



treasury

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Department:

Treasury

**PROVINCE OF KWAZULU-NATAL**

# **Municipal Finance Management**

## **3<sup>rd</sup> Quarter Review**

### **2018/19**

**MFQR: 31 March 2019**

Compiled by: The KZN Provincial Treasury

## Data Source and Reliability

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*All information in this report is based on the Section 71 MFMA reports that each Municipal Manager and Chief Financial Officer were required to verify, sign and submit to the 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 2018/19 Municipal Budget Information: Third Quarter Financial Results as at 31 March 2019. The non-delegated municipalities, namely, eThekweni, Msunduzi and uMhlathuze are included in the report. At the time of publishing the third quarter information by the National Treasury, some municipalities did not submit all the required monthly MFMA Section 71 performance returns as well as their 2018/19 Adjustments Budget returns. This has distorted the review of the budget performance as at the end of the third 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 third quarter. In terms of the straight line method of projection, all municipalities should have generated and spent approximately 75 percent of their Adjustments Budgets as at the end of the third 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 third quarter ending 31 March 2019.

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.

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.

## 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 3 - 2018/19

	2018/19										2017/18		Q3 of 2017/18 to Q3 of 2018/19
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		Third Quarter		
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted	Actual Expenditure	Total Expenditure as % of adjusted budget	
<b>R thousands</b>													
<b>Operating Revenue and Expenditure</b>													
<b>Operating Revenue</b>	<b>62 172 519</b>	<b>62 575 646</b>	<b>17 608 587</b>	<b>28.3</b>	<b>16 714 644</b>	<b>26.9</b>	<b>14 893 720</b>	<b>23.8</b>	<b>49 216 950</b>	<b>78.7</b>	<b>14 206 922</b>	<b>77.4</b>	<b>4.8</b>
Property rates	11 627 374	11 806 666	3 226 033	27.7	3 109 535	26.7	3 602 488	30.5	9 938 056	84.2	2 991 148	81.2	20.4
Property rates - penalties and collection charges	23 431	54 299	17 220	73.5	9 426	40.2	10 949	20.2	37 594	69.2	19 868	73.5	-44.9
Service charges - electricity revenue	20 001 213	19 851 517	4 586 812	23	4 658 117	23.3	4 676 366	23.6	13 931 295	70.2	4 427 464	72	5.6
Service charges - water revenue	6 746 722	6 461 925	1 631 192	24.2	1 964 392	29.1	1 203 849	18.6	4 799 433	74.3	1 278 708	74.2	-5.9
Service charges - sanitation revenue	1 684 326	1 728 018	346 694	20.6	551 907	32.8	344 985	20	1 243 587	72	427 952	82.4	-19.4
Service charges - refuse revenue	1 315 994	1 326 117	334 770	25.4	348 412	26.5	299 436	22.6	982 619	74.1	276 073	69.7	8.5
Service charges - other	4 427	302 343	41 153	929.7	15 576	351.9	65 671	21.7	122 400	40.5	119 496	3484.9	-45
Rental of facilities and equipment	1 048 818	1 027 567	239 080	22.8	253 049	24.1	138 275	13.5	630 403	61.3	220 164	71.2	-37.2
Interest earned - external investments	848 532	916 405	206 591	24.3	260 660	30.7	259 957	28.4	727 207	79.4	209 478	65.8	24.1
Interest earned - outstanding debtors	691 182	837 896	787 171	113.9	269 554	39	(290 305)	-34.6	766 421	91.5	352 494	91.3	-182.4
Dividends received	-	-	-	0	49	0	-	0	49	0	613	0	-100
Fines	448 131	353 933	(35 165)	-7.8	(52 891)	-11.8	384 002	108.5	295 946	83.6	24 927	29.8	1440.5
Licences and permits	128 801	125 436	26 215	20.4	60 674	47.1	45 386	36.2	132 276	105.5	58 162	77.9	-22
Agency services	57 106	58 505	14 796	25.9	16 871	29.5	12 467	21.3	44 133	75.4	21 044	98.6	-40.8
Transfers recognised - operational	16 077 909	16 334 017	5 905 754	36.7	4 919 886	30.6	3 750 077	23	14 575 717	89.2	4 810 401	84.5	-22
Other own revenue	1 433 036	1 343 715	267 985	18.7	327 152	22.8	386 645	28.8	981 782	73.1	(1 035 873)	49.1	-137.3
Gains on disposal of PPE	35 516	47 286	2 285	6.4	2 275	6.4	3 472	7.3	8 033	17	4 804	29.9	-27.7
<b>Operating Expenditure</b>	<b>63 263 739</b>	<b>64 269 245</b>	<b>12 699 100</b>	<b>20.1</b>	<b>16 689 834</b>	<b>26.4</b>	<b>15 384 924</b>	<b>23.9</b>	<b>44 773 858</b>	<b>69.7</b>	<b>12 478 332</b>	<b>65.9</b>	<b>23.3</b>
Employee related costs	19 121 423	19 287 790	4 219 495	22.1	5 145 660	26.9	4 630 499	24	13 995 654	72.6	4 090 647	70.7	13.2
Remuneration of councillors	804 119	778 770	174 894	21.7	202 891	25.2	199 959	25.7	577 745	74.2	184 031	68.8	8.7
Debt impairment	1 927 464	1 886 704	75 061	3.9	214 141	11.1	1 379 708	73.1	1 668 910	88.5	(216 282)	14.5	-737.9
Depreciation and asset impairment	5 701 305	5 575 914	1 061 599	18.6	1 228 346	21.5	971 414	17.4	3 261 359	58.5	1 149 448	68.6	-15.5
Finance charges	1 141 559	1 145 719	50 536	4.4	442 611	38.8	193 951	16.9	687 098	60	161 696	52.9	19.9
Bulk purchases	17 413 749	17 570 340	4 220 258	24.2	4 685 832	26.9	3 848 897	21.9	12 754 988	72.6	3 485 385	70	10.4
Other Materials	1 861 540	1 853 842	217 552	11.7	616 510	33.1	367 115	19.8	1 201 177	64.8	653 398	63.9	-43.8
Contracted services	8 526 990	9 620 190	1 595 713	18.7	2 508 807	29.4	2 300 207	23.9	6 404 727	66.6	1 968 587	65.1	16.8
Transfers and grants	784 441	793 475	129 071	16.5	152 613	19.5	169 988	21.4	451 672	56.9	103 160	60.9	64.8
Other expenditure	5 980 210	5 755 985	953 332	15.9	1 490 422	24.9	1 318 494	22.9	3 762 248	65.4	896 470	55.8	47.1
Loss on disposal of PPE	939	516	1 588	169.1	2 002	213.2	4 691	908.8	8 281	1604.3	1 792	119.8	161.8
<b>Surplus/(Deficit)</b>	<b>(1 091 220)</b>	<b>(1 693 599)</b>	<b>4 909 487</b>		<b>24 809</b>		<b>(491 204)</b>		<b>4 443 092</b>		<b>1 728 591</b>		
Transfers recognised - capital	8 586 580	8 320 610	645 232	7.5	1 490 422	17.4	1 251 704	15	3 387 358	40.7	1 118 070	50.9	12
Contributions recognised - capital	-	-	-	-	-	-	-	-	-	-	-	-	-
Contributed assets	30 348	23 748	3 603	11.9	2 416	8	4 155	17.5	10 174	42.8	7 062	20.1	-41.2
<b>Surplus/(Deficit) after capital transfers and contributions</b>	<b>7 525 708</b>	<b>6 650 759</b>	<b>5 558 322</b>		<b>1 517 647</b>		<b>764 655</b>		<b>7 840 625</b>		<b>2 853 722</b>		

Source: NT Igdatabase

- Municipalities in KwaZulu-Natal have generated Operating revenue amounting to R49.2 billion or 78.7 percent of the Adjusted Budget of R62.6 billion as at the end of quarter three. The revenue generated is above the expected straight line projection of 75 percent as at the end of the third quarter for the 2018/19 financial year.

- Categories of Operating revenue that generated more than 75 percent of their Adjusted Budget include *Licences and permits* at R132.3 million or 105.5 percent, *Interest earned- outstanding debtors* at R766.4 million or 91.5 percent, *Transfers recognized - operational* at R14.6 billion or 89.2 percent, *Property rates* at R9.9 billion or 84.2 percent, *Fines* at R295.9 million or 83.6 percent, *Interest earned – external investments* at R727.2 million or 79.4 percent and *Agency services* at R44.1 million or 75.4 percent.

- Based on the straight line projection of 75 percent as at the end of the third quarter, municipalities in the province have significantly under-generated revenue against the Adjusted Budget for *Gains on disposal of PPE* at R8 million or 17 percent and *Service charges other* at R122.4 million or 40.5 percent.

- Municipalities in KwaZulu-Natal have incurred Operating expenditure amounting to R44.8 billion or 69.7 percent of the Adjusted Budget of R64.3 billion which is below the projected baseline of 75 percent.

- Significantly low expenditure on *Transfers and grants* of R451.6 million (56.9 percent) and *Depreciation and asset impairment* of R3.3 billion (58.5 percent) was incurred as at the end of March 2019.

- Loss on disposal of PPE* at R8.3 million (1 604.3 percent) significantly exceeded the Adjusted Budget of R516 000, partially as result of incorrect reporting.

- Municipalities in KwaZulu-Natal reported an Operating Surplus of R4.4 billion at the end of quarter three.

## 2.2 Operating Revenue – District Total

Table 2: Operating Revenue per source and per district as at the end of Quarter 3 – 2018/19

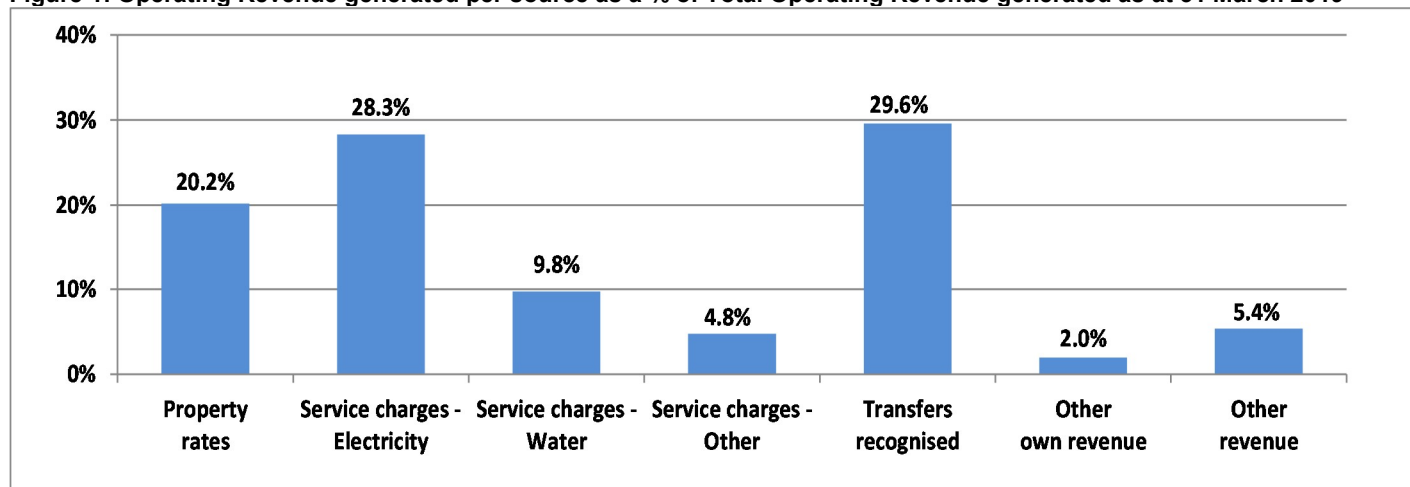
R000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail						
					Property rates	Service charges			Transfers recognised - operational	Other own revenue	Other revenue <sup>2</sup>
						Electricity revenue	Water revenue	Other <sup>1</sup>			
eThekweni	35 175 463	35 366 557	28 053 747	79.3	6 496 438	9 362 452	3 121 195	1 314 343	5 620 131	575 537	1 563 650
Ugu	2 512 249	2 525 113	2 042 627	80.9	645 821	107 014	187 950	121 327	869 114	29 051	82 350
uMgungundlovu	6 801 668	6 663 705	4 698 423	70.5	908 033	1 444 098	598 212	210 161	1 130 868	92 915	314 137
uThukela	2 281 594	2 318 301	1 882 899	81.2	246 976	420 142	173 851	90 089	723 854	106 943	121 043
uMzinyathi	1 404 141	1 404 440	1 164 371	82.9	142 590	149 173	36 213	33 293	712 405	15 430	75 267
Amajuba	2 225 933	2 241 539	1 892 016	84.4	255 204	508 640	148 649	147 042	749 311	39 263	43 908
Zululand	1 913 673	1 915 362	1 432 606	74.8	162 966	154 721	40 727	113 353	894 938	18 154	47 747
uMkhanyakude	1 216 650	1 256 634	1 157 671	92.1	104 849	3 971	17 387	16 960	949 408	10 444	54 651
King Cetshwayo	4 525 678	4 601 665	3 546 410	77.1	421 220	1 125 905	355 373	183 823	1 251 551	35 276	173 262
iLembe	2 769 234	2 865 382	2 300 675	80.3	386 178	575 941	83 457	78 582	1 022 439	46 715	107 363
Harry Gwala	1 346 237	1 416 950	1 045 504	73.8	167 780	79 237	36 421	39 632	651 699	12 053	58 682
<b>Total</b>	<b>62 172 519</b>	<b>62 575 646</b>	<b>49 216 950</b>	<b>78.7</b>	<b>9 938 056</b>	<b>13 931 295</b>	<b>4 799 433</b>	<b>2 348 605</b>	<b>14 575 717</b>	<b>981 782</b>	<b>2 642 062</b>

Source: NT Igdatabase

<sup>1</sup> Include Service charges revenue for Sanitation, Refuse and Other.

<sup>2</sup> Include Property rates - penalties and collection charges, Rental of facilities and equipment, Interest earned on external investments & outstanding debtors, Dividends received, Fines, 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 31 March 2019



- The bulk of Operating revenue at the end of the third quarter was generated by the eThekweni Metro at R28.1 billion followed by the uMgungundlovu District at R4.7 billion and the King Cetshwayo District at R3.5 billion.
- Operating revenue generated by the districts against their respective Adjusted Budgets exceeded the benchmark of 75 percent for the third quarter with the exception of the Zululand District (74.8 percent), the Harry Gwala District (73.8 percent) and the uMgungundlovu District (70.5 percent). The total revenue generated by the uMgungundlovu District appears to have been erroneously overstated as a result of possible errors on the reporting of the Richmond Local Municipality who reported revenue of R251.9 million or 243.3 percent generated against an Adjusted Budget of R103.5 million.
- Transfers recognised – operational* at R14.6 billion or 29.6 percent contributed the most to total Operating revenue generated followed by *Service charges – electricity revenue* at R13.9 billion or 28.3 percent and *Property rates* at R9.9 billion or 20.2 percent.
- Actual Operating revenue as at the end of the third quarter for the uMkhanyakude, Zululand, Harry Gwala and uMzinyathi Districts is largely funded by grants at 82 percent, 62.5 percent, 62.3 percent and 61.2 percent respectively. The eThekweni Metro (20 percent), the uMgungundlovu District (24.1 percent) and the King Cetshwayo District (35.3 percent) are the least dependent on grant funding.
- With the exception of the eThekweni Metro (R6.5 billion), the uMgungundlovu (R908 million), the Ugu (R645.8 million) and the King Cetshwayo (R421.2 million) Districts generated the largest amounts for *Property rates revenue* while the uMkhanyakude (R104.9 million), the uMzinyathi (R142.6 million) and the Harry Gwala (R167.8 million) Districts contributed the least to the total *Property rates revenue*.
- Excluding the eThekweni Metro (R13.8 billion), the uMgungundlovu (R2.3 billion), the King Cetshwayo (1.7 billion) and the Amajuba (R804.3 million) Districts generated the bulk of the total revenue for *Service charges* which includes *Electricity revenue*, *Water revenue* and *Other*. The uMkhanyakude and the Harry Gwala Districts generated the least towards revenue for *Service charges* with R38.3 million and R155.3 million respectively.

## 2.3 Operating Expenditure – District Total

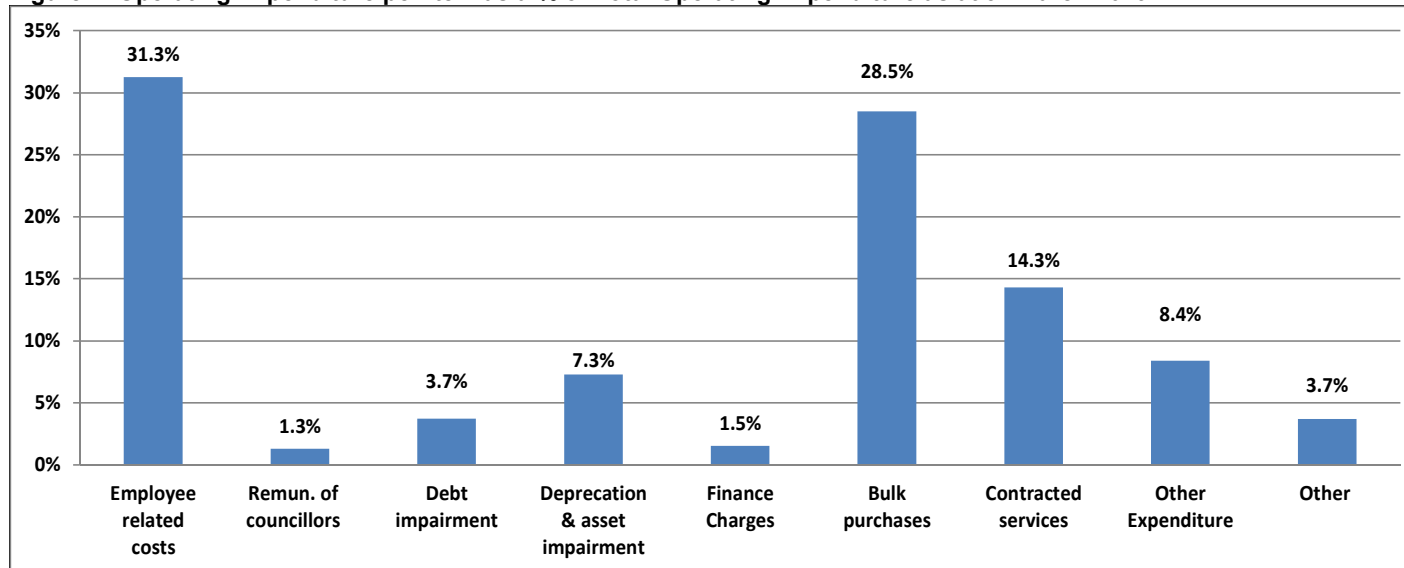
**Table 3: Operating Expenditure per item and per district as at the end of Quarter 3 – 2018/19**

R000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail								Other <sup>1</sup>
					Employee related costs	Remun. of councillors	Debt impairment	Depreciation and asset impairment	Finance charges	Bulk purchases	Contracted services	Other expenditure	
eThekweni	35 227 111	35 417 436	25 848 393	73.0	7 858 267	94 926	990 721	1 736 336	499 467	8 503 714	3 424 627	1 612 235	1 128 098
Ugu	2 501 663	2 772 922	1 534 113	55.3	690 529	59 702	2 013	36 866	(6 858)	109 551	373 706	242 594	26 010
uMgungundlovu	6 751 660	6 750 448	4 760 399	70.5	1 186 089	61 877	382 479	363 618	69 161	1 595 032	678 260	296 005	127 877
uThukela	2 398 516	2 483 078	1 454 752	58.6	619 929	42 295	117 195	49 256	9 134	232 946	143 182	207 083	33 730
uMzinyathi	1 479 310	1 473 618	929 896	63.1	342 548	31 000	9 325	39 688	194	117 356	170 126	147 378	72 281
Amajuba	2 759 796	2 725 809	1 711 290	62.8	523 778	33 067	73 946	302 739	35 196	422 009	95 619	222 503	2 433
Zululand	2 059 806	2 107 452	1 430 633	67.9	554 647	49 374	6 803	54 116	6 193	234 252	277 987	215 519	31 743
uMkhanyakude	1 216 412	1 294 898	913 535	70.5	355 226	45 435	11 393	40 571	3 478	106 857	195 837	122 430	32 308
King Cetshwayo	4 666 531	4 859 729	3 409 920	70.2	932 420	68 673	56 032	386 100	51 821	810 169	670 523	289 880	144 301
iLembe	2 793 225	2 894 212	1 905 043	65.8	557 960	53 377	18 316	152 560	19 144	545 544	273 074	235 460	49 608
Harry Gwala	1 409 709	1 489 645	875 887	58.8	374 261	38 018	687	99 510	167	77 558	101 785	171 160	12 741
<b>Total</b>	<b>63 263 739</b>	<b>64 269 245</b>	<b>44 773 858</b>	<b>69.7</b>	<b>13 995 654</b>	<b>577 745</b>	<b>1 668 910</b>	<b>3 261 359</b>	<b>687 098</b>	<b>12 754 988</b>	<b>6 404 727</b>	<b>3 762 248</b>	<b>1 661 130</b>

Source: NT Igdatabase

<sup>1</sup> Include 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 31 March 2019**



- Municipalities in KwaZulu-Natal spent R44.8 billion or 69.7 percent of the total Adjusted Budget of R64.3 billion which is below the straight line projection of 75 percent as at the end of the third quarter of the 2018/19 financial year. The percentage is higher in comparison to Operating expenditure incurred of 65.9 percent in the third quarter of the previous financial year.
  - All the districts in the province and the eThekweni Metro reported expenditure of less than 75 percent of the Adjusted Budget. The eThekweni Metro reported the highest expenditure of 73 percent followed by the uMgungundlovu, uMkhanyakude and King Cetshwayo Districts who reported 70.5 percent, 70.5 percent and 70.2 percent expenditure respectively. Districts that reported the lowest expenditure rates as at the end of the third quarter are the Ugu (55.3 percent), uThukela (58.6 percent) and Harry Gwala (58.8 percent) Districts.
  - The majority of the municipalities (32) in the province have not reported expenditure against *Debt impairment*. In addition, it was noted that 16 municipalities did not report on *Depreciation and asset impairment*.
  - The Ugu District reported *Finance charges* of negative R6.9 million as a result of the uMuziwabantu Local Municipality incorrectly reporting negative R9.6 million for *Finance charges*.
  - *Employee related costs* contributed the most at R14 billion or 31.3 percent towards Operating expenditure. It is concerning to note that the Ugu (45 percent), Harry Gwala (42.7 percent) and uThukela (42.6 percent) Districts reported *Employee related costs* which exceeded the norm range for Employee related costs of 25 to 40 percent of total Operating expenditure.
- Bulk purchases* is the second highest contributor towards actual Operating expenditure in the province at R12.8 billion or 28.5 percent which is expected considering that revenue from Trading services, namely, *Service charges – electricity* and *Service charges – water* also contributed significantly towards Operating revenue.



