
District Municipality	3 000	6 784	226.1	6 784	226.1	-	-	(100.0)
Other transfers and grants	29 973	18 850	62.9	18 850	62.9	2 739	23.1	588.1
Transfers recognised - capital	7 986 076	1 787 830	22.4	1 787 830	22.4	6 854 593	68.9	(73.9)
Borrowing	1 230 298	239 798	19.5	239 798	19.5	162 293	9.1	47.8
Internally generated funds	1 574 148	(675 640)	(42.9)	(675 640)	(42.9)	9 780 367	582.4	(106.9)
Capital Expenditure Functional	11 021 103	1 628 943	14.8	1 628 943	14.8	18 042 248	105.0	(91.0)
Municipal governance and administration	977 888	(353 309)	(36.1)	(353 309)	(36.1)	10 334 439	514.0	(103.4)
Executive and Council	358 760	5 085	1.4	5 085	1.4	12 004	4.4	(57.6)
Finance and administration	618 946	(358 321)	(57.9)	(358 321)	(57.9)	10 322 244	594.3	(103.5)
Internal audit	182	(73)	(40.0)	(73)	(40.0)	191	29.1	(138.1)
Community and Public Safety	2 149 956	126 463	5.9	126 463	5.9	745 256	28.4	(83.0)
Community and Social Services	424 891	15 881	3.7	15 881	3.7	462 988	67.8	(96.6)
Sport And Recreation	330 034	10 694	3.2	10 694	3.2	135 023	26.8	(92.1)
Public Safety	96 695	2 245	2.3	2 245	2.3	51 712	30.6	(95.7)
Housing	1 285 323	97 488	7.6	97 488	7.6	94 088	7.6	3.6
Health	13 012	154	1.2	154	1.2	1 445	4.6	(89.3)
Economic and Environmental Services	3 111 846	1 029 688	33.1	1 029 688	33.1	1 673 888	38.7	(38.5)
Planning and Development	819 397	52 356	6.4	52 356	6.4	358 643	40.6	(85.4)
Road Transport	2 285 549	972 454	42.5	972 454	42.5	1 313 163	38.3	(25.9)
Environmental Protection	6 899	4 878	70.7	4 878	70.7	2 082	14.0	134.2
Trading Services	4 750 948	809 596	17.0	809 596	17.0	5 271 463	64.9	(84.6)
Energy sources	842 235	24 593	2.9	24 593	2.9	529 942	42.3	(95.4)
Water Management	2 933 600	704 344	24.0	704 344	24.0	3 444 531	64.5	(79.6)
Waste Water Management	777 235	37 729	4.9	37 729	4.9	1 234 945	91.2	(96.9)
Waste Management	197 878	42 930	21.7	42 930	21.7	62 046	34.4	(30.8)
Other	30 466	16 505	54.2	16 505	54.2	17 202	18.8	(4.0)

Source NT Igdatabase

- The highest contributor towards total Capital sources of finance as at the end of quarter one was *National Government* transfers at R1.7 billion followed by *Borrowing* at R239.8 million, *Other transfers and grants* at R18.9 million, *Provincial Government transfers* at R14.1 million and *District Municipality* at R6.8 million. Capital sources of finance of R1.4 billion is understated as *Internally generated funds* was incorrectly reported as negative R675.6 million. Capital sources of finance reported as per the MFMA Section 52(d) report is R1.9 billion or 15 percent of the Original Budget of R11.2 billion which is however also distorted as the uBuhlebezwe and iMpendle Local Municipalities reported negative Capital revenue in their respective MFMA Section 52(d) reports of R44.9 million and R24.9 million against their Original Budgets of R59.2 million and R12 million respectively.
- At the end of the first quarter, the municipalities in the province were expected to have recognised a straight line projection of 25 percent of the R10.8 billion budget for Capital revenue. However, the municipalities attained only 12.5 percent which is below the 25 percent benchmark and is understated as a result of the negative *Internally generated funds* reported.
- Capital expenditure of R1.6 billion or 14.8 percent of the Original Budget of R11 billion appears to be understated due to negative expenditure being reported by a number of municipalities within the province. Capital expenditure as reported in the MFMA Section 52(d) report is R1.5 billion or 12.4 percent of the Original Budget of R11.2 billion which also appears to be distorted as the uBuhlebezwe and iMpendle Local Municipalities reported negative Capital expenditure in their respective MFMA Section 52(d) reports of R44.9 million and R30.5 million against their Original Budgets of R59.2 million and R12 million respectively.
- The bulk of the Capital expenditure as at the end of the first quarter was on *Economic and Environmental Services* at R1 billion or 63.2 percent of total Capital expenditure of which, R972.5 million was spent on *Road Transport* followed by R52.4 million spent on *Planning and Development* and R4.9 million spent on *Environmental Protection*.
- Trading Services* is the second largest contributor towards the total Capital expenditure at R809.6 million or 49.7 percent of the total Capital expenditure of which, R704.3 million was spent on *Water Management*, R42.9 million was spent on *Waste Management*, R37.7 million was spent on *Waste Water Management* and R24.6 million was spent on *Energy sources*.
- Community and Public Safety* is the third largest contributor towards the total Capital expenditure at to R126.5 million or 7.8 percent of the total Capital expenditure.
- Other* contributed the least towards the total Capital expenditure at R16.5 million or 1 percent whilst negative R353.3 million or negative 21.7 percent was reported against the *Municipal governance and administration* category.

2.6 Capital Revenue - District Total

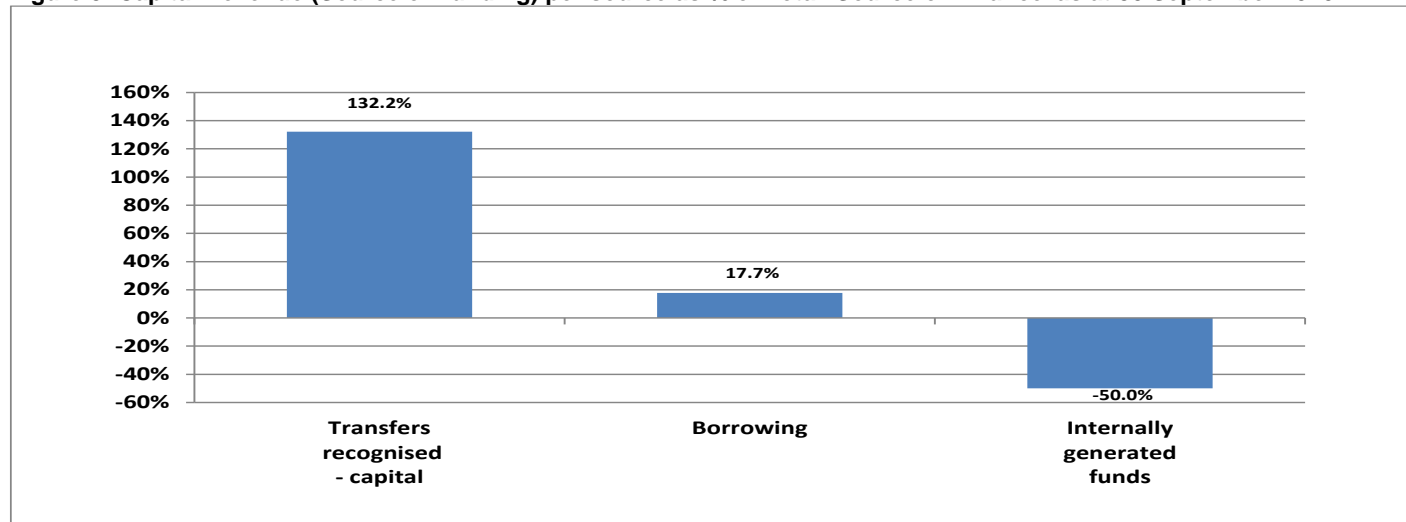
Table 6: Capital Revenue (Source of Finance) per district as at the end of Quarter 1 – 2020/21

R'000	Original Budget	Unaudited Actual	% Generated	Detail		
				Transfers recognised - capital ¹	Borrowing	Internally generated funds
eThekwini	4 792 769	530 597	11.1	325 309	154 808	50 480
Ugu	562 248	54 051	9.6	35 858	-	18 193
uMgungundlovu	898 205	1 852 896	206.3	1 763 624	86 183	3 089
uThukela	409 582	52 250	12.8	51 215	-	1 036
uMzinyathi	504 547	122 676	24.3	97 448	-	25 228
Amajuba	160 290	70 003	43.7	58 195	-	11 807
Zululand	638 699	(155 361)	(24.3)	(11 436)	-	(143 925)
uMkhanyakude	453 195	(302 824)	(66.8)	(719)	-	(302 105)
King Cetshwayo	1 094 027	(789 668)	(72.2)	(517 338)	2 028	(274 357)
iLembe	653 373	(157 921)	(24.2)	(88 368)	(3 221)	(66 333)
Harry Gwala	623 587	75 289	12.1	74 042	-	1 247
Total	10 790 522	1 351 988	12.5	1 787 830	239 798	(675 640)

Source NT Igdatabase

¹ Includes National Government, Provincial Government, District Municipality and Other transfers and grants.

Figure 3: Capital Revenue (Source of Funding) per source as % of Total 'Source of Finance' as at 30 September 2020



- An overview of the Capital source of funding per district shows that municipalities in the province are dependent on grants to fund their Capital expenditure as *Transfers recognised – capital* contributed 132.2 percent or R1.8 billion of the total Capital source of funding of R1.4 billion as at the end of the first quarter.

- Capital revenue of R1.4 billion appears to be understated as eight municipalities reported negative Capital revenue for the period under review. The Nkandla and Mthonjaneni Local Municipalities within the King Cetshwayo District, the Big Five Hlabisa Local Municipality within the uMkhanyakude District, the eDumbe and Ulundi Local Municipalities within the Zululand District and the Mandeni Local Municipality within the iLembe District reported negative figures for Capital revenue in their MFMA Section 71 reports whilst their MFMA Section 52(d) reports reflected positive figures. The uBuhlebezwe Local Municipality within the Harry Gwala District and the iMpindle Local Municipality within the uMgungundlovu District reflected negative figures for Capital revenue in both their MFMA Section 71 and MFMA Section 52(d) reports.

- The second largest Capital source of funding was *Borrowing* at 17.7 percent or R239.8 million whilst *Internally generated funds* was incorrectly reported at negative R675.6 million.

- Excluding the eThekwini Metro (R154.8 million), two districts utilised *Borrowings* amounting to R88.2 million in total as at the end of the first quarter. The uMgungundlovu District utilised the highest *Borrowings* at R86.2 million followed by the King Cetshwayo District at R2 million. The iLembe District reported negative R3.2 million for *Borrowings* as at the end of the first quarter which was due to the Mandeni Local Municipality reporting negative R3.7 million for *Borrowing*.

- The uMgungundlovu District contributed the most to the total Capital revenue at R1.9 billion. The district financed its Capital expenditure from *Transfers recognised – capital* of R1.8 billion, *Borrowing* of R86.2 million and *Internally generated funds* of R3.1 million.

- The uThukela District contributed the least to the total Capital revenue of R1.4 billion at R52.3 million which was financed from *Transfers recognised – capital* of R51.2 million and *Internally generated funds* of R1 million.

2.7 Capital Expenditure - District Total

Table 7: Capital Expenditure per item and per district as at the end of Quarter 1 – 2020/21

R000	Original Budget	Unaudited Actual	% Spent	Detail									
				Governance and Admin. ¹	Community and Public Safety			Economic and Environmental Services		Trading Services			Other
					Housing	Health	Other ²	Road Transport	Other ³	Electricity	Water and Waste Water Mgt.	Waste Mgt	
eThekweni	4 792 769	530 597	11.1	27 958	50 444	154	42 842	363 593	40 778	59 547	(61 055)	2 924	3 411
Ugu	570 651	56 405	9.9	(2 770)	-	-	16 032	24 610	17 740	618	175	-	-
uMgungundlovu	899 425	2 156 173	239.7	116 915	53 970	-	342 038	989 520	57 180	153 398	379 564	50 495	13 084
uThukela	454 832	66 666	14.7	188	-	-	1 708	12 862	7 767	237	43 904	-	-
uMzinyathi	504 547	122 676	24.3	7 344	-	-	13 632	13 571	3 507	533	84 084	6	-
Amajuba	186 083	67 071	36.0	(1 648)	3 096	-	162	11 039	13 358	555	40 509	-	-
Zululand	654 596	(175 988)	(26.9)	(155 011)	(3 007)	-	(2 107)	(9 590)	(67 124)	(52 782)	113 633	-	-
uMhanyakude	510 602	(313 673)	(61.4)	(85 802)	-	-	(122 617)	(114 136)	845	1 532	6 582	(76)	-
King Cetshwayo	1 142 099	(798 483)	(69.9)	(202 006)	-	-	(188 245)	(268 725)	(24 668)	(130 138)	29 927	(14 627)	-
iLembe	676 245	(157 793)	(23.3)	(56 418)	-	-	(74 967)	(49 573)	4 895	(15 171)	32 905	535	-
Harry Gwala	629 255	75 289	12.0	(2 080)	(7 016)	-	342	(716)	2 957	6 264	71 846	3 672	-
Total	11 021 103	1 628 943	14.8	(353 309)	97 488	154	28 820	972 454	57 234	24 593	742 073	42 930	16 505

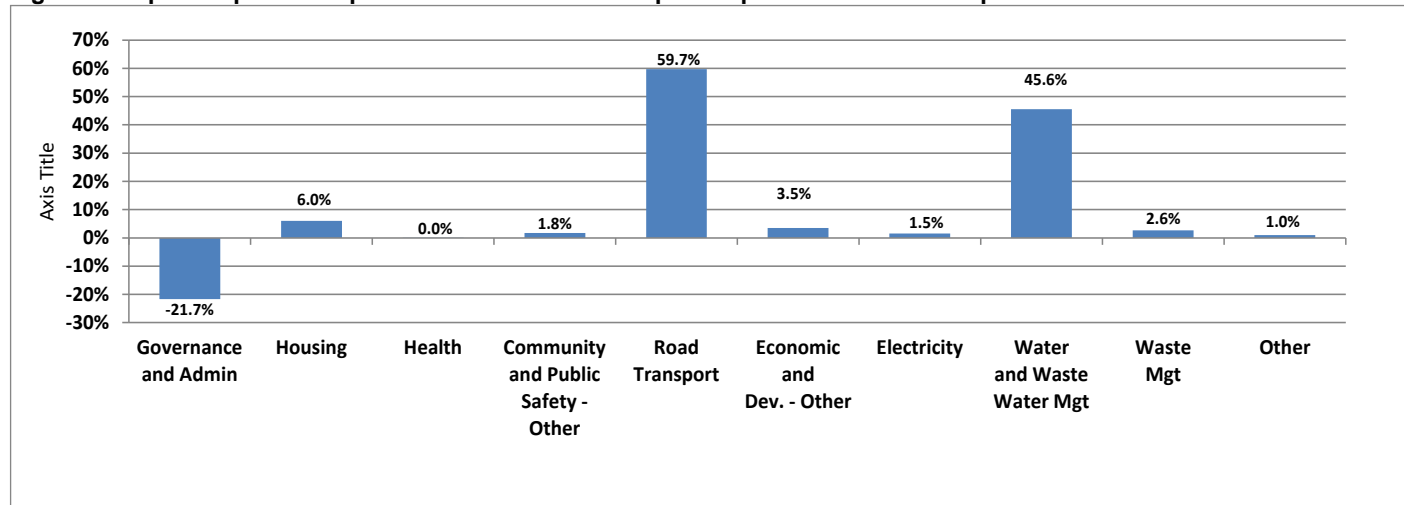
Source NT Igdatabase

1 Includes Executive & Council, Finance and administration and Internal audit.

2 Includes Community and Social Services, Sports and Recreation and Public Safety.

3 Includes Planning and Development and Environmental Protection.

Figure 4: Capital Expenditure per item as a % of Total Capital Expenditure as at 30 September 2020



- As at the end of the first quarter of the 2020/21 financial year, municipalities in the province spent R1.6 billion or 14.8 percent of their Capital budgets of R11 billion which is below the 25 percent straight line projection expected at the end of the first quarter. Capital expenditure of R1.6 billion appears to be understated as eight municipalities reported negative Capital expenditure for the period under review. The Nkandla and Mthonjaneni Local Municipalities within the King Cetshwayo District, the Big Five Hlabisa Local Municipality within the uMkhanyakude District, the eDumbe and Ulundi Local Municipalities within the Zululand District and the Mandeni Local Municipality within the iLembe District reported negative figures for Capital expenditure in their MFMA Section 71 reports whilst their MFMA Section 52(d) reports reflected positive figures. The uBuhlebezwe Local Municipality within the Harry Gwala District and the iMpendle Local Municipality within the uMgungundlovu District reflected negative figures for Capital expenditure in both their MFMA Section 71 and MFMA Section 52(d) reports.
- The uMgungundlovu District (239.1 percent or R2.2 billion) and the Amajuba District (36 percent or R67.1 million) reported the highest Capital expenditure against their respective budgets whilst the Ugu District (9.9 percent or R56.4 million) and the Harry Gwala District (12 percent or R75.3 million) reported the lowest Capital expenditure against their respective budgets.
- The over-expenditure in the uMgungundlovu District of 239.7 percent is due to the Msunduzi Local Municipality that reported expenditure of R1.4 billion or 248.9 percent against the Original Budget of R580.9 million. The municipality however reported expenditure of R80.8 million or 14.2 percent against the Original Budget of R568.2 million in the MFMA Section 52(d) report.
- The bulk of the Capital expenditure was reported on *Road Transport* of R972.5 million or 59.7 percent with the uMgungundlovu District recording the highest expenditure of R989.5 million against the category.
- The second largest Capital expenditure was reported against *Water and Waste Water Mgt.* at R742.1 million or 45.6 percent. The uMgungundlovu District reported the largest spending against the category with R379.6 million followed by the Zululand District with R113.6 million, the uMzinyathi District with R84.1 million and the Harry Gwala District with R71.8 million whilst the eThekweni Metro reported negative Capital expenditure of R61.1 million as a result of incorrect reporting.
- Capital expenditure of R97.5 million or 6 percent was reported against the *Housing* category wherein the uMgungundlovu District and the eThekweni Metro reported the highest spending of R54 million and R50.4 million respectively.
- The bulk of the *Waste Mgt.* Capital expenditure of R42.9 million or 2.6 percent was reported by the uMgungundlovu District with R50.5 whilst the bulk of the *Electricity* Capital expenditure of R24.6 million or 1.5 percent was reported by the uMgungundlovu District and the eThekweni Metro with R153.4 million and R59.5 million respectively.

2.8 Comparatives: Capital vs Operating Expenditure

Figure 5: Comparatives: Capital vs Operating – as at the end of 30 September 2020

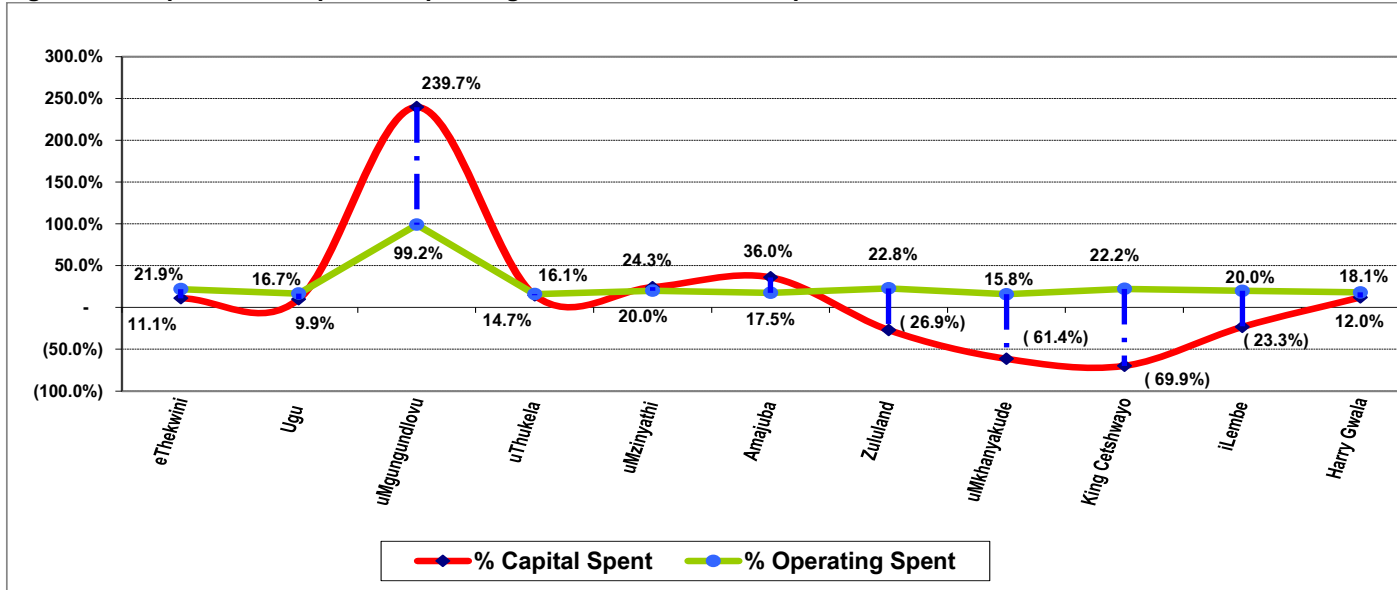
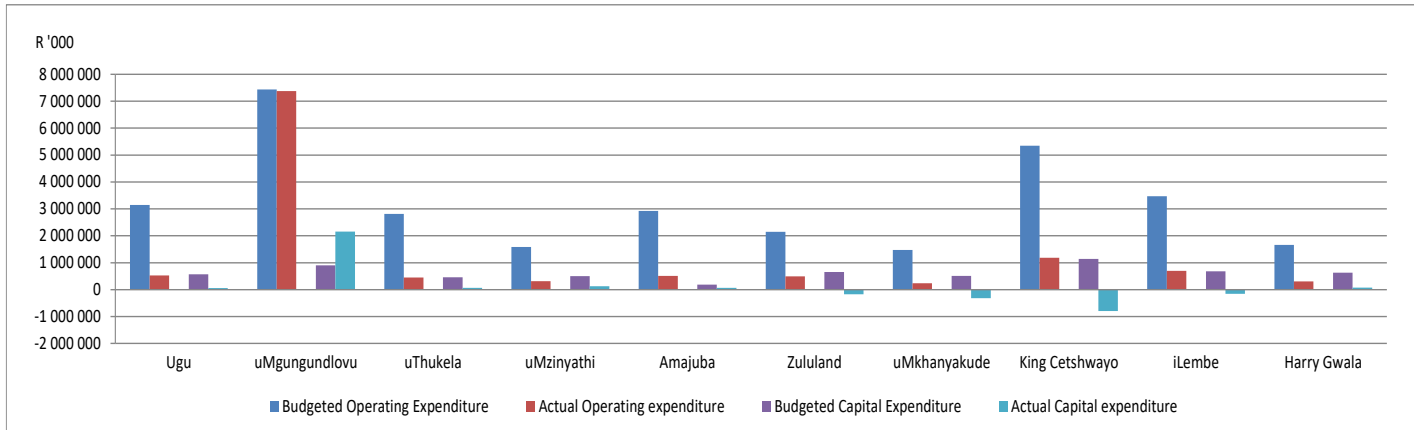


Figure 6: Budgeted/Actual Operating expenditure vs Budgeted/Actual Capital expenditure as at the end of 30 September 2020



- The main contributors to the low Capital expenditure is incorrect reporting by the majority of municipalities as eight municipalities reported negative Capital expenditure for the period under review. The municipalities stated that they are engaging with their service providers in order to correct their data strings for future reporting.