## 2.4 Capital Revenue and Expenditure - Provincial Total

Table 4: Capital Revenue and Expenditure as at the end of Quarter 3 - 2018/19

R thousands	2018/19										2017/18		Q3 of 2017/18 to Q3 of 2018/19
	Budget		First Quarter		Second Quarter		Third Quarter		Year to Date		Third Quarter		
	Main appropriation	Adjusted Budget	Actual Expenditure	1st Q as % of Main appropriation	Actual Expenditure	2nd Q as % of Main appropriation	Actual Expenditure	3rd Q as % of adjusted budget	Actual Expenditure	Total Expenditure as % of adjusted	Actual Expenditure	Total Expenditure as % of adjusted budget	
<b>Capital Revenue and Expenditure</b>													
<b>Source of Finance</b>	<b>14 164 647</b>	<b>14 271 327</b>	<b>1 702 291</b>	<b>12</b>	<b>2 797 859</b>	<b>19.8</b>	<b>2 052 469</b>	<b>14.4</b>	<b>6 552 618</b>	<b>45.9</b>	<b>1 829 702</b>	<b>44.9</b>	<b>12.2</b>
National Government	7 781 448	7 836 430	936 248	12	1 465 009	18.8	1 334 205	17	3 735 463	47.7	1 341 870	51	-0.6
Provincial Government	784 240	923 688	111 878	14.3	181 641	23.2	171 551	18.6	465 070	50.3	178 679	116.9	-4
District/Municipality	-	-	-	0	-	0	-	0	-	0	-	0	0
Other transfers and grants	13 541	14 187	358	2.6	555	4.1	322	2.3	1 234	8.7	14 417	37	-97.8
<b>Transfers recognised - capital</b>	<b>8 579 229</b>	<b>8 774 305</b>	<b>1 048 484</b>	<b>12.2</b>	<b>1 647 205</b>	<b>19.2</b>	<b>1 506 078</b>	<b>17.2</b>	<b>4 201 767</b>	<b>47.9</b>	<b>1 534 966</b>	<b>54</b>	<b>-1.9</b>
Borrowing	1 548 975	1 680 653	48 326	3.1	71 787	4.6	61 393	3.7	181 506	10.8	59 798	27.5	2.7
Internally generated funds	4 013 843	3 674 292	605 481	15.1	1 072 548	26.7	477 324	13	2 155 353	58.7	223 953	30.1	113.1
Public contributions and donations	22 600	142 076	-	0	6 318	28	7 674	5.4	13 992	9.8	10 984	1547.5	-30.1
<b>Capital Expenditure Standard Classification</b>	<b>14 164 647</b>	<b>14 271 327</b>	<b>1 702 291</b>	<b>12</b>	<b>2 797 859</b>	<b>19.8</b>	<b>2 052 469</b>	<b>14.4</b>	<b>6 552 618</b>	<b>45.9</b>	<b>1 829 702</b>	<b>44.9</b>	<b>12.2</b>
<b>Governance and Administration</b>	<b>1 230 804</b>	<b>1 380 083</b>	<b>159 817</b>	<b>13</b>	<b>239 888</b>	<b>19.5</b>	<b>156 944</b>	<b>11.4</b>	<b>556 650</b>	<b>40.3</b>	<b>141 830</b>	<b>20.1</b>	<b>10.7</b>
Executive & Council	561 203	154 897	32 615	5.9	14 632	2.7	8 645	5.6	55 892	36.1	26 428	33.2	-67.3
Budget & Treasury Office	611 029	916 811	54 387	8.9	110 728	18.1	71 812	7.8	236 927	25.8	90 221	15.5	-20.4
Corporate Services	68 573	308 375	72 816	106.2	114 528	167	76 488	24.8	263 831	85.6	25 181	34.4	203.8
<b>Community and Public Safety</b>	<b>2 487 441</b>	<b>2 557 089</b>	<b>263 699</b>	<b>10.6</b>	<b>473 565</b>	<b>19</b>	<b>392 222</b>	<b>15.3</b>	<b>1 129 487</b>	<b>44.2</b>	<b>293 598</b>	<b>49.5</b>	<b>33.6</b>
Community & Social Services	659 085	602 660	82 212	12.5	97 251	14.8	87 545	14.5	267 008	44.3	70 024	34	25
Sport And Recreation	444 786	414 743	13 659	3.1	38 216	8.6	48 311	11.6	100 186	24.2	25 186	16	91.8
Public Safety	107 145	115 952	10 353	9.7	21 165	19.8	4 657	4	36 175	31.2	12 264	31.8	-62
Housing	1 252 221	1 399 167	155 774	12.4	314 474	25.1	246 783	17.6	717 030	51.2	184 387	85.2	33.8
Health	24 204	24 566	1 702	7	2 460	10.2	4 926	20.1	9 088	37	1 738	49.8	183.4
<b>Economic and Environmental Services</b>	<b>4 091 676</b>	<b>3 840 876</b>	<b>454 246</b>	<b>11.1</b>	<b>786 765</b>	<b>19.2</b>	<b>579 938</b>	<b>15.1</b>	<b>1 820 949</b>	<b>47.4</b>	<b>506 980</b>	<b>44.2</b>	<b>14.4</b>
Planning and Development	681 630	704 694	103 810	15.2	216 078	31.7	120 185	17.1	440 073	62.4	127 378	36.4	-5.6
Road Transport	3 398 156	3 119 652	350 436	10.3	569 278	16.8	459 643	14.7	1 379 357	44.2	379 541	47.3	21.1
Environmental Protection	11 890	16 531	-	0	1 409	11.9	110	0.7	1 519	9.2	61	0.7	80.1
<b>Trading Services</b>	<b>6 172 636</b>	<b>6 341 992</b>	<b>821 893</b>	<b>13.3</b>	<b>1 294 408</b>	<b>21</b>	<b>924 738</b>	<b>14.6</b>	<b>3 041 039</b>	<b>48</b>	<b>882 897</b>	<b>52.5</b>	<b>4.7</b>
Electricity	1 434 299	1 144 592	161 145	11.2	280 304	19.5	95 986	8.4	537 435	47	205 033	54.4	-53.2
Water	3 511 316	3 611 329	400 297	11.4	598 478	17	496 959	13.8	1 495 734	41.4	521 357	51.6	-4.7
Waste Water Management	1 094 256	1 457 195	246 014	22.5	391 144	35.7	310 328	21.3	947 486	65	131 803	53.7	135.4
Waste Management	132 765	128 876	14 438	10.9	24 482	18.4	21 464	16.7	60 384	46.9	24 705	46	-13.1
<b>Other</b>	<b>182 090</b>	<b>151 286</b>	<b>2 635</b>	<b>1.4</b>	<b>3 232</b>	<b>1.8</b>	<b>(1 373)</b>	<b>-0.9</b>	<b>4 495</b>	<b>3</b>	<b>4 396</b>	<b>10.5</b>	<b>-131.2</b>

Source: NT Igdatabase

- The highest contributor towards total Capital sources of finance as at the end of quarter three was *National Government* transfers at R3.7 billion followed by *Internally generated funds* at R2.2 billion and *Provincial Government* transfers at R465.1 million. *Other transfers and grants*, *Borrowing* and *Public Contributions and donations* with a total of R196.7 million made up the remaining Capital sources of finance.

- At the end of the third quarter, the municipalities in the province were expected to have spent a straight line projection of 75 percent of the R14.3 billion Adjusted Budget for Capital expenditure. However, only 45.9 percent of the total Capital budget was spent.

- The bulk of the Capital expenditure as at the end of the third quarter was on *Trading services* at R3 billion or 46.4 percent of total Capital expenditure of which R1.5 billion was spent on *Water*, followed by R947.5 million spent on *Waste Water Management*, R537.4 million spent on *Electricity* and R60.4 million spent on *Waste Management*.

- Economic and Environmental Services* is the second largest contributor towards Capital expenditure amounting to R1.8 billion or 27.8 percent of the total Capital expenditure of which R1.4 billion was spent on *Road Transport*, R440.1 million was spent on *Planning and Development* and R1.5 million was spent on *Environmental Protection*.

- Community and Public Safety* contributed R1.1 billion or 17.2 percent towards the total Capital expenditure. Of this, R717 million was spent on *Housing*, R267 million was spent on *Community & Social Services*, R100.2 million was spent on *Sport and Recreation*, R36.2 million was spent on *Public Safety* and R9.1 million was spent on *Health*.

- Governance and Administration* contributed R556.7 million or 8.5 percent towards total Capital Expenditure. Of this, R263.8 million was spent on *Corporate Services*, R236.9 million was spent on *Budget and Treasury Office* and R55.9 million was spent on *Executive & Council*.

- Other* contributed the least towards total Capital expenditure at R4.5 million or 0.1 percent.

## 2.5 Capital Revenue - District Total

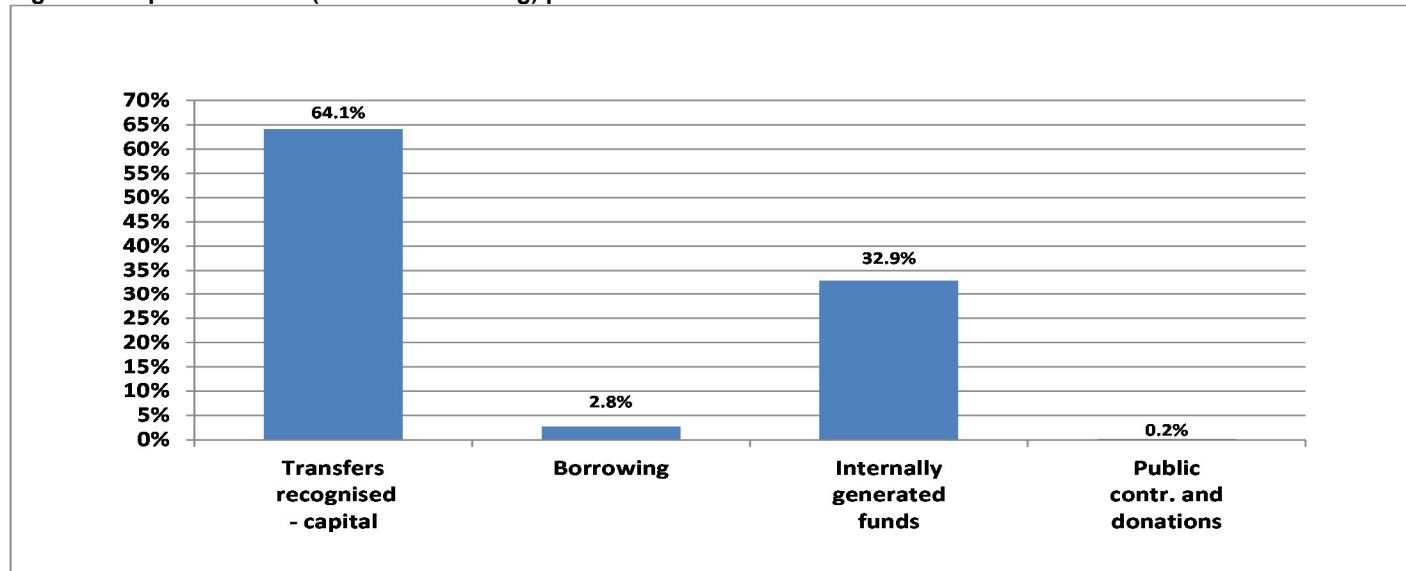
Table 5: Capital Revenue (Source of Finance) per district as at the end of Quarter 3 – 2018/19

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail			
					Transfers recognised - capital <sup>1</sup>	Borrowing	Internally generated funds	Public contr. and donations
eThekwini	7 110 162	7 100 361	3 088 514	43.5	1 259 482	-	1 829 032	-
Ugu	725 523	770 437	413 147	53.6	383 121	-	24 403	5 624
uMgungundlovu	920 069	958 347	490 762	51.2	435 918	21 388	33 444	12
uThukela	624 802	522 427	283 317	54.2	263 538	-	19 779	-
uMzinyathi	682 174	604 734	300 020	49.6	273 820	-	26 200	-
Amajuba	426 061	444 902	243 072	54.6	185 668	7 360	49 350	694
Zululand	661 824	808 609	331 839	41.0	331 082	-	757	-
uMkhanyakude	426 037	425 978	264 608	62.1	258 135	-	6 473	-
King Cetshwayo	1 044 990	1 153 865	516 761	44.8	290 822	152 758	65 518	7 663
iLembe	870 824	794 810	291 258	36.6	237 492	0	53 767	-
Harry Gwala	672 183	686 855	329 319	47.9	282 690	-	46 629	-
<b>Total</b>	<b>14 164 647</b>	<b>14 271 327</b>	<b>6 552 618</b>	<b>45.9</b>	<b>4 201 767</b>	<b>181 506</b>	<b>2 155 353</b>	<b>13 992</b>

Source: NT Igdatabase

<sup>1</sup>Include 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 31 March 2019



- An overview of the Capital source of funding by district reflects that municipalities in the province are dependent on grants to fund their Capital expenditure as *Transfers recognised – capital* contributes 64.1 percent or R4.2 billion of the total Capital source of funding (R6.6 billion) as at the end of the third quarter.

- The second largest source of funding was *Internally generated funds* at 32.9 percent or R2.2 billion, followed by *Borrowing* at 2.8 percent or R181.5 million and *Public contributions and donations* at 0.2 percent or R14 million.

- Three districts utilised *Borrowings* as at the end of the third quarter. The King Cetshwayo District utilised the highest *Borrowings* at R152.8 million followed by the uMgungundlovu District at R21.4 million and the Amajuba District at R7.4 million.

- Public contributions and donations* of R14 million were recognised by four districts to fund their Capital expenditure. The King Cetshwayo District recognised a significant amount of R7.7 million (54.8 percent) followed by the Ugu District at R5.6 million (40.2 percent) against *Public contributions and donations*. The remaining two districts were the Amajuba District with R694 000 and the uMgungundlovu District with R12 000.

The uMuziwabantu Local Municipality within the Ugu District reflected negative revenue of R31 000 against *Public Contributions* which appears to be due to inaccurate reporting.

- The eThekwini Metro with R3.1 billion contributed the most to the total Capital revenue of R6.6 billion. The metro financed their Capital expenditure with *Transfers recognised – capital* of R1.3 billion and *Internally generated funds* of R1.8 billion. The metro was followed by the King Cetshwayo District at R516.8 million in terms of contributing towards total Capital revenue.

The iLembe District recognised the least at only R291.3 million or 36.6 percent against their Adjusted budget amount of R794.8 million.

## 2.6 Capital Expenditure - District Total

Table 6: Capital Expenditure per item and per district as at the end of Quarter 3 – 2018/19

R000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail									Other
					Governance and Admin. <sup>1</sup>	Community and Public Safety			Economic and Environmental Services		Trading Services			
						Housing	Health	Other <sup>2</sup>	Road Transport	Other <sup>3</sup>	Electricity	Water and Waste Water Mgt.	Waste Mgt	
eThekweni	7 110 162	7 100 361	3 088 514	43.5	229 058	670 109	9 088	183 608	546 722	198 026	332 658	875 013	44 086	146
Budget per category					747 596	1 219 499	24 566	615 620	1 476 856	325 516	620 803	1 861 188	99 479	109 238
Ugu	725 523	770 437	413 147	53.6	40 612	33 822	-	29 434	63 827	22 020	7 635	215 537	260	-
Budget per category					69 166	128 320	-	59 204	153 729	15 712	26 123	281 388	200	36 595
uMgungundlovu	920 069	958 347	490 762	51.2	1 560	5 073	-	43 603	167 025	27 389	29 475	206 852	5 546	4 240
Budget per category					55 971	15 837	-	99 761	322 457	55 362	57 069	344 077	2 900	4 915
uThukela	624 802	522 427	283 317	54.2	14 495	-	-	895	27 600	49 544	15 082	175 468	232	2
Budget per category					22 479	805	-	1 119	86 562	68 498	24 638	314 521	3 805	-
uMnyathi	682 174	604 734	300 020	49.6	8 350	-	-	12 045	82 251	3 187	13 303	178 926	1 959	-
Budget per category					17 376	-	-	44 254	121 994	34 829	26 334	348 289	11 228	430
Amajuba	426 061	444 902	243 072	54.6	3 205	17	-	2 567	59 553	60 439	578	116 713	-	-
Budget per category					3 734	1 024	-	18 981	82 034	89 158	131 858	118 112	-	-
Zululand	661 824	808 609	331 839	41.0	180 637	4 499	-	29 487	80 201	387	36 360	268	-	-
Budget per category					130 835	-	-	38 671	139 650	26 830	25 262	447 322	40	-
uMkhanyakude	426 037	425 978	264 608	62.1	5 411	-	-	8 396	59 329	20 888	15 954	154 629	-	-
Budget per category					34 535	-	-	16 222	97 558	1 148	-	276 215	300	-
King Cetshwayo	1 044 990	1 153 865	516 761	44.8	54 281	-	-	60 206	109 415	27 886	59 129	199 976	5 761	108
Budget per category					153 108	-	-	151 913	269 527	5 480	131 518	436 163	6 050	108
Lembe	870 824	794 810	291 258	36.6	10 545	1 827	-	22 632	102 396	4 393	7 456	141 354	655	-
Budget per category					104 227	19 148	-	46 944	226 143	16 536	60 164	318 173	3 474	-
Harry Gwala	672 183	686 855	329 319	47.9	8 494	1 683	-	10 496	81 039	27 433	19 806	178 483	1 884	-
Budget per category					41 057	14 534	-	40 666	143 142	82 155	40 824	323 076	1 400	-
<b>Total</b>	<b>14 164 647</b>	<b>14 271 327</b>	<b>6 552 618</b>	<b>45.9</b>	<b>556 650</b>	<b>717 030</b>	<b>9 088</b>	<b>403 369</b>	<b>1 379 357</b>	<b>441 592</b>	<b>537 435</b>	<b>2 443 220</b>	<b>60 384</b>	<b>4 495</b>

Source: NT Igtdatabase

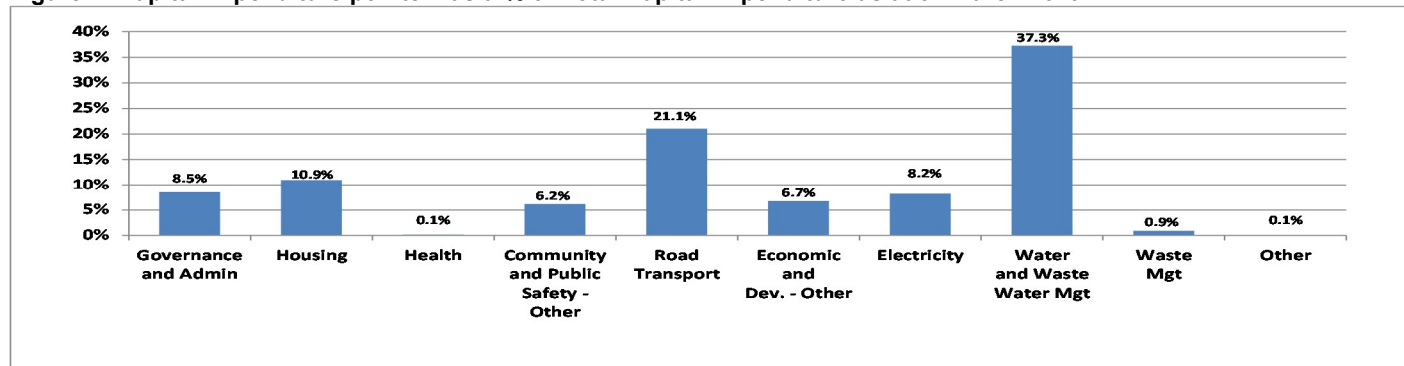
1 Include Executive & Council, Budget & Treasury Office and Corporate Services.

2 Include Community & Social Services, Sports And Recreation and Public Safety.

3 Include Planning and Development and Environmental Protection.

Below straight line projection of 75 percent

Figure 4: Capital Expenditure per item as a % of Total Capital Expenditure as at 31 March 2019



- As at the end of the third quarter of the 2018/19 financial year, municipalities in the province spent R6.6 billion or 45.9 percent of their Adjusted Capital Budgets which is below the 75 percent straight line projection expected at the end of the third quarter.
- The districts with the largest percentage of Capital expenditure against their Adjusted Budget was uMkhanyakude District with 62.1 percent, followed by the Amajuba District with 54.6 percent and the uThukela District with 54.2 percent.
- The bulk of the Capital expenditure was reported on *Water and Waste Water Management* at R2.4 billion or 37.3 percent with the eThekweni Metro recording the highest expenditure of R875 million against this category. The Zululand District recorded the least expenditure of R268 000.
- The second largest Capital expenditure category reported on was *Road Transport* at R1.4 billion or 21.1 percent. The eThekweni Metro recorded the largest spending against this category with R546.7 million, followed by the uMgungundlovu District with R167 million and the King Cetshwayo District with R109.4 million. The uThukela District recorded least expenditure of R27.6 million.
- The least Capital expenditure of R4.5 million (0.1 percent) was reported on the *Other* vote. This was mainly due to the eThekweni Metro only reporting spending of R146 000 against the Adjusted budget amount of R109.2 million.
- Only the eThekweni Metro had budgeted for *Health* and it only spent 36.7 percent or R9.1 million against their Adjusted budget of R24.6 million.

## 2.7 Comparatives: Capital vs Operating Expenditure

Figure 5: Comparatives: Capital vs Operating – as at the end of Quarter 3 - 2018/19

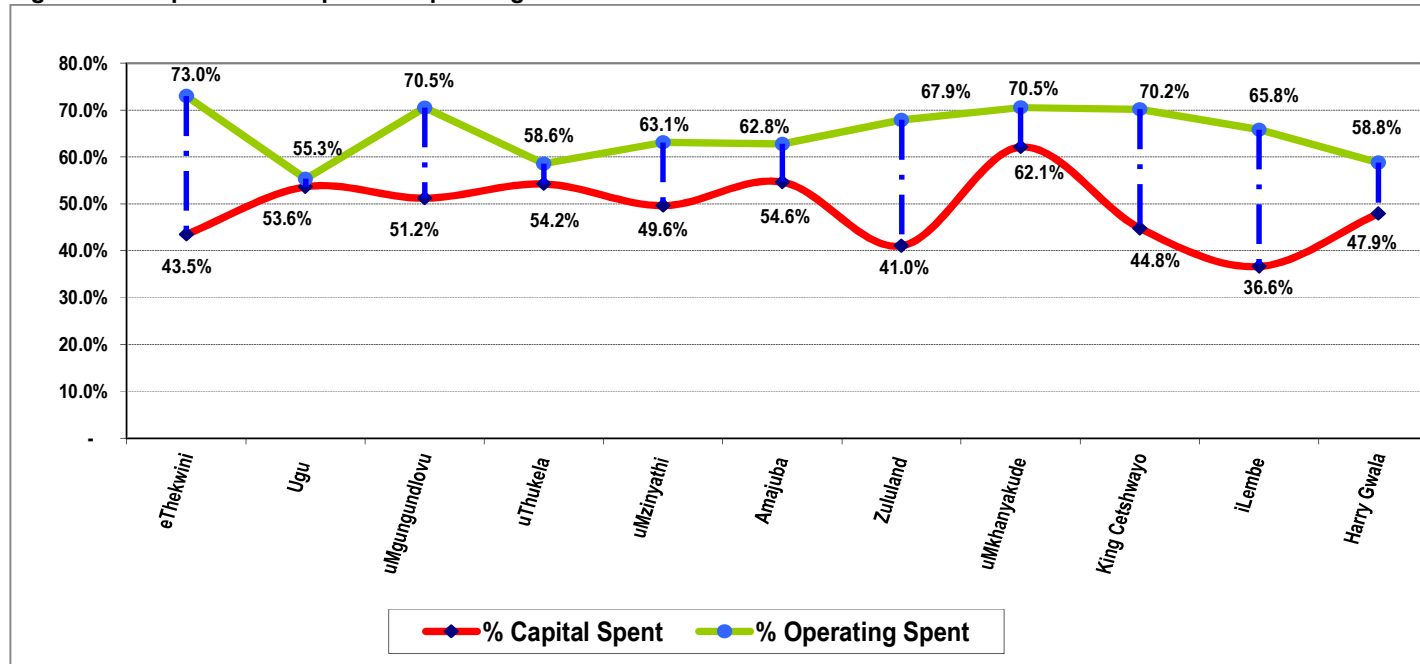
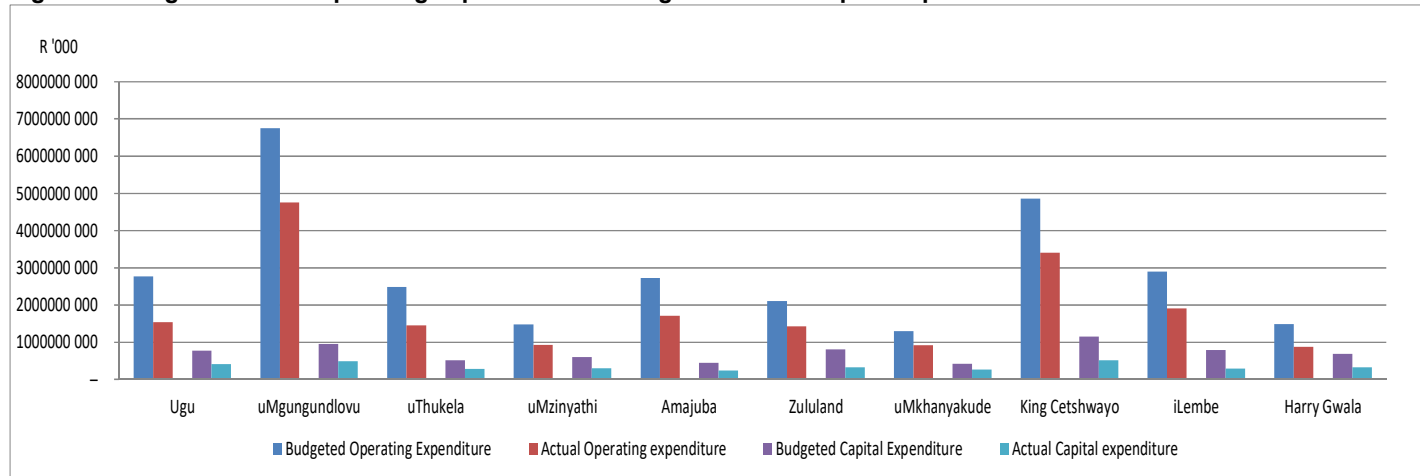


Figure 6: Budgeted/Actual Operating expenditure vs Budgeted/Actual Capital expenditure as at the end of Quarter 3 - 2018/19



- Figure 5 (which includes the three non-delegated municipalities) shows the comparatives of the Capital expenditure as a percentage of the Capital Expenditure Adjusted Budget together with Operating Expenditure as a percentage of the Operating expenditure Adjusted Budget as at the end of the third quarter of the 2018/19 financial year.

- The comparatives between the average Capital Expenditure and average Operating Expenditure indicate that all districts including the eThekweni Metro have spent less on their Capital Expenditure Adjusted Budgets as compared to spending on their Operating Expenditure Adjusted Budgets.

- No district managed to spend 75 percent or more of their Operating Expenditure Adjusted Budget for the period under review.

- The iLembe District reported the lowest Capital Expenditure (36.6 percent) and the Ugu District reported the lowest Operating Expenditure (55.3 percent) against their respective Adjusted Budgets.

- Figure 6 shows an overview of actual Operating Expenditure against the Operating Expenditure Adjusted Budget and the actual Capital Expenditure against the Capital Adjusted Budget.

The uMkhanyakude District with 62.1 percent and 70.5 percent spent against their Capital and Operating Adjusted Budgets respectively is the only district that is close to the benchmark of 75 percent against both these categories of spending.

## 2.8 Debtors Age Analysis – Provincial Total

**Table 7: Debtors Age Analysis by Income source as at the end of Quarter 3 - 2018/19**

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Debtors Age Analysis By Income Source</b>										
Trade and Other Receivables from Exchange Transactions - Water	628 506	8.7	500 599	6.9	228 801	3.2	5 873 834	81.2	7 231 741	35.9
Trade and Other Receivables from Exchange Transactions - Electricity	942 116	41.1	324 961	14.2	83 927	3.7	942 330	41.1	2 293 334	11.4
Receivables from Non-exchange Transactions - Property Rates	564 540	10.4	298 772	5.5	161 109	3.0	4 399 592	81.1	5 424 013	26.9
Receivables from Exchange Transactions - Waste Water Management	122 999	10.4	84 136	7.1	45 866	3.9	926 759	78.6	1 179 760	5.9
Receivables from Exchange Transactions - Waste Management	82 664	9.7	42 917	5.0	25 148	3.0	701 695	82.3	852 423	4.2
Receivables from Exchange Transactions - Property Rental Debtors	12 736	4.5	8 280	3.0	(7 051)	-2.5	266 297	95.0	280 262	1.4
Interest on Arrear Debtor Accounts	42 106	2.9	31 171	2.2	16 585	1.1	1 355 436	93.8	1 445 298	7.2
Recoverable unauthorised, irregular or fruitless and wasteful Expenditure	-	0.0	-	0.0	-	0.0	-	0.0	-	0.0
Other	(16 336)	-1.1	35 683	2.5	40 665	2.8	1 390 432	95.9	1 450 444	7.2
<b>Total By Income Source</b>	<b>2 379 331</b>	<b>11.8</b>	<b>1 326 520</b>	<b>6.6</b>	<b>595 051</b>	<b>3.0</b>	<b>15 856 375</b>	<b>78.7</b>	<b>20 157 276</b>	<b>100.0</b>

Source: NT Igdatabase

**Table 8: Debtors Age analysis by Customer Group as at the end of Quarter 3 - 2018/19**

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Debtors Age Analysis By Customer Group</b>										
Organs of State	209 365	12.2	99 572	5.8	64 437	3.8	1 341 185	78.2	1 714 559	8.5
Commercial	1 011 962	27.6	446 728	12.2	165 540	4.5	2 042 676	55.7	3 666 906	18.2
Households	1 051 745	8.0	730 068	5.6	331 264	2.5	10 965 702	83.8	13 078 779	64.9
Other	106 259	6.3	50 151	3.0	33 810	2.0	1 506 812	88.8	1 697 032	8.4
<b>Total By Customer Group</b>	<b>2 379 331</b>	<b>11.8</b>	<b>1 326 520</b>	<b>6.6</b>	<b>595 051</b>	<b>3.0</b>	<b>15 856 375</b>	<b>78.7</b>	<b>20 157 276</b>	<b>100.0</b>

Source: NT Igdatabase

- Table 7 shows that a total of R20.2 billion is owed by consumers to municipalities in KwaZulu-Natal as at 31 March 2019 with an amount of R15.9 billion or 78.7 percent of the Debt in the *Over 90 Days* category.
- The Debtors Age Analysis by Income Source shows that a significant amount of R7.2 billion or 35.9 percent of the debt owed relates to *Water* followed by *Property rates* at R5.4 billion or 26.9 percent and *Electricity* at R2.3 billion or 11.4 percent.
- Negative amount of R16.3 million is shown in Table 7 under the *0-30 Days* category against *Other*. Various municipalities reported negative amounts with the uMfolozi Local Municipality being the municipality with the largest negative amount of R4.1 million. Under the *61-90 Days* category, a negative amount of R7.1 million is shown against *Receivables from exchange Transactions – Property rental debtors*. Various municipalities reported negative amounts under this category with the Mpofana Local Municipality reporting the highest amount of R10.7 million. The negative amounts reflected could be attributed to errors in the monthly returns submitted by the affected municipalities.
- The Debtors Age Analysis by Customer Group in Table 8, indicates that a considerable portion of debt is owed by *Households* at 64.9 percent or R13 billion followed by *Commercial* at 18.2 percent or R3.7 billion and *Organs of State* at 8.5 percent or R1.7 billion.
- Actual *Bad Debts Written Off to Debtors* amounts to R167.3 million as at 31 March 2019.
- The Newcastle Local Municipality reported the highest amount of *Bad Debts Written Off to Debtors* of R66.7 million while the King Cetshwayo District Municipality reported the highest *Impairment – Bad Debts in terms of Council Policy* to the amount of R34.6 million.

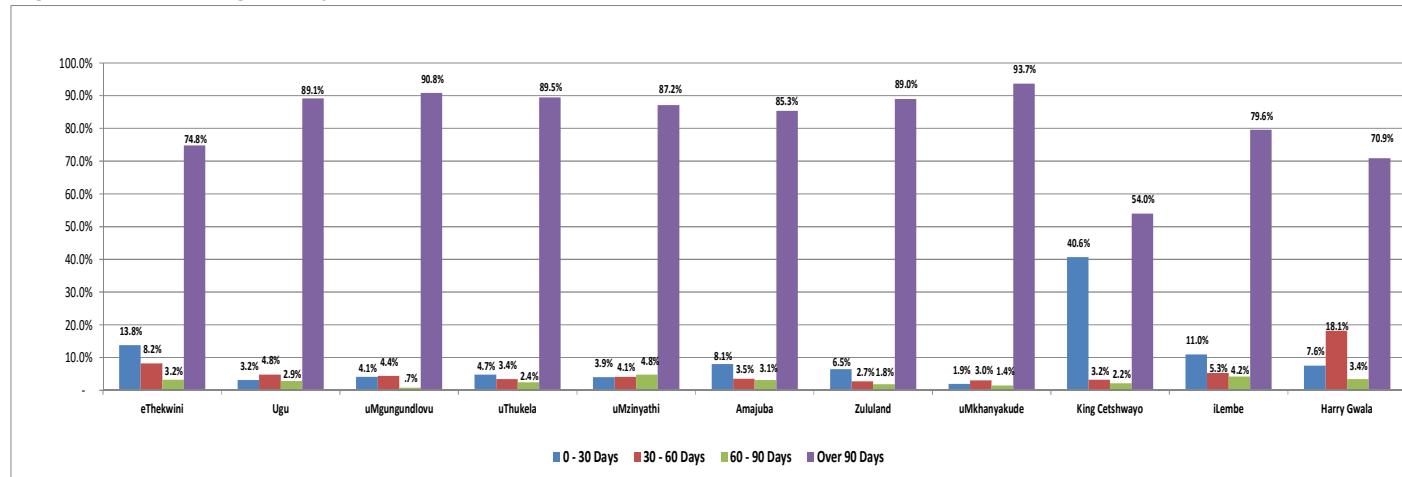
## 2.9 Debtors Age Analysis – District Total

**Table 9: Debtor Age Analysis per district (Total) as at the end of Quarter 3 - 2018/19**

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	1 617 035	13.8	959 572	8.2	375 527	3.2	8 780 760	74.8	11 732 895
Ugu	20 088	3.2	30 559	4.8	18 257	2.9	564 187	89.1	633 091
uMgungundlovu	44 096	4.1	47 072	4.4	7 927	0.7	979 329	90.8	1 078 425
uThukela	79 885	4.7	56 443	3.4	41 178	2.4	1 505 748	89.5	1 683 254
uMzinyathi	20 426	3.9	21 137	4.1	25 130	4.8	453 285	87.2	519 978
Amajuba	113 889	8.1	49 294	3.5	44 408	3.1	1 205 983	85.3	1 413 574
Zululand	40 050	6.5	16 612	2.7	11 109	1.8	549 017	89.0	616 787
uMkhanyakude	10 032	1.9	15 284	3.0	7 429	1.4	483 647	93.7	516 391
King Cetshwayo	314 891	40.6	24 924	3.2	17 010	2.2	418 421	54.0	775 246
iLembe	93 639	11.0	44 957	5.3	35 661	4.2	678 479	79.6	852 736
Harry Gwala	25 301	7.6	60 666	18.1	11 414	3.4	237 517	70.9	334 899
<b>Total</b>	<b>2 379 331</b>	<b>11.8</b>	<b>1 326 520</b>	<b>6.6</b>	<b>595 051</b>	<b>3.0</b>	<b>15 856 375</b>	<b>78.7</b>	<b>20 157 276</b>

Source: NT Igdatabase

**Figure 7: Debtors Age Analysis per district as at the end of Quarter 3 - 2018/19**



- The total debt owed to municipalities at the end of the third quarter of the 2018/19 financial year amounts to R20.2 billion compared to the R18.4 billion owed at the end of the third quarter of the 2017/18 financial year. This represents an increase of 9 percent or R1.8 billion when comparing the two quarters on a year-on-year basis.

- It should be noted that the Msunduzi, Dannhauser, uBuhlebezwe and Ray Nkonyeni Local Municipalities did not report any debtors for the period under review, while the uMfolozi Local Municipality reported negative debtors of R928 000. As a result, the Debtors figure as at 31 March 2019 is understated.

- The eThekwini Metro recorded the highest outstanding debtors of R11.7 billion (58 percent) of the total debt followed by the uThukela District at R1.7 billion or 8 percent, the Amajuba District at R1.4 billion or 7 percent and the uMgungundlovu District at R1.1 billion or 5 percent.

- In comparison to their Total outstanding debtors, all districts with the exception of the King Cetshwayo District recorded the highest amount of outstanding debtors under the *Over 90 Days* category in relation to their respective total outstanding debtors, the uMkhanyakude District recorded the highest at 93.7 percent followed by the uMgungundlovu District at 90.8 percent. The Amajuba, uMzinyathi, Zululand, Ugu and uThukela Districts recorded over 80 percent of their outstanding debtors in the *Over 90 Days* category.

- Debt collection efforts must be prioritised on the long outstanding debts. Some of these debtors may need to be written off as they may have arose as a result of incorrect billing of indigents, amongst others. There are a number of municipalities who are currently performing data cleansing exercises with the aim of ensuring that reported debtors are accurately reflected.