- Figure 5 (including the three non-delegated municipalities) shows the comparatives of the Capital expenditure as a percentage of the Capital expenditure budget together with Operating expenditure as a percentage of the Operating expenditure budget as at the end of the first quarter of the 2020/21 financial year.

- The comparatives between the average Capital expenditure and average Operating expenditure indicate that the uMgungundlovu District, the Amajuba District and the uMzinyathi Districts are the only districts that have spent more of their Capital expenditure budgets as compared to their Operating expenditure budgets. A significant gap of 140.5 percent between these categories of expenditure was noted for the uMgungundlovu District due to the error in reporting by the Msunduzi Local Municipality.

- However, the percentages reported for most districts are distorted as the main contributors to the low Capital expenditure is incorrect reporting by the majority of municipalities due to an error in reporting by the Msunduzi Local Municipality.

- The King Cetshwayo, uMkhanyakude, Zululand and the iLembe Districts reported negative 69.9 percent, negative 61.4 percent, negative 26.9 percent and negative 23.3 percent Capital expenditure against their Capital expenditure budgets as at 30 September 2020 respectively.

- Figure 6 shows an overview of actual Operating expenditure against the Operating budget and the actual Capital expenditure against the Capital budget.

- The uMzinyathi District with 24.3 percent and 20 percent expenditure against their Capital and Operating budgets is the only district that is close to the benchmark of 25 percent in both these categories of spending.

2.9 Debtors Age Analysis – Provincial Total

Table 8: Debtors Age Analysis as at the end of Quarter 1 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts ito Council Policy	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Income Source														
Trade and Other Receivables from Exchange Transactions - Water	987 496	8.8	494 848	4.4	579 717	5.1	9 211 972	81.7	11 274 033	34.8	2 796 672	24.8	33 708	0.3
Trade and Other Receivables from Exchange Transactions - Electricity	1 541 219	40.5	409 107	10.8	205 850	5.4	1 644 667	43.3	3 800 844	11.7	242 438	6.4	-	-
Receivables from Non-exchange Transactions - Property Rates	1 066 175	12.3	460 267	5.3	919 499	10.6	6 217 600	71.8	8 663 541	26.7	1 163 742	13.4	-	-
Receivables from Exchange Transactions - Waste Water Management	176 166	8.1	95 449	4.4	89 267	4.1	1 811 075	83.4	2 171 957	6.7	543 800	25.0	5 110	0.2
Receivables from Exchange Transactions - Waste Management	110 951	8.0	48 539	3.5	39 971	2.9	1 186 455	85.6	1 385 915	4.3	298 837	21.6	-	-
Receivables from Exchange Transactions - Property Rental Debtors	25 346	7.9	12 024	3.8	9 005	2.8	272 670	85.5	319 046	1.0	96 220	30.2	-	-
Interest on Arrear Debtor Accounts	92 859	3.2	46 037	1.6	66 706	2.3	2 708 861	92.9	2 914 463	9.0	520 872	17.9	1 264	-
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other	(103 103)	(5.5)	48 518	2.6	42 114	2.2	1 893 159	100.7	1 880 689	5.8	958 840	51.0	1 264	0.1
Total By Income Source	3 897 109	12.0	1 614 790	5.0	1 952 129	6.0	24 946 459	77.0	32 410 488	100.0	6 621 420	20.4	41 346	0.1

Source NT Igdatabase

Table 9: Debtors Age analysis by Customer Group as at the end of Quarter 1 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total		Actual Bad Debts Written Off to Debtors		Impairment -Bad Debts ito Council Policy	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Debtors Age Analysis By Customer Group														
Organs of State	343 880	12.3	196 367	7.0	582 117	20.8	1 679 884	59.9	2 802 248	8.6	214 678	7.7	-	-
Commercial	1 738 765	24.2	497 384	6.9	595 103	8.3	4 345 755	60.6	7 177 006	22.1	632 687	8.8	1 264	-
Households	1 817 100	8.4	888 514	4.1	736 070	3.4	18 290 517	84.2	21 732 202	67.1	5 367 877	24.7	40 082	0.2
Other	(2 636)	(0.4)	32 526	4.7	38 839	5.6	630 303	90.2	699 031	2.2	406 179	58.1	-	-
Total By Customer Group	3 897 109	12.0	1 614 790	5.0	1 952 129	6.0	24 946 459	77.0	32 410 488	100.0	6 621 420	20.4	41 346	0.1

Source NT Igdatabase

- The Debtors age analysis in Table 8 reflects that the total amount of debt owed to all municipalities in the KwaZulu-Natal Province was R32.4 billion as at 30 September 2020.
- The Debtors age analysis by Income source reflects that a significant amount of R11.3 billion or 34.8 percent of the debt owed relates to *Water* followed by *Property rates* at R8.7 billion or 26.7 percent, *Electricity* at R3.8 billion or 11.7 percent and *Interest on arrear debtor accounts* at R2.9 billion or 9 percent.
- A negative amount of R103.1 million was reflected under the *0-30 Days* category against *Other* which could be an indication that municipalities are not allocating the receipts from Debtors accurately or it could relate to challenges in the municipalities' financial systems.
- The Debtors age analysis by Customer group in Table 9 reflects an amount of R21.7 billion or 67.1 percent of the total debt as owed by *Households* followed by *Commercial* with an amount of R7.2 billion or 22.1 percent, *Organs of State* at R2.8 billion or 8.6 percent and *Other* at R699 million or 2.2 percent.
- The high level of debt owed to municipalities, which is continually increasing, is noted with concern as the municipalities should be implementing effective debt management and credit control measures in order to improve their debtors' collection rates, which in turn will have a positive impact on their cash flows.
- Municipalities are urged to ensure that they submit all their data strings for the monthly MFMA Section 71 reports. Information presented therein should also be credible to prevent distorted reporting at the provincial and national levels. The monthly MFMA Section 71 reporting is critical in presenting the monthly performance against the budget therefore all municipalities should strive to also ensure timely reporting.

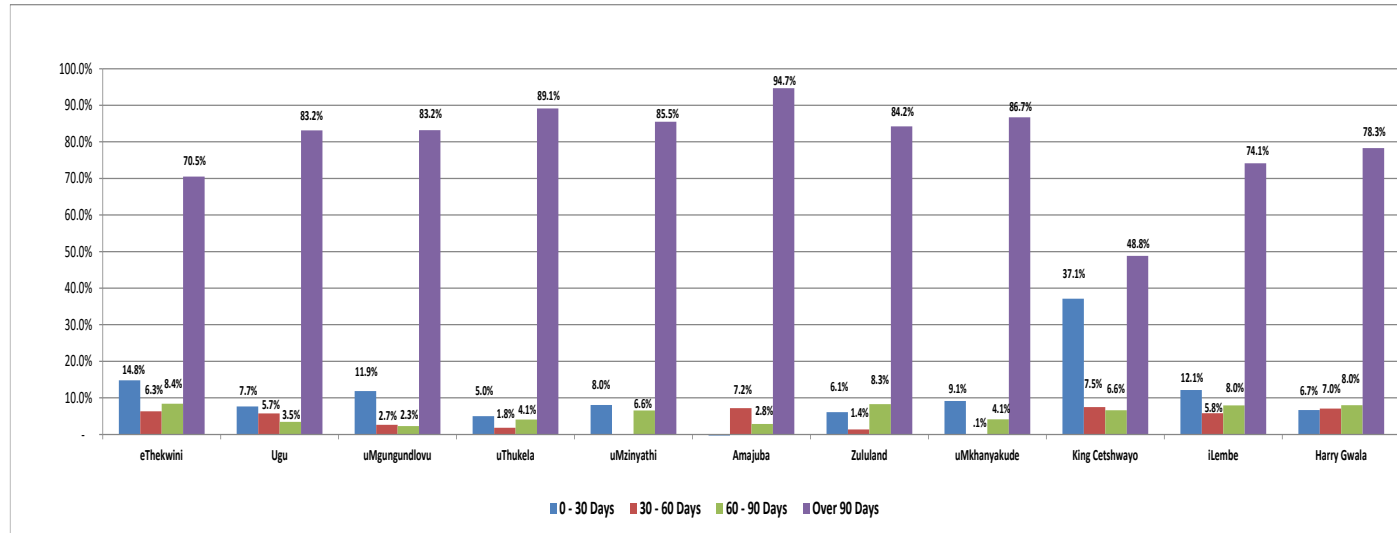
2.10 Debtors Age Analysis – District Total

Table 10: Debtors Age Analysis per district (Total) as at the end of Quarter 1 - 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	2 199 404	14.8	942 148	6.3	1 247 856	8.4	10 483 018	70.5	14 872 427
Ugu	209 311	7.7	156 498	5.7	94 339	3.5	2 271 639	83.2	2 731 787
uMgungundlovu	728 941	11.9	163 033	2.7	141 781	2.3	5 107 307	83.2	6 141 062
uThukela	108 440	5.0	39 562	1.8	88 607	4.1	1 939 428	89.1	2 176 037
uMzinyathi	49 381	8.0	(744)	(0.1)	40 460	6.6	526 310	85.5	615 407
Amajuba	(85 716)	(4.7)	130 857	7.2	51 658	2.8	1 719 511	94.7	1 816 310
Zululand	58 598	6.1	13 330	1.4	79 764	8.3	809 503	84.2	961 195
uMkhanyakude	55 024	9.1	416	0.1	24 677	4.1	521 523	86.7	601 640
King Cetshwayo	438 732	37.1	88 335	7.5	78 427	6.6	577 442	48.8	1 182 937
iLembe	105 151	12.1	49 958	5.8	68 886	8.0	641 709	74.1	865 704
Harry Gwala	29 843	6.7	31 399	7.0	35 674	8.0	349 068	78.3	445 983
Total	3 897 109	12.0	1 614 790	5.0	1 952 129	6.0	24 946 459	77.0	32 410 488

Source NT Igdatabase

Figure 7: Debtors Age Analysis per district as at the end of 30 September 2020



- Of the total amount of R32.4 billion owed among all the Districts and the eThekwini Metro in the KZN Province, the eThekwini Metro reported the highest outstanding debtors amount of R14.9 billion or 45.9 percent which is followed by the uMgungundlovu District at R6.1 billion or 18.9 percent, the Ugu District at R2.7 billion or 8.4 percent and the uThukela District at R2.2 billion or 6.7 percent.
- The Harry Gwala District reported the least Debtors of R446 million or 1.4 percent of total Debtors.
- It should however be noted that the Mandeni Local Municipality did not report on Debtors for the period under review therefore Debtors for the iLembe District as at 30 September 2020 may be understated.
- All the districts, including the eThekwini Metro, reported their highest outstanding Debtors in the *Over 90 Days* category. The Amajuba, uThukela, uMkhanyakude, uMzinyathi, Zululand, uMgungundlovu and Ugu Districts reflected over 80 percent of their outstanding Debtors in the *Over 90 Days* category while the King Cetshwayo District reflected the least debtors of 48.8 percent in this category.
- A substantial amount of the total Debtors of R24.9 billion or 77 percent has been outstanding for *Over 90 Days*. Debt collection efforts must focus on these long outstanding debts however, some of these debtors may still need to be written off as they may have arisen as a result of incorrect billing of indigent customers, amongst others.

- Municipalities are encouraged to update their Indigent registers to determine households that qualify for rebates and discounts with the aim of ensuring that debtors are accurately billed and reported on.

2.11 Debtors by Customer Group – District Total

Table 11: Debtors by Customer Group (Total) as at the end of Quarter 1- 2020/21

R'000	Organs of State		Commercial		Household		Other		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	1 098 198	7.4	4 088 253	27.5	9 639 255	64.8	46 721	0.3	14 872 427
Ugu	225 377	8.3	461 765	16.9	2 036 812	74.6	7 834	0.3	2 731 787
uMgungundlovu	376 919	6.1	861 541	14.0	4 529 695	73.8	372 906	6.1	6 141 062
uThukela	300 077	13.8	437 783	20.1	1 418 220	65.2	19 957	0.9	2 176 037
uMzinyathi	105 725	17.2	82 743	13.4	403 818	65.6	23 121	3.8	615 407
Amajuba	69 184	3.8	139 917	7.7	1 531 619	84.3	75 589	4.2	1 816 310
Zululand	175 587	18.3	155 108	16.1	573 808	59.7	56 691	5.9	961 195
uMkhanyakude	171 412	28.5	154 164	25.6	251 180	41.7	24 885	4.1	601 640
King Cetshwayo	112 639	9.5	593 358	50.2	430 774	36.4	46 167	3.9	1 182 937
iLembe	82 491	9.5	130 677	15.1	645 615	74.6	6 921	0.8	865 704
Harry Gwala	84 639	19.0	71 698	16.1	271 407	60.9	18 240	4.1	445 983
Total	2 802 248	8.6	7 177 006	22.1	21 732 202	67.1	699 031	2.2	32 410 488

Source NT Igdatabase

Figure 8: Debtors Age Analysis as at 30 September 2020

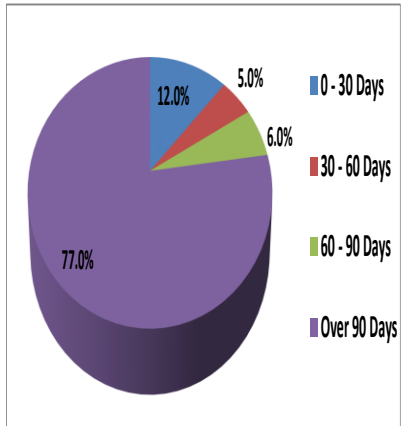


Figure 9: Debtors by Customer Group as at 30 September 2020

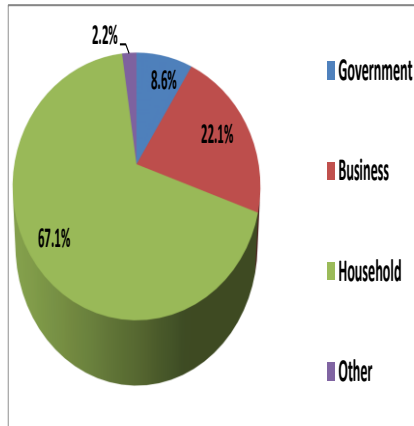
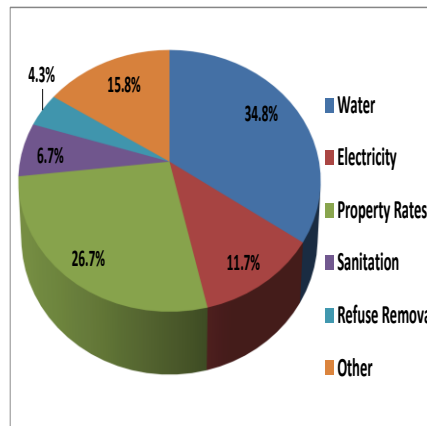


Figure 10: Debtors by Income Source as at 30 September 2020



- Table 11 reflects that of the R32.4 billion that is owed to municipalities, R21.7 billion or 67.1 percent was owed by *Household* debtors. Municipalities in the province need to ensure that the indigent households are correctly accounted for in order to avoid the *Household* debtors category being inflated with debt that may not be recoverable. Indigent registers must be updated and maintained accordingly.
- The eThekwini Metro and the uMgungundlovu and Ugu Districts contributed the most towards *Household* debtors with amounts of R9.6 billion, R4.5 billion and R2 billion respectively.
- As at the end of the first quarter of the 2020/21 financial year, municipalities were owed a total of R7.2 billion by *Commercial* debtors. The eThekwini Metro and the uMgungundlovu and King Cetshwayo Districts contributed the most towards the total debt owed by *Commercial* debtors at R4.1 billion, R861.5 million and R593.4 million respectively.
- Municipalities were owed a combined total of R2.8 billion or 8.6 percent by *Organs of State*. The eThekwini Metro and the uMgungundlovu and uThukela Districts had significant debt owed by *Organs of State* which amounted to R1.1 billion, R376.9 million and R300.1 million respectively.
- Other* debtors amounted to R699 million or 2.2 percent constituting the lowest customer category of outstanding debt.
- Total Debtors outstanding may be understated as the Mandeni Local Municipality did not report on their outstanding Debtors for the period under review.
- Municipalities are urged to ensure that their Debtors records are correctly reflected according to Customer groups in order to implement proper strategies for collecting the debts from targeted groups.

2.12 Creditors Age Analysis – Provincial Total

Table 12: Creditors Age Analysis by Expenditure type as at the end of Quarter 1 - 2020/21

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Creditor Age Analysis										
Bulk Electricity	1 103 317	71.0	144 399	9.3	9 503	0.6	297 155	19.1	1 554 374	23.5
Bulk Water	416 943	34.1	41 859	3.4	95 037	7.8	670 313	54.8	1 224 153	18.5
PAYE deductions	148 355	100.0	-	0.0	-	-	-	0.0	148 355	2.2
VAT (output less input)	132 662	100.0	-	0.0	-	-	-	0.0	132 662	2.0
Pensions / Retirement	160 555	100.0	-	0.0	3	-	3	0.0	160 561	2.4
Loan repayments	282	0.0	11 667	1.6	305 940	41.1	426 794	57.3	744 683	11.2
Trade Creditors	578 639	28.8	114 209	5.7	54 297	2.7	1 086 813	54.0	2 012 543	30.4
Auditor-General	765	5.6	8 637	63.1	(1 129)	(8.2)	5 426	39.6	13 699	0.2
Other	476 115	74.9	9 519	1.5	39 427	6.2	110 509	17.4	635 570	9.6
Total	3 017 633	45.5	330 290	5.0	503 078	7.6	2 775 598	41.9	6 626 599	100.0

Source NT Igdatabase

Figure 11: Creditors Age Analysis as at 30 September 2020

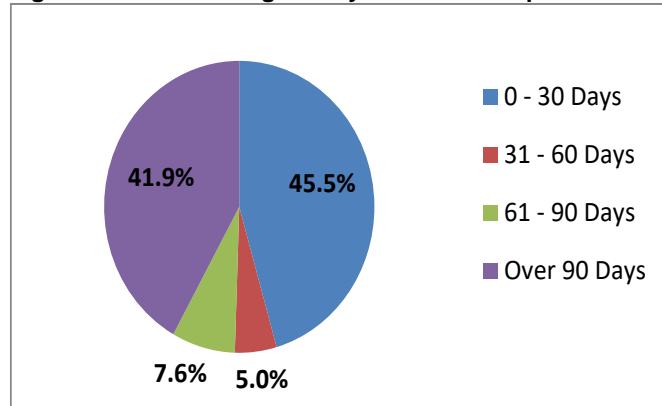
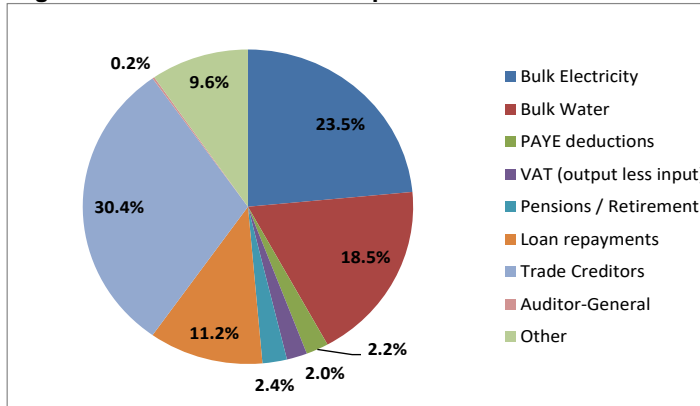


Figure 12: Creditors as at 30 September 2020



- Outstanding Creditors for the KwaZulu-Natal municipalities amounted to R6.6 billion with an outstanding balance of R3 billion or 45.5 percent due within the 0-30 Days period.
- Creditors amounting to R3.6 billion or 54.5 percent were in arrears for more than 30 Days which is in contravention of Section 65(2)(e) of the MFMA which requires that the outstanding debt amount be paid within 30 days of the receipt of the invoice. The Accounting Officers of municipalities must take all reasonable steps to ensure that all creditors due are paid within 30 days.
- In some cases unpaid invoices and Creditors in the over 30 Days period are due to disputes with suppliers. However, in other cases it could be an indication of cash flow challenges being experienced by municipalities. Failure to pay Creditors within 30 days raises a serious concern for KZN Provincial Treasury as municipalities may be liable for penalties and interest charges as a result thereof, which is tantamount to fruitless and wasteful expenditure.
- The majority of the outstanding Creditors is within the *Trade creditors*, *Bulk electricity* and *Bulk water* categories with amounts of R2 billion, R1.6 billion and R1.2 billion respectively.
- The Newcastle Local Municipality reported not owing Eskom at all as per the MFMA Section 71 report for *Bulk electricity* whilst the MFMA Section 41 report reflects an amount owing to Eskom of R305.8 million of which, R210.9 million was reflected as overdue. The municipality concluded the payment arrangement in July 2020 with a monthly instalment arrangement of R5.3 million per month. The municipality is currently honouring the payment arrangement.
- The *Bulk electricity* debt owed by the Mpofana Local Municipality as per the MFMA Section 71 report was R197.422 million which differed from the MFMA Section 41 report which reflected R197.367 million as at 30 September 2020 of which, R190.7 million was reflected as overdue. The municipality has only paid R2.3 million for all the accounts in September 2020 whilst the total bill and interest for August 2020 was reported to be R8.7 million. Eskom indicated that the Mpofana Local Municipality has a High Court interdict stopping them from disconnecting the electricity supply based on the non-payment of the municipality's old debt. The proposed payment plan will be concluded with Eskom before the end of November 2020.
- The *Bulk electricity* debt owed by the Msunduzi Local Municipality as per the MFMA Section 71 report was R370.6 million which differed from the MFMA Section 41 report which reflected R273.3 million as at 30 September 2020 of which, R112.5 million was reported as overdue. The municipality's payment arrangement for the bulk supply is being honoured and payments are up to date.