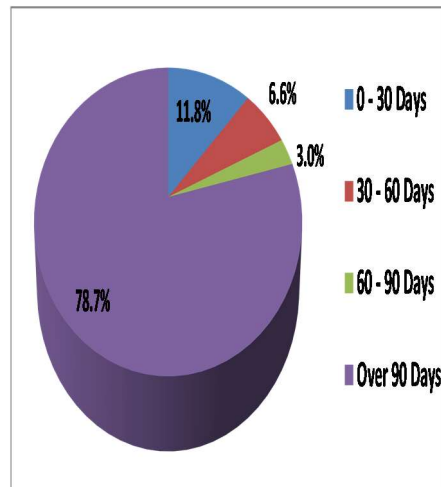
## 2.10 Debtors by Customer Group – District Total

**Table 10: Debtors by Customer Group (Total) as at the end of Quarter 3 - 2018/19**

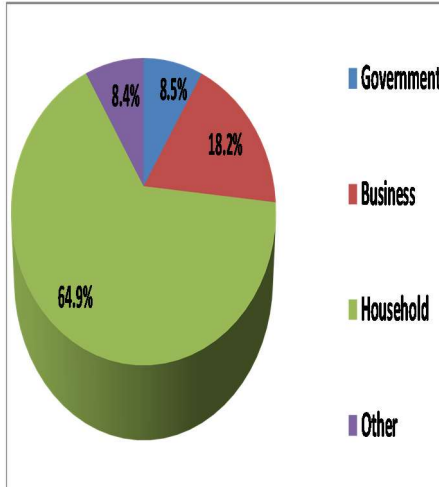
R'000	Organs of State		Commercial		Household		Other		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	753 534	6.4	2 542 219	21.7	8 411 780	71.7	25 361	0.2	11 732 895
Ugu	80 078	12.6	101 771	16.1	438 720	69.3	12 522	2.0	633 091
uMgungundlovu	91 328	8.5	39 684	3.7	208 772	19.4	738 641	68.5	1 078 425
uThukela	127 883	7.6	64 393	3.8	927 109	55.1	563 870	33.5	1 683 254
uMzinyathi	112 663	21.7	48 080	9.2	345 256	66.4	13 978	2.7	519 978
Amajuba	52 841	3.7	139 243	9.9	1 186 308	83.9	35 181	2.5	1 413 574
Zululand	108 762	17.6	89 985	14.6	345 326	56.0	72 715	11.8	616 787
uMkhanyakude	152 236	29.5	94 205	18.2	168 609	32.7	101 341	19.6	516 391
King Cetshwayo	153 100	19.7	329 544	42.5	272 633	35.2	19 969	2.6	775 246
iLembe	52 084	6.1	174 084	20.4	540 885	63.4	85 682	10.0	852 736
Harry Gwala	30 050	9.0	43 696	13.0	233 381	69.7	27 772	8.3	334 899
<b>Total</b>	<b>1 714 559</b>	<b>8.5</b>	<b>3 666 906</b>	<b>18.2</b>	<b>13 078 779</b>	<b>64.9</b>	<b>1 697 032</b>	<b>8.4</b>	<b>20 157 276</b>

Source: NT Igdatabase

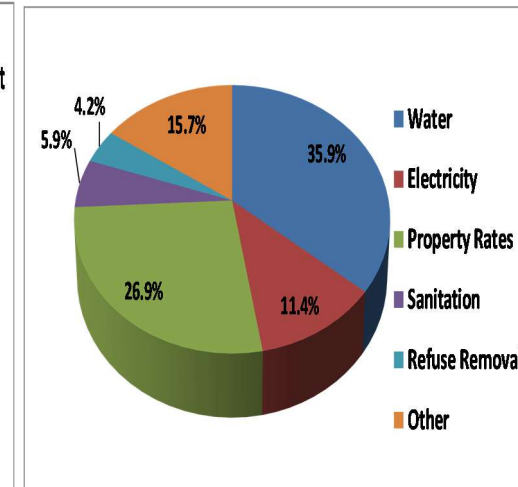
**Figure 8: Debtors Age Analysis as at 31 March 2019**



**Figure 9: Debtors by Customer as at 31 March 2019**



**Group Figure 10: Debtors by Income Source as at 31 March 2019**



- Table 10 shows that R20.2 billion is owed to municipalities of which R13.1 billion or 64.9 percent was owed by *Household* debtors. Municipalities in the province need to ensure that indigent households are accounted for correctly to avoid the *Household* category being inflated with debt that may not be recoverable. Accurate indigent registers must be maintained accordingly.

- The eThekwini Metro, and the Amajuba District contributed the most towards *Household* debtors with amounts of R8.4 billion and R1.2 billion, respectively.

- Excluding the eThekwini Metro, municipalities were owed a total of R1.1 billion by *Commercial* debtors. The King Cetshwayo and iLembe Districts contributed the most towards total debt owed by *Commercial* debtors at R329.5 million and R174.1 million, respectively.

- Municipalities were owed a combined total of R1.7 billion or 8.5 percent by *Organs of State*. The eThekwini Metro, the King Cetshwayo District and the uMkhanyakude District had significant debt owed by *Organs of State* which amounted to R753.5 million, R153.1 million and R152.2 million, respectively.

- Other* debtors of R1.7 billion or 8.4 percent is the lowest customer category of outstanding debt.

- Municipalities need to strictly adhere to their Debt collection and Credit control policies in order to recover outstanding debt and improve their cash flow.

## 2.11 Creditors Age Analysis – Provincial Total

Table 11: Creditors Age Analysis by Expenditure type as at the end of Quarter 3 - 2018/19

R thousands	0 - 30 Days		31 - 60 Days		61 - 90 Days		Over 90 Days		Total	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
<b>Creditor Age Analysis</b>										
Bulk Electricity	896 067	67.2	35 247	2.6	59 088	4.4	342 935	25.7	1 333 336	32.9
Bulk Water	253 100	70.1	13 970	3.9	19 378	5.4	74 665	20.7	361 113	8.9
PAYE deductions	141 854	100	-	-	-	-	-	-	141 854	3.5
VAT (output less input)	3 304	100.6	-	-	(3)	-0.1	(15)	-0.5	3 286	0.1
Pensions / Retirement	167 046	100	-	-	-	-	-	-	167 046	4.1
Loan repayments	70 764	8	15 728	1.8	183 918	20.8	611 710	69.3	882 120	21.8
Trade Creditors	491 606	51.7	60 541	6.4	96 952	10.2	300 984	31.7	950 082	23.4
Auditor-General	1 858	29.7	725	11.6	468	7.5	3 205	51.2	6 257	0.2
Other	152 246	72.9	7 106	3.4	6 161	2.9	43 419	20.8	208 932	5.2
<b>Total</b>	<b>2 177 846</b>	<b>53.7</b>	<b>133 316</b>	<b>3.3</b>	<b>365 961</b>	<b>9</b>	<b>1 376 904</b>	<b>34</b>	<b>4 054 027</b>	<b>100</b>

Source: NT Igdatabase

Figure 11: Creditors Age Analysis as at 31 March 2019

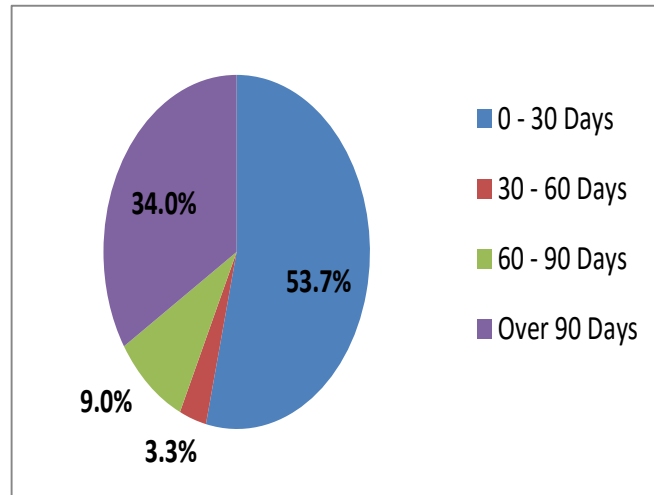
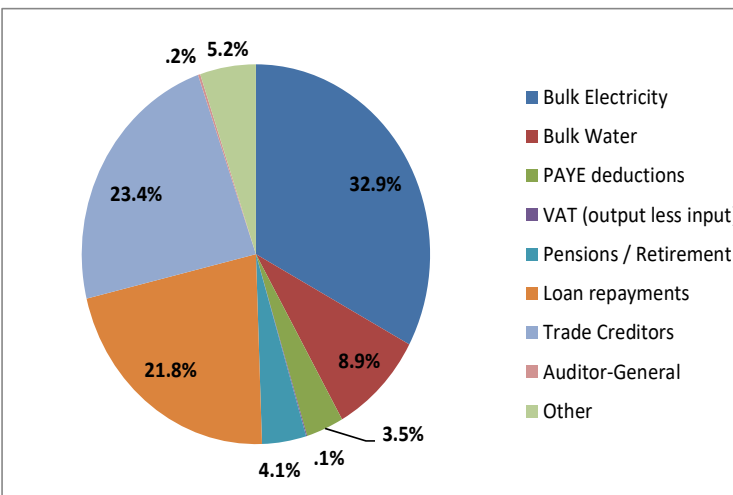


Figure 12: Creditors by Customer Group as at 31 March 2019



- Outstanding creditors for the KwaZulu-Natal municipalities as at 31 March 2019 amounted to R4.1 billion.
- Outstanding Creditors payable within the 0-30 Days category amounted to R2.2 billion or 53.7 percent.
- Creditors not paid within 30 days accounts for R1.9 billion or 46.3 percent of total creditors which is in contravention of Section 65(2)(e) of the MFMA which requires that the Accounting Officer of a municipality must take all reasonable steps to ensure that all money owing by the municipality is paid within 30 days of receiving the relevant invoice or statement.
- The majority of the outstanding creditors relates mainly to *Bulk Electricity* of R1.3 billion or 32.9 percent, followed by *Trade creditors* of R950.1 million or 23.4 percent and *Loan repayments* of R882.1 million or 21.8 percent of the total creditors.
- Of the *Bulk Electricity* outstanding balance of R1.3 billion, R342.9 million is in the *Over 90 Days* category. This is mainly due to the fact that the Ulundi, Mpofana and the Newcastle Local Municipalities owed Eskom R88.1 million, R99.7 million and R99.1 million (*Over 90 Days*) for unpaid electricity respectively. Due to the poor collection of outstanding debtors, the municipalities experienced cash flow challenges and were therefore unable to make full payments on invoices owed to Eskom. Payments on the long outstanding debt are currently being made as per the repayment plan agreed upon by both parties.
- In some cases, unpaid creditors in the over 30 Days category are due to disputes with suppliers. In other cases, it could be an indication of cash flow challenges being experienced by municipalities. Non-payment of creditors within 30 Days is of serious concern to the KZN Provincial Treasury as the municipalities could be liable for penalties and interest incurred as a result thereof, which is tantamount to fruitless and wasteful expenditure.



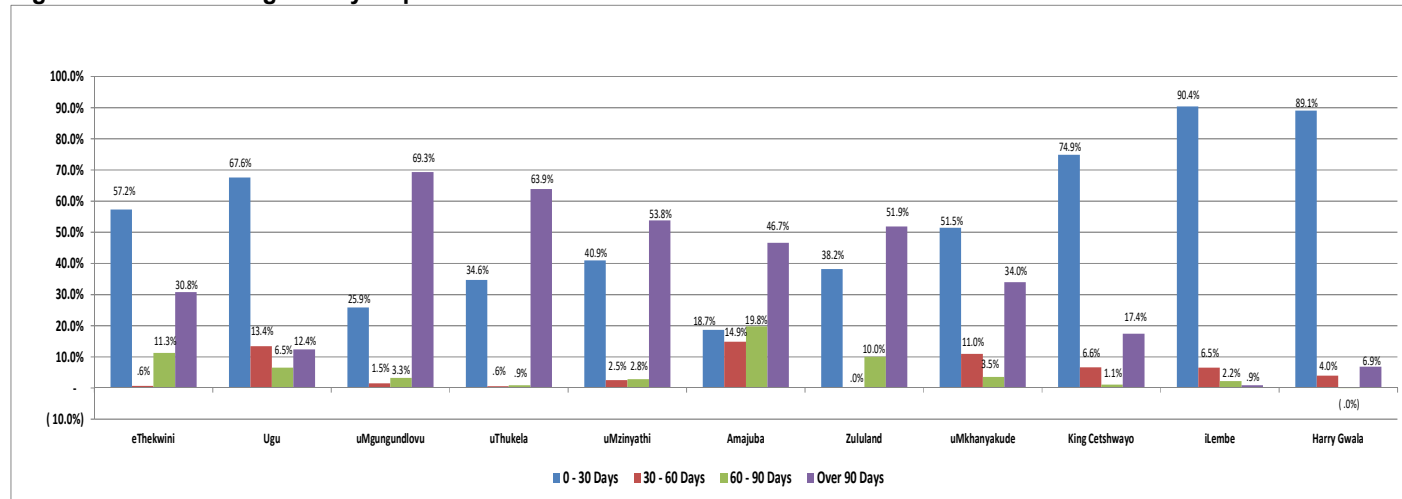
## 2.12 Creditors Age Analysis – District Total

Table 12: Creditor Age Analysis per district (Total) as at the end of Quarter 3 - 2018/19

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
eThekwini	1 321 278	57.2	14 759	0.6	261 322	11.3	710 809	30.8	2 308 168
Ugu	48 543	67.6	9 646	13.4	4 683	6.5	8 917	12.4	71 789
uMgungundlovu	45 037	25.9	2 685	1.5	5 712	3.3	120 749	69.3	174 182
uThukela	71 037	34.6	1 159	0.6	1 802	0.9	131 064	63.9	205 062
uMzinyathi	45 594	40.9	2 771	2.5	3 122	2.8	59 905	53.8	111 392
Amajuba	58 050	18.7	46 093	14.9	61 323	19.8	144 903	46.7	310 370
Zululand	52 518	38.2	21	0.0	13 730	10.0	71 365	51.9	137 634
uMkhanyakude	98 785	51.5	21 182	11.0	6 724	3.5	65 259	34.0	191 950
King Cetshwayo	259 751	74.9	22 925	6.6	3 789	1.1	60 477	17.4	346 942
iLembe	151 732	90.4	10 930	6.5	3 754	2.2	1 476	0.9	167 893
Harry Gwala	25 522	89.1	1 145	4.0	(0)	(0.0)	1 979	6.9	28 646
<b>Total</b>	<b>2 177 846</b>	<b>53.7</b>	<b>133 316</b>	<b>3.3</b>	<b>365 961</b>	<b>9.0</b>	<b>1 376 904</b>	<b>34.0</b>	<b>4 054 027</b>

Source: NT Igdatabase

Figure 13: Creditors Age Analysis per district as at 31 March 2019



- At the end of the third quarter of the 2018/19 financial year, the eThekwini Metro accounted for R2.3 billion or 56.9 percent of the total outstanding creditors of R4.1 billion.
- Amongst the districts, the King Cetshwayo District had the largest portion of total outstanding creditors at R346.9 million or 8.6 percent, while the Harry Gwala District recorded the least creditors of R28.6 million or 0.7 percent of total outstanding creditors.
- Five of the districts recorded more than 60 percent of their creditors in the *0-30 Days* category with the exception of the uMgungundlovu (25.9 percent), the uThukela (34.6 percent), the Amajuba (18.7 percent), the Zululand (38.2 percent), uMzinyathi (40.9 percent) and the uMkhanyakude (51.5 percent) Districts.
- The Harry Gwala and iLembe Districts reported the lowest levels of their total outstanding creditors in the *Over 90 Days* category.
- It is recommended that municipalities pay all their debts within *0-30 Days* of receipt of invoices and/or statements as required by Section 65(2)(e) of the MFMA in order to avoid possible interest and penalties.

## 2.13 National Conditional Grants – Provincial Total (Summary)

**Table 13: National Conditional Grants -Summary, Quarter 3 - 2018/19**

R'000	DoRA 2018 Total Avail. (Inc. Adjust.)	Year to date		Unaudited Actual		Unaudited Actual	
		Approved payment schedule	Transferred to municipalities for direct grants	Actual expenditure National Department	% Spent	Actual expenditure by municipalities	% Spent
Local Government Financial Management Grant	107 885	107 885	107 885	68 584	63.6	69 183	64.1
Infrastructure Skills Development Grant	37 300	37 300	37 300	32 367	86.8	18 971	50.9
Integrated City Development Grant	45 596	-	-	-	-	38 385	84.2
Neighbourhood Development Partnership (Schedule 5B)	52 787	52 787	50 787	8 354	15.8	8 487	16.1
Municipal Systems Improvement Grant (Schedule 5B)	6 330	6 330	6 330	-	-	-	-
Public Transport/Network Grant	1 024 981	1 024 981	1 024 981	395 861	38.6	395 862	38.6
Rural Road Assets Management Systems Grant	24 180	24 180	24 180	13 790	57.0	13 719	56.7
Expanded Public Works Programme Integrated Grant (Municipality)	204 011	204 011	204 011	178 155	87.3	188 611	92.5
Integrated National Electrification Programme (Municipal) Grant	482 500	484 500	482 500	61 934	12.8	251 341	52.1
Energy Efficiency and Demand Side Management (Municipal) Grant	38 000	38 000	38 000	9 227	24.3	11 277	29.7
Regional Bulk Infrastructure Grant (Schedule 5B)	481 944	481 944	481 944	214 050	44.4	201 506	41.8
Water Services Infrastructure Grant (Schedule 5B)	966 668	966 668	966 668	173 448	17.9	522 721	54.1
Municipal Infrastructure Grant	3 311 354	3 311 354	3 311 354	2 064 411	62.3	2 228 140	67.3
Municipal Disaster Recovery Grant	117 662	117 662	117 662	-	-	-	-
Municipal Emergency Housing Grant	10 826	10 826	10 826	-	-	-	-
<b>Subtotal</b>	<b>6 912 024</b>	<b>6 868 428</b>	<b>6 864 428</b>	<b>3 220 181</b>	<b>46.6</b>	<b>3 948 204</b>	<b>57.1</b>
<b>Allocation In Kind</b>							
Neighbourhood Development Partnership (Schedule 6B)	1 774	1 774	-	-	-	-	-
Municipal Systems Improvement Grant (Schedule 6B)	12 200	12 200	-	-	-	-	-
Integrated National Electrification Programme (Allocation in-kind) Grant	885 288	885 288	-	-	-	-	-
Regional Bulk Infrastructure Grant (Schedule 6B)	42 403	42 403	-	-	-	-	-
<b>Subtotal</b>	<b>941 665</b>	<b>941 665</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>7 853 689</b>	<b>7 810 093</b>	<b>6 864 428</b>	<b>3 220 181</b>	<b>-</b>	<b>3 948 204</b>	<b>-</b>

Source: NT Igdatabase

- In terms of the Division of Revenue Act (DoRA) of 2018, including any adjustments, direct allocations to all 54 KwaZulu-Natal municipalities amounted to R6.9 billion, while allocations in-kind amounted to R941.7 million, totaling R7.9 billion.
- Of the direct allocations of R6.9 billion, R6.86 billion or 99 percent had been transferred to municipalities as at the end of quarter 3.
- The grants expenditure figures reported in Table 13 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 municipality column (*Expenditure Munis.*).
- Municipalities have reflected spending of R3.9 billion or 57.1 percent against the total allocation for the year. However when compared to the total amount transferred to date of R6.8 billion, 57.5 percent of the amount transferred has been spent.
- The Municipal Infrastructure Grant (MIG) DoRA allocation of R3.3 billion is the largest grant allocation against which R2.2 billion or 67.3 percent has been spent. The Public Transport Network Grant (PTNG) of R1 billion is the second largest allocation. The entire PTNG allocation has been transferred to municipalities and R395.9 million or 38.6 percent of the DoRA allocation has been spent by municipalities.
- The total R45.6 million for the Integrated City Development Grant has been allocated to eThekweni Metro. There has been no transfer of funds for the grant, however, expenditure of R38.4 million has been recorded by the municipality.
- Of the 15 direct allocations to municipalities, only two conditional grants reflected expenditure of 75 percent or more against the total available DoRA allocations for the 2018/19 financial year. The Expanded Public Works Programme grant reflected expenditure of 92.5 percent of the R204 million DoRA allocation to municipalities, followed by the Integrated City Development Grant at 84.2 percent of the R45.6 million DoRA allocation to municipalities. The remainder of the conditional grants reported expenditure of less than the expected benchmark of 75 percent as at the end of the third quarter.
- There has been no expenditure recorded against the Municipal Disaster Recovery Grant of R117.7 million, the Municipal Emergency Housing Grant of R10.8 million and the Municipal Systems Improvement Grant of R6.3 million, while significantly slow spending of 16.1 percent has been recorded against the Neighbourhood Development Partnership Grant of R52.8 million.
- It is crucial that municipalities appropriately utilise capital conditional grants as underspending adversely affects infrastructure development.

## 2.14 National Conditional Grants – District Total

Table 14(a): National Conditional Grants as at the end of Quarter 3 - 2018/19

R'000	Financial Management Grant			Regional Bulk Infrastructure Grant			Municipal Infrastructure Grant		
	DoRA 2018 Total Avail.	Unaudited Actual		DoRA 2018 Total Avail.	Unaudited Actual		DoRA 2018 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	1 000	1 000	100.0	-	-	-	-	-	-
Ugu	13 580	7 884	58.1	-	-	-	386 655	260 718	67.4
uMgungundlovu	14 180	7 434	52.4	-	-	-	405 872	293 538	72.3
uThukela	10 715	7 254	67.7	45 000	20 241	45.0	319 223	186 973	58.6
uMzinyathi	8 760	5 729	65.4	40 000	21 616	54.0	309 575	207 445	67.0
Amajuba	7 140	5 409	75.8	-	-	-	127 132	108 341	85.2
Zululand	10 550	5 885	55.8	131 498	70 924	53.9	379 373	326 027	85.9
uMkhanyakude	10 710	5 858	54.7	-	-	-	333 496	187 270	56.2
King Cetshwayo	12 140	9 656	79.5	120 000	14 684	12.2	403 367	244 814	60.7
iLembe	8 570	5 597	65.3	75 446	35 833	47.5	331 884	217 679	65.6
Harry Gwala	10 540	7 476	70.9	70 000	38 209	54.6	314 777	195 335	62.1
<b>Total</b>	<b>107 885</b>	<b>69 183</b>	<b>64.1</b>	<b>481 944</b>	<b>201 506</b>	<b>41.8</b>	<b>3 311 354</b>	<b>2 228 140</b>	<b>67.3</b>

Source: NT Igdatabase

Figure 14: FMG Expenditure vs. allocation as at 31 March 2019

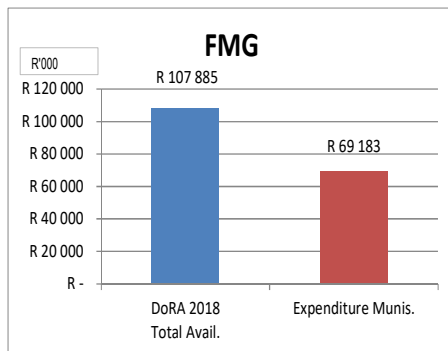


Figure 15: RBIG Expenditure vs. allocation as at 31 March 2019

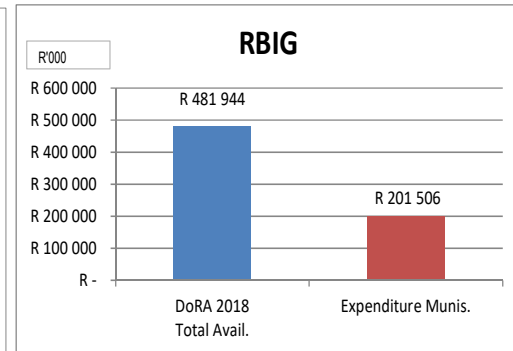
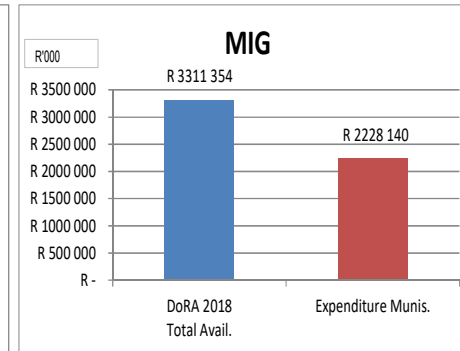


Figure 16: MIG Expenditure vs. allocation as at 31 March 2019



### Financial Management Grant

- The collective conditional grant expenditure for all districts and the eThekweni Metro for the Financial Management Grant (FMG) was 64.1 percent against the total available DoRA allocation of R107.9 million which is below the straight line projection of 75 percent at the end of the third quarter.

- The eThekweni Metro has reported expenditure of R1 million or 100 percent against the FMG allocation of R1 million.

- The King Cetshwayo District reported the second highest spending of 79.5 percent followed by the Amajuba District with 75.8 percent and the Harry Gwala District with 70.9 percent. The lowest expenditure noted against the FMG allocation was by the uMgungundlovu District which recorded 52.4 percent, the uMkhanyakude District with 54.7 percent and the Zululand District with 55.8 percent.

### Regional Bulk Infrastructure Grant

- The Regional Bulk Infrastructure Grant (RBIG) expenditure reflected a poor performance as only 41.8 percent had been spent against the total available DoRA allocation of R481.9 million as at the end of the third quarter.

- The district with the highest monetary expenditure of RBIG was the Zululand District which spent R70.9 million (53.9 percent) of the allocation whereas the Harry Gwala District spent the greatest proportion of their allocation at 54.6 percent (R38.2 million). The lowest percentage expenditure recorded against the RBIG allocation was the King Cetshwayo District at 12.2 percent.

### Municipal Infrastructure Grant

- The total conditional grant expenditure by all the districts and the eThekweni Metro for the Municipal Infrastructure Grant (MIG) was 67.3 percent against the total available DoRA allocation of R3.3 billion which was below the straight line projection of 75 percent as at the end of the third quarter.

- Two districts managed to spend above the 75 percent benchmark on their MIG allocation. The Zululand District had the largest expenditure reported of 85.9 percent of their allocation, followed by the Amajuba District with expenditure of 85.2 percent.

- The uMkhanyakude District with 56.2 percent spending and the uThukela District with 58.6 percent spent the least against their MIG allocation as at the end of the third quarter.

## 2.14 National Conditional Grants – District Total / continued...

Table 14(b): National Conditional Grants as at the end of Quarter 3 - 2018/19

R'000	Integrated National Electrification Prog. (municipal) Grant			Expanded Public Works Prog. (municipal) Grant			Water Services Infrastructure Grant		
	DoRA 2018 Total Avail.	Unaudited Actual		DoRA 2018 Total Avail.	Unaudited Actual		DoRA 2018 Total Avail.	Unaudited Actual	
		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent		Expenditure Munis.	% Spent
eThekweni	27 000	11 562	42.8	75 333	75 333	100.0	-	-	-
Ugu	47 880	16 434	34.3	11 269	9 255	82.1	55 000	38 733	70.4
uMgungundlovu	43 484	14 355	33.0	14 335	8 939	62.4	157 947	44 957	28.5
uThukela	36 582	16 719	45.7	14 344	12 360	86.2	108 493	104 765	96.6
uMzinyathi	52 994	35 529	67.0	13 366	15 645	117.0	70 800	82 161	116.0
Amajuba	21 000	6 958	33.1	6 819	6 026	88.4	124 400	63 959	51.4
Zululand	69 800	36 812	52.7	16 309	13 560	83.1	87 828	22 528	25.6
uMkhanyakude	34 600	26 557	76.8	12 716	13 408	105.4	73 000	25 101	34.4
King Cetshwayo	54 000	42 689	79.1	22 303	18 848	84.5	88 300	56 870	64.4
iLembe	32 706	11 164	34.1	7 878	7 279	92.4	100 500	27 502	27.4
Harry Gwala	62 454	32 563	52.1	9 339	7 959	85.2	100 400	56 145	55.9
<b>Total</b>	<b>482 500</b>	<b>251 341</b>	<b>52.1</b>	<b>204 011</b>	<b>188 611</b>	<b>92.5</b>	<b>966 668</b>	<b>522 721</b>	<b>54.1</b>

Source: NT Igdatabase

Figure 17: INEP Expenditure vs. allocation as at 31 March 2019

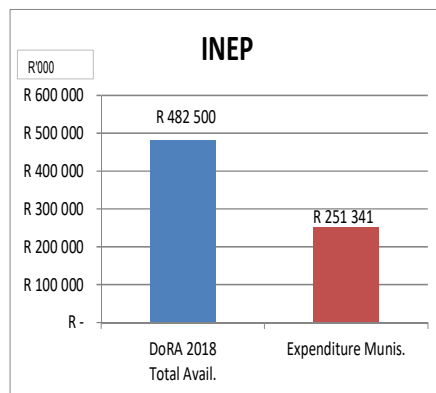


Figure 18: EPWP Expenditure vs. allocation as at 31 March 2019

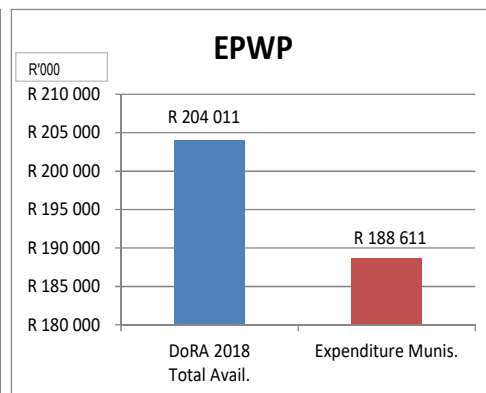
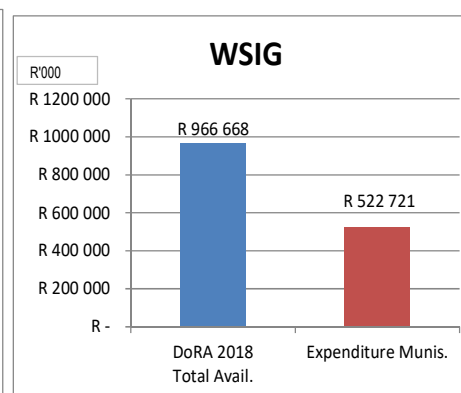


Figure 19: WSIG Expenditure vs. allocation as at 31 March 2019



- Expenditure of R251.3 million reported against the Integrated National Electrification Programme Grant (INEP) represents 52.1 percent of the total allocation of R482.5 million as at the end of the third quarter.
- The King Cetshwayo District recorded 79.1 percent spending and the uMkhanyakude District recorded 76.8 percent. These spending rates are above the 75 percent benchmark for quarter 3.
- The uMgungundlovu District with 33 percent spending and the Amajuba District with 33.1 percent spent the least against their INEP allocation as at the end of the third quarter.

### Expanded Public Works Programme

- Expenditure of R188.6 million reported against the Expanded Public Works Programme (EPWP) represents 92.5 percent of the total allocation of R204 million as at the end of the third quarter, which is above the 75 percent straight line projection.
- The uMzinyathi District recorded the highest percentage spent of 117 percent followed by the uMkhanyakude District with 105.4 percent and the eThekweni Metro with 100 percent expenditure. The expenditure rates for the both uMzinyathi and uMkhanyakude Districts indicate that the districts need to correct their grant reports to reflect spending in line with their EPWP allocations.
- The uMgungundlovu District had the lowest expenditure rate on EPWP with 62.4 percent.

### Water Services Infrastructure Grant (WSIG)

- There is a slow spending rate against the Water Services Infrastructure Grant (WSIG) which reflected only 54.1 percent or R522.7 million expenditure against the total available allocation of R966.7 million as at the end of the third quarter.
- With the exception of the uMzinyathi District and the uThukela District that achieved 116 percent and 96.6 percent expenditure respectively, all other districts spent below 75 percent against their WSIG allocations. uMzinyathi District had incorrectly recorded prior year expenditure against the grant resulting in an expenditure rate of 116 percent.
- The Zululand District with 25.6 percent spending followed by the iLembe District with 27.4 percent and the uMgungundlovu District with 28.5 percent, spent the least against their WSIG allocation as at the end of the third quarter.
- Municipalities are reminded that poor performance against conditional grant allocations may result in municipalities surrendering the unspent portions of their conditional grants received to the National Treasury Revenue Fund. Underspending on conditional grants negatively impacts on service delivery and infrastructure development.

## 2.15 Non-Compliance with the DoRA and MFMA Reporting Requirements

**Table 15(a): List of municipalities<sup>1</sup> that did not comply with ALL MFMA and DoRA Reporting Requirements as at 27 May 2019 for the Period 01 July 2018 to 31 March 2019.**

Draft Budget 2018/19	Draft Integrated Development Plan (IDP) 2018/19	Final IDP 2018/19	Draft Service Delivery & Budget Implementation Plan (SDBIP) 2018/19	Final SDBIP 2018/19	Mid Year Budget Performance Assessment Report (MFMA sec72 report) 2018/19	Budget & IDP Timetables for 2019/20 Budget process	Municipalities that did not publish the majority of documents on their website as required by Section 75	Municipalities with less than 5 Interns
uMsinga	eMadlangeni	eMadlangeni	eMadlangeni	eMadlangeni	uMsinga	iNkosi Langalibalele	uMdoni	Ray Nkonyeni
uMvoti	Ugu DM	uMalazi	Jozini	uMshwathi	eDumbe	uThukela DM	uMuziwabantu	Ugu DM
eDumbe	uMsinga	uMsinga	iNkosi Langalibalele			eDumbe	uMshwathi	eMadlangeni
	iNkosi Langalibalele	iNkosi Langalibalele	uMshwathi				uMngeni	Ndwedwe
	eDumbe	eDumbe					Mpofana	Harry Gwala DM
	Mpofana	Mpofana					uMkhanyakude	
	uMngeni	uMshwathi					eDumbe	
							uMfolozi	
							Nkandla	
							Nquthu	
							eMadlangeni	
							Dannhauser	
							iNkosi Langalibalele	
							Greater Kokstad	

<sup>1</sup>List of municipalities exclude the non-delegated municipalities.

Source: NT Igdatabase

- The MEC for Finance issued a non-compliance circular in quarter two requesting all the delegated municipalities to submit all outstanding documents and returns to the National and Provincial Treasuries in line with the Municipal Finance Management Act (MFMA), Division of Revenue Act 2018 (DoRA) and Municipal Budget and Reporting Regulations (MBRR). Despite these efforts and regular reminders, some municipalities have still not submitted all their documents and returns as reflected in Tables 15(a), 15(b) and 15(c), as at 27 May 2019.
- Table 15(a) shows that some municipalities did not submit all their 2018/19 Draft Budget related documents to National Treasury as per Section 22 of the MFMA and Regulation 15 of the MBRR which requires the documents to be submitted in both printed and electronic formats. In this regard, the 2018/19 Draft Budget documentation is still outstanding from three municipalities. Seven municipalities have not submitted copies of their Draft Integrated Development Plans (IDP) and seven municipalities have not submitted copies of the Final IDP. Furthermore, four municipalities did not submit their Draft Service Delivery and Budget Implementation Plans (SDBIP), while the Final SDBIP was outstanding from two municipalities.
- Two municipalities did not submit their 2018/19 Mid - Year Budget and Performance Assessment Reports to National Treasury which was due on 25 January 2019 as required by Section 72(b)(iii) of the MFMA and Regulation 35(a) of the MBRR.
- Three municipalities had not submitted their Budget & IDP timetables for the 2019/20 Budget process to National Treasury, despite numerous reminders from the Provincial Treasury. The submission of these schedules was due by 31 August 2018 in terms of Section 21 of the MFMA.
- Fourteen municipalities (14) had not published the majority of their documents within five days of tabling the documents on their municipal websites as per Section 75 of MFMA.
- Five municipalities had not appointed the required minimum number of five interns as per the conditions of the Financial Management Grant (FMG) which requires that each municipality must appoint a minimum of five interns over a multi-year period.

**Table 15(b): List of municipalities<sup>1</sup> that did not comply with ALL MFMA and DoRA Reporting Requirements as at 27 May 2019 for the Period 01 July 2018 to 31 March 2019**

Monthly Returns - 2018/19		Monthly Conditional Grant Returns - 2018/19	Annual Returns 2018/19	Quarterly Returns - 2018/19	
Amajuba DM	Nquthu	uMsinga	Dannhauser	Dannhauser	AbaQulusi
Dannhauser	uThukela DM	Nkandla	Nquthu	Nkandla	Ulundi
eMadlangeni	AbaQulusi	uPhongolo	uPhongolo	Ray Nkonyeni	uPhongolo
uBuhlebezwe	Nongoma	Mpofana	uMshwathi	Ugu DM	Zululand DM
Harry Gwala DM				uMuziwabantu	iMpendle
Ray Nkonyeni				uMsinga	Mpofana
uMalazi				uThukela DM	
Mpofana					
uMuziwabantu					
uMzambe					
uMkhanyakude DM					
uPhongolo					
uMsinga					

<sup>1</sup>List of municipalities exclude the non-delegated municipalities.  
Source: NT Igdatabase

**Table 15(c): List of municipalities<sup>1</sup> that did not comply with ALL MFMA and DoRA Reporting Requirements as at 27 May 2019 for the Period 01 July 2018 to 31 March 2019.**

Verification of Section 71 figures - Quarter Three of 2018/19	Signed Off Q3 Conditional Grants	Signed Off Q3 Borrowing Monitoring	Signed Off Q3 Investments Monitoring
Mpofana	Amajuba DM	Dannhauser	iMpendle
Amajuba DM	uPhongolo	Amajuba DM	Dannhauser
uPhongolo	AbaQulusi	uPhongolo	Amajuba DM
AbaQulusi			uPhongolo
			Nongoma

<sup>1</sup>List of municipalities exclude the non-delegated municipalities.  
Source: NT Igdatabase

- Section 71 of the MFMA requires that the Accounting Officer of a municipality must submit within ten working days after the end of each month, to the Mayor and Provincial Treasury, a statement in the prescribed format on the state of the municipality's budget.
- However, as at 27 May 2019, 17 municipalities had not submitted all their monthly returns. There were four municipalities which did not report on certain conditional grants expenditure while 13 municipalities had not submitted some of their quarterly returns.
- There were four municipalities which had not submitted some of their annual returns.
- At the end of each quarter, municipalities are required by National Treasury to scrutinise, verify and sign off their verification schedules relating to information on MFMA Section 71 reporting to ensure that the figures to be published are reliable.
- At the end of the third quarter, four municipalities had not submitted their signed information on the Statement of Operating and Capital Expenditure, three municipalities did not submit the signed information on Conditional Grants, three municipalities did not submit their Borrowing Monitoring signed verifications and five municipalities did not submit their Investment Monitoring signed verifications.

## **2.16 Implementation of the Municipal Regulations on the 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 third quarter of the 2018/19 municipal financial year by means of providing onsite support and engagements.

### **B Schedule Validation of the Council Adopted Adjustment Budget to the mSCOA Adjustment Budget data submission (2018/2019)**

In terms of Section 28 of the Municipal Financial Management Act No. 56 of 2003, (1) a municipality may revise the approved annual budget through an Adjustments Budget. (2) An Adjustments Budget—

- (a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- (b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- (c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- (d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- (e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the council;
- (f) may correct any errors in the annual budget; and
- (g) may provide for any other expenditure within a prescribed framework.

During the adopted budget process that occurred in June/July 2018, it was noted that municipalities' mSCOA data string submissions were not in alignment with the council approved budget. A communication was initially issued on the 18 July 2018 and further communication was issued by National Treasury on the 22 October 2018 citing the root causes as to these misalignments. The causes included the following:

- The root cause for the discrepancies in the adopted budgets is still the fact that municipalities do not plan, test and generate the A1 Schedules directly from the financial systems, but prepare the A1 Schedules manually on excel spreadsheets and then capture the tabled (TABB) and adopted (ORGB) budgets on the system (or worse, the core system vendor does it for them) after these were tabled and adopted in Council. These data strings will not reconcile to the budgets and this practice is against the spirit of the mSCOA Reform;
- Some municipalities prepared their TABBs in the financial system but made changes to it during community consultation and council meeting(s). These changes were affected to the A1 Schedule that served before council but never made on the financial system. Hence, the municipality started transacting against the TABB

on the system instead of the ORGB. These data strings will not reconcile to the budgets as the ORGB (which was actually the TABB) has been approved and locked on the system. In terms of the mSCOA Regulations, the budget must be approved and locked on the system, so the system is doing what it should if this is the case;

- In some cases, the ORGBs are correct but the information on the adopted A1 Schedules are incorrect (once again the A1 Schedules that were submitted to Council were not prepared in and drawn from the system). These data strings will not reconcile to the budgets unless the municipality takes the A1 Schedule back to Council for ratification. Apart from the MFMA not allowing for this until the Adjustments Budget process, municipalities have already started transacting against the ORGBs. Allowing municipalities to reverse any actual transactions on the posting level after month closure is not only a contravention of the mSCOA Regulations but will also affect the already reconciled bank accounts, stores, billing, etc. for the three months already passed;
- Some municipalities have already approved and captured roll-over budgets which they are transacting against and therefore have already implemented an adjusted budget;
- Most municipalities do not use and combine the correct segments to populate an accurate cash flow statement;
- Municipalities do not know how to do balance sheet budgeting and as a result they are not populating Tables A2, A6 and A7 in the A1 Schedules correctly; and
- Municipalities are not using the segments correctly when they budget. e.g. Municipalities are not using the project segment as the departure point for all transactions and are not populating the funding segment correctly.


National Treasury further reiterated that Tables A4, A5 and A9 had to perfectly align given the challenges faced by municipalities. All municipalities opted to correct this alignment within the Adjustments Budget process taking note of the recommendations as made by National Treasury.