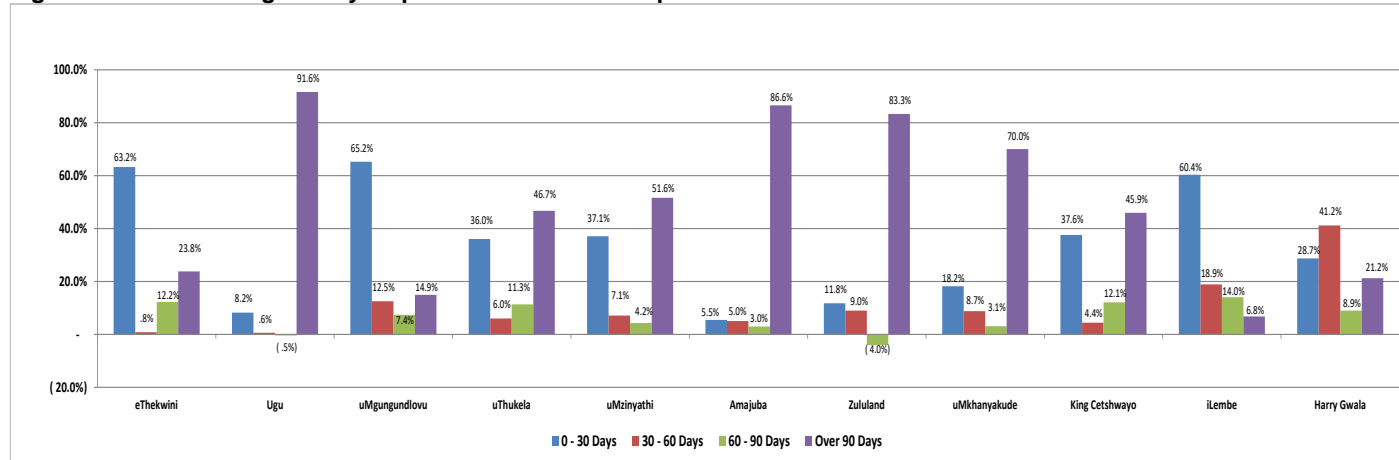
2.13 Creditors Age Analysis – District Total

Table 13: Creditors Age Analysis per district (Total) as at the end of Quarter 1 - 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	1 597 755	63.2	19 768	0.8	308 690	12.2	601 566	23.8	2 527 779
Ugu	89 204	8.2	6 783	0.6	(4 935)	(0.5)	995 282	91.6	1 086 334
uMgungundlovu	975 695	65.2	186 959	12.5	110 116	7.4	223 435	14.9	1 496 206
uThukela	16 129	36.0	2 675	6.0	5 070	11.3	20 904	46.7	44 778
uMzinyathi	36 187	37.1	6 907	7.1	4 142	4.2	50 407	51.6	97 643
Amajuba	26 041	5.5	23 942	5.0	14 110	3.0	413 191	86.6	477 283
Zululand	24 656	11.8	18 826	9.0	(8 468)	(4.0)	174 666	83.3	209 681
uMkhanyakude	17 168	18.2	8 247	8.7	2 918	3.1	66 145	70.0	94 477
King Cetshwayo	175 078	37.6	20 625	4.4	56 368	12.1	213 855	45.9	465 926
iLembe	44 667	60.4	13 962	18.9	10 372	14.0	5 011	6.8	74 012
Harry Gwala	15 053	28.7	21 596	41.2	4 694	8.9	11 136	21.2	52 479
Total	3 017 633	45.5	330 290	5.0	503 078	7.6	2 775 598	41.9	6 626 599

Source NT Igdatabase

Figure 13: Creditors Age Analysis per district as at 30 September 2020



- As at the end of the first quarter, the eThekwini Metro accounted for the majority of the total outstanding Creditors balance of R6.6 billion with R2.6 billion or 38.1 percent.
- Amongst the districts, the uMgungundlovu District had the largest portion of the total outstanding Creditors of R1.5 billion or 22.6 percent which was mainly due to Msunduzi Local Municipality contributing R1.2 billion to the total outstanding debt of the district total. The uThukela District reported the least Creditors of R44.8 million. However, the reported amount of R44.8 million for the uThukela District appears to be significantly understated due to the errors in the MFMA Section 71 report considering that as per the MFMA Section 41 reports from National Treasury, the iNkosi Langalibalele Local Municipality owes Eskom R59.7 million whilst the uThukela District Municipality owes the uMngeni Water Board R195.1 million.
- With the exception of the uMgungundlovu District with 65.2 percent, the eThekwini Metro with 63.2 percent and the iLembe District with 60.4 percent, all other districts reported less than 50 per cent of their outstanding Creditors' within the 0-30 Days category.
- The Ugu District Municipality reported negative R4.9 million while the Nongoma and uPhongolo Local Municipalities within the Zululand District reported negative R5.7 million and negative R4.2 million respectively under the 60-90 days category.
- The Ugu District reported the highest outstanding debt in the *Over 90 Days* category with R995.3 million which is due to the Ugu District Municipality reporting R994.7 million or 91.7 percent of its total Creditors in the *over 90 Days* category. A significant portion of the outstanding debt relates to the amounts owed to Umgeni Water and the eThekwini Metro. The municipality has made a payment arrangement to pay off these old outstanding debts with effect from November 2020.
- Creditors were not reported by the Mkhambathini Local Municipality for the first quarter while the iMpindle, Nkandla and Ndwedwe Local Municipalities reported negative Creditors balances at the end of the first quarter.
- It is recommended that municipalities pay all their outstanding debts within 0-30 Days of the receipt of invoices or statements as required by Section 65(2)(e) of the MFMA in order to avoid possible interest and penalties charges.

2.14 National Conditional Grants – Provincial Total (Summary)

Table 14: National Conditional Grants –Summary as at the end of Quarter 1 - 2020/21

R'000	DoRA 2020 Total Avail.	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual	
				Expenditure Nat. Dept.	% Spent of Allocation	Expenditure Munis.	% Spent of Allocation
Local Government Financial Management Grant	108 400	108 400	108 400	15 164	14.0	18 783	17.3
Infrastructure Skills Development Grant	35 827	35 827	21 000	5 340	14.9	15 998	44.7
Integrated City Development Grant	46 464	-	-	-	0.0	1 405	3.0
Neighbourhood Development Partnership (Schedule 5B)	96 700	96 700	64 209	13 556	14.0	32 362	33.5
Integrated Urban Development Grant	227 268	227 268	61 944	30 138	13.3	23 881	10.5
Municipal Systems Improvement Grant (Schedule 5B)	11 705	11 705	-	-	-	-	-
Municipal Disaster Grant	47 499	47 499	47 499	1 708	3.6	1 697	3.6
Public Transport Network Grant	659 256	659 256	195 910	94 003	14.3	185 305	28.1
Rural Road Assets Management Systems Grant	24 382	24 382	3 087	-	-	2 597	10.7
Expanded Public Works Programme Integrated Grant (Municipality)	222 436	222 436	55 626	92 450	41.6	98 973	44.5
Integrated National Electrification Programme (Municipal) Grant	254 484	254 484	87 290	13 947	5.5	(114 618)	(45.0)
Energy Efficiency and Demand Side Management (Municipal) Grant	19 800	19 800	5 100	-	-	1 951	9.9
Regional Bulk Infrastructure Grant (Schedule 5B)	180 572	180 572	49 764	24 318	13.5	28 425	15.7
Water Services Infrastructure Grant (Schedule 5B)	831 390	831 390	262 270	119 920	14.4	181 801	21.9
Municipal Emergency Housing Grant	47 493	28 483	28 483	-	-	-	-
Municipal Infrastructure Grant	3 195 369	3 195 369	1 513 249	692 948	21.7	799 370	25.0
Subtotal	6 009 045	5 943 571	2 503 831	1 103 492	18.4	1 277 930	21.3
Allocation In Kind							
Neighbourhood Development Partnership (Schedule 6B)	6 000	6 000	694	694	11.6	-	-
Municipal Systems Improvement Grant (Schedule 6B)	11 705	-	-	-	-	-	-
Integrated National Electrification Programme (Allocation in-kind) Grant	254 484	254 484	87 290	13 947	5.5	-	-
Regional Bulk Infrastructure Grant (Schedule 6B)	591	591	-	-	-	-	-
Subtotal	272 780	261 075	87 984	14 641	5.4	-	-
TOTAL	6 281 825	6 204 646	2 591 815	1 118 133	17.8	1 277 930	20.3

Source NT Igdatabase

- In terms of the Division of Revenue Act (DoRA) of 2020, direct allocations to all 54 KwaZulu-Natal municipalities amounted to R6 billion, while allocations in-kind amounted to R272.8 million resulting in a total allocation of R6.3 billion.
- The grant expenditure figures reported in Table 14 are based on submissions by the municipalities. Despite this, there are differences in the figures reflected as *Expenditure National Departments* and *Expenditure Municipalities*. The analysis below looks at the expenditure by municipalities' column.
- Of the direct allocations of R6 billion, R2.5 billion or 41.7 percent had been transferred to municipalities as at the end of quarter one.
- Municipalities have reflected spending of R1.3 billion or 21.3 percent against the total amount available as per the DoRA of R6 billion which was mainly due to the expenditure reported against the Municipality Infrastructure Grant (MIG) of R799.4 million.
- The MIG allocation of R3.2 billion is the largest grant allocation followed by the Water Services Infrastructure Grant (WSIG) of R831.4 million and the Public Transport Network Grant (PTNG) of R659.3 million.
- There was no transfer of funds for the Municipal Systems Improvement Grant. There was also no transfer for Integrated City Development Grant however, expenditure of R1.4 million was reported against the grant. There was a transfer of R28.5 million for the Municipal Emergency Housing Grant however, there is no related expenditure to date.
- Of the 16 direct allocations to municipalities, only five conditional grants reflected expenditure of 25 percent or more against the total available DoRA allocations for the 2020/21 financial year. The Infrastructure Skills Development Grant reflected the highest expenditure of 44.7 percent against the DoRA allocation of R35.8 million followed by the Expanded Public Works Programme Integrated Grant (Municipality) at 44.5 percent of the DoRA allocation of R222.4 million and the Neighbourhood Developments Partnership (Schedule 5B) at 33.5 percent of the DoRA allocation of R96.7 million.
- The remainder of the conditional grants expenditure were less than the 25 percent at the end of the first quarter. Negative R114.6 million or 45 percent was reported against the Integrated National Electrification Programme (Municipal) Grant (INEP) allocation of R254.5 million, possibly due to errors in the data strings uploaded to the National Treasury upload portal.

2.15 National Conditional Grants – District Total

Table 15(a): National Conditional Grants as at the end of Quarter 1 - 2020/21

R'000	Financial Management Grant			Municipal Infrastructure Grant			Integrated National Electrification Prog. (municipal) Grant		
	DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	1 000	-	-	-	-	-	-	-	-
Ugu	9 600	980	10.2	326 903	2 808	0.9	23 000	612	2.7
uMgungundlovu	16 100	3 255	20.2	405 702	1 087 543	268.1	20 000	990	5.0
uThukela	7 700	270	3.5	329 483	61 723	18.7	12 965	3	0.0
uMzinyathi	10 200	1 459	14.3	300 123	83 770	27.9	32 000	3 800	11.9
Amajuba	8 800	788	9.0	183 538	27 671	15.1	7 000	-	-
Zululand	13 100	3 743	28.6	369 366	31 705	8.6	44 000	(59 436)	(135.1)
uMkhanyakude	10 900	939	8.6	347 703	(10 548)	(3.0)	37 000	3 837	10.4
King Cetshwayo	13 000	2 904	22.3	289 464	(483 552)	(167.1)	33 159	(48 437)	(146.1)
iLembe	9 400	3 227	34.3	329 565	(64 777)	(19.7)	24 000	(15 987)	(66.6)
Harry Gwala	8 600	1 217	14.2	313 522	63 028	20.1	21 360	-	-
Total	108 400	18 783	17.3	3 195 369	799 370	25.0	254 484	(114 618)	(45.0)

Source NT Igdatabase

Figure 14: FMG Expenditure vs. Allocation as at 30 September 2020

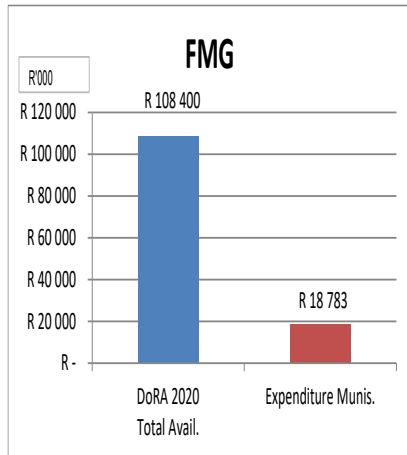


Figure 15: MIG Expenditure vs. allocation as at 30 September 2020

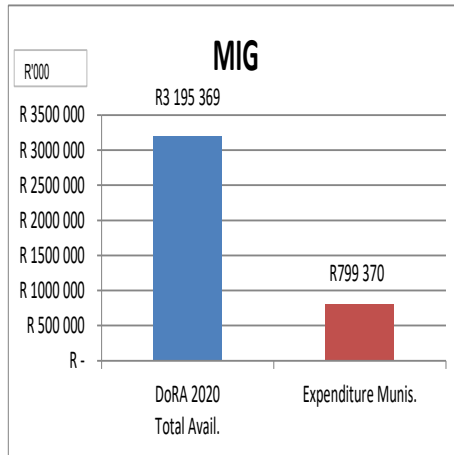
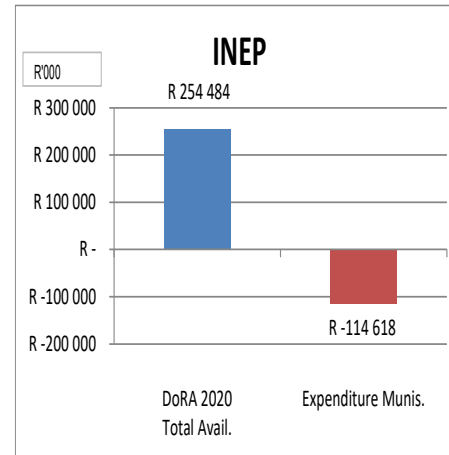


Figure 16: INEP Expenditure vs. allocation as at 30 September 2020



Financial Management Grant

- The collective Conditional grant expenditure for all districts for the Financial Management Grant (FMG) allocation was R18.8 million (17.3 percent) against the total available DoRA allocation of R108.4 million which is below the straight line projection of 25 percent at the end of the first quarter.

- The eThekweni Metro did not report expenditure against the FMG DoRA allocation of R1 million. The iLembe District reported the highest spending of 34.3 percent followed by the Zululand District with 28.6 percent and the King Cetshwayo District with 22.3 percent respectively.

- Most districts reported expenditure which is less than the benchmark of 25 percent. The uThukela District reported the least spending of 3.5 percent.

Municipal Infrastructure Grant

- The total Conditional grant expenditure by all the districts for the MIG allocation is 25 percent or R799.4 million against the total DoRA allocation of R3.2 billion which is within the straight line projection of 25 percent as at the end of the first quarter.

- The uMgungundlovu District reported the highest expenditure against the MIG allocation with 268.1 percent or R1.1 billion against the total grant allocation of R405.7 million which appears to be incorrect as the uMshwathi and Msunduzi Local Municipalities within the district reported expenditure of R679.4 million and R400.3 million against their grant allocations of R27.4 million and R196.1 million respectively.

- The MIG expenditure of R799.4 million appears to be understated as eight municipalities reported negative Capital expenditure for the period under review. The Nkandla and Mthonjaneni Local Municipalities within the King Cetshwayo District, the Big Five Hlabisa Local Municipality within the uMkhanyakude District, the eDumbe and Ulundi Local Municipalities within the Zululand District and the Mandeni Local Municipality within the iLembe District reported negative figures for Capital expenditure in their MFMA Section 71 reports whilst their MFMA Section 52(d) reports reflected positive figures. The uBuhlebezwe Local Municipality within the Harry Gwala District and the iMpendle Local Municipality within the uMgungundlovu District reflected negative figures for Capital expenditure in both their MFMA Section 71 MFMA Section 52(d) reports.

Integrated National Electrification Programme Grant

- Negative R114.6 million or negative 45 percent was reported against the INEP allocation of R254.5 million for the period under review which appears to be incorrect as the Nkandla and Mthonjaneni Local Municipalities within the King Cetshwayo District, the eDumbe Local Municipality within the Zululand District and the Mandeni Local Municipality within the iLembe District reported negative figures for Capital expenditure in their MFMA Section 71 reports whilst their MFMA Section 52(d) reports reflected positive figures.

- All the districts reported expenditure that is significantly below the benchmark of 25 percent at the end of the first quarter with the Amajuba and Harry Gwala Districts reporting no expenditure against their total allocations of R7 million and R21.4 million respectively.

2.15 National Conditional Grants – District Total / continued...

Table 15(b): National Conditional Grants as at the end of Quarter 1 - 2020/21

R000	Expanded Public Works Prog. (municipal) Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant		
	DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual		DoRA 2020 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	79 192	60 598	76.5	-	-	-	-	-	-
Ugu	12 396	3 156	25.5	-	-	-	50 000	-	-
uMgungundlovu	14 794	7 815	52.8	-	-	-	113 255	86 365	76.3
uThukela	13 535	1 853	13.7	39 399	-	-	90 000	4 868	5.4
uMzinyathi	13 768	4 782	34.7	4 738	1 892	39.9	78 235	13 052	16.7
Amajuba	6 833	471	6.9	-	-	-	85 000	18 152	21.4
Zululand	20 708	5 716	27.6	100 000	15 984	16.0	105 500	19 713	18.7
uMkhanyakude	14 629	4 471	30.6	-	-	-	84 400	764	0.9
King Cetshwayo	19 157	3 651	19.1	27 409	6 693	24.4	100 000	5 910	5.9
iLembe	11 640	2 787	23.9	-	-	-	65 000	18 835	29.0
Harry Gwala	15 784	3 673	23.3	9 026	3 856	42.7	60 000	14 143	23.6
Total	222 436	98 973	44.5	180 572	28 425	15.7	831 390	181 801	21.9

Source NT Igdatabase

Figure 17: EPWP Expenditure vs. allocation as at 30 September 2020

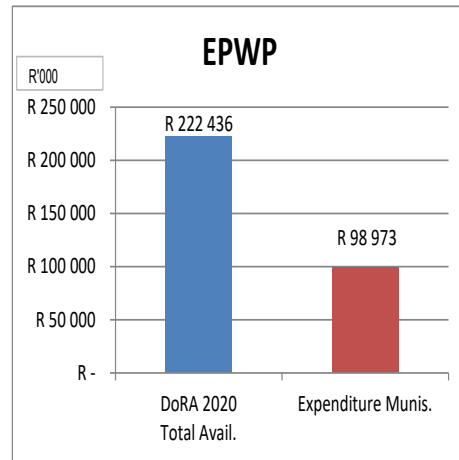


Figure 18: RBIG Expenditure vs. allocation as at 30 September 2020

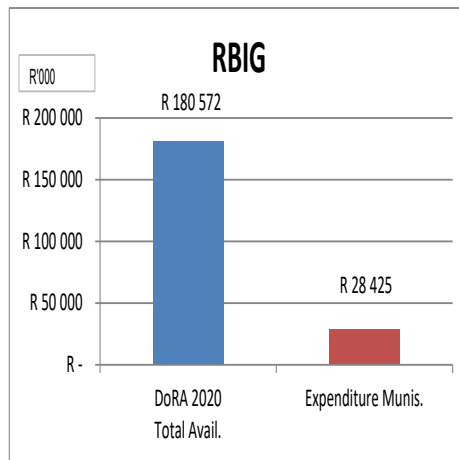
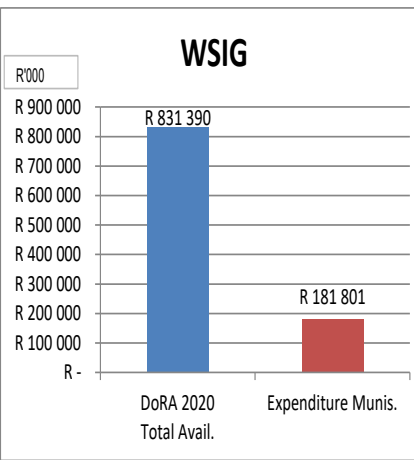


Figure 19: WSIG Expenditure vs. allocation as 30 September 2020



Expanded Public Works Programme

- All the districts, including the eThekweni Metro, except for the Amajuba, uThukela, King Cetshwayo, Harry Gwala and iLembe Districts reported expenditure that exceeded the straight line projection of 25 percent for quarter one.
- The highest expenditure was reported by the eThekweni Metro with R60.6 million or 76.5 percent against the total grant allocation of R79.2 million followed by the uMgungundlovu District with R7.8 million or 52.8 percent against the total grant allocation of R14.8 million.
- The lowest expenditure was reported by the Amajuba and uThukela Districts with R471 000 or 6.9 percent and R1.9 million or 13.7 percent against the total grant allocation of R6.8 million and R13.5 million respectively.

Regional Bulk Infrastructure Grant

- The expenditure reported on the Regional Bulk Infrastructure Grant (RBIG) for the province is R28.4 million or 15.7 percent against the total DoRA allocation of R180.6 million which is below the 25 percent straight line projection for quarter one.
- The Harry Gwala District reported the highest percentage spent of 42.7 percent or R3.9 million against the total grant allocation of R9 million.
- The uThukela District Municipality did not report any expenditure for the period under review against the total allocation of R39.4 million which is concerning as the district municipality has a history of under-spending on their conditional grant allocations. Low expenditure of R16 million or 16 percent was reported by the Zululand District against the grant allocation of R100 million.

Water Services Infrastructure Grant

- The expenditure reported on the Water Services Infrastructure Grant (WSIG) for the province was R181.8 million or 21.9 percent against the total DoRA allocation of R831.4 million which is lower than the expected straight line projection of 25 percent for quarter one.
- The Ugu District Municipality did not report any expenditure for the period under review against the total allocation of R50 million. The uMkhanyakude, uThukela and King Cetshwayo Districts reported significantly low expenditure of R764 000 or 0.9 percent, R4.9 million or 5.4 percent and R5.9 million or 5.9 percent respectively against their total grant allocations.
- The highest expenditure was reported by the uMgungundlovu District with R86.4 million or 76.3 percent against the total grant allocation of R113.3 million which appears to be incorrect as the Msunduzi Local Municipality within the district reported expenditure of R79.4 million which exceeds its total grant allocation of R33.3 million.

2.16 Non-Compliance with the DoRA and MFMA Reporting Requirements /continued...

Table 16(a): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period July to September 2020. (As at 09 November 2020)

Budget and IDP Timetables for the 2021/22 Budget process	Municipalities that did not publish the majority of documents on their website as required by Section 75 of the MFMA	Local Municipalities with less than 5 Interns for the quarter ended 30 September 2020	District Municipalities with less than 3 Interns for the quarter ended 30 September 2020
Nquthu	uMdoni	uMzumbe	uThukela DM
Dannhauser	Ray Nkonyeni	uMshwathi	Amajuba DM
AbaQulusi	Mpofana	uMngeni	
Zululand DM	Richmond	Dannhauser	
uMfolozi	uMgungundlovu DM	uPhongolo	
Ndwedwe	Nquthu	uMhlabayalingana	
uMkhanyakude DM	Dannhauser	Mtubatuba	
Ugu DM	eDumbe	uMfolozi	
uMngeni	Nongoma	uMalazi	
uMgungundlovu DM	uMkhanyakude DM	Mthonjaneni	
	uMfolozi	Dr. Nkosazana Dlamini Zuma	
	Nkandla		
	uBuhlebezwe		

¹List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

- Non-compliance with the DoRA and MFMA reporting requirements is issued bi-annually through the Provincial Treasury Circular by the office of the MEC for Finance to Mayors of all delegated KwaZulu-Natal municipalities. The issuance of the non-compliance circular is over and above the weekly schedules sent by Provincial Treasury to the municipalities regarding their outstanding MFMA reports and returns.
- Despite these efforts, Tables 16(a) and 16(b) show the municipalities that did not fully comply with all the reporting requirements according to the National Treasury report reflecting the outstanding MFMA returns and reports as at 09 November 2020.
- Section 21(1)(b) of the MFMA requires the Mayor of a municipality to table in council a Time schedule outlining key deadlines by 31 August of each financial year. Table 16(a) shows that 10 municipalities did not table their Budget and IDP Timetables in their Council by 31 August 2020.
- Section 75 of the MFMA requires the municipalities to place certain documents on their municipal websites. It was noted as at 09 November 2020, 13 municipalities had still not placed the majority of the required documents on their municipal websites.
- One of the conditions of the Financial Management Grant (FMG) requires that each municipality must appoint a minimum of five interns for a local municipality and three interns for a district municipality over a multi-year period. It was noted that as at 30 September 2020, 11 local municipalities had not appointed the required minimum number of five interns. It was further noted that the uThukela and Amajuba District Municipalities had not appointed the required minimum number of three interns.

2.16 Non-Compliance with the DoRA and MFMA Reporting Requirements

Table 16(b): List of municipalities that did not comply with ALL MFMA and DoRA Reporting Requirements for the period July to September 2020. (As at 09 November 2020)

Verification of MFMA Section 71 figures	Signed Off Q1 Conditional Grants	Signed Off Q1 Borrowing Monitoring	Signed Off Q1 Investments Monitoring
uMngeni	uMngeni	Ray Nkonyeni	Ray Nkonyeni
eMadlangeni	eMadlangeni	uMngeni	Richmond
Dannhauser	Dannhauser	Richmond	uMsinga
uPhongolo	uPhongolo	eMadlangeni	eMadlangeni
		Dannhauser	Dannhauser
		Amajuba DM	Amajuba DM
			Nongoma
			Zululand DM

¹List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

- At the end of every quarter, municipalities are required by National Treasury to scrutinise, verify and sign off the verification schedules relating to information on their MFMA Section 71 Reports to ensure that the figures to be published by National Treasury are reliable.
- At the end of the first quarter, the municipalities listed in Table 16(b) reflect the non-submission of quarterly reports which were expected to be verified and signed by the municipalities. The non-submitted reports and returns include MFMA Section 71 figures by four (4) municipalities, Conditional Grants by four (4) municipalities, Borrowing Monitoring by six (6) municipalities, and Investment Monitoring by eight (8) municipalities.

2.17 Implementation of the Municipal Regulations on Standard Chart of Accounts (mSCOA)

Implementation of the Municipal Regulations on Standard Chart of Accounts (mSCOA)

The Minister of Finance promulgated Government Gazette No. 37577, Municipal Regulations on Standard Chart of Accounts (mSCOA), on 22 April 2014. All municipalities and related municipal entities were required to transact in compliance with the mSCOA Regulations from 01 July 2017.

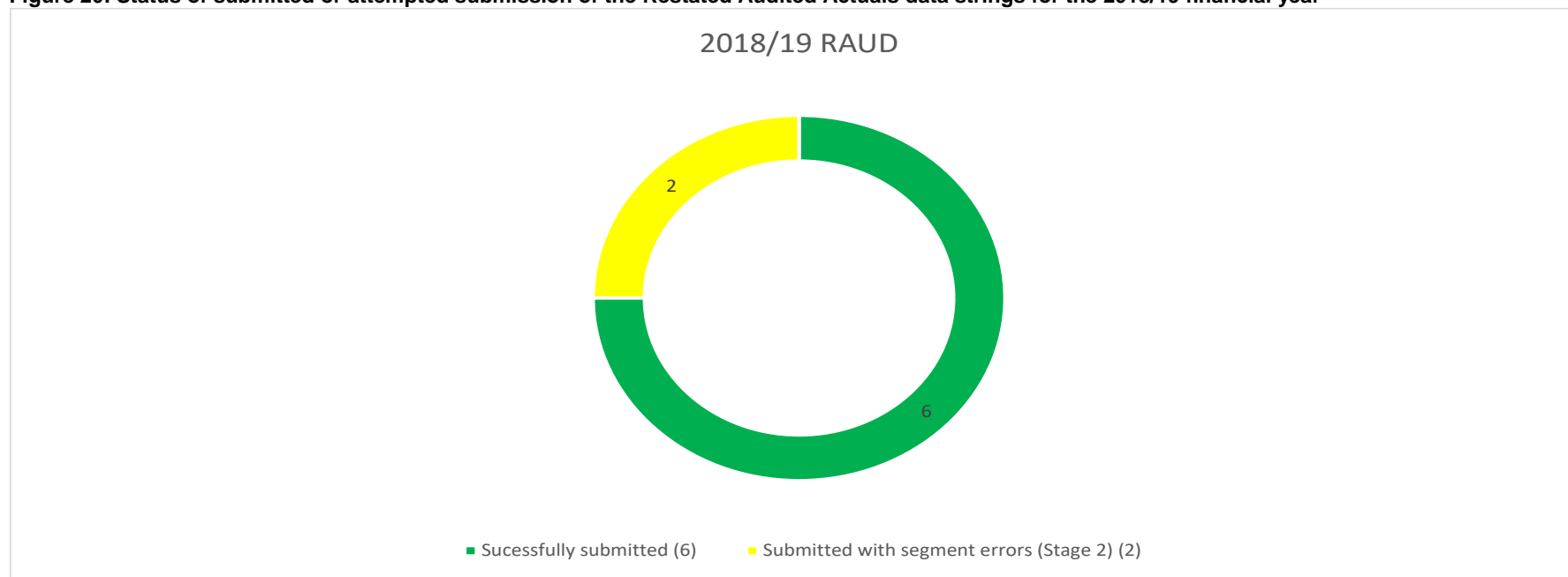
Provincial Treasury continued with the implementation of mSCOA in the province during the first quarter of the municipal financial year by means of providing support and engagements with municipalities and municipal entities. Engagements were conducted through means of online platforms due to the COVID-19 pandemic. Onsite engagements will resume when it is safe to do so.

Submission of the Re-stated Audit Actuals data strings for the 2018/19 financial year

In terms of Section 74(1) of the MFMA, Provincial Treasury may request information from municipalities from time to time to enable Provincial Treasury to monitor compliance with the MFMA and provide oversight and monitoring to fulfil the mandate in terms of Section 5(4) of the MFMA. Such information can include returns, documents, explanations and motivations as may be prescribed or as may be required.

In light of the above, municipalities were required to submit the Restated Actuals data strings (RAUD) for the financial year ended 30 June 2019 to the LG Database. As at 30 October 2020, eight (8) municipalities had uploaded the RAUD to the database which represents only 14.8 percent of municipalities within the province. The RAUD data strings are required to be submitted to the LG Database 10 days after submission of the Annual Financial Statements for the 2019/20 financial year to the Auditor-General of South Africa. With respect to the current financial year, the due date was 13 November 2020. Municipalities that have submitted the required information are included in Table 17 and are presented in Figure 20.

Figure 20: Status of submitted or attempted submission of the Restated Audited Actuals data strings for the 2018/19 financial year



Source: National Treasury LG Database

Table 17: Municipalities that have submitted the RAUD for the 2018/19 financial year

No.	Name of Municipality	No.	Name of Municipality	No.	Name of Municipality
1	Amajuba DM	4	Mpofana	7	uMzimbhulu (Segment errors)
2	Harry Gwala DM	5	Nquthu (Segment errors)	8	Zululand DM
3	King Cetshwayo DM	6	Ray Nkonyeni		

Source: National Treasury LG Database

Submission of the Pre-Audited Actuals data strings for the 2019/20 financial year

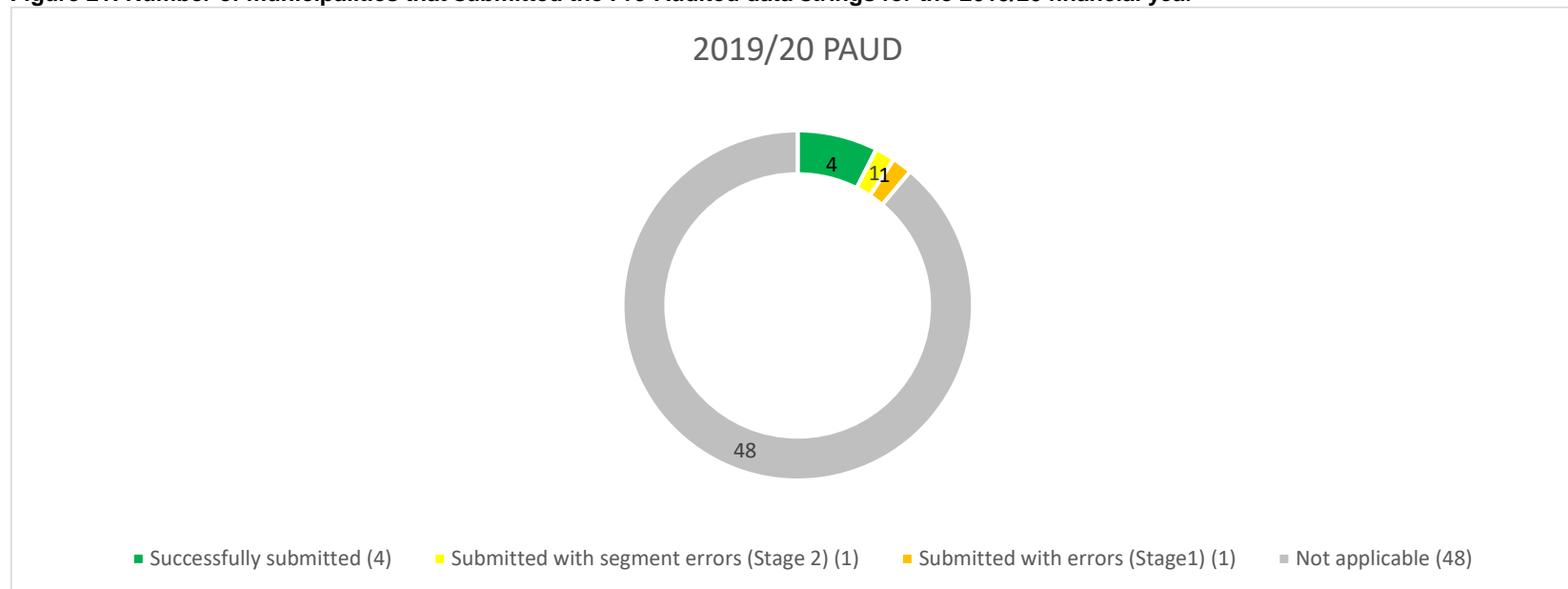
National Treasury issued Government Gazette 43582 as a result of the COVID-19 pandemic which indicates:

- (1) Subject to the condition in paragraph 2, municipalities and municipal entities are exempted, for the 2019/2020 financial year, from complying with the deadlines in sections 126(1) and (2), 127(1) and (2), 129(1) and 133(2) of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003).
- (2) Municipalities and municipal entities must comply with a provision referred to paragraph 1 within two months after the deadline in the applicable provision.

As per the gazette, the Pre-Audit Actuals data strings for the 2019/20 financial year must be submitted by 31 October 2020.

In terms of Section 74(1) of the MFMA, municipalities are required to submit the Pre-Audited Annual Financial Statement data strings (PAUD) to the LG Database 10 days after submission of the Annual Financial Statements to the Auditor-General. As at 30 October 2020, there are six (6) municipalities that had uploaded or attempted to upload the pre-audited data string (PAUD) to the database for the 2019/20 financial year end. Due to the extended deadline, the remainder of the submissions are not yet due and are indicated as not applicable in Figure 21.

Figure 21: Number of municipalities that submitted the Pre-Audited data strings for the 2019/20 financial year



Source: National Treasury LG Database

Table 18 indicates the municipalities that submitted or attempted to submit the PAUD for the 2019/20 financial year.

Table 18. List of municipalities submitted or attempted to submit the 2019/20 PAUD

No.	Name of Municipality	Type of Error	No.	Name of Municipality	Type of Error
1	Alfred Duma	Stage 2 - Segment errors	4	uMsinga	No errors
2	Harry Gwala DM	No Errors	5	Ray Nkonyeni	No errors
3	uMfolozi	Stage 1 - Submitted with errors	6	uMuziwabantu	No errors

Source: National Treasury LG Database

Special Adjustments Budget for the financial year 2019/20

On 15 March 2020, the President declared a National Disaster in terms of the Disaster Management Act due to the severity and magnitude of the global COVID-19 pandemic. Communication as issued by National Treasury dated 13 May 2020 indicated the following:

“...Municipalities must make reference to the Annexure to MFMA Circular No. 99 on the approval of the 2019/20 special adjustments budget. The adjustments budget must be tabled by 15 June 2020. This is the date that it was envisaged that the national state of disaster will end in terms of the Disaster Management Act (subject to change). Municipalities should therefore plan the date when the municipal council will pass the adjustments budget carefully to ensure that all related expenditure is authorised in this one special adjustments budget. The date as indicated in the Annexure to MFMA Circular No. 99 stands and will not be amended for any municipality. NB: Municipalities must consider adoption of the 2020/21 MTREF by 31 May 2020 and the 2019/20 Special Adjustments Budget by the latest 15 June 2020.”

In light of the above, all municipalities were required to submit their Special Adjustment Budget for the 2019/20 financial year to address any expenditure (capital or operational) that may have been incurred outside of the allowed prescripts to address measures taken at a community level to curb and prevent the spread of COVID-19. Table 19 shows the status of submission of the Special Adjustment Budget data strings.

Table 19: Status of submission of Special Adjustments Budget data strings

No	Name of Municipality	Date of Submission	No	Name of Municipality	Date of Submission	No	Name of Municipality	Date of Submission
1	AbaQulusi	26-Jun-20	19	Mandeni	24-Jun-20	37	Ugu DM	
2	Alfred Duma	12-Jun-20	20	Maphumulo	10-Jun-20	38	uLundi	08-Jun-20
3	Amajuba DM		21	Msunduzi		39	uMdoni	08-Jun-20
4	Dannhauser		22	uMfobozi*	03-Jul-20	40	uMgungundlovu DM	
5	Dr. Nkosazana Dlamini Zuma	09-Jun-20	23	Mkhambathini		41	uMhlabayalingana	22-Jun-20
6	eDumbe*	24-Jul-20	24	Mpofoana		42	uMhlathuze	30-Jun-20
7	eMadlangeni	22-Jun-20	25	uMsinga	27-Jun-20	43	uMkhanyakude DM	30-Jun-20
8	eNdumeni	22-Jun-20	26	Mthonjaneni	22-Jun-20	44	uMlalazi	24-Jun-20
9	eThekwini*	27-Jul-20	27	Mtubatuba	25-Jun-20	45	uMngeni	10-Jun-20
10	Greater Kokstad	08-Jun-20	28	Ndwedwe	19-Jun-20	46	uMshwathi	
11	Harry Gwala	30-Jun-20	29	Newcastle	19-Jun-20	47	uMuziwabantu	01-Jun-20
12	Big Five Hlabisa	08-Jun-20	30	Nkandla	22-Jun-20	48	uMvoti*	14-Jul-20
13	iLembe DM	03-Jun-20	31	Nongoma	19-Jun-20	49	uMzimkhulu	11-Jun-20
14	iMpindle	17-Jun-20	32	Nquthu	19-Jun-20	50	uMzinyathi DM	26-Jun-20
15	iNkosi Langalibalele	19-Jun-20	33	Okhahlamba	01-Jun-20	51	uMzumbe	25-May-20
16	Jozini	30-Jun-20	34	Ray Nkonyeni*	01-Jul-20	52	uPhongolo	
17	King Cetshwayo DM	17-Jun-20	35	Richmond		53	uThukela DM	18-Jun-20
18	KwaDukuza	05-Jun-20	36	uBuhlebezwe	19-Jun-20	54	Zululand DM*	02-Jul-20

Source: National Treasury LG Database

* Municipality submitted data string late even though Council approved the Special Adjustments Budget

There was no submission made other than the February Adjustments Budget

The municipality attempted to re-submit however the data string did not pass the Stage 1 - validation

Municipalities did not submit any Adjustments Budget or submitted with errors any Adjustments Budget (i.e. the main Adjustment Budget of February or a Special Adjustment Budget) data string

The Msunduzi Local Municipality submitted a data string for the February 2020 Adjustments Budget with an error and the uPhongolo Local Municipality did not submit the Special Adjustments Budget data string.

The Special Adjustments Budget data strings were analysed as part of the In-Year Reporting and feedback to municipalities were provided as part of the MFMA Section 71 reporting for the 2019/20 financial year. Furthermore, the municipalities were required to re-submit the Project Details Adjustment Budget (PRAD) that represents the projects within the Integrated Development Plan (IDP). Table 20 shows the municipalities that have submitted or attempted to submit their 2019/20 PRAD and Table 21 shows the municipalities that did not comply with either the re-submission or the initial submission of the PRAD.