With regards to **Stage 1 of the Validation**, the following municipalities submitted the file in the correct structure within the required reporting time of **10 days after 28 February 2019**:



**Table 16: Stage 1: Validation process**

No.	Name of Municipality	Adjustments Budget Data String	PRAD Data String	No.	Name of Municipality	Adjustments Budget Data String	PRAD Data String
		Status of Submission	Status of Submission			Status of Submission	Status of Submission
1	AbaQulusi	Submitted Successfully	Submitted Successfully	28	Ndwedwe	Submitted Successfully	Submitted Successfully
2	Alfred Duma	Submitted Successfully	Submitted Successfully	29	Newcastle	Outstanding	No Data
3	Amajuba DM	Submitted Successfully	Submitted Successfully	30	Nkandla	Submitted Successfully	Outstanding
4	Dannhauser	Submitted Successfully	Submitted Successfully	31	Nongoma	Submitted Successfully	Submitted with Errors
5	Dr Nkosazana Dlamini Zuma	Submitted Successfully	Submitted Successfully	32	Nquthu	Submitted Successfully	Submitted Successfully
6	eDumbe	Submitted Successfully	Outstanding	33	Okhahlamba	Submitted Successfully	Submitted with Errors
7	eMadlangeni	Submitted Successfully	Submitted Successfully	34	Ray Nkonyeni	Submitted Successfully	Submitted Successfully
8	eNdumeni	Submitted Successfully	Submitted Successfully	35	Richmond	Submitted Successfully	Submitted Successfully
9	eThekwini	Submitted with Errors	Outstanding	36	uBuhlebezwe	Submitted Successfully	Submitted Successfully
10	Greater Kokstad	Submitted Successfully	Submitted Successfully	37	Ugu DM	Submitted Successfully	Outstanding
11	Harry Gwala DM	Submitted Successfully	Submitted Successfully	38	Ulundi	Submitted Successfully	Submitted Successfully
12	Big Five Hlabisa	Submitted Successfully	Submitted with Errors	39	uMdoni	Submitted Successfully	Outstanding
13	iLembe DM	Submitted Successfully	Submitted Successfully	40	uMgungundlovu DM	Submitted Successfully	Submitted with Errors
14	iMpindle	Submitted Successfully	Outstanding	41	uMhlabuyalingana	Submitted Successfully	Submitted Successfully
15	iNkosi Langalibalele	Submitted Successfully	Submitted Successfully	42	uMhlatuze	Submitted Successfully	Submitted with Errors
16	Jozini	Submitted Successfully	Submitted Successfully	43	uMkhanyakude DM	Submitted Successfully	Submitted Successfully
17	King Cetshwayo DM	Submitted Successfully	Submitted Successfully	44	uMlalazi	Submitted with Errors	Outstanding
18	Kwa Dukuza	Submitted Successfully	Submitted Successfully	45	uMngeni	Submitted Successfully	Submitted Successfully
19	Mandeni	Submitted Successfully	Submitted Successfully	46	uMshwathi	Submitted Successfully	Outstanding
20	Maphumulo	Submitted Successfully	Outstanding	47	uMuziwabantu	Submitted Successfully	Submitted Successfully
21	uMfolozi	Submitted Successfully	Submitted Successfully	48	uMvoti	Submitted Successfully	Outstanding
22	Mkhambathini	Submitted Successfully	Outstanding	49	uMzimkhulu	Submitted Successfully	Submitted Successfully
23	Mpofana	Submitted Successfully	Submitted Successfully	50	uMzinyathi DM	Submitted Successfully	Submitted Successfully
24	uMsinga	Submitted Successfully	Outstanding	51	uMzambe	Submitted Successfully	Submitted Successfully
25	Msunduzi	Submitted Successfully	Submitted Successfully	52	uPhongolo	Outstanding	No Data
26	Mthonjaneni	Submitted Successfully	Submitted Successfully	53	uThukela DM	Submitted Successfully	Submitted Successfully
27	Mtubatuba	Submitted Successfully	Submitted Successfully	54	Zululand DM	Submitted Successfully	Submitted Successfully

 Submitted with errors - Municipality has submitted however stage 1 submission contained errors.


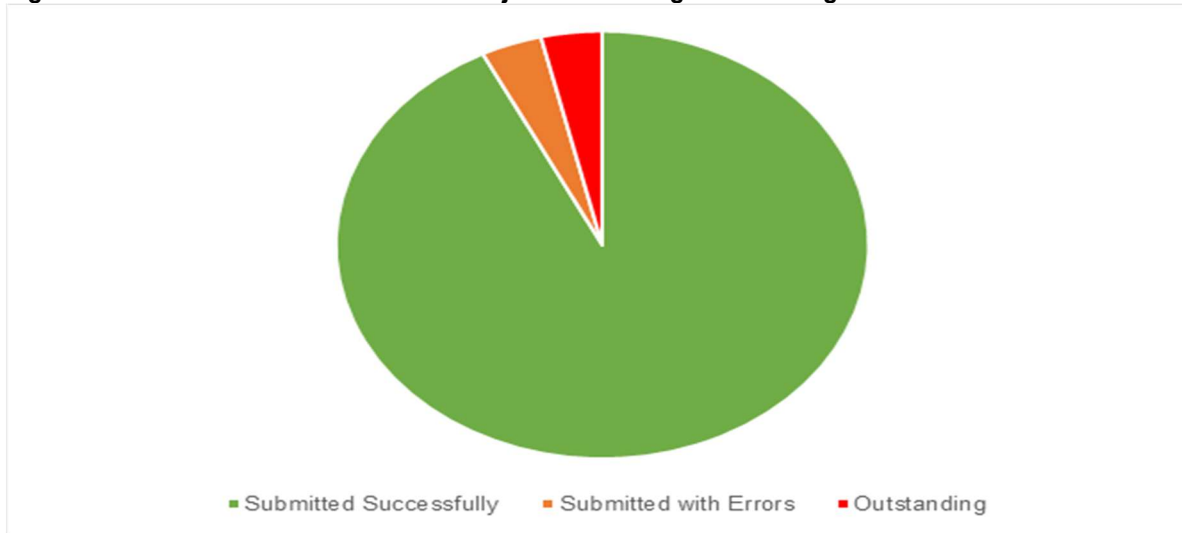
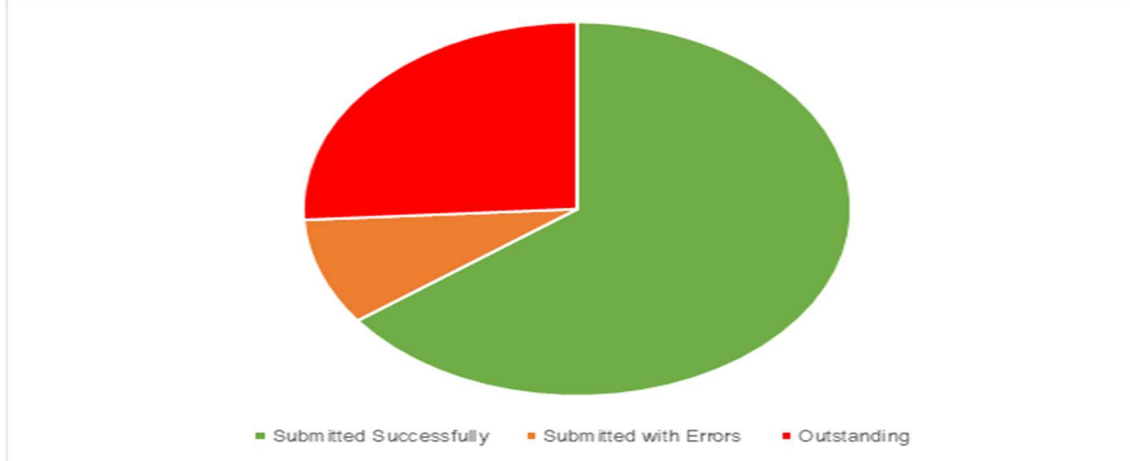
 Outstanding - Municipality has not submitted the required data string.

Figure 20: Submission status of 2018/19 Adjustments Budget Data string



There are 93 percent of municipalities that submitted the Adjustment Budget . eNdumeni Local Municipality is the only municipality of the 52 submissions received that submitted on 25 March 2019. The other 51 municipalities submitted by the 13 March 2019. Further to this, uPhongolo and Newcastle Local Municipalities did not submit the Adjustments Budget data string nor the PRAD (IDP file). uPhongolo Local Municipality has indicated issues with the Vendor and a meeting was held on 20 March 2019. At that meeting, it was resolved that the municipality would write to National Treasury to express the issues that are currently being experienced. Newcastle Local Municipality has not provided feedback as to their non-submission.

Figure 21: Submission status of 2018/19 PRAD



There are only 65 percent of municipalities that have submitted the PRAD file. Nine (9) percent submitted with errors and 26 percent remain outstanding. During the Chief Financial Officer Forum held on the 13 November 2018, the municipalities were advised to ensure that they submit the PRAD file at the same time. Furthermore, it was established that all municipalities with the exception of eThekweni Metropolitan Municipality has the ability to extract the PRAD file for submission.

On submission of the mSCOA data string for the 2018/19 Adjustments Budget, the LG data base programmatically tested the 16 validations built into the LG Database against the submissions that were successfully in stage 1 of their submission. In addition, together with the Adjustment Budget, the database compared the projects as contained in the PRAD (IDP file) to the number of projects on the financial budget. The results of **stage 2 segment validation included the following:**

**Table 17: Stage 2: Segment validation results**

No.	Name of Municipality	Adjustments Budget Data String	PRAD Data String	No.	Name of Municipality	Adjustments Budget Data String	PRAD Data String
		Status of Submission	Status of Submission			Status of Submission	Status of Submission
1	AbaQulusi	Contained no segment errors	Contained no segment errors	28	Ndwedwe	Contained no segment errors	Contained segment errors
2	Alfred Duma	Contained no segment errors	Contained segment errors	29	Newcastle	Outstanding	Outstanding
3	Amajuba DM	Contained no segment errors	Contained no segment errors	30	Nkandla	Contained no segment errors	Outstanding
4	Dannhauser	Contained no segment errors	Contained no segment errors	31	Nongoma	Contained segment errors	Contained stage 1 errors
5	Dr Nkosazana Dlamini Zuma	Contained no segment errors	Contained segment errors	32	Nquthu	Contained no segment errors	Contained segment errors
6	eDumbe	Contained segment errors	Outstanding	33	Okhahlamba	Contained segment errors	Contained stage 1 errors
7	eMadlangeni	Contained segment errors	Contained segment errors	34	Ray Nkonyeni	Contained no segment errors	Contained no segment errors
8	eNdumeni	Contained no segment errors	Contained segment errors	35	Richmond	Contained no segment errors	Contained no segment errors
9	eThekwini	Contained stage 1 errors	Outstanding	36	uBuhlebezwe	Contained no segment errors	Contained no segment errors
10	Greater Kokstad	Contained segment errors	Contained no segment errors	37	Ugu DM	Contained no segment errors	Outstanding
11	Harry Gwala DM	Contained no segment errors	Contained no segment errors	38	Ulundi	Contained no segment errors	Contained no segment errors
12	Big Five Hlabisa	Contained no segment errors	Contained stage 1 errors	39	uMdoni	Contained no segment errors	Outstanding
13	iLembe DM	Contained no segment errors	Contained segment errors	40	uMgungundlovu DM	Contained no segment errors	Contained stage 1 errors
14	iMpindle	Contained no segment errors	Outstanding	41	uMhlabuyalingana	Contained no segment errors	Contained no segment errors
15	iNkosi Langalibalele	Contained no segment errors	Contained no segment errors	42	uMhlathuze	Contained no segment errors	Contained stage 1 errors
16	Jozini	Contained no segment errors	Contained no segment errors	43	uMkhanyakude DM	Contained no segment errors	Contained no segment errors
17	King Cetshwayo DM	Contained no segment errors	Contained no segment errors	44	uMlalazi	Contained stage 1 errors	Outstanding
18	Kwa Dukuza	Contained no segment errors	Contained segment errors	45	uMngeni	Contained no segment errors	Contained segment errors
19	Mandeni	Contained no segment errors	Contained segment errors	46	uMshwathi	Contained segment errors	Outstanding
20	Maphumulo	Contained no segment errors	Outstanding	47	uMuziwabantu	Contained no segment errors	Contained no segment errors
21	uMfolozi	Contained no segment errors	Contained stage 1 errors	48	uMvoti	Contained no segment errors	Outstanding
22	Mkhambathini	Contained no segment errors	Outstanding	49	uMzimkhulu	Contained no segment errors	Contained segment errors
23	Mpofana	Contained no segment errors	Contained no segment errors	50	uMzinyathi DM	Contained no segment errors	Contained no segment errors
24	uMsinga	Contained no segment errors	Contained no segment errors	51	uMzumbe	Contained no segment errors	Contained segment errors
25	Msunduzi	Contained no segment errors	Contained no segment errors	52	uPhongolo	Outstanding	Outstanding
26	Mthonjaneni	Contained no segment errors	Contained no segment errors	53	uThukela DM	Contained no segment errors	Contained segment errors
27	Mtubatuba	Contained no segment errors	Contained no segment errors	54	Zululand DM	Contained no segment errors	Contained no segment errors

Submitted with no segment errors  
 Submitted with segment errors  
 Outstanding  
 Contained stage 1 errors - not validated against portal

The validation errors appear (yellow) as one or more of the 16 validation rules has been violated. Furthermore, the PRAD validation in yellow indicates that the number of projects contained in the PRAD (IDP) file does not agree to the financial budget (ADJB) and vice versa.

**Stage 3 validation** is where a reconciliation of the approved council budget was undertaken by Municipal Finance Management.

A **stage 4 validation** was undertaken to test beyond the 16 validation rules of the database. It has been previously reported by municipalities that the reporting schedules were populating incorrectly, where the schedules were directly extracted from the system. During the refresher mSCOA training held between 14 January 2019 to 31 January 2019, municipalities were provided guidance again as to how the A, B and C Schedules are impacted by each segment. This looks at the quality of the mSCOA data string for each segment. This exercise was completed on 28 March 2019 for data strings that were successfully submitted to the LG Database. The following 6 mandatory segments were assessed as follows:

- a) Has the municipality used the **project segment** appropriately ensuring that projects are accurately linked?
- b) Has the municipality ensured that transactions are appropriately linked to **funding and non-funding segments**?
- c) Has the municipality used the **region segment** (as applicable to it) appropriately?
- d) Has the municipality appropriately used **core and non-core function**?
- e) Has the municipality used the appropriately **posting levels within item segment** (Revenue, Expenses, Assets, Liabilities, Net Assets, Gains and Losses)? and
- f) Has the municipality implemented **costing** for all services such as electricity, water, waste and waste water management?

The following observations were made:

- Municipalities continue to incorrectly link Travel and Subsistence and Maintenance to municipal running costs instead of the typical work streams and Maintenance projects respectively;
- There has been no use or incorrect use of Revenue Cost of Free Basic Services, Cost of Free Basic Services and Property Rates rebates;
- The regional segment has been incorrectly used where municipalities are choosing the incorrect region. There have been several requests to municipalities and Vendors to ensure that the appropriate parameters have been set. This was further raised during the Vendor engagements regarding the budget module on 29 October 2018 to 02 November 2018;
- All municipalities except for KwaDukuza Local Municipality has used the costing default. KwaDukuza Local Municipality has also used costing incorrectly as there are primary transactions such as bank linked to costing;
- The selection of core and non-core services still appears to be a problem. There have been a few municipalities that selected Provincial and District services as core functions;
- Municipalities have continued to link non-cash items Depreciation and impairments which are non-funding to a funding source and vice versa;
- Lastly the posting levels of the item segment has been incorrectly used. The analysis has revealed the following:
  - No proper use of the balance sheet budgeting and poor understanding of Generally Recognised Accounting Principles;
  - Some municipalities have indicated no use of current assets;
  - Only the billing guide appears, there are no collections, interest and provision;
  - Property rates debtors are not broken down appropriately per class;

- Inventory management is poor. Majority of municipalities expense this;
- The Cash and Cash Equivalents (Bank Account and Short-Term investments) are not appropriately broken down between deposits, withdrawals, interest earned and bank charges;
- There is no budgeting of VAT (Output and Input);
- Non-current Asset guids are not broken down into appropriately classes;
- Depreciation and amortisation are not run and/ or not run for all categories of non-current assets;
- Liabilities are non-existence or minimal. There is no raising of liabilities and settlement thereof;
- Transfers and Subsidies (Grant Recognition) is poor, specifically for conditional unspent grants. There is also appears at times to be no “transfer to revenue” that will match the item revenue raised;
- Revenue raised does not match debtors billing per categories;
- Salaries and Wages not broken down per the chart; and
- Remuneration of Councillors not broken down per the chart.

This feedback, has been similar to feedback provided in the past, however municipalities have taken no action to correct these errors

### **A Schedule Validation of the Council Adopted Budget to the mSCOA Budget Data Submission 2019/20 (TABB)**

Section 22(b)(i) of the MFMA requires that, immediately after an annual budget is tabled in the municipal council, it must be submitted to the National Treasury and the relevant Provincial Treasury in both printed and electronic formats. MFMA Circular No. 94 states that if the annual budget is tabled to council on 29 March 2019, the final date of submission of the electronic budget documents and corresponding **data strings is Wednesday, 03 April 2019**.

As this date is outside the reporting period of 31 March 2019, the Tabled Budget (TABB) will be reported on Quarter 4.



### **Reporting in terms of Section 71 of the MFMA for 2018/2019 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.

As of 31 March 2019, **Stage 1 validation** status of the KwaZulu-Natal Province for the months **01 December 2018 to 31 March 2019** is as follows:

**Table 18: Stage 1 validation status for Months 01 December 2018 to 31 March 2019**

No.	Name of Municipality	Month 6 (December 2018) submissions	Month 7 (January 2019) submissions	Month 8 (February 2019) submissions	No.	Name of Municipality	Month 6 (December 2018) submissions	Month 7 (January 2019) submissions	Month 8 (February 2019) submissions
		Status of Submission	Status of Submission	Status of Submission			Status of Submission	Status of Submission	Status of Submission
1	AbaQulusi	Submitted Successfully	Submitted Successfully	Submitted Successfully	28	Ndwedwe	Submitted Successfully	Submitted Successfully	Submitted Successfully
2	Alfred Duma	Submitted Successfully	Submitted Successfully	Submitted Successfully	29	Newcastle	Submitted Successfully	Submitted with Errors	Not submitted
3	Amajuba DM	Submitted Successfully	Submitted Successfully	Not submitted	30	Nkanda	Submitted Successfully	Submitted Successfully	Submitted Successfully
4	Dannhauser	Submitted Successfully	Submitted Successfully	Submitted Successfully	31	Nongoma	Submitted Successfully	Submitted Successfully	Submitted Successfully
5	Dr Nkosazana Dlamini Zuma	Submitted Successfully	Submitted Successfully	Submitted Successfully	32	Nquthu	Submitted Successfully	Submitted Successfully	Not submitted
6	eDumbe	Submitted Successfully	Submitted Successfully	Submitted Successfully	33	Okhahlamba	Submitted Successfully	Submitted Successfully	Submitted Successfully
7	eMadlangeni	Submitted Successfully	Submitted Successfully	Submitted Successfully	34	Ray Nkonyeni	Submitted Successfully	Submitted Successfully	Submitted Successfully
8	eNdumeni	Submitted Successfully	Submitted Successfully	Submitted Successfully	35	Richmond	Submitted Successfully	Submitted Successfully	Submitted Successfully
9	eThekwini	Submitted Successfully	Submitted Successfully	Submitted Successfully	36	uBuhlebezwe	Submitted Successfully	Submitted Successfully	Submitted Successfully
10	Greater Kokstad	Submitted Successfully	Submitted Successfully	Submitted Successfully	37	Ugu DM	Submitted Successfully	Submitted Successfully	Submitted Successfully
11	Harry Gwala DM	Submitted Successfully	Submitted Successfully	Submitted Successfully	38	Ulundi	Submitted Successfully	Submitted Successfully	Submitted Successfully
12	Big Five Hlabisa	Submitted Successfully	Submitted Successfully	Not submitted	39	uMdoni	Submitted Successfully	Submitted Successfully	Submitted Successfully
13	iLembe DM	Submitted Successfully	Submitted Successfully	Submitted Successfully	40	uMgungundlovu DM	Submitted Successfully	Submitted Successfully	Not submitted
14	iMpendle	Submitted Successfully	Submitted Successfully	Submitted with Errors	41	uMhlabayalingana	Submitted Successfully	Submitted Successfully	Submitted Successfully
15	iNkosi Langalibalele	Submitted Successfully	Submitted Successfully	Submitted Successfully	42	uMhlathuze	Submitted Successfully	Submitted Successfully	Submitted Successfully
16	Jozini	Submitted Successfully	Submitted Successfully	Submitted Successfully	43	uMkhanyakude DM	Submitted Successfully	Submitted Successfully	Submitted Successfully
17	King Cetshwayo DM	Submitted Successfully	Submitted Successfully	Submitted Successfully	44	uMlalazi	Submitted Successfully	Not submitted	Not submitted
18	Kwa Dukuza	Submitted Successfully	Submitted Successfully	Submitted Successfully	45	uMngeni	Submitted Successfully	Submitted Successfully	Submitted Successfully
19	Mandeni	Submitted Successfully	Submitted Successfully	Submitted Successfully	46	uMshwathi	Submitted Successfully	Submitted Successfully	Submitted Successfully
20	Maphumulo	Submitted Successfully	Submitted Successfully	Submitted Successfully	47	uMuziwabantu	Submitted Successfully	Submitted Successfully	Submitted with Errors
21	uMfolozi	Submitted Successfully	Submitted Successfully	Submitted Successfully	48	uMvoti	Submitted Successfully	Submitted Successfully	Submitted Successfully
22	Mkhambathini	Submitted Successfully	Submitted Successfully	Submitted Successfully	49	uMzinkhulu	Submitted Successfully	Submitted Successfully	Submitted Successfully
23	Mpofana	Submitted Successfully	Submitted Successfully	Not submitted	50	uMzinyathi DM	Submitted Successfully	Submitted Successfully	Submitted Successfully
24	uMsinga	Submitted Successfully	Submitted Successfully	Submitted Successfully	51	uMzombe	Submitted Successfully	Submitted Successfully	Submitted Successfully
25	Msunduzi	Submitted Successfully	Submitted Successfully	Not submitted	52	uPhongolo	Not submitted	Not submitted	Not submitted
26	Mthonjaneni	Submitted Successfully	Submitted Successfully	Submitted Successfully	53	uThukela DM	Submitted Successfully	Submitted Successfully	Submitted Successfully
27	Mtubatuba	Submitted Successfully	Submitted Successfully	Submitted Successfully	54	Zululand DM	Submitted Successfully	Submitted Successfully	Not submitted

 Stage 1 submission contains errors.  
 Municipality has not submitted the required data string.