Table 20: List of municipalities that have re-submitted or attempted to submit the 2019/20 PRAD

No	Name of Municipality	Date of Submission	No	Name of Municipality	Date of Submission	No	Name of Municipality	Date of Submission
1	AbaQulusi	26-Jun-20	14	Mthonjaneni	22-Jun-20	27	uMgungundlovu DM	28-Aug-20
2	eDumbe	24-Jul-20	15	Mtubatuba	02-Jul-20	28	uMhlabuyalingana	22-Jun-20
3	eThekwini	27-Jul-20	16	Ndwedwe	28-Aug-20	29	uMhlatuze	03-Jul-20
4	Harry Gwala DM	30-Jun-20	17	Newcastle	19-Jun-20	30	uMkhanyakude DM	13-Aug-20
5	Big Five Hlabisa	04-Jun-20	18	Nkandla	22-Jun-20	31	uMlalazi	24-Jun-20
6	iNkosi Langalibalele	28-Aug-20	19	Nongoma	19-Jun-20	32	uMuziwabantu	18-Jun-20
7	Jozini	30-Jun-20	20	Nquthu	Submitted with Stage 1 errors	33	uMvoti	31-Aug-20
8	King Cetshwayo DM	17-Jun-20	21	Okhahlamba	01-Jun-20	34	uMzinyathi DM	26-Jun-20
9	Mandeni	25-Aug-20	22	Ray Nkonyeni	11-Aug-20	35	uMzambe	03-Jun-20
10	Maphumulo	17-Jul-20	23	uBuhlebezwe	28-Aug-20	36	uThukela DM	03-Aug-20
11	uMfolozi	17-Aug-20	24	Ugu DM	24-Jul-20	37	Zululand DM	02-Jul-20
12	Mkhambathini	04-Jun-20	25	Ulundi	22-May-20			
13	uMsinga	27-Jun-20	26	uMdoni	01-Jul-20			

Source: National Treasury LG Database

Table 21: List of Municipalities that did not re-submit or did not successfully submit the 2019/20 PRAD

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	Alfred Duma	Did not re-submit	10	iMpindle	Did not re-submit
2	Amajuba DM	Did not re-submit	11	Mpofana	Did not re-submit
3	Dannhauser	Submitted with errors	12	Msunduzi	Outstanding
4	Dr. Nkozasana Dlamini Zuma	Did not re-submit	13	Richmond	Did not re-submit
5	eNdumeni	Outstanding	14	uMngeni	Did not re-submit
6	eMadlangeni	Did not re-submit	15	uMshwathi	Did not re-submit
7	Greater Kokstad	Did not re-submit	16	uMzimkhulu	Did not re-submit
8	KwaDukuza	Submitted with errors	17	uPhongolo	Outstanding
9	iLembe DM	Did not re-submit			

Source: National Treasury LG Database

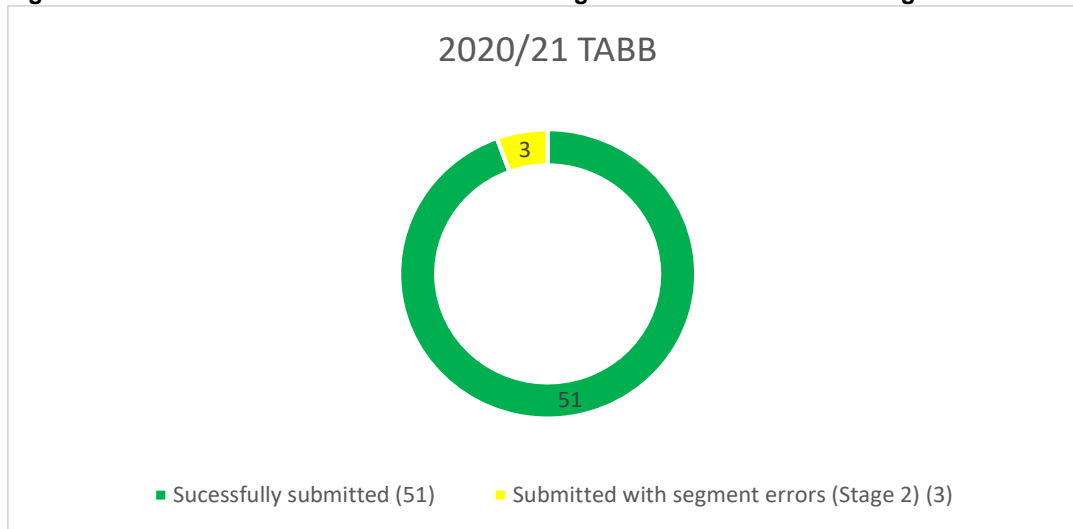
Tabled Budget for the 2020/21 financial year

In terms of the Annexure to the MFMA Budget Circular No. 99:

“Municipalities and municipal entities will be exempted from the timeline provisions in the MFMA, until such time that the national state of disaster declaration is lifted by the Minister of Cooperative Governance and Traditional Affairs. The exemption is conditional in that “any action that was required to be taken in terms of the MFMA must be taken within 30 days after the national state of disaster lapsed or is terminated”. This exemption should therefore enable municipalities and municipal entities to undertake their financial management responsibilities including their budget preparation processes in a manner taking cognisance of the challenges experienced as a result of the announcement of the national state of disaster and the nationwide lockdown. It also provides for a special adjustments budget to address any expenditure relating to COVID-19 for the current municipal financial year ending 30 June 2020”

It was noted that the 54 municipalities successfully submitted the Tabled Budget. Three municipalities submitted their Tabled Budget data strings with segment errors as denoted in Figure 22.

Figure 22: Status of Submissions of the data string for the 2020/21 Tabled Budget

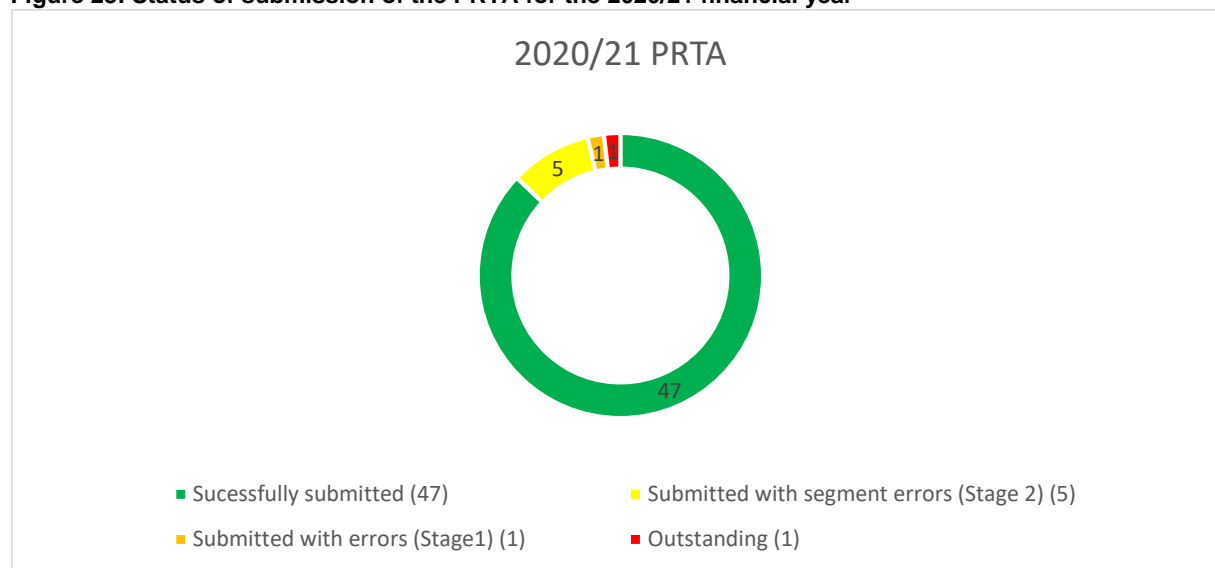


Source: National Treasury LG Database

The Alfred Duma, KwaDukuza and uMdoni Local Municipalities’ data strings contained segment errors.

As part of the submission of the Tabled Budget (TABB), municipalities are also required to submit the Project Details for the Tabled Budget (PRTA) which represents the projects within IDP file. Figure 23 shows the submission status for the PRTA.

Figure 23: Status of submission of the PRTA for the 2020/21 financial year



Source: National Treasury LG Database

Table 22 below lists of municipalities whose PRTA submissions contained errors or were outstanding.

Table 22: Municipalities that submitted data strings with errors or outstanding for the 2020/21 PRTA

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	eNdumeni	Stage 2: Segment errors	5	Richmond	Stage 1: Submitted with errors
2	eThekweni Metro	Stage 2: Segment errors	6	uMdoni	Stage 2: Segment errors
3	KwaDukuza	Outstanding	7	uMngeni	Stage 2: Segment errors
4	Nquthu	Stage 2: Segment errors			

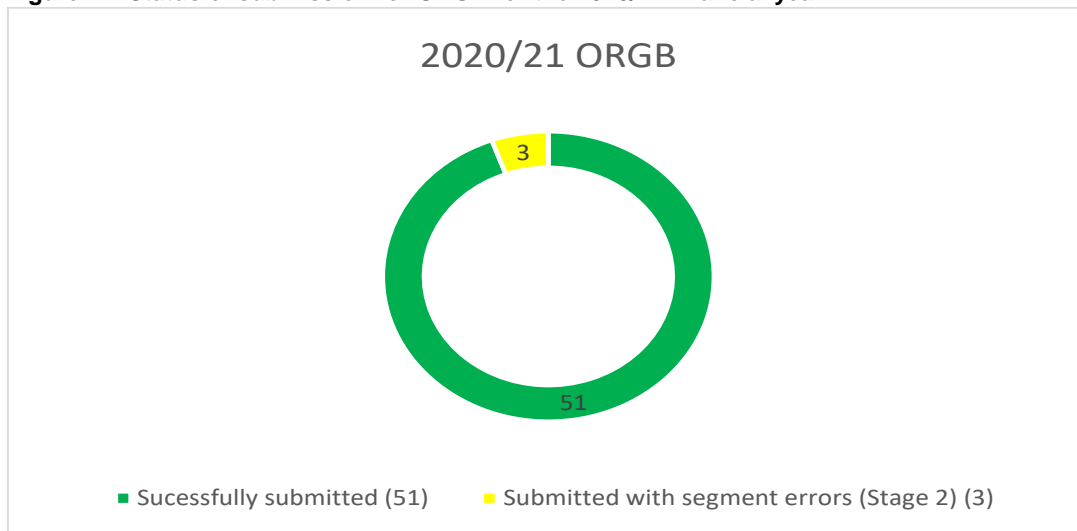
Source: National Treasury LG Database

Adopted Budget for the 2020/21 financial year

As per the guidance issued by National Treasury, municipalities were required to adopt the 2020/21 Medium Term Revenue and Expenditure Framework (MTREF) Budget before the start of the financial year.

Figure 24 reflects the status of the municipalities that submitted the 2020/21 Adopted Budget mSCOA data strings (ORGB) as at 30 September 2020. KwaZulu-Natal achieved a 100 percent submission rate and there were only three municipalities whose data strings contained Stage 2 segment errors.

Figure 24: Status of submission for ORGB for the 2020/21 financial year

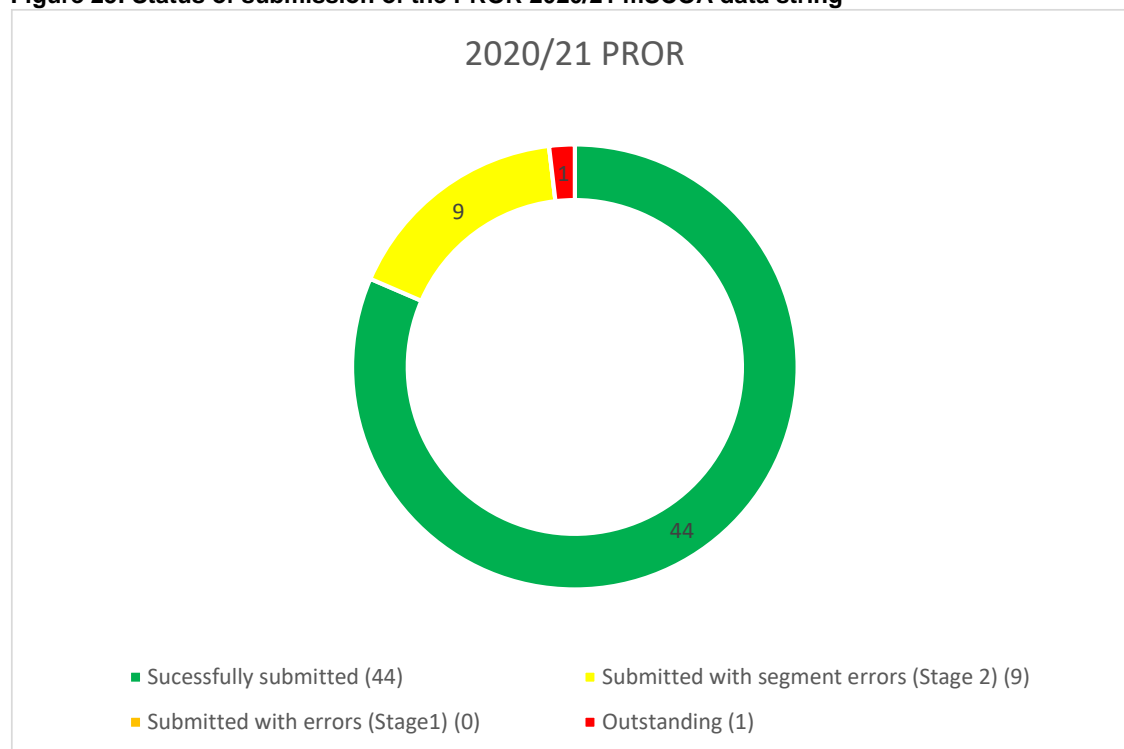


Source: National Treasury LG Database

The Alfred Duma and Newcastle Local Municipalities as well as the uThukela District Municipality submitted data strings with Stage 2: Segment errors for the ORGB.

In addition to the submission of the 2020/21 ORGB, municipalities were required to submit the Project Details for the Adopted Budget (PROR) that represents the IDP file. Figure 25 indicates the status of the submission of the PROR for the 2020/21 financial year.

Figure 25: Status of submission of the PROR 2020/21 mSCOA data string



Source: National Treasury LG Database

Table 23 shows municipalities whose PROR submissions contained errors or were outstanding.

Table 23: Municipalities whose 2020/21 PROR submission were outstanding or contained errors

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	Amajuba DM	Stage 2: Segment errors	6	Nquthu	Stage 2: Segment errors
2	Dr. Nkosazana Dlamini Zuma	Stage 2: Segment errors	7	Ray Nkonyeni	Stage 2: Segment errors
3	eThekweni Metro	Stage 2: Segment errors	8	uMdoni	Stage 2: Segment errors
4	KwaDukuza	Outstanding	9	uMngeni	Stage 2: Segment errors
5	Newcastle	Stage 2: Segment errors	10	uThukela DM	Stage 2: Segment errors

Source: National Treasury LG Database

Analysis of the use of segments for the Adopted Budget for the 2020/21 financial year

In addition to the 16 validations of the LG database, Provincial Treasury reviewed each segment used in line with the Project summary document and Generally Recognised Accounting Principles (GRAP) principles. The following were noted for each segment, where applicable, and feedback was provided to each municipality:

- The Region segment was not used appropriately. Revenue was not regionalised per ward. Majority of municipalities allocated the Region segment to either “Head office/Administration” or “Whole of Municipality”.
- There were a few municipalities that were still able to select other provinces which is an issue at a municipal level as the parameters have not been set correctly.
- Except for the Alfred Duma and KwaDukuza Local Municipalities, costing was not implemented for services such as electricity, water, wastewater and waste management services.
- The Function segment continues to be a challenge as the distinction between core and non-core is not aligned to the mandate of the municipality nor is it aligned to MFMA Circular No. 74 where additional guidance was provided to municipalities.
- The following were noted with regards to the Funding segment –
 - Funding sources are not in balance;
 - The Funding sources change in the middle of the business cycle/process which is against the guidelines of the Project summary document. The Funding source is not consistent from the beginning to the end of the business process;
 - Funding sources do not match the item revenue source;
 - Conditional grant accounting is not correctly applied in terms of GRAP 23 requirements; and
 - Opening balances are inconsistently treated between funded and non-funded.
- The following were noted with regards to the Item segment –
 - Opening balances are not contained within the data string or alternatively, are not in balance, that is, the sum of assets less liabilities do not equate to the opening balance in net assets (Financial position);
 - The accrual basis of accounting has not been applied. There are some municipalities that have not included all liabilities and Value-Added Taxation (VAT) which indicates that the budget and transactional environment would not align for reporting purposes;
 - The matching principle has not been applied, for example, the Accumulated depreciation charged to item non-current assets does not agree to the Depreciation charged to item expenditure, both in terms of amount and category used;
 - GRAP 12 (Inventory) has not been applied correctly for Water inventory as well as normal inventory. Some municipalities have incorrectly expensed all inventory items;
 - Conditional grant accounting has not been appropriately applied in terms of GRAP 23; and
 - GRAP 6 (Consolidations) has not been applied correctly for municipalities with municipal entities in that the elimination of intercompany transactions have not been performed.

- Segment validations are either being circumvented or alternatively, have not been built into the system. Data strings are still being submitted with Stage 1 (File format) and Stage 2 (Segment errors) validation errors that are referred back to municipalities.
- There are mapping issues that still require to be addressed at a National level to ensure standardisation across the reporting process which is applicable to Tables A9, A7, SA18, SA 19 and SA20 of the Schedule A.
- The following were noted with regards to the Project Segment –
 - The Project segment validations have changed which has not been consistently applied across all mSCOA vendors. The change has been raised with National Treasury however, the problems experienced by different vendors on how transactions should be treated are not the same.
 - There are still Project operational: Typical work streams such as Travel and subsistence, Capacity building and Disaster management projects that are incorrectly linked to Project operational: Municipal Running costs.
 - Municipalities are not recording the Cost of free basic services and Revenue of free basic services appropriately.
 - Lastly, municipalities have not correctly accounted for the projects within the individual project name in terms of the guidance of both Circular 9 of the mSCOA regulations and MFMA Circular No. 99. It therefore appears that some municipalities do not have any COVID-19 related expenditure or projects.

If the data strings contain errors, such errors may only be corrected in the main Adjustment Budget in February as per Section 28(f) of the MFMA together with Regulation 23(1) of the Municipal Budget and Reporting Regulations (MBRR).

Special Adjustment Budget 2020/21 (Rollover and Reprioritisation COVID-19 pandemic)

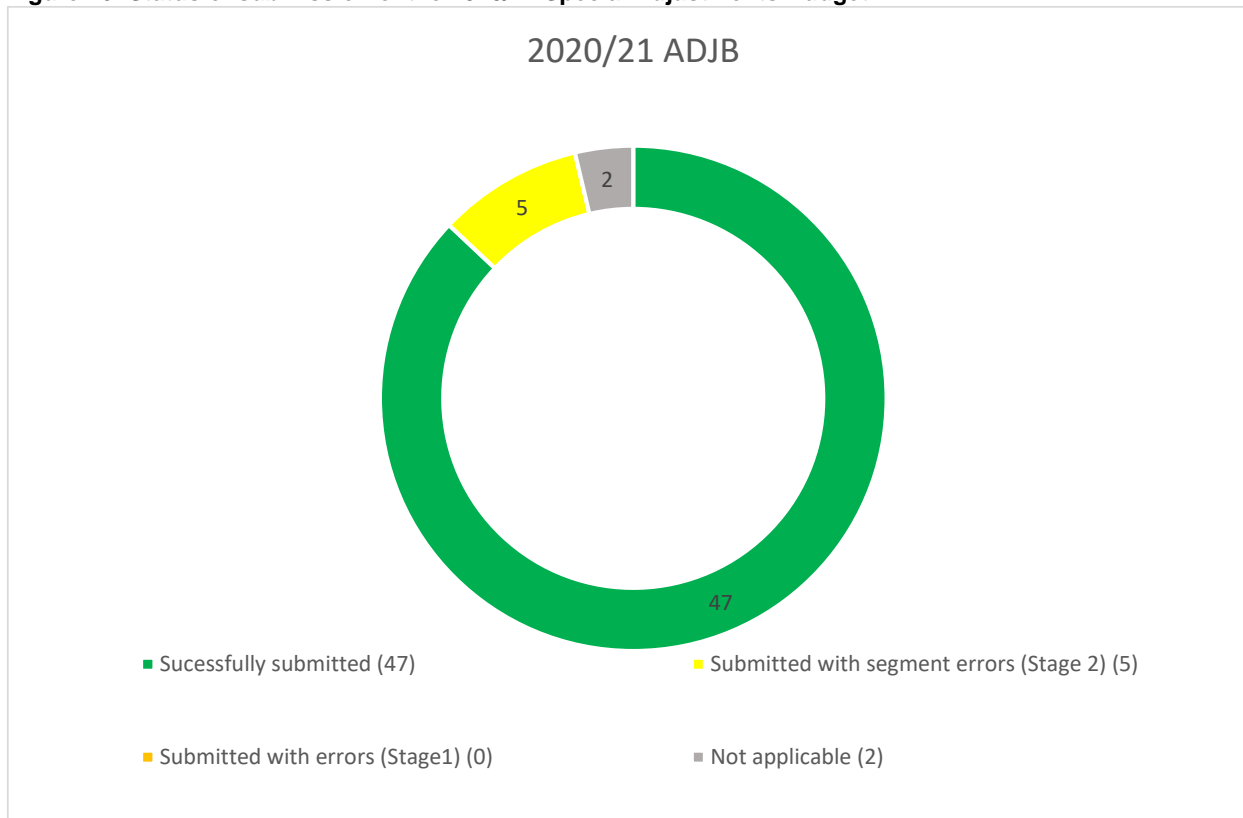
The 2020 National Supplementary Budget was delivered by the Minister of Finance in Parliament on the 24 June 2020 which responds to the COVID-19 pandemic and its impact on the economy. The Supplementary Budget includes the R20 billion allocation for local government announced by the President to assist in funding COVID-19 expenditure and consists of R11 billion added to the local government Equitable share and just over R9 billion that was repurposed for the provision of water and sanitation and for sanitising public transport facilities within existing grant allocations to local government. In terms of Section 28(2)(b) of the MFMA and Section 23(3) of the MBRR, municipalities were required to adjust their 2020/21 MTREF Budgets to account for the revised funding allocations that were made available.

National Treasury required municipalities to use the Adjustments Budget to reprioritise the 2020/21 budget to respond to the impact of the COVID-19 pandemic on the budget as better quality information would have been available to inform the budget assumptions given that five months lapsed since the lockdown. National Treasury further stated that municipalities that have adopted unfunded budgets for the 2020/21 financial year should correct their budgets through the Special Adjustments Budget process to ensure that the Adjustments Budgets are funded. The 2020/21 Adjustments Budget was to be adopted by Council by no later than 30 September 2020.

National Treasury further stated that the Special Adjustments Budget data strings for the 2020/21 financial year be submitted in the format of mSCOA data strings uploaded to the LG Upload Portal within 10 working days after the Adjustments Budget being adopted by Council. National Treasury further indicated that the funding and expenditure that pertain to COVID-19 be recorded and ring fenced as per the guidance provided in the mSCOA Circular No. 9 that was issued on 09 June 2020.

Figure 26 reflects the status of municipalities that submitted their Special Adjustment Budget data strings and Table 24 shows municipalities that have submitted their Special Adjustments Budget and the date that the data strings were uploaded to the LG Upload Portal.

Figure 26: Status of submission of the 2020/21 Special Adjustments Budget



Source: National Treasury LG Database

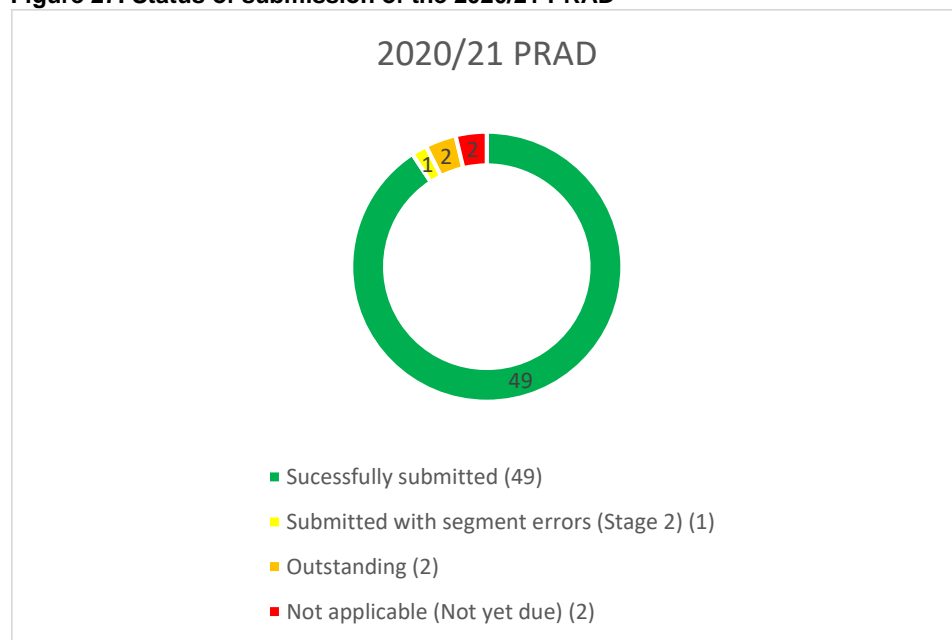
Table 24: Municipalities status of the submission of the 2020/21 Special Adjustments Budget data strings

No	Name of Municipality	Date of submission	No	Name of Municipality	Date of submission	No	Name of Municipality	Date of submission
1	AbaQulusi	21 September 2020	19	Mandeni	01 October 2020	37	Ugu DM	29 September 2020
2	Alfred Duma	28 September 2020	20	Maphumulo	30 September 2020	38	Ulundi	17 September 2020
3	Amajuba DM	16 October 2020	21	uMfolozi	25 September 2020	39	uMdoni	15 September 2020
4	Dannhauser	02 October 2020	22	Mkhambathini	02 October 2020	40	uMgungundlovu DM	30 September 2020
5	Dr. Nkosazana Dlamini Zuma	21 September 2020	23	Mpofana	28 September 2020	41	uMhlabuyalingana	02 October 2020
6	eDumbe	25 September 2020	24	uMsinga	30 September 2020	42	uMhlatuze	27 October 2020
7	eMadlangeni	Not applicable	25	Msunduzi	22 September 2020	43	uMkhanyakude DM	29 September 2020
8	Endumeni	05 October 2020	26	Mthonjaneni	07 October 2020	44	uMlalazi	28 September 2020
9	eThekwini Metro	12 November 2020	27	Mtubatuba	11 September 2020	45	uMngeni	23 September 2020
10	Greater Kokstad	29 September 2020	28	Ndwedwe	01 October 2020	46	uMshwathi	08 October 2020
11	Harry Gwala DM	23 September 2020	29	Newcastle	02 October 2020	47	uMuziwabantu	30 September 2020
12	Big Five Hlabisa	01 October 2020	30	Nkandla	17 September 2020	48	uMvoti	Not applicable
13	iLembe DM	30 September 2020	31	Nongoma	02 October 2020	49	uMzimkhulu	01 October 2020
14	iMpendle	30 September 2020	32	Nquthu	06 October 2020	50	uMzinyathi DM	30 September 2020
15	iNkosi Langalibalele	30 September 2020	33	Okhahlamba	30 September 2020	51	uMzumbhe	05 October 2020
16	Jozini	01 October 2020	34	Ray Nkonyeni	15 September 2020	52	uPhongolo	06 October 2020
17	King Cetshwayo DM	30 September 2020	35	Richmond	23 September 2020	53	uThukela DM	28 September 2020
18	KwaDukuza	28 September 2020	36	uBuhlebezwe	01 October 2020	54	Zululand DM	18 September 2020

Source: National Treasury LG Database

Municipalities were also required to submit the Project Details for the Adjustment Budget (PRAD) which represents the IDP file. Figure 27 below indicates the status of the submission of the PRAD for the 2020/21 financial year. The uMvoti Local Municipality did not table a 2020/21 Special Adjustments Budget as the municipality had indicated their revised funding allocations in their 2020/21 Approved Budget in June 2020 whilst the eMadlangeni Local Municipality has not been able to convene a Council meeting to table and approve their 2020/21 Special Adjustments Budget due to governance and community and political unrest matters.

Figure 27: Status of submission of the 2020/21 PRAD



Source: National Treasury LG Database

Table 25 below reflects municipalities whose 2020/21 PRAD contained errors. A PRAD only requires submission after the submission of the Adjustments Budget (ADJB) data string therefore the uMvoti and eMadlangeni Local Municipalities were not required to submit the PRAD as they did not table their 2020/21 Special Adjustments Budgets.

Table 25: Municipalities whose 2020/21 PRAD contained errors or were outstanding

No	Name of Municipality	Type of Error	No	Name of Municipality	Type of Error
1	eMadlangeni	Not applicable	4	uMvoti	Not applicable
2	KwaDukuza	Outstanding	5	uThukela DM	Outstanding
3	uMsinga	Stage 2 - Segment errors	6		

Source: National Treasury LG Database

Reporting in terms of Section 71 of MFMA for the 2020/21 financial year

The Accounting Officer of a municipality is required to, 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 in the prescribed format the statutory monthly reporting for the municipality which includes the electronic monthly mSCOA transactional information submissions (mSCOA data strings).

Stage 1 validation refers to whether the mSCOA data strings file was submitted to the LG database in the correct file format.

Stage 2 validation refers to the process once the submission of Stage 1 is successful. Subsequent to the submission of the Tabled Budget, National Treasury validated the data strings against the 16 segment validation rules to ensure that the municipalities applied the segments appropriately.

Stage 1 and Stage 2 of mSCOA LG Database Validation

Table 26 shows the submission status for Months 01 – 03 for the 2020/21 financial year.

Table 26: Submission status for the 2020/21 monthly data strings

Status	M01	M02	M03
Successfully submitted	54	53	53
Successfully submitted with segment errors	0	1	1
Submitted with errors	0	0	0
Outstanding	0	0	0

Source: National Treasury LG Database

The Msunduzi Local Municipality submitted their data string with segment errors.

Stage 3 Validation: Reconciliation of the mSCOA data strings to the Monthly MFMA Section 71 Reports (prescribed Schedule C)

The process of verifying the alignment of the MFMA Section 71 Reports (monthly budget statement) in a prescribed Schedule C format of the MBRR and the monthly mSCOA data strings was undertaken by Provincial Treasury and the feedback was sent to all delegated municipalities on monthly basis. Municipalities were required to investigate the variance and rectify the errors to ensure accurate reporting in all reporting platforms. Ideally, the figures as per the MFMA Section 71 reports (Schedule C) and the monthly mSCOA data strings should be perfectly aligned. However, there were variances noted for all delegated municipalities from Month 01 to Month 03.

Provincial Treasury Support to Municipalities and Entities

Provincial Treasury has actively engaged municipalities and entities through various forums, training workshops, one on one sessions and district engagements. The following is a summary of the support provided to date:

- In-Year Reviews for the use of segments.
- Review of the 2018/19 AUDA and comparison to the opening balances in the 2019/20 Adjustment Budget, In-year reporting and the 2018/19 Audited Annual Financial Statements.
- Assessment of the 2020/21 Adopted Budgets and feedback provided to municipalities.
- Engagement with municipalities via online platforms on technical matters, vendor management and errors in reporting.
- CFO Forum held on 07 July 2020 which addressed the implementation status and alignment of the reporting.

National Treasury Support

National Treasury has conducted the following engagement with municipalities:

- Training on Circular No. 9 of the mSCOA Regulation on accounting for the COVID-19 pandemic through the mSCOA data strings via CIGFARO.

Way forward

Provincial Treasury will continue to engage with the municipalities in addressing the outstanding issues via online platforms and/or site visits where possible, and frequent communication via email and telephonically as well as the various platforms such as the CFO Forums and district engagements.

The focus areas of the mSCOA implementation team for the **next quarter is planned as follows:**

- Monitor and support municipalities in ensuring that the monthly data submissions are in compliance with National Treasury requirements and free from errors;
- Analyse and review of the municipal data transactions to ensure the quality of the transactional data and provide feedback to municipalities in terms of year-end readiness;
- Conduct CFO Forums on Debt impairment and Write off, Water inventory and Cash flow mapping;
- Provide guidance to municipalities on system implementation issues and governance matters including onsite engagements and assessments;
- Provide guidance to municipalities in readiness for the main Adjustment Budget process in February 2021;
- Engagement with National Treasury on various technical matters, frequently asked questions and vendor demonstrations;
- Attendance of training to be held by National Treasury and conducting the rollout of such training (where applicable) across the province; and
- Review and provide guidance on the revised project plans to address the mSCOA implementation feedback provided.

Annexure A: Operating Revenue -1st Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail															
					Property rates	Service charges -electricity revenue	Service charges - water revenue	Service charges -sanitation revenue	Service charges -refuse revenue	Rental of facilities and equipment	Interest earned - external investments	Interest earned - outstanding debtors	Dividends received	Fines, penalties and forfeits	Licences and permits	Agency services	Transfers recognised - operational	Other own revenue	Gains on disposal of PPE	
A	KZN2000 eThekweni	40 534 246	-	10 775 050	26.6	2 724 234	3 496 170	1 296 030	203 757	184 026	158 443	67 884	16 914	-	2 088	7 353	2 036	1 607 572	1 007 884	661
B	KZN212 uMdoni	315 104	-	116 829	37.1	43 072	49	-	-	3 916	1 771	607	22	-	583	1 957	-	64 264	588	-
B	KZN213 uMzumbane	180 641	-	65 745	36.4	-	-	-	-	-	56	1 860	-	-	-	-	-	63 817	13	-
B	KZN214 uMuziwabantu	214 575	-	72 205	33.7	7 776	7 195	-	-	676	33	1 473	701	-	8	316	176	44 634	9 217	-
B	KZN216 Ray Nkonyeni	1 080 570	-	336 385	31.1	167 494	34 132	-	-	21 327	732	725	6 403	-	162	2 045	1 046	101 249	1 070	-
C	DC21 Ugu DM	1 159 002	-	332 615	28.7	-	-	64 465	25 498	-	20	2 093	10 148	-	-	-	-	227 123	3 269	-
Total: Ugu Municipalities		2 949 892	-	923 779	31.3	218 341	41 376	64 465	25 498	25 919	2 612	6 757	17 274	-	753	4 318	1 221	501 086	14 156	-
B	KZN221 uMshwathi	163 641	-	120 968	73.9	19 036	-	-	-	1 169	255	3	949	-	0	976	-	98 468	112	-
B	KZN222 uMngeni	447 525	-	121 318	27.1	57 120	23 447	-	-	1 986	224	432	2 666	-	629	697	-	33 010	1 107	-
B	KZN223 Mpoofana	174 141	-	27 228	15.6	3 726	5 055	-	-	989	18	-	-	-	32	278	-	17 035	94	-
B	KZN224 iMpendle	56 165	-	21 669	38.6	2 762	-	-	-	20	202	156	41	-	-	9	6	18 459	14	-
B	KZN225 Msunduzi	5 917 810	-	6 556 710	110.8	1 384 904	2 582 330	803 935	198 510	127 219	36 933	14 525	334 857	-	13 313	773	1 488	915 508	67 974	74 441
B	KZN226 Mkhambathini	120 631	-	38 166	31.6	4 799	-	-	-	133	-	538	-	-	-	937	-	31 623	136	-
B	KZN227 Richmond	113 831	-	51 109	44.9	12 075	-	-	-	181	165	299	57	-	872	190	-	37 112	159	-
C	DC22 uMgungundlovu DM	936 892	-	341 656	36.5	-	-	68 230	5 058	-	2	66	10 473	-	-	-	-	257 778	49	-
Total: uMgungundlovu Municipalities		7 930 637	-	7 278 823	91.8	1 484 422	2 610 832	872 166	203 568	131 697	37 799	16 019	349 044	-	14 846	3 859	1 494	1 408 992	69 645	74 441
B	KZN235 Okhahlamba	195 754	-	72 146	36.9	7 653	-	-	-	736	13	537	1 983	-	75	958	400	59 709	82	-
B	KZN237 iNkosi Langalibalele	680 896	-	124 263	18.2	54 914	66 563	-	-	1 414	178	321	(1)	-	165	240	362	-	108	-
B	KZN238 Alfred Duma	976 203	-	316 360	32.4	69 666	106 672	-	-	8 795	451	2 625	2 299	-	9 457	451	154	114 501	1 289	-
C	DC23 uThukela DM	884 047	-	283 007	32.0	-	-	51 000	5 386	-	-	-	16 346	-	3	-	-	209 781	491	-
Total: uThukela Municipalities		2 736 900	-	795 776	29.1	132 233	173 235	51 000	5 386	10 944	642	3 482	20 627	-	9 700	1 649	917	383 991	1 971	-
B	KZN241 eNdumeni	350 012	-	104 741	29.9	35 776	31 041	-	-	5 717	8 986	220	-	-	-	-	-	22 936	65	-
B	KZN242 Nquthu	224 178	-	83 441	37.2	8 284	4 158	-	-	282	310	2 563	885	-	-	212	-	66 681	67	-
B	KZN244 uMsinga	223 095	-	94 475	42.3	4 879	-	-	-	99	277	1 059	-	-	-	-	-	80 345	7 817	-
B	KZN245 uMvoti	330 822	-	101 105	30.6	11 945	22 124	-	-	2 224	72	469	(509)	-	-	681	-	63 965	134	-
C	DC24 uMzinyathi DM	488 031	-	203 787	41.8	-	-	15 029	4 200	-	47	409	8 121	-	-	-	-	175 981	0	-
Total: Umzinyathi Municipalities		1 616 138	-	587 549	36.4	60 883	57 324	15 029	4 200	8 322	9 690	4 720	8 496	-	-	893	-	409 908	8 083	-
B	KZN252 Newcastle	2 093 603	-	567 410	27.1	92 148	177 786	46 932	29 571	24 470	1 789	410	1 205	-	489	24	-	189 144	3 193	249
B	KZN253 eMadlangeni	106 236	-	25 833	24.3	5 447	3 924	-	-	439	270	42	922	-	-	80	-	14 598	109	-
B	KZN254 Dannhauser	150 141	-	54 836	36.5	6 808	-	-	-	312	6	423	-	-	2	26	286	45 864	1 110	-
C	DC25 Amajuba DM	224 340	-	87 153	38.8	-	-	5 736	635	-	6	843	1 727	-	-	-	-	78 190	16	-
Total: Amajuba Municipalities		2 574 321	-	735 232	28.6	104 404	181 710	52 669	30 206	25 221	2 071	1 718	3 853	-	491	130	286	327 796	4 428	249
B	KZN261 eDumbe	159 863	-	54 591	34.1	7 419	4 685	-	-	784	58	198	43	-	298	315	-	40 643	172	(25)
B	KZN262 uPhongolo	303 262	-	24 904	8.2	6 507	9 745	-	-	2 924	159	-	5 148	-	-	(2)	-	81	341	-
B	KZN263 AbaQulusi	565 393	-	176 185	31.2	25 714	46 448	9 610	7 788	5 441	174	206	2 909	-	1 287	984	-	75 382	241	-
B	KZN265 Nongoma	207 684	-	94 443	45.5	15 863	-	-	-	476	30	230	1 370	-	32	9	-	76 432	0	-
B	KZN266 Ulundi	385 809	-	163 138	42.3	65 413	15 717	-	-	2 398	194	112	317	-	4	45	700	78 127	99	12
C	DC26 Zululand DM	573 928	-	239 773	41.8	-	-	6 259	2 381	-	29	1 283	7	-	0	10	-	229 798	6	-
Total: Zululand Municipalities		2 195 938	-	753 034	34.3	120 917	76 596	15 868	10 169	12 022	645	2 030	9 794	-	1 622	1 362	700	500 463	860	(13)
B	KZN271 uMhlabuyalingana	227 116	-	88 254	38.9	4 769	-	-	-	156	94	501	(182)	-	-	273	-	82 619	23	-
B	KZN272 Jozini	258 293	-	106 084	41.1	6 983	-	-	-	952	196	804	4 083	-	180	344	-	92 276	265	-
B	KZN275 Mtubatuba	252 052	-	192 851	76.5	23 825	-	-	-	2 412	11	367	2 843	-	-	204	-	163 034	155	-
B	KZN276 Big Five Hlabisa	158 822	-	72 578	45.7	16 414	-	-	1	529	48	-	-	357	21	648	-	54 114	448	-
C	DC27 uMkhanyakude DM	546 240	-	220 769	40.4	-	1 216	10 936	196	-	99	1 754	2 404	-	-	-	-	204 157	7	-
Total: Umkhanyakude Municipalities		1 442 522	-	680 538	47.2	51 992	1 216	10 936	197	4 049	449	3 426	9 148	357	201	1 469	-	596 199	899	-
B	KZN281 uMfolozi	193 371	-	69 013	35.7	2 903	-	-	-	194	13	250	318	-	8	0	-	65 326	1	-
B	KZN282 uMhlatuze	3 416 974	-	1 056 857	30.9	177 095	494 455	138 448	25 865	25 555	1 900	8 052	39	-	1 563	813	1 408	178 591	3 074	-
B	KZN284 uMlalazi	487 113	-	207 842	42.7	80 243	19 129	-	-	3 729	655	905	-	-	811	1	770	101 073	524	-
B	KZN285 Mthonjaneni	172 974	-	58 467	33.8	11 680	5 308	-	-	450	-	288	179	-	18	260	-	40 220	64	-
B	KZN286 Nkandla	185 805	-	61 886	33.3	12 254	2 393	-	-	304	295	125	381	-	0	2	-	46 088	45	-
C	DC28 King Cetshwayo DM	732 426	-	287 142	39.2	-	-	16 521	2 107	7 419	349	5 392	702	-	8	-	-	254 096	548	-
Total: King Cetshwayo Municipalities		5 188 662	-	1 741 207	33.6	284 176	521 285	154 969	27 972	37 651	3 212	15 013	1 618	-	2 407	1 077	2 177	685 395	4 255	-
B	KZN291 Mandeni	312 062	-	117 546	37.7	19 144	8 940	-	-	2 251	17	1 661	1 146	-	5	177	-	83 965	241	-
B	KZN292 KwaDukuza	1 875 795	-	391 480	20.9	106 617	155 384	-	-	16 274	537	3 789	945	-	1 850	101	2 643	92 197	11 142	-
B	KZN293 Ndwedwe	197 898	-	91 535	46.3	15 467	-	-	-	10	128	1 627	190	-	-	-	-	73 707	406	-
B	KZN294 Maphumulo	129 940	-	66 047	50.8	19 254	-	-	-	94	278	203	307	-	2	7	-	45 489	414	-
C																				

Annexure C: Repairs and Maintenance - 1st Quarter 2020/21

R'000	Audited Outcome	Original Budget	Q1 Sept Actual	% Spent of Original Budget
A KZN2000 eThekweni	157 750	3 200 066	492 665	15.4
B KZN212 uMdoni	46 988	16 619	1 170	7.0
B KZN213 uMzumbhe	-	19 882	1 243	6.3
B KZN214 uMuziwabantu	8 025	5 920	1 332	22.5
B KZN216 Ray Nkonyeni	46 446	46 315	3 386	7.3
C DC21 Ugu DM	-	94 429	3 117	3.3
Total: Ugu Municipalities	101 459	183 166	10 248	5.6
B KZN221 uMshwathi	-	16 120	2 787	17.3
B KZN222 uMngeni	-	22 711	2 756	12.1
B KZN223 Mpofana	-	300	-	-
B KZN224 iMpendle	540	601	60	10.0
B KZN225 Msunduzi	-	221 715	280 563	126.5
B KZN226 Mkhambathini	-	17 640	10 704	60.7
B KZN227 Richmond	-	6 250	939	15.0
C DC22 uMgungundlovu DM	-	36 000	4 682	13.0
Total: uMgungundlovu Municipalities	540	321 337	302 490	94.1
B KZN235 Okhahlamba	-	5 624	1 160	20.6
B KZN237 iNkosi Langalibalele	-	6 868	1 183	17.2
B KZN238 Alfred Duma	81 996	85 361	6 003	7.0
C DC23 uThukela DM	-	12 090	1 926	15.9
Total: uThukela Municipalities	81 996	109 943	10 272	9.3
B KZN241 eNdumeni	-	3 989	481	12.1
B KZN242 Nquthu	-	2 678	169	6.3
B KZN244 uMsinga	7 484	7 430	675	9.1
B KZN245 uMvoti	-	8 538	653	7.7
C DC24 uMzinyathi DM	239 570	124 525	57 761	46.4
Total: uMzinyathi Municipalities	247 054	147 161	59 740	40.6
B KZN252 Newcastle	-	8 441	594	7.0
B KZN253 eMadlangeni	967	2 510	121	4.8
B KZN254 Dannhauser	-	12 651	6 529	51.6
C DC25 Amajuba DM	-	8 630	376	4.4
Total: Amajuba Municipalities	967	32 232	7 620	23.6
B KZN261 eDumbe	5 059	4 618	519	11.2
B KZN262 uPhongolo	-	3 376	138	4.1
B KZN263 AbaQulusi	15 269	20 040	1 671	8.3
B KZN265 Nongoma	2 729	7 803	3 898	50.0
B KZN266 Ulundi	21 076	13 595	4 468	32.9
C DC26 Zululand DM	80 712	61 930	7 339	11.9
Total: Zululand Municipalities	124 845	111 361	18 034	16.2
B KZN271 uMhlabuyalingana	4 998	4 195	334	8.0
B KZN272 Jozini	799	11 826	1 481	12.5
B KZN275 Mtubatuba	6 511	10 700	682	6.4
B KZN276 Big Five Hlabisa	1 965	7 300	725	9.9
C DC27 uMkhanyakude DM	(5 780)	34 428	-	-
Total: uMkhanyakude Municipalities	8 493	68 449	3 222	4.7
B KZN281 uMfolozi	8 074	9 497	1 288	13.6
B KZN282 uMhlathuze	-	740 665	20 181	2.7
B KZN284 uMalalazi	30 487	31 520	6 746	21.4
B KZN285 Mthonjaneni	5 056	5 820	184	3.2
B KZN286 Nkandla	3 559	14 452	311	2.2
C DC28 King Cetshwayo DM	184 079	144 049	15 865	11.0
Total: King Cetshwayo Municipalities	231 254	946 002	44 575	4.7
B KZN291 Mandeni	2 160	14 380	2 443	17.0
B KZN292 KwaDukuza	38 917	54 578	5 466	10.0
B KZN293 Ndwedwe	-	8 171	2 474	30.3
B KZN294 Maphumulo	-	8 079	2 163	26.8
C DC29 iLembe DM	41 564	54 175	9 832	18.1
Total: iLembe Municipalities	82 641	139 382	22 379	16.1
B KZN433 Greater Kokstad	-	31 226	1 515	4.9
B KZN434 uBuhlebezwe	-	1 477	88	6.0
B KZN435 uMzimkhulu	9 769	19 760	3 023	15.3
B KZN436 Dr. Nkosazana Dlamini Zuma	4 510	11 918	892	7.5
C DC43 Harry Gwala DM	20 479	22 897	10 234	44.7
Total: Harry Gwala Municipalities	34 758	87 278	15 752	18.0
Total	1 071 756	5 346 377	986 998	18.5