## Segment validation (Stage 2) of monthly mSCOA data submissions received

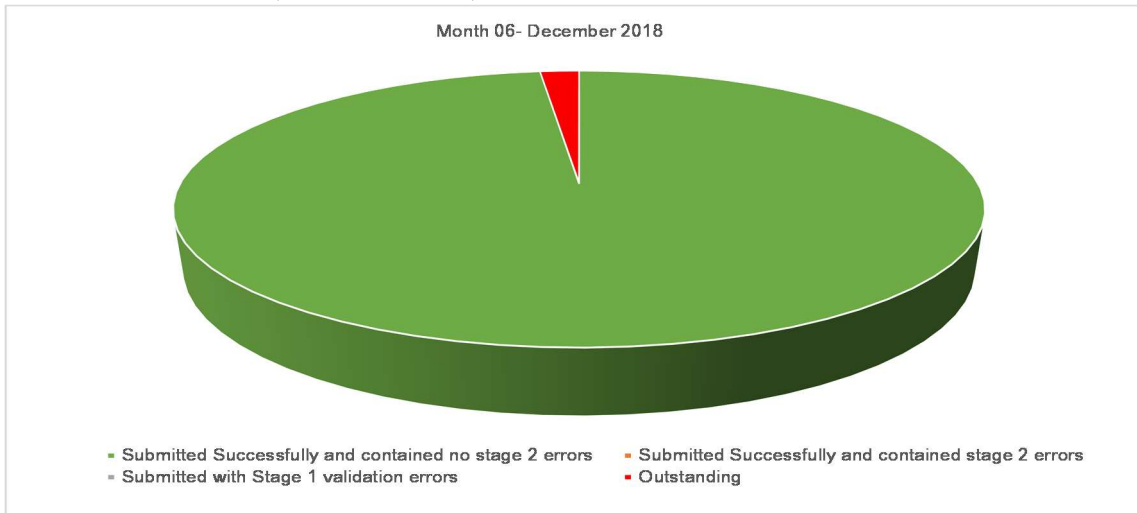
Subsequent to the receipt of the monthly mSCOA transactional data strings in the correct format, the National Treasury Local Government Portal conducted a segment validation of the data strings to ensure that the municipality has applied the correct segments in their transactional information, based on predetermined rules. Provincial Treasury had engaged municipalities on these errors and provided guidance to these municipalities in understanding these errors and what was required to clear these errors:

**Table 19: Stage 2: Segment validation of monthly mSCOA data submission**

No.	Name of Municipality	Month 6 (December 2018) submissions	Month 7 (January 2019) submissions	Month 8 (February 2019) submissions	No.	Name of Municipality	Month 6 (December 2018) submissions	Month 7 (January 2019) submissions	Month 8 (February 2019) submissions
1	AbaQulusi	Validations contain no errors	Validations contain no errors	Validations contain no errors	28	Ndwedwe	Validations contain no errors	Validations contain no errors	Validations contain no errors
2	Alfred Duma	Validations contain no errors	Validations contain no errors	Validations contain no errors	29	Newcastle	Validations contain no errors	Submitted with stage 1 validation errors	Data file is outstanding
3	Amajuba DM	Validations contain no errors	Validations contain no errors	Data file is outstanding	30	Nkandla	Validations contain no errors	Validations contain no errors	Validations contain no errors
4	Dannhauser	Validations contain no errors	Validations contain no errors	Validations contain no errors	31	Nongoma	Validations contain no errors	Validations contain no errors	Validations contain no errors
5	Dr Nkosazana Dlamini Zuma	Validations contain no errors	Validations contain errors	Validations contain no errors	32	Nquthu	Validations contain no errors	Validations contain no errors	Data file is outstanding
6	eDumbe	Validations contain no errors	Validations contain no errors	Validations contain no errors	33	Okhahlamba	Validations contain no errors	Validations contain no errors	Validations contain no errors
7	eMadlangeni	Validations contain no errors	Validations contain no errors	Validations contain no errors	34	Ray Nkonyeni	Validations contain no errors	Validations contain no errors	Validations contain no errors
8	eNdumeni	Validations contain no errors	Validations contain no errors	Validations contain no errors	35	Richmond	Validations contain no errors	Validations contain no errors	Validations contain no errors
9	eThekwini	Validations contain no errors	Validations contain no errors	Validations contain no errors	36	uBuhlebezwe	Validations contain no errors	Validations contain no errors	Validations contain no errors
10	Greater Kokstad	Validations contain no errors	Validations contain no errors	Validations contain no errors	37	Ugu DM	Validations contain no errors	Validations contain no errors	Validations contain no errors
11	Harry Gwala DM	Validations contain no errors	Validations contain no errors	Validations contain no errors	38	Ulundi	Validations contain no errors	Validations contain no errors	Validations contain no errors
12	Big Five Hlabisa	Validations contain no errors	Validations contain no errors	Data file is outstanding	39	uMdoni	Validations contain no errors	Validations contain errors	Validations contain errors
13	iLembe DM	Validations contain no errors	Validations contain no errors	Validations contain no errors	40	uMgungundlovu DM	Validations contain no errors	Validations contain no errors	Data file is outstanding
14	iMpendle	Validations contain no errors	Validations contain no errors	Submitted with stage 1 validation errors	41	uMhlabuyalingana	Validations contain no errors	Validations contain no errors	Validations contain no errors
15	iNkosi Langalibalele	Validations contain no errors	Validations contain no errors	Validations contain no errors	42	uMhlatuze	Validations contain no errors	Validations contain no errors	Validations contain no errors
16	Jozini	Validations contain no errors	Validations contain no errors	Validations contain no errors	43	uMkhanyakude DM	Validations contain no errors	Validations contain no errors	Validations contain no errors
17	King Cetshwayo DM	Validations contain no errors	Validations contain no errors	Validations contain no errors	44	uMlalazi	Validations contain no errors	Data file is outstanding	Data file is outstanding
18	Kwa Dukuza	Validations contain no errors	Validations contain no errors	Validations contain no errors	45	uMngeni	Validations contain no errors	Validations contain no errors	Validations contain no errors
19	Mandeni	Validations contain no errors	Validations contain no errors	Validations contain no errors	46	uMshwathi	Validations contain no errors	Validations contain no errors	Validations contain no errors
20	Maphumulo	Validations contain no errors	Validations contain no errors	Validations contain no errors	47	uMuziwabantu	Validations contain no errors	Validations contain no errors	Submitted with stage 1 validation errors
21	uMfolozi	Validations contain no errors	Validations contain no errors	Validations contain no errors	48	uMvoti	Validations contain no errors	Validations contain no errors	Validations contain no errors
22	Mkhambathini	Validations contain no errors	Validations contain no errors	Validations contain no errors	49	uMzimkhulu	Validations contain no errors	Validations contain no errors	Validations contain no errors
23	Mpofana	Validations contain no errors	Validations contain no errors	Data file is outstanding	50	uMzinyathi DM	Validations contain no errors	Validations contain no errors	Validations contain no errors
24	uMsinga	Validations contain no errors	Validations contain no errors	Validations contain no errors	51	uMzambe	Validations contain no errors	Validations contain no errors	Validations contain no errors
25	Msunduzi	Validations contain no errors	Validations contain no errors	Data file is outstanding	52	uPhongolo	Data file is outstanding	Data file is outstanding	Data file is outstanding
26	Mthonjaneni	Validations contain no errors	Validations contain no errors	Validations contain no errors	53	uThukela DM	Validations contain no errors	Validations contain no errors	Validations contain no errors
27	Mtubatuba	Validations contain no errors	Validations contain no errors	Validations contain errors	54	Zululand DM	Validations contain no errors	Validations contain no errors	Data file is outstanding



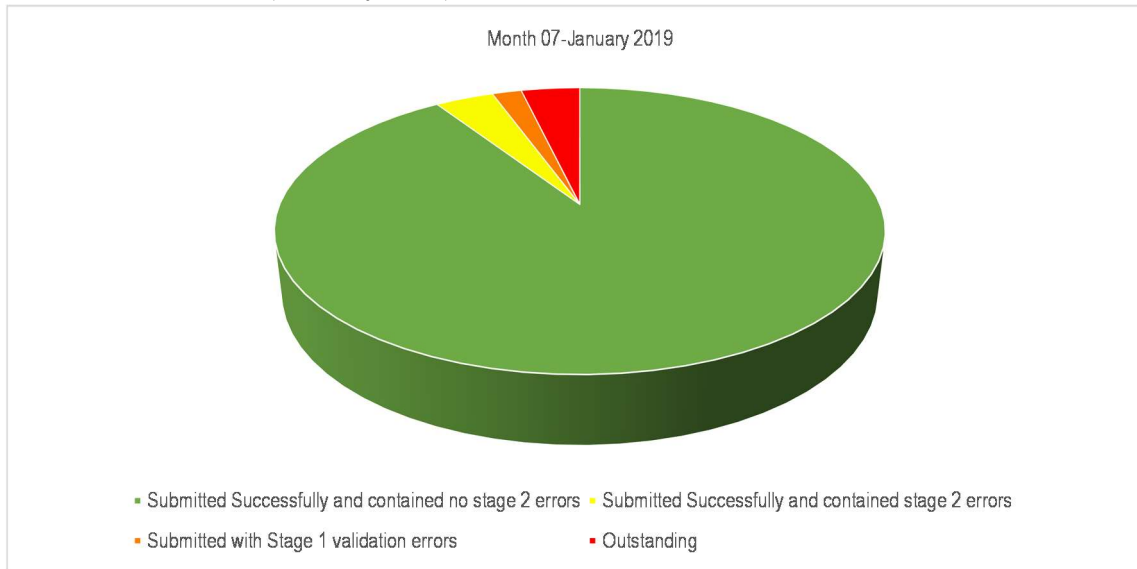
**Figure 22: Month 06 (December 2018) Submission Status**



**Month 06 (December 2018) Submission Status**

As at 31 March 2019, there were 53 municipalities that submitted their data strings successfully and contained no segment errors. This amounted to a 98 percent successful submission rate. There was one municipality that had not submitted, namely, the uPhongolo Local Municipality. The municipality in the month of February 2019 raised their issues with the system and had indicated that they were no longer receiving support from the Vendor. The Vendor had further locked the municipality out of the system and therefore the municipality was not able to comply. The municipality indicated that there was long outstanding amounts owed to the Vendor.

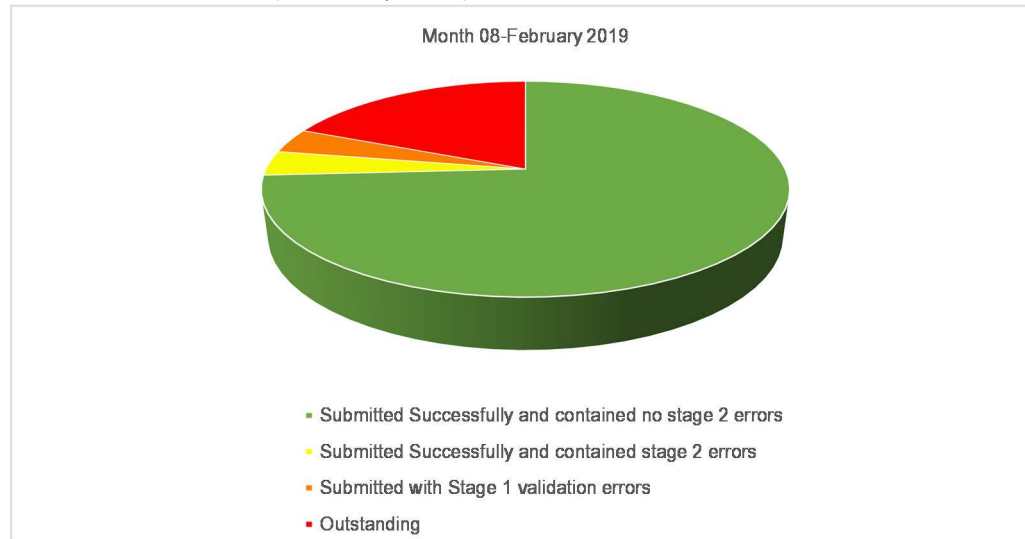
**Figure 23: Month 07 (January 2019) Submission Status**



**Month 07 (January 2019) Submission Status**

As at 31 March 2019, there were 51 municipalities that submitted their data strings successfully to the LG database. This represented a 94 percent submission rate which decreased from the prior month. Two (2) municipalities of the 51 submissions submitted data strings that contained segment errors. These municipalities being the uMdoni and Dr Nkosazana Dlamini Zuma Local Municipalities. There was one (1) municipality that had a stage 1 error (structure of the file was incorrect) being the Newcastle Local Municipality and two (2) municipalities that did not submit the required data string. The outstanding submissions being the uPhongolo and uMlalazi Local Municipalities.

**Figure 24: Month 08 (February 2019) Submission Status**



**Month 08 (February 2019) Submission Status**

There were 42 municipalities that submitted their data strings and passed the stage 1 validation. Two(2) of the 42 municipalities submitted data strings that contained segment validation errors. There were another two (2) municipalities being the uMuziwabantu and the iMpendle Local Municipalities that submitted with stage 1 errors. That is the stage string contained errors within the structure of the file. There were 10 municipalities as at 31 March 2019 that did not submit the required data strings within the prescribed timeframe, this being:

- Amajuba DM
- Hlabisa Big Five LM
- Mpofana LM
- Msunduzi LM
- Newcastle LM
- Nquthu LM
- uMgungundlovu DM
- uMlalazi LM
- uPhongolo LM(No support from Vendor)
- Zululand DM

With the exception of the uPhongolo Local Municipality, there were no reasons provided by municipalities and it was noted that these municipalities do have the functionality to report and have done so in prior months.

### **Month 09 (March 2019) Submission Status**

Due the legislated deadline for the March 2019 monthly data submissions being 14 April 2019, the submission feedback will be reported on in the Quarter 4 report of the 2018/2019 Financial Year.

In January 2019, we had undertaken an analysis on the **M01** to **M06** submissions to ensure that all issues were addressed by municipalities during the Adjustments Budget phase of the 2018/19 financial year. This was to ensure alignment was corrected and municipalities addressed previous feedback provided. The analysis revealed the following:

- Incorrect use of the project segment. Maintenance, Travel and Subsistence incorrectly linked to Municipal Running Costs;
- Property rebates, Revenue Cost of free basic services and Cost of Free basic services were not being used appropriately;
- Region segment were incorrectly used;
- Funding Transactions incorrectly linked to non-funding such as bank, billing, etc;
- Function appeared to be appropriately used however we had noted difference in function between the council approved budget and the original budget in 2018/19;
- Costing was not implemented except for KwaDukuza and Alfred Duma. However, charges and recoveries were not in balance;
- Item Segment, we noted the following:
  - Incorrect use of the bank guides;
  - Incorrect use of VAT accrual and control accounts (input and output);
  - Depreciation was not run for the respective period;
  - There were no completed projects from work in progress at the time of review;
  - Salaries and Wages not broken down per chart;
  - Remuneration of councillors not broken down per chart; and
  - Grant Recognition was not consistently performed.

Even though municipalities received this feedback at the end of January 2019, they had not addressed the matters as the same was evident in the Adjustments Budget review for the 2018/2019.

## Submission of the 2017/18 Pre-Audited Annual Financial Statements (data string)

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

In light of this, municipalities were requested to submit to the LG Portal the Pre-Audited Annual Financial Statement data strings. As at 31 March 2019, 48 municipalities uploaded the pre-audited data strings (PAUD). This represents only 89 percent of municipalities within the province. The PAUD data strings were required to be submitted to the LG Portal 10 days after submission of the Annual Financial Statements to the Auditor - General of South Africa. There are a further five (5) municipalities that are outstanding (denoted in the red) and one (1) municipality that submitted with errors (i.e. the data string did not pass stage 1 validation and is denoted in orange). There is a 15 percent improvement since Quarter 2 report, however municipalities lack the accountability to ensure that submissions are timeously done.

**Table 20: Submission status of data strings for 2017/18 Pre-Audited Annual financial statements**

No	Name of Municipality	Submission	No	Name of Municipality	Submission	No	Name of Municipality	Submission
1	AbaQulusi	Successful	19	Mandeni	Successful	37	Ugu DM	Successful
2	Alfred Duma	Validations contain errors	20	Maphumulo	Successful	38	Ulundi	Successful
3	Amajuba DM	Successful	21	uMfolozi	Successful	39	uMdoni	Validations contain errors
4	Dannhauser	Successful	22	Mkhambathini	Successful	40	uMgungundlovu DM	Validations contain errors
5	Dr Nkosazana Dlamini Zuma	Validations contain errors	23	Mpofana	Successful	41	uMhlabuyalingana	Successful
6	eDumbe	Successful	24	uMsinga	Outstanding	42	uMhlathuze	Successful
7	eMadlangeni	Successful	25	Msunduzi	Successful	43	uMkhanyakude DM	Successful
8	eNdumeni	Submitted with errors	26	Mthonjaneni	Successful	44	uMlalazi	Successful
9	eThekwini	Successful	27	Mtubatuba	Outstanding	45	uMngeni	Validations contain errors
10	Greater Kokstad	Successful	28	Ndwedwe	Successful	46	uMshwathi	Successful
11	Harry Gwala DM	Successful	29	Newcastle	Successful	47	uMuziwabantu	Outstanding
12	Big Five Hlabisa	Successful	30	Nkandla	Successful	48	uMvoti	Successful
13	iLembe DM	Successful	31	Nongoma	Successful	49	uMzimkhulu	Successful
14	iMpindle	Successful	32	Nquthu	Successful	50	uMzinyathi DM	Outstanding
15	iNkosi Langalibalele	Outstanding	33	Okhahlamba	Successful	51	uMzumbe	Successful
16	Jozini	Successful	34	Ray Nkonyeni	Validations contain errors	52	uPhongolo	Validations contain errors
17	King Cetshwayo DM	Successful	35	Richmond	Successful	53	uThukela DM	Successful
18	Kwa Dukuza	Successful	36	uBuhlebezwe	Successful	54	Zululand DM	Successful

## Submission of the 2017/18 Audited Annual Financial Statements (data string)

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

In light of this, municipalities were requested to submit to the LG Portal the Audited Annual Financial Statement data strings (AUDA). As at 31 March 2019, 43 municipalities uploaded the audited data strings (AUDA). This represents only 80 percent of municipalities within the province. There are nine (9) municipalities that are outstanding (denoted in the red) and two (2) municipality that submitted with errors (i.e. the data string did not pass stage 1 validation and is denoted in orange). This is an improvement since Quarter 2 as there were 51 municipalities that had not previously submitted.