Source: NT Igdatabase

Annexure D: Capital Revenue (Source of finance) - 1st Quarter 2020/21

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail								
					Transfers recognised - capital				Sources of Finance				
					National Govt.	Provincial Govt.	District Municipality	Other transfers and grants	Borrowing	Internally generated funds	Public contr. and donations		
A	KZN2000	eThekweni	4 792 769	-	530 597	11.1	319 222	6 027	-	59	154 808	50 480	-
B	KZN212	uMdoni	32 449	-	916	2.8	916	-	-	-	-	-	-
B	KZN213	uMzombe	105 653	-	10 776	10.2	7 521	-	-	-	-	3 254	-
B	KZN214	uMuziwabantu	56 226	-	18 873	33.6	4 480	-	-	-	-	14 393	-
B	KZN216	Ray Nkonyeni	93 227	-	23 130	24.8	21 482	1 458	-	-	-	190	-
B	DC21	Ugu DM	274 693	-	355	0.1	-	-	-	-	-	355	-
Total: Ugu Municipalities			562 248	-	54 051	9.6	34 400	1 458	-	-	-	18 193	-
B	KZN221	uMshwathi	25 828	-	687 551	2 662.0	679 423	-	-	-	-	8 128	-
B	KZN222	uMngeni	29 024	-	4 319	14.9	4 138	-	-	-	-	181	-
B	KZN223	Mpofana	15 971	-	2 292	14.4	2 292	-	-	-	-	-	-
B	KZN224	iMpindle	11 978	-	(24 943)	(208.2)	(17 198)	(691)	-	-	-	(7 055)	-
B	KZN225	Msunduzi	580 892	-	1 160 570	199.8	1 049 140	-	6 784	18 464	86 183	-	-
B	KZN226	Mkhambathini	25 696	-	8 028	31.2	6 846	-	-	-	-	1 182	-
B	KZN227	Richmond	33 570	-	3 458	10.3	2 736	70	-	-	-	652	-
C	DC22	uMgungundlovu DM	175 245	-	11 620	6.6	11 620	-	-	-	-	-	-
Total: uMgungundlovu Municipalities			898 205	-	1 852 896	206.3	1 738 997	(621)	6 784	18 464	86 183	3 089	-
B	KZN235	Okhahlamba	40 396	-	4 690	11.6	4 317	231	-	-	-	142	-
B	KZN237	iNkosi Langalibalele	48 125	-	12 877	26.8	12 862	-	-	-	-	15	-
B	KZN238	Alfred Duma	76 302	-	5 155	6.8	3 441	835	-	-	-	879	-
B	DC23	uThukela DM	244 759	-	29 528	12.1	29 528	-	-	-	-	-	-
Total: uThukela Municipalities			409 582	-	52 250	12.8	50 148	1 066	-	-	-	1 036	-
B	KZN241	eNdumeni	28 331	-	3 850	13.6	2 500	-	-	-	-	1 350	-
B	KZN242	Nquthu	93 228	-	16 189	17.4	2 631	-	-	-	-	13 558	-
B	KZN244	uMsinga	55 685	-	10 050	18.0	6 446	-	-	-	-	3 603	-
B	KZN245	uMvoti	56 703	-	6 539	11.5	4 542	-	-	-	-	1 997	-
C	DC24	uMzinyathi DM	270 600	-	86 049	31.8	81 329	-	-	-	-	4 720	-
Total: uMzinyathi Municipalities			504 547	-	122 676	24.3	97 448	-	-	-	-	25 228	-
B	KZN252	Newcastle	173	-	11 723	6 770.1	8 103	2 826	-	-	-	794	-
B	KZN253	eMadlangeni	12 654	-	10 273	81.2	8 022	-	-	-	-	2 251	-
B	KZN254	Dannhauser	56 445	-	11 757	20.8	2 994	-	-	-	-	8 763	-
C	DC25	Amajuba DM	91 018	-	36 250	39.8	17 739	18 511	-	-	-	-	-
Total: Amajuba Municipalities			160 290	-	70 003	43.7	36 858	21 337	-	-	-	11 807	-
B	KZN261	eDumbe	36 052	-	(273 649)	(759.0)	(116 451)	(12 194)	-	-	-	(145 004)	-
B	KZN262	uPhongolo	41 912	-	6 006	14.3	6 006	-	-	-	-	-	-
B	KZN263	AbaQulusi	57 772	-	8 253	14.3	7 817	-	-	-	-	436	-
B	KZN265	Nongoma	33 304	-	5 648	17.0	4 875	-	-	-	-	773	-
B	KZN266	Ulundi	15 525	-	(16 048)	(103.4)	(15 635)	-	-	-	-	(413)	-
C	DC26	Zululand DM	454 134	-	114 429	25.2	114 140	6	-	-	-	282	-
Total: Zululand Municipalities			638 699	-	(155 361)	(24.3)	752	(12 188)	-	-	-	(143 925)	-
B	KZN271	uMhlabyalingana	41 600	-	5 404	13.0	4 068	-	-	-	-	1 336	-
B	KZN272	Jozini	47 566	-	5 725	12.0	5 512	-	-	-	-	213	-
B	KZN275	Mtubatuba	40 164	-	7 870	19.6	7 001	817	-	-	-	52	-
B	KZN276	Big Five Hlabisa	31 039	-	(332 946)	(1 072.7)	(29 240)	-	-	-	-	(303 706)	-
C	DC27	uMkhanyakude DM	292 826	-	11 123	3.8	11 123	-	-	-	-	-	-
Total: uMkhanyakude Municipalities			453 195	-	(302 824)	(66.8)	(1 536)	817	-	-	-	(302 105)	-
B	KZN281	uMfolozi	47 830	-	12 468	26.1	9 035	-	-	-	-	3 433	-
B	KZN282	uMhlathuze	671 834	-	21 085	3.1	7 818	-	-	2 028	-	11 240	-
B	KZN284	uMlalazi	37 619	-	16 082	42.7	13 472	-	-	-	-	2 610	-
B	KZN285	Mthonjaneni	39 214	-	(457 061)	(1 165.6)	(393 809)	-	-	-	-	(63 251)	-
B	KZN286	Nkandla	1 400	-	(410 575)	(29 326.8)	(181 900)	-	-	-	-	(228 675)	-
C	DC28	King Cetshwayo DM	296 130	-	28 334	9.6	28 046	-	-	-	-	288	-
Total: King Cetshwayo Municipalities			1 094 027	-	(789 668)	(72.2)	(517 338)	-	-	-	2 028	(274 357)	-
B	KZN291	Mandeni	36 493	-	(250 259)	(685.8)	(148 347)	(66)	-	-	(3 881)	(97 965)	-
B	KZN292	KwaDukuza	295 382	-	34 094	11.5	10 086	37	-	326	660	22 984	-
B	KZN293	Ndwedwe	85 122	-	9 135	10.7	3 068	-	-	-	-	6 067	-
B	KZN294	Maphumulo	33 679	-	11 671	34.7	7 789	1 454	-	-	-	2 428	-
C	DC29	iLembe DM	202 696	-	37 437	18.5	36 974	310	-	-	-	153	-
Total: iLembe Municipalities			653 373	-	(157 921)	(24.2)	(90 430)	1 735	-	326	(3 221)	(66 333)	-
B	KZN433	Greater Kokstad	98 760	-	15 637	15.8	1 663	3 450	-	-	-	10 524	-
B	KZN434	uBuhlebezwe	56 936	-	(44 914)	(78.9)	(7 509)	(9 068)	-	-	-	(28 338)	-
B	KZN435	uMzimkhulu	95 592	-	18 361	19.2	12 757	-	-	-	-	5 604	-
B	KZN436	Dr. Nkosazana Dlamini Zuma	101 077	-	6 701	6.6	862	41	-	-	-	5 799	-
C	DC43	Harry Gwala DM	271 221	-	79 504	29.3	71 846	-	-	-	-	7 658	-
Total: Harry Gwala Municipalities			623 587	-	75 289	12.1	79 619	(5 577)	-	-	-	1 247	-
Total			10 790 522	-	1 351 988	12.5	1 748 141	14 055	6 784	18 850	239 798	(675 640)	-

Source: NT Igdatabase

Annexure F: Debtors Age Analysis (Total) -1st Quarter 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total	Actual Bad Debts Written Off to Debtors		Impairment - Bad Debts to Council Policy	
	Total	%	Total	%	Total	%	Total	%		Amount	%	Amount	%
A	KZN2000	eThekweni	2 199 404	14.8	942 148	6.3	1 247 856	8.4	10 483 018	70.5	14 872 427	-	-
B	KZN212	uMdoni	33 036	24.2	7 591	5.6	2 429	1.8	93 464	68.5	136 520	-	-
B	KZN213	uMzumbane	-	-	-	-	-	-	25 489	100.0	25 489	-	-
B	KZN214	uMuziwabantu	7 671	22.1	2 607	7.5	1 304	3.8	23 190	66.7	34 772	-	-
B	KZN216	Ray Nkonyeni	53 915	12.7	59 451	14.0	15 866	3.7	295 633	69.6	424 865	-	-
C	DC21	Ugu DM	114 689	5.4	86 849	4.1	74 740	3.5	1 833 863	86.9	2 110 141	-	-
Total: Ugu Municipalities			209 311	7.7	156 498	5.7	94 339	3.5	2 271 639	83.2	2 731 787	-	-
B	KZN221	uMshwathi	6 580	4.6	(158)	(0.1)	2 675	1.9	134 697	93.7	143 795	-	-
B	KZN222	uMngeni	15 195	8.5	8 544	4.8	4 601	2.6	150 155	84.1	178 494	-	-
B	KZN223	Mpofana	1 427	1.0	(5 174)	(3.8)	2 640	1.9	137 648	100.8	136 540	-	-
B	KZN224	iMpendle	2 333	22.0	13	0.1	229	2.2	8 051	75.8	10 626	-	-
B	KZN225	Msunduzi	641 707	13.7	149 496	3.2	108 484	2.3	3 779 402	80.8	4 679 088	6 621 513	141.5
B	KZN226	Mkhambathini	2 737	10.9	(35)	(0.1)	1 040	4.2	21 302	85.1	25 044	-	-
B	KZN227	Richmond	1 322	2.4	10 843	19.5	393	0.7	43 147	77.5	55 705	-	-
C	DC22	uMgungundlovu DM	57 639	6.3	(495)	(0.1)	21 720	2.4	832 906	91.4	911 770	-	-
Total: uMgungundlovu Municipalities			728 941	11.9	163 033	2.7	141 781	2.3	5 107 307	83.2	6 141 062	6 621 513	107.8
B	KZN235	Okhahlamba	5 626	8.0	(242)	(0.3)	1 939	2.8	63 012	89.6	70 335	-	-
B	KZN237	iNkosi Langalibalele	22 613	6.1	(9 336)	(2.5)	48 375	13.0	310 829	83.4	372 480	-	-
B	KZN238	Alfred Duma	45 124	7.6	26 052	4.4	18 966	3.2	504 148	84.8	594 290	-	-
C	DC23	uThukela DM	35 076	3.1	23 088	2.0	19 328	1.7	1 061 439	93.2	1 138 931	-	-
Total: uThukela Municipalities			108 440	5.0	39 562	1.8	88 607	4.1	1 939 428	89.1	2 176 037	-	-
B	KZN241	eNdumeni	7 092	4.9	(2 542)	(1.8)	23 572	16.3	116 097	80.5	144 220	-	-
B	KZN242	Nquthu	1 683	14.0	708	5.9	670	5.6	8 934	74.5	11 996	-	-
B	KZN244	uMsinga	2 690	5.8	1 565	3.4	975	2.1	41 267	88.8	46 497	-	-
B	KZN245	uMvoti	15 804	18.2	(101)	(0.1)	4 561	5.3	66 495	76.6	86 759	-	-
C	DC24	uMzinyathi DM	22 111	6.8	(374)	(0.1)	10 681	3.3	293 517	90.1	325 935	-	-
Total: uMzinyathi Municipalities			49 381	8.0	(744)	(0.1)	40 460	6.6	526 310	85.5	615 407	-	-
B	KZN252	Newcastle	(97 804)	(6.1)	126 152	7.9	45 707	2.9	1 529 201	95.4	1 603 256	-	-
B	KZN253	eMadlangeni	6 057	12.2	(268)	(0.5)	1 780	3.6	42 161	84.8	49 730	-	-
B	KZN254	Dannhauser	2 266	4.4	2 094	4.1	2 050	4.0	45 231	87.6	51 640	-	-
C	DC25	Amajuba DM	3 765	3.4	2 879	2.6	2 121	1.9	102 919	92.2	111 684	-	-
Total: Amajuba Municipalities			(85 716)	(4.7)	130 857	7.2	51 658	2.8	1 719 511	94.7	1 816 310	-	-
B	KZN261	eDumbe	(2 635)	(1.8)	(87)	(0.1)	2 425	1.7	143 922	100.2	143 625	-	-
B	KZN262	uPhongolo	16 143	7.5	(4 279)	(2.0)	3 327	1.5	199 887	92.9	215 078	-	-
B	KZN263	AbaQulusi	30 042	11.8	12 477	4.9	9 707	3.8	202 882	79.5	255 108	-	-
B	KZN265	Nongoma	2 635	3.7	2	0.0	7 788	10.9	61 352	85.5	71 777	-	-
B	KZN266	Ulundi	(2 725)	(2.0)	(242)	(0.2)	54 075	39.0	87 432	63.1	138 540	-	-
C	DC26	Zululand DM	15 136	11.0	5 459	4.0	2 443	1.8	114 029	83.2	137 067	-	-
Total: Zululand Municipalities			58 598	6.1	13 330	1.4	79 764	8.3	809 503	84.2	961 195	-	-
B	KZN271	uMhlabyalingana	2 780	5.3	(0)	(0.0)	1 702	3.3	47 826	91.4	52 308	-	-
B	KZN272	Jozini	3 582	2.1	584	0.3	4 378	2.5	165 924	95.1	174 468	-	-
B	KZN275	Mtubatuba	30 926	18.2	(146)	(0.1)	4 593	2.7	134 119	79.1	169 492	-	-
B	KZN276	Big Five Hlabisa	2 685	4.9	(5)	(0.0)	12 615	23.1	39 332	72.0	54 627	-	-
C	DC27	uMkhanyakude DM	15 052	10.0	(17)	(0.0)	1 390	0.9	134 321	89.1	150 745	-	-
Total: uMkhanyakude Municipalities			55 024	9.1	416	0.1	24 677	4.1	521 523	86.7	601 640	-	-
B	KZN281	uMfolozi	1 493	8.2	(48)	(0.3)	766	4.2	15 949	87.8	18 159	-	-
B	KZN282	uMhlathuze	407 302	45.8	76 526	8.6	28 012	3.2	377 107	42.4	888 946	-	-
B	KZN284	uMlalazi	6 590	6.6	4 443	4.5	36 703	36.9	51 668	52.0	99 404	-	-
B	KZN285	Mthonjaneni	4 215	12.7	(18)	(0.1)	4 486	13.5	24 460	73.8	33 143	-	-
B	KZN286	Nkandla	9 482	17.7	(263)	(0.5)	4 666	8.7	39 625	74.1	53 511	-	-
C	DC28	King Cetshwayo DM	9 650	10.7	7 696	8.6	3 794	4.2	68 634	76.5	89 774	41 346	46.1
Total: King Cetshwayo Municipalities			438 732	37.1	88 335	7.5	78 427	6.6	577 442	48.8	1 182 937	41 346	3.5
B	KZN291	Mandeni	-	-	-	-	-	-	-	-	-	-	-
B	KZN292	KwaDukuza	71 799	21.2	33 204	9.8	13 692	4.0	219 951	65.0	338 645	-	-
B	KZN293	Ndwedwe	715	1.9	(6)	(0.0)	14 993	39.7	22 043	58.4	37 745	-	-
B	KZN294	Maphumulo	2 169	7.5	(0)	(0.0)	17 480	60.3	9 326	32.2	28 974	-	-
C	DC29	iLembe DM	30 468	6.6	16 760	3.6	22 721	4.9	390 390	84.8	460 339	-	-
Total: Ilembe Municipalities			105 151	12.1	49 958	5.8	68 886	8.0	641 709	74.1	865 704	-	-
B	KZN433	Greater Kokstad	17 223	17.1	14 908	14.8	25 064	24.8	43 806	43.4	101 002	-	-
B	KZN434	uBuhlebezwe	2 244	4.2	1 710	3.2	1 925	3.6	47 497	89.0	53 377	-	-
B	KZN435	uMzimkhulu	1 069	6.8	5 217	33.0	307	1.9	9 224	58.3	15 817	(93)	(0.6)
B	KZN434	Dr. Nkosazana Dlamini Zuma	1 411	2.1	2 249	3.4	1 997	3.0	60 617	91.5	66 275	-	-
C	DC43	Harry Gwala DM	7 895	3.8	7 314	3.5	6 380	3.0	187 923	89.7	209 512	-	-
Total: Harry Gwala Municipalities			29 843	6.7	31 399	7.0	35 674	8.0	349 068	78.3	445 983	(93)	(0.0)
Total			3 897 109	12.0	1 614 790	5.0	1 952 129	6.0	24 946 459	77.0	32 410 488	6 621 420	20.4

Source: NT Publication

Annexure H: Creditors Age Analysis (Total) -1st Quarter 2020/21

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
A KZN2000 eThekwini	1 597 755	63.2	19 768	0.8	308 690	12.2	601 566	23.8	2 527 779
B KZN212 uMdoni	381	100.0	-	-	-	-	-	-	381
B KZN213 uMzumbe	241	59.4	31	7.6	-	-	134	33.0	406
B KZN214 uMuziwabantu	888	64.2	19	1.4	2	0.1	474	34.3	1 384
B KZN216 Ray Nkonyeni	12	100.0	-	-	-	-	-	-	12
C DC21 Ugu DM	87 680	8.1	6 733	0.6	(4 937)	(0.5)	994 674	91.7	1 084 151
Total: Ugu Municipalities	89 204	8.2	6 783	0.6	(4 935)	(0.5)	995 282	91.6	1 086 334
B KZN221 uMshwathi	14	30.4	-	-	(160)	(354.3)	191	423.8	45
B KZN222 uMngeni	20 714	70.3	4 940	16.8	-	-	3 813	12.9	29 467
B KZN223 Mpofana	3 886	1.9	1 365	0.7	4 534	2.2	198 987	95.3	208 772
B KZN224 iMpendle	(658)	525.5	533	(425.5)	(18)	14.0	18	(14.0)	(125)
B KZN225 Msunduzi	916 390	75.5	179 855	14.8	105 639	8.7	12 425	1.0	1 214 308
B KZN226 Mkhambathini	-	-	-	-	-	-	-	-	-
B KZN227 Richmond	112	72.7	-	-	42	27.3	-	-	154
C DC22 uMgungundlovu DM	35 238	80.9	266	0.6	78	0.2	8 001	18.4	43 584
Total: uMgungundlovu Municipalities	975 695	65.2	186 959	12.5	110 116	7.4	223 435	14.9	1 496 206
B KZN235 Okhahlamba	2 838	100.0	-	-	-	-	-	-	2 838
B KZN237 iNkosi Langalibalele	3 345	12.8	732	2.8	3 572	13.7	18 508	70.8	26 158
B KZN238 Alfred Duma	2 315	52.7	1 943	44.2	-	-	135	3.1	4 392
C DC23 uThukela DM	7 631	67.0	-	-	1 498	13.1	2 261	19.8	11 389
Total: uThukela Municipalities	16 129	36.0	2 675	6.0	5 070	11.3	20 904	46.7	44 778
B KZN241 eNdumeni	972	100.0	-	-	-	-	-	-	972
B KZN242 Nquthu	5 397	71.2	339	4.5	1 645	21.7	199	2.6	7 579
B KZN244 uMsinga	72	100.0	-	-	-	-	-	-	72
B KZN245 uMvoti	15 483	57.5	23	0.1	1 026	3.8	10 395	38.6	26 927
C DC24 uMzinyathi DM	14 262	23.0	6 545	10.5	1 472	2.4	39 814	64.1	62 093
Total: uMzinyathi Municipalities	36 187	37.1	6 907	7.1	4 142	4.2	50 407	51.6	97 643
B KZN252 Newcastle	25 420	6.5	26 855	6.8	14 747	3.7	326 731	83.0	393 754
B KZN253 eMadlangeni	0	0.0	(3 269)	(18 840.8)	(1 340)	(7 723.1)	4 627	26 663.9	17
B KZN254 Dannhauser	479	95.0	-	-	25	5.0	-	-	505
C DC25 Amajuba DM	142	0.2	356	0.4	678	0.8	81 832	98.6	83 007
Total: Amajuba Municipalities	26 041	5.5	23 942	5.0	14 110	3.0	413 191	86.6	477 283
B KZN261 eDumbe	-	-	-	-	0	0.0	27 650	100.0	27 650
B KZN262 uPhongolo	(18 541)	(713.4)	16 642	640.3	(4 166)	(160.3)	8 664	333.4	2 599
B KZN263 Abaqulusi	32 917	71.1	668	1.4	265	0.6	12 419	26.8	46 269
B KZN265 Nongoma	(3 330)	(126.2)	1 084	41.1	(5 661)	(214.6)	10 545	399.8	2 638
B KZN266 Ulundi	(8 077)	(7.4)	240	0.2	1 095	1.0	115 389	106.2	108 646
C DC26 Zululand DM	21 686	99.1	193	0.9	-	-	-	-	21 879
Total: Zululand Municipalities	24 656	11.8	18 826	9.0	(8 468)	(4.0)	174 666	83.3	209 681
B KZN271 uMhlabayalingana	9 482	80.6	1 121	9.5	1 191	10.1	(36)	(0.3)	11 759
B KZN272 Jozini	58	23.2	-	-	2	0.6	192	76.2	252
B KZN275 Mtubatuba	926	9.4	1 770	17.9	2 549	25.8	4 628	46.9	9 873
B KZN276 Big Five Hlabisa	(557)	(18.2)	1 620	53.1	(943)	(30.9)	2 933	96.1	3 053
C DC27 uMkhanyakude DM	7 259	10.4	3 735	5.4	119	0.2	58 428	84.0	69 540
Total: uMkhanyakude Municipalities	17 168	18.2	8 247	8.7	2 918	3.1	66 145	70.0	94 477
B KZN281 uMfolozi	(526)	(959.5)	205	373.8	(1 098)	(2 002.3)	1 474	2 688.0	55
B KZN282 uMhlathuze	123 794	66.2	1 668	0.9	3	0.0	61 659	33.0	187 123
B KZN284 uMlalazi	449	99.8	-	-	-	-	1	0.2	450
B KZN285 Mthonjaneni	3 619	55.5	610	9.4	(14)	(0.2)	2 303	35.3	6 517
B KZN286 Nkandla	(10 119)	78.0	(864)	6.7	(1 726)	13.3	(261)	2.0	(12 970)
C DC28 King Cetshwayo DM	57 861	20.3	19 006	6.7	59 203	20.8	148 681	52.2	284 751
Total: King Cetshwayo Municipalities	175 078	37.6	20 625	4.4	56 368	12.1	213 855	45.9	465 926
B KZN291 Mandeni	5 214	98.2	20	0.4	-	-	74	1.4	5 307
B KZN292 KwaDukuza	3 205	98.3	2	0.1	17	0.5	36	1.1	3 260
B KZN293 Ndwedwe	(411)	59.8	(72)	10.4	(421)	61.3	216	(31.5)	(687)
B KZN294 Maphumulo	245	86.3	35	12.3	(35)	(12.3)	39	13.7	284
C DC29 iLembe DM	36 413	55.3	13 978	21.2	10 812	16.4	4 646	7.1	65 849
Total: iLembe Municipalities	44 667	60.4	13 962	18.9	10 372	14.0	5 011	6.8	74 012
B KZN433 Greater Kokstad	410	55.4	20	2.7	33	4.4	278	37.5	741
B KZN434 uBuhlebezwe	10 534	27.1	12 904	33.2	4 662	12.0	10 811	27.8	38 910
B KZN435 uMzimkhulu	917	100.0	-	-	-	-	-	-	917
B KZN436 Dr. Nkosazana Dlamini Zuma	2 565	98.2	-	-	-	-	47	1.8	2 612
C DC43 Harry Gwala DM	628	6.7	8 672	93.3	-	-	-	-	9 299
Total: Harry Gwala Municipalities	15 053	28.7	21 596	41.2	4 694	8.9	11 136	21.2	52 479
Total	3 017 633	45.5	330 290	5.0	503 078	7.6	2 775 598	41.9	6 626 599

Source: NT Publication

Annexure J: National Conditional Grant - 1st Quarter 2020/21

R'000	Financial Management Grant								Municipal Infrastructure Grant								Integrated National Electrification Programme							
	DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual				
				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent			
A	KZN2000	eThekweni	1 000	1 000	1 000	644	64.4	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
B	KZN212	uMdoni	2 000	2 000	2 000	68	3.4	110	5.5	30 493	30 493	4 000	1 789	5.9	916	3.0	5 000	5 000	-	-	-			
B	KZN213	uMzumbane	1 900	1 900	1 900	334	17.6	136	7.2	33 867	33 867	15 000	10 850	32.0	7 953	23.5	8 000	8 000	5 000	-	-			
B	KZN214	uMuziwabantu	1 900	1 900	1 900	438	23.1	109	5.8	23 207	23 207	5 000	-	-	4 878	21.0	5 000	5 000	-	-	-			
B	KZN216	Ray Nkonyeni	2 000	2 000	2 000	-	-	589	29.5	-	-	-	-	-	-	-	5 000	5 000	1 000	1 901	38.0			
C	DC21	Ugu DM	1 800	1 800	1 800	159	8.8	36	2.0	239 336	239 336	50 000	3 647	1.5	(10 940)	(4.6)	-	-	-	-	-			
Total:	Ugu Municipalities		9 600	9 600	9 600	999	10.4	980	10.2	326 903	326 903	74 000	16 286	5.0	2 808	0.9	23 000	23 000	6 000	1 901	8.3			
B	KZN221	uMshwathi	1 900	1 900	1 900	-	-	-	-	27 428	27 428	15 000	4 460	16.3	679 423	2 477.1	5 000	5 000	1 500	867	17.3			
B	KZN222	uMngeni	1 700	1 700	1 700	146	8.6	127	7.5	22 909	22 909	13 000	-	-	4 148	18.1	5 000	5 000	4 000	-	631			
B	KZN223	Mpofana	2 800	2 800	2 800	262	9.4	-	-	11 981	11 981	8 000	3 475	29.0	2 292	19.1	5 000	5 000	4 000	-	-			
B	KZN224	iMpendle	2 300	2 300	2 300	550	23.9	1 066	46.4	11 670	11 670	6 000	881	7.5	(17 198)	(147.4)	-	-	-	-	-			
B	KZN225	Msunduzi	1 700	1 700	1 700	264	15.5	1 637	96.3	196 128	196 128	30 000	25 380	12.9	400 279	204.1	-	-	-	-	-			
B	KZN226	Mkhambathini	2 800	2 800	2 800	160	5.7	102	3.6	15 996	15 996	9 000	8 485	53.0	6 846	42.8	5 000	5 000	3 000	2 000	40.0			
B	KZN227	Richmond	1 900	1 900	1 900	-	-	323	17.0	18 345	18 345	8 000	3 438	18.7	3 569	19.5	-	-	-	-	-			
C	DC22	uMgungundlovu DM	1 000	1 000	1 000	-	-	-	-	101 245	101 245	40 000	6 353	6.3	8 184	8.1	-	-	-	-	-			
Total:	uMgungundlovu Municipalities		16 100	16 100	16 100	1 382	8.6	3 255	20.2	405 702	405 702	129 000	52 472	12.9	1 087 543	268.1	20 000	20 000	12 500	2 867	14.3			
B	KZN232	Okhahlamba	1 900	1 900	1 900	-	-	-	-	38 136	38 136	17 000	4 591	12.0	4 317	11.3	5 000	5 000	3 000	169	3.4			
B	KZN237	iNkosi Langalibalele	2 000	2 000	2 000	-	-	1	0.0	47 426	47 426	18 000	12 025	25.4	12 862	27.1	3 965	3 965	-	-	-			
B	KZN238	Alfred Duma	2 000	2 000	2 000	174	8.7	174	8.7	61 274	61 274	24 000	9 890	16.1	4 077	6.7	4 000	4 000	-	-	3			
C	DC23	uThukela DM	1 800	1 800	1 800	84	4.7	96	5.3	182 647	182 647	110 000	39 784	21.8	40 467	22.2	-	-	-	-	-			
Total:	uThukela Municipalities		7 700	7 700	7 700	258	3.4	270	3.5	329 483	329 483	169 000	66 290	20.1	61 723	18.7	12 965	12 965	3 000	169	1.3			
B	KZN241	eNdameni	2 200	2 200	2 200	123	5.6	101	4.6	15 137	15 137	10 000	3 141	20.8	3 755	24.8	-	-	-	-	-			
B	KZN242	Nquthu	1 900	1 900	1 900	281	14.8	65	3.4	31 009	31 009	13 000	5 863	18.9	2 631	8.5	7 000	7 000	-	-	-			
B	KZN244	uMsinga	1 900	1 900	1 900	269	14.2	247	13.0	37 189	37 189	18 000	4 318	11.6	7 413	19.9	13 000	13 000	4 000	-	3 800			
B	KZN245	uMvoti	2 700	2 700	2 700	873	32.3	797	29.5	29 623	29 623	17 000	4 460	15.1	3 557	12.0	12 000	12 000	8 000	-	-			
C	DC24	uMzinyathi DM	1 500	1 500	1 500	114	7.6	249	16.6	187 165	187 165	110 000	77 895	41.6	66 413	35.5	-	-	-	-	-			
Total:	uMzinyathi Municipalities		10 200	10 200	10 200	1 660	16.3	1 459	14.3	300 123	300 123	168 000	95 677	31.9	83 770	27.9	32 000	32 000	12 000	-	3 800			
B	KZN252	Newcastle	1 700	1 700	1 700	-	-	1	0.0	111 804	111 804	70 000	16 430	14.7	15 998	14.3	7 000	7 000	-	-	-			
B	KZN253	eMahlangueni	2 800	2 800	2 800	438	15.6	350	12.5	9 310	9 310	9 310	8 682	93.3	7 467	80.2	-	-	-	-	-			
B	KZN254	Dannhauser	1 900	1 900	1 900	-	-	-	-	21 645	21 645	9 000	979	4.5	3 412	15.8	-	-	-	-	-			
C	DC25	Amajuba DM	2 400	2 400	2 400	-	-	437	18.2	40 779	40 779	16 000	4 524	11.1	795	1.9	-	-	-	-	-			
Total:	Amajuba Municipalities		8 800	8 800	8 800	438	5.0	788	9.0	183 538	183 538	104 310	30 615	16.7	27 671	15.1	7 000	7 000	-	-	-			
B	KZN261	eDumbe	2 800	2 800	2 800	42	1.5	1 461	52.2	17 952	17 952	9 000	3 244	18.1	(55 074)	(306.8)	10 000	10 000	1 500	3 500	35.0			
B	KZN262	uPhongolo	2 800	2 800	2 800	1 726	61.6	0	0.0	28 134	28 134	15 000	6 617	23.5	6 006	21.3	7 000	7 000	5 000	-	-			
B	KZN263	AbaQulusi	2 600	2 600	2 600	-	-	1 104	42.5	36 904	36 904	17 000	17 250	46.7	9 330	25.3	10 000	10 000	5 500	-	734			
B	KZN265	Nongoma	1 900	1 900	1 900	-	-	263	13.8	31 679	31 679	13 000	6 095	19.2	5 354	16.9	7 000	7 000	1 500	-	-			
B	KZN266	Ulundi	1 800	1 800	1 800	-	-	914	50.8	30 713	30 713	15 000	7 421	24.2	(12 354)	(40.2)	10 000	10 000	5 000	-	1 206			
C	DC26	Zululand DM	1 200	1 200	1 200	69	5.8	-	-	223 984	223 984	150 000	124 458	55.6	78 443	35.0	-	-	-	-	-			
Total:	Zululand Municipalities		13 100	13 100	13 100	1 837	14.0	3 743	28.6	369 366	369 366	219 000	165 085	44.7	31 705	8.6	44 000	44 000	18 500	3 500	8.0			
B	KZN271	uMhlabyalingana	1 900	1 900	1 900	-	-	25	1.3	34 702	34 702	12 000	3 214	9.3	4 184	12.1	12 000	12 000	1 500	-	1 034			
B	KZN272	Jozini	2 800	2 800	2 800	592	21.1	732	26.1	46 760	46 760	21 000	13 073	28.0	7 847	16.8	10 000	10 000	5 000	-	1 897			
B	KZN275	Mtubatuba	1 900	1 900	1 900	-	-	-	-	31 557	31 557	16 000	5 408	17.1	6 094	19.3	8 000	8 000	3 000	-	907			
B	KZN276	Big Five Hlabisa	2 500	2 500	2 500	527	21.1	182	7.3	21 239	21 239	11 000	1 961	9.2	(39 032)	(183.8)	7 000	7 000	1 500	-	-			
C	DC27	uMkhanyakude DM	1 800	1 800	1 800	-	-	-	-	213 445	213 445	130 000	58 254	27.3	10 359	4.9	-	-	-	-	-			
Total:	uMkhanyakude Municipalities		10 900	10 900	10 900	1 119	10.3	939	8.6	347 703	347 703	190 000	81 910	23.6	(10 548)	(3.0)	37 000	37 000	11 000	-	3 837			
B	KZN281	uMfolozi	1 900	1 900	1 900	35	1.8	134	7.1	39 071	39 071	19 000	12 616	32.3	9 749	25.0	9 000	9 000	1 500	-	450			
B	KZN282	uMhlathuze	2 600	2 600	2 600	266	10.2	268	10.3	-	-	-	-	-	-	-	-	-	-	-	-			
B	KZN284	uMlalazi	1 700	1 700	1 700	958	56.4	857	50.4	40 125	40 125	20 000	13 775	34.3	13 472	33.6	5 000	5 000	1 500	-	-			
B	KZN285	Mthonjaneni	2 800	2 800	2 800	1 151	41.1	348	12.4	17 939	17 939	17 939	11 369	63.4	(351 284)	(1 958.2)	11 159	11 159	3 000	-	(42 525)			
B	KZN286	Nkandla	2 800	2 800	2 800	-	-	1 146	40.9	22 706	22 706	12 000	344	1.5	(175 538)	(773.1)	8 000	8 000	1 500	-	(6 362)			
C	DC28	King Cetshwayo DM	1 200	1 200	1 200	149	12.4	150	12.5	169 623	169 623	100 000	23 700	14.0	20 050	11.8	-	-	-	-	-			
Total:	King Cetshwayo Municipalities		13 000	13 000																				

Annexure J: National Conditional Grant 1st Quarter 2020/21

R'000	Expanded Public Works Programme Intergrated Grant (municipality)								Regional Bulk Infrastructure Grant						Water Services Infrastructure Grant (Schedule 5B Grant)								
	DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2019 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual			
				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent				Expenditure Nat. Dept.	% Spent	Expenditure Munis.	% Spent		
A	KZN2000	eThekweni	79 192	79 192	19 798	60 639	76.6	60 598	76.5	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN212	uMdoni	1 398	1 398	350	189	13.5	382	27.3	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN213	uMzumbane	1 533	1 533	384	415	27.1	556	36.3	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN214	uMuziwabantu	1 048	1 048	262	223	21.3	7	0.7	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN216	Ray Nkonyeni	3 949	3 949	988	1 293	32.7	1 379	34.9	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC21	Ugu DM	4 468	4 468	1 117	668	15.0	832	18.6	-	-	-	-	50 000	50 000	10 000	-	-	-	-	-		
Total: Ugu Municipalities			12 396	12 396	3 101	2 788	22.5	3 156	25.5	-	-	-	-	50 000	50 000	10 000	-	-	-	-	-		
B	KZN221	uMshwathi	1 192	1 192	298	311	26.1	915	76.8	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN222	uMngeni	1 000	1 000	250	-	-	182	18.2	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN223	Mpofana	1 211	1 211	303	223	18.4	647	53.4	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN224	iMpendle	1 284	1 284	321	475	37.0	1 161	90.4	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN225	Msunduzi	4 388	4 388	1 097	-	-	4 200	95.7	-	-	-	-	33 255	33 255	20 000	4 962	14.9	79 388	238.7	-		
B	KZN226	Mkhambathini	1 143	1 143	286	-	-	540	47.3	-	-	-	-	-	-	-	-	-	-	-	-		
B	KZN227	Richmond	1 505	1 505	377	-	-	87	5.8	-	-	-	-	-	-	-	-	-	-	-	-		
C	DC22	uMgungundlovu DM	3 071	3 071	768	224	7.3	82	2.7	-	-	-	-	80 000	80 000	21 670	12 261	15.3	6 978	8.7	-		
Total: uMgungundlovu Municipalities			14 794	14 794	3 700	1 233	8.3	7 815	52.8	-	-	-	-	113 255	113 255	41 670	17 223	15.2	86 365	76.3	-		
B	KZN232	Okhahlamba	3 081	3 081	771	1 580	51.3	1 083	35.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN237	iNkosi Langalibalele	2 082	2 082	521	521	25.0	396	19.0	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN238	Alfred Duma	4 642	4 642	1 161	824	17.8	357	7.7	-	-	-	-	-	-	-	-	-	-	-	-	-	
C	DC23	uThukela DM	3 730	3 730	930	-	-	18	0.5	39 399	39 399	-	-	90 000	90 000	36 000	19 976	22.2	4 868	5.4	-		
Total: uThukela Municipalities			13 535	13 535	3 386	2 925	21.6	1 853	13.7	39 399	39 399	-	-	90 000	90 000	36 000	19 976	22.2	4 868	5.4	-		
B	KZN241	eNdameni	1 335	1 335	334	238	17.8	96	7.2	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN242	Nquthu	1 088	1 088	272	371	34.1	371	34.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN244	uMsinga	4 441	4 441	1 111	1 057	23.8	1 659	37.3	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN245	uMvoti	1 447	1 447	362	-	-	1 575	108.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
C	DC24	uMzinyathi DM	5 457	5 457	1 365	1 081	19.8	1 081	19.8	4 738	4 738	4 738	3 344	70.6	1 892	39.9	78 235	78 235	30 000	14 223	18.2	13 052	16.7
Total: Umzinyathi Municipalities			13 768	13 768	3 444	2 747	20.0	4 782	34.7	4 738	4 738	4 738	3 344	70.6	1 892	39.9	78 235	78 235	30 000	14 223	18.2	13 052	16.7
B	KZN252	Newcastle	2 895	2 895	724	774	26.7	-	-	-	-	-	-	-	35 000	35 000	10 000	1 806	5.2	1 208	3.5	-	
B	KZN253	eMahlangueni	1 088	1 088	272	-	-	8	0.8	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN254	Dannhauser	1 000	1 000	250	-	-	271	27.1	-	-	-	-	-	-	-	-	-	-	-	-	-	
C	DC25	Amajuba DM	1 850	1 850	463	-	-	192	10.4	-	-	-	-	50 000	50 000	10 000	-	-	-	-	16 944	33.9	
Total: Amajuba Municipalities			6 833	6 833	1 709	774	11.3	471	6.9	-	-	-	-	85 000	85 000	20 000	1 806	2.1	18 152	21.4	-		
B	KZN261	eDumbe	1 522	1 522	381	307	20.2	361	23.7	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN262	uPhongolo	3 055	3 055	764	463	15.2	807	26.4	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN263	AbaQulusi	1 831	1 831	458	1 132	61.8	1 128	61.6	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN265	Nongoma	2 099	2 099	525	898	42.8	914	43.5	-	-	-	-	-	-	-	-	-	-	-	-	-	
B	KZN266	Ulundi	2 940	2 940	735	1 105	37.6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
C	DC26	Zululand DM	9 261	9 261	2 316	4 136	44.7	2 506	27.1	100 000	100 000	36 000	15 425	15.4	15 984	16.0	105 500	105 500	42 200	25 594	24.3	19 713	18.7
Total: Zululand Municipalities			20 708	20 708	5 179	8 041	38.8	5 716	27.6	100 000	100 000	36 000	15 425	15.4	15 984	16.0	105 500	105 500	42 200	25 594	24.3	19 713	18.7
B	KZN271	uMhlabyalingana	2 952	2 952	738	-	-	1 214	41.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN272	Jozini	2 746	2 746	687	803	29.2	2 457	89.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN275	Mtubatuba	1 945	1 945	487	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN276	Big Five Hlabisa	2 148	2 148	537	384	17.9	800	37.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC27	uMkhanyakude DM	4 838	4 838	1 210	1 731	35.8	-	-	-	-	-	-	-	84 400	84 400	24 400	213	0.3	764	0.9	-	
Total: uMkhanyakude Municipalities			14 629	14 629	3 659	2 918	19.9	4 471	30.6	-	-	-	-	-	84 400	84 400	24 400	213	0.3	764	0.9	-	
B	KZN281	uMfolozi	1 788	1 788	447	252	14.1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN282	uMhlathuze	4 278	4 278	1 070	573	13.4	865	20.2	-	-	-	-	25 000	25 000	5 000	5 000	20.0	3 139	12.6	-	-	
B	KZN284	uMlalazi	3 388	3 388	847	789	23.3	790	23.3	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN285	Mthonjaneni	1 951	1 951	488	245	12.6	206	10.5	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN286	Nkandla	2 476	2 476	619	797	32.2	797	32.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC28	King Cetshwayo DM	5 276	5 276	1 319	505	9.6	994	18.8	27 409	27 409	-	-	6 693	24.4	75 000	75 000	15 000	-	-	2 771	3.7	
Total: King Cetshwayo Municipalities			19 157	19 157	4 790	3 161	16.5	3 651	19.1	27 409	27 409	-	-	6 693	24.4	100 000	100 000	20 000	5 000	5.0	5 910	5.9	
B	KZN291	Mandeni	2 387	2 387	597	221	9.3	626	26.2	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN292	KwaDukuza	1 465	1 465	367	629	42.9	629	42.9	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN293	Ndwedwe	1 760	1 760	440	497	28.2	594	33.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN294	Maphumulo	1 282	1 282	321	589	45.9	573	44.7	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC29	iLembe DM	4 746	4 746	1 187	1 260	26.5	364	7.7	-	-	-	-	65 000	65 000	20 000	17 885	27.5	18 835	29.0	-		
Total: iLembe Municipalities			11 640	11 640	2 912	3 196	27.5	2 787	23.9	-	-	-	-	65 000	65 000	20 000							