**Table 21: Submission status of data strings for 2017/18 Audited Annual financial statements**

No	Name of Municipality	Segment Validation	No	Name of Municipality	Segment Validation	No	Name of Municipality	Segment Validation
1	AbaQulusi	Successful	19	Mandeni	Successful	37	Ugu DM	Successful
2	Alfred Duma	Validations contain errors	20	Maphumulo	Outstanding	38	Ulundi	Successful
3	Amajuba DM	Successful	21	uMfolozi	Successful	39	uMdoni	Validations contain errors
4	Dannhauser	Successful	22	Mkhambathini	Successful	40	uMgungundlovu DM	Submitted with errors
5	Dr Nkosazana Dlamini Zuma	Outstanding	23	Mpofana	Successful	41	uMhlabuyalingana	Successful
6	eDumbe	Successful	24	uMsinga	Outstanding	42	uMhlathuze	Outstanding
7	eMadlangeni	Successful	25	Msunduzi	Successful	43	uMkhanyakude DM	Successful
8	eNdumeni	Submitted with errors	26	Mthonjaneni	Successful	44	uMlalazi	Successful
9	eThekwini	Outstanding	27	Mtubatuba	Successful	45	uMngeni	Outstanding
10	Greater Kokstad	Successful	28	Ndwedwe	Successful	46	uMshwathi	Successful
11	Harry Gwala DM	Successful	29	Newcastle	Successful	47	uMuziwabantu	Validations contain errors
12	Big Five Hlabisa	Validations contain errors	30	Nkandla	Successful	48	uMvoti	Successful
13	iLembe DM	Successful	31	Nongoma	Successful	49	uMzimkhulu	Successful
14	iMpendle	Successful	32	Nquthu	Successful	50	uMzinyathi DM	Outstanding
15	iNkosi Langalibalele	Validations contain errors	33	Okhahlamba	Successful	51	uMzumbhe	Successful
16	Jozini	Successful	34	Ray Nkonyeni	Validations contain errors	52	uPhongolo	Outstanding
17	King Cetshwayo DM	Successful	35	Richmond	Successful	53	uThukela DM	Successful
18	Kwa Dukuza	Successful	36	uBuhlebezwe	Outstanding	54	Zululand DM	Successful

## Provincial Treasury Support to Municipalities and Entities

The KwaZulu-Natal Provincial Treasury has actively engaged municipalities and entities through various forums, training workshops, one on one sessions and district engagements. A summary of the support provided during this quarter is indicated below:

- District Engagements between 14-31 January 2019 – mSCOA Refresher Training, Changes in the chart from 6.2 to 6.3 and Impact on A schedules;
- Municipal Implementation Dashboards (February 2019 and March 2019) – This was prepared for all delegated municipalities and submitted to each municipality to provide them with an overall view of the progress;
- Mid-year engagements were attended for the following Municipalities:
  - Msunduzi Local Municipality – 04 February 2019;
  - KwaDukuza Local Municipality – 14 February 2019;
  - Richmond Local Municipality – 15 February 2019;
  - Greater Kokstad Local Municipality – 18 February 2019;
  - Mpofana Local Municipality – 19 February 2019;
- District Area Financial Forum (DAFF) – iLembe District – 14 February 2019;
- Intervention meeting held with OS Holding and Mpofana Local Municipality regarding mSCOA implementation status dashboard – 06 March 2019;
- Presentation to MANCO – Municipal Dashboard – Status of Implementation - 04 March 2019;
- Meeting with Vendor (CCG) – Non-performance letter issued by Ugu District Municipality - 04 March 2019 and 29 March 2019;
- Meeting with uMgungundlovu District Municipality – Municipal Dashboard – Status of Implementation – 15 March 2019; and
- Assistance provided to Mpofana Local Municipality – Adjustment Budget Analysis Understanding – 28 March 2019.

Further to this, the mSCOA Advisors have provided individual support to all municipalities in addressing the challenges at the municipality with regards to the Vendor, processing and understanding of mSCOA. This includes budgeting and transacting and clearing of validation errors on the data files and findings on the opening balances and how to correct this and the review of the general ledger and/or in-year reporting. The mSCOA Advisor support came to an end within the first week of February 2019.

## Internal Capacitation – Provincial Treasury

Stage 1-4 validation demo on how to use the LG database for extraction of reports was presented to Management of the Municipal Budget Sub Programme.

## National Treasury Support

National Treasury has conducted the following engagements with the attendance of all Provincial Treasuries:

- Team Meetings: 11-12 March 2019;

- Vendor Engagements 25 February 2019 – 01 March 2019 – This was the demonstration of the Supply Chain Management Module, Creditors Module and Contract Management Module including payments (bank); and
- Presentation was prepared for National Feedback on 23 January 2019 (Brian Shepard presented at the forum on behalf of KwaZulu-Natal).

## **Way forward**

Provincial Treasury will continue to engage with municipalities in addressing the outstanding issues via monthly site visits, frequent communication via email and telephonically as well as the various platforms such as mSCOA forums, 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;
- Provide municipalities with feedback on stage 1 to stage 4 validation of the Tabled Budget and Adopted Budget 2019/20;
- Conduct a CFO Forum to discuss the issues observed during the Adjustments Budget and common errors;
- Review of the municipal data transactions to ensure the quality of the transactional data and provide feedback to municipalities;
- Provide of guidance to municipalities on system implementation issues and governance matters;
- Review of the Audit Working Paper files for the mSCOA implementation for all municipalities;
- Engagement with National Treasury on the demonstration of the Asset Management Modules;
- Attendance of training to be held by National Treasury on Budgeting and Transacting in mSCOA, Change Management, Dashboards; and
- Review and provide guidance on the revised project plans to address the mSCOA implementation feedback provided.



## **2.17 Municipal Support and Oversight**

Municipal Support and Oversight includes a summary of work performed by various Business Units within Provincial Treasury in the quarter under review in support to delegated municipalities in line with monitoring and supporting the municipalities as per Chapter 2 of the MFMA. A full report from each Business Unit is available on request.

### **Financial Reporting**

#### **Financial Management Municipal Support Programme**

In terms of Provincial Treasury's mandate to support municipalities in strengthening their financial management capacity, Provincial Treasury continued to provide financial management on-site support to identified municipalities within the province during the 2018/19 municipal financial year. The fundamental objective of this program is to improve financial management practice by building the required skills and capacity to enable effective financial management practice and therefore improve the audit opinions received by the municipalities.

The on-site support intervention strategy conducted by the Financial Reporting Sub-Programme entails the following:

- An assessment of the status of financial management practice at identified municipalities and the development of a project plan;
- Review or perform monthly general ledger reconciliations and monitoring of the quality of financial management reconciliations and accounting processes, as required;
- Address prior year audit matters as raised by the Auditor-General to ensure that such matters are resolved adequately;
- Provide guidance and oversight in the Asset Register preparation process and Asset Management processes or assist in the preparation of the Asset Register as required;
- Monitor and assist in the preparation of Interim Financial Statements and Annual Financial Statements (AFS);
- Preparation of AFS and supporting reconciliations and schedules, as required;
- Assistance in the preparation and review of the audit working paper files and addressing all financial management audit queries;
- Training and development of municipal officials in terms of financial management, including the preparation of the AFS;
- Monitor and implement compliance with the MFMA and other relevant legislation applicable to Local Government;
- Provision of financial management support in areas of budgeting, income, expenditure and Supply Chain Management (SCM);
- Provide support with the alignment and compliance of mSCOA requirements for financial management transactions;
- Attendance at audit steering committee meetings, providing guidance and support during the audit process until the issue of the final audit report; and
- Attendance at management meetings that relate to financial management within the municipality.

#### **Municipalities supported by the Financial Management Municipal Support Programme for the 2018/19 municipal financial year**

The Financial Management Support Programme continued to be implemented during Quarter three of the municipal 2018/19 financial year at selected municipalities. The work performed related to ensuring that errors identified by the Auditor-General queries were processed, training took place as identified and adjustments made during the audit were processed to the general ledger correctly so that the opening balances for 2018/19 and prior period errors made are correct.

Provincial Treasury completed an assessment of audit opinions received by municipalities for the 2016/17 financial year and identified municipalities to receive during the 2018/19 financial year, as per Table 22 below.

**Table 22: List of the municipalities supported during quarter 3 under the Financial Management Municipal Support Programme**

No	Name of Municipality	2016/17 Audit Opinion	Extent of support	Confirming AG queries have been addressed post audit	Assistance with updating reconciliations and Trial Balance review	Support concluded in Quarter 2	Intervention team with COGTA	Status Assessment for 2018/19 annual financial statement support
1	Harry Gwala DM	Qualified	Full time Support	✓	✓			
2	uThukela DM	Qualified	Full time Support	✓	✓			
3	uMzinyathi DM	Adverse	Full time Support	✓	✓			
4	iMpendle LM	Unqualified	Full time Support	✓	✓			
5	eMadlangeni LM	Unqualified	Full time Support	✓	✓			
6	iMpendle LM	Unqualified	Full time Support			✓		
7	Richmond LM	Unqualified	Full time Support			✓		
8	Big Five Hlabisa LM	Unqualified	Full time Support			✓		
9	Mpofana LM	Qualified	Full time Support				✓	
10	Mandeni LM	Unqualified	Full time Support					✓

Source: KZN Provincial Treasury

Activities during quarter three for five (5) municipalities included attending meetings with management, confirming that audit adjustments allowed by the Auditor-General during the audit were processed on the general ledger and providing guidance and support in updating the reconciliations post audit at the municipalities supported from June 2018. Activities at three (3) municipalities were concluded in Quarter two.

Provincial Treasury and COGTA jointly provided an intervention task team to assist the Administrator at the Mpofana Local Municipality from October 2018. Assistance was provided in the form of two (2) on-site staff to assist the Finance Section with addressing prior period audit adjustments, preparation of reconciliations and assistance with monitoring cash flow management.

Provincial Treasury performed an assessment of the capacity and financial management matters for the municipalities that will require assistance from the financial management support initiative during the next financial year by completing an assessment of the 2017/18 audit results. The assessment indicated that there were thirteen (13) municipalities that received qualifications in their audit opinions, one (1) municipality that received a disclaimer of audit opinion, six (6) municipalities that received adverse audit opinions, thirty three (33) municipalities that received unqualified audit opinions and one (1) municipality that received a clean audit opinion. A review of the audit report findings indicated that material losses, material impairments and restatement of corresponding figures received the most comment in the main audit report. Compliance matters reported centered on procurement and contract management, expenditure management, asset management, compliance of AFS with applicable standards and irregular, fruitless and wasteful expenditure. The selection of municipalities to support for the 2018/19 AFS will be finalised and reported in quarter four.

A status assessment of the current financial environment for the preparation of the 2018/19 AFS was performed at the Mandeni Local Municipality during quarter three for continued support into quarter four.

### **Challenges identified during the implementation of the Support Programme**

The challenges faced by municipalities are similar each year and show little improvement over the financial periods. The challenges identified during the financial management support and preparation of AFS initiative include, among others, the following:

- A lack of resources due to the continued high levels of vacancies/skills at the municipalities in order for effective skills transfer to take place, particularly in the preparation of the AFS and dealing with audit queries;
- The resignation of key officials, like Chief Financial Officers, during key periods resulting in municipal officials acting in positions for long periods without filling the vacancies;
- A significant reliance is placed on Provincial Treasury support, consultants or interns to perform the work of municipal officials, without adequate commitment from officials within the municipalities;
- The implementation of the Municipal Standard Chart of Accounts (mSCOA) has reduced the capacity available at these municipalities to undertake financial management responsibilities;
- Poor record keeping and supporting documentation for the correction of prior period errors identified in the prior year audit;
- Inadequate skills on credit control and debt management, including basic financial accounting and document management systems in most instances;
- Lack of systems to address audit queries and recommendations, both internal and external auditing;
- Inadequate asset management processes within the municipality which impacts on the maintenance of the asset register and reporting thereof which, in most cases, is done only at year end;
- Poor controls over routine accounting processes: Reconciliations are incorrect/incomplete/lack of supporting schedules;
- Occurrence of irregular, fruitless and wasteful expenditure resulting from non-compliance with legislation and supply chain processes and wasteful expenditure which could have been avoided;
- Little or no action taken in investigating or condoning the unauthorised, irregular, fruitless and wasteful expenditure;
- Lack of evidence based reporting and preparation of audit working paper files; and
- Availability of municipal financial management officials to address identified challenges.

### **Asset Management Improvement Program**

In response to the continuing challenges faced by municipalities and the resulting impact on the audit outcomes, particularly in relation to asset management, Provincial Treasury continued to provide hands on assistance to municipalities who require asset management support. Assistance was provided from National Treasury in the form of a resource from the Municipal Finance Improvement Programme (MFIP III) – Asset Management whose aim is to address weaknesses identified with the establishment of an asset management steering committee, capacitation of the asset management unit and assistance with the development of policies and procedures.

The resource has analysed all audit reports and management reports for the 2017/18 financial year to gain an understanding of the asset management issues facing the province. From this assessment, as well as the insights gained from the support provided in the previous quarters, ten (10) municipalities have been selected for inclusion in the asset management programme. Six (6) municipalities received support in the 2017/18 financial year and will continue to receive support in the 2018/19 financial year and four (4) additional municipalities have been selected to receive support for 2018/19 financial year as noted in Table 23.

**Table 23: List of the municipalities selected for support on MFIP Asset Management**

No	Name of the municipality	Continued MFIP support from 2017/18	New MFIP support for 2018/19
1	AbaQulusi LM	✓	
2	uMsinga LM	✓	
3	Harry Gwala DM	✓	
4	iMpendle LM	✓	
5	uMzinyathi DM	✓	
6	uThukela DM	✓	
7	Nongoma LM		✓
8	uBuhlebezwe LM		✓
9	uMgungundlovu DM		✓
10	Ugu DM		✓

Source: KZN Provincial Treasury

The support provided in quarter three included presentations on proper asset management planning at the uMsinga Local Municipality and the uMzinyathi District Municipality. The same presentation was included in the District CFO Forum workshop held at the uMgungundlovu District Municipality that was also attended by the local municipalities who operate in the area surrounding the uMgungundlovu District Municipality. Asset management training, particularly aimed at adequate planning for assets, is planned to continue in quarter four as part of the District CFO Forum workshops.

The significant challenges experienced during the implementation of asset management support, amongst others, are as follows:

- Lack of capacity or skills of officials responsible for asset management. The municipalities visited have an Assets Management Unit capacity disparity. Oversight weakness with regards to the review of information prepared by Assets Management Units was also noted. The capacity disparity and oversight weakness were therefore considered in the formulation of action plans for the selected municipalities;
- Lack of oversight and management of the assets by the municipal management officials;
- Lack of adequate planning for asset management activities related to the physical verification, condition assessments, impairments, depreciation calculations, additions, disposals and assets under construction transfers that all occur at year end and are not executed throughout the year; and
- The appointment of consultants to assist with the preparation of the asset register very close to year end.

## Norms and Standards

Norms and Standards supported some of the municipalities and entities regarding the Systems of Delegations and the review of the Policies as shown in Table 24 in the quarter under review.

**Table 24: Systems of Delegations and Policy Assistance**

Strategic Objective	Record of Support Provided to Municipalities/Entities		Comments
	Target Per Quarter	Actual Results	
Developed, review and monitor compliance with financial norms and standards	2 Municipalities	<p><b>Policies reviewed</b></p> <p><i>Reviewed 1 draft policy for Nkandla Local Municipality: Bereavement Policy.</i></p> <p><i>Reviewed 5 draft policies for eMadlangeni Local Municipality: Credit control and Debt Collection policy; Investment Policy; Petty Cash Policy; Budget Policy; and Virements Policy.</i></p> <p><i>Reviewed 5 draft policies for uMkhanyakude District: Municipality Credit control and Debt Collection Policy; Cash Management, Banking and Investment Policy; Tariffs Policy; Budget Policy; and Virements Policy.</i></p>	<p>Reviewed as part of special request made by the municipality</p> <p>Reviewed policies incorporating mSCOA as per issued MFMA circular.</p> <p>Reviewed policies incorporating mSCOA as per issued MFMA circular.</p>

## **Public Private Partnership (PPP)**

Provincial Treasury provides effective and efficient transversal Public Private Partnerships (PPP) project advisory services to a number of municipalities in the province. Provincial Treasury established the PPP Unit with the main objective of facilitating, managing and overseeing PPP's at a provincial level in accordance with legislative mandates (MFMA, Municipal Systems Act and Municipal PPP Regulations).

Provincial Treasury assisted the following municipalities with potential projects and projects registered with National Treasury as PPP's for the quarter under review:

- Umvoti Local Municipality
- KwaDukuza Local Municipality;
- uMhlathuze Local Municipality; and
- iLembe District Municipality.

### **1.1. Advisory services and support to municipalities with potential PPP projects**

The Umvoti Local Municipality, which falls under the Umzinyathi District Municipality, owns two farmland properties in the Greytown and surrounding areas that consists of roughly 2,780 Ha. of established plantations, of varying ages and species, primarily with Eucalyptus, Black Wattle and Pine species.

The Umvoti Local Municipality has engaged the assistance of the PPP unit in their investigation into a possible PPP project that will see the municipality potentially entering into a partnership with a private party to operate and manage its forestry business on behalf of the municipality.

The municipality is currently engaged in an Expression of Interest (EOI) process that will assist to gauge private interest for this project.

The EOI process is to seek suitably experienced forestry service providers that will assist the municipality with the running and management of the forestry land, associated agricultural land and the forestry business in a sustainable manner to the benefit of the municipality and people residing within the municipal area for a period of thirty (30) years.

## 1.2. Advisory services and support to municipalities with registered PPP projects

**Table 25: PPP related activities**

Municipality	Gaps Identified	Recommendations	Progress thus far
KwaDukuza Municipality	<b>Solid Waste Removal</b>		
	The current contract for waste removal expired in 2012 and has been renewed on month to month basis since 2012.	The PPP unit recommended that the municipality must investigate whether it is legal to renew the waste removal contract on a month to month basis in terms of municipal SCM regulations.	The recommendations were communicated with the municipality and the municipality was requested to take the recommendations into consideration regarding the legality of renewing the contract on a month to month basis. The municipality issued procurement documents to the market and received 10 proposals from prospective service providers for waste removal services. The bid evaluation committee evaluated the proposals and sent the evaluation report to the bid adjudication committee to make a decision on the appointment of the service provider. Currently, Provincial Treasury is not clear on whether the municipality has concluded the procurement processes, however, the PPP unit believes that the municipality should have solicited National and Provincial Treasury views and recommendations in terms of Section 120(6) of the MFMA and Municipal PPP Regulation 4 if the municipality will continue with the appointment of the service provider. The PPP unit is also unsure on whether the bid validity period has expired or is still valid.
ILembe District Municipality - Information and Communication Technology ("ICT") Infrastructure/Broadband project	<b>Off-takers</b>		
	The municipality seeks to source off-takers for this project which will be a combination of public and private institutions that will make the project commercially viable.	The municipality needs to (1) draft terms of reference (ToR) for the procurement of a Transaction Advisor (TA); (2) the TA will in turn undertake a feasibility study process that will, inter alia; evaluate various options available to the municipality and the different funding mechanisms; determine the projects affordability and whether or not it will provide value for money and (3) sign off-take agreements with potential off-takers.	The terms of reference have been drafted and the municipality has to facilitate the process of the appointment of the transaction advisor and funding has been secured for the feasibility study process.
	<b>Funding</b>		
	There were issues regarding the funding of the project. The municipality has approached the Infrastructure Investment Programme for South Africa (IIPSA) from the Development Bank of South Africa (DBSA) to fund the feasibility study and an agreement has been signed by both institutions, with the municipality facilitating the process.		Funding for the feasibility study has been approved with contributions to be brought forward by both parties.

**Table 25: PPP related activities (Continued...)**

Municipality	Gaps Identified	Recommendations	Progress thus far
<p><b>uMhlathuze Local Municipality - Waste Water and Associated By-Product Reuse</b></p>	<p><b>Water demand</b></p> <p>The preparatory work undertaken identified that the water demand in year 2025 is expected to increase by 75 percent from the current levels and is expected to exceed the current lawful water use by the Municipality within the next few years. Whilst the long-term water supply solution for City of uMhlathuze will be multifaceted and multi-phased, the imminence of the supply shortfall requires a solution which will yield results in the near term.</p>	<p>National Treasury advised the municipality to undertake the comprehensive feasibility study in accordance with Section 120 of the MFMA, the Municipal PPP Regulations (1 April 2005) and the Municipal PPP Guidelines (2007) to determine the viability of reusing treated waste water in order to augment its other sources of water supply and specifically assess the desirability and viability of procuring a PPP as the delivery mechanism for the preferred technical solution.</p>	<p>The feasibility study report was submitted by the uMhlathuze Local Municipality to National and Provincial Treasury for Treasury Views and Recommendations: I (TVR: I). Subsequently, the views and recommendations were granted by National and Provincial Treasury which reflected that that the project is affordable with value for money and risk transfer if the project is procured as a PPP. The feasibility study, together with the views and recommendations was submitted to the municipal executive council and the municipal council and was approved by both bodies. The transaction advisor assisted the municipality in drafting the request for qualification (RFQ) that will be issued to the market for the construction and operation of waste water treatment plants. The municipality solicited the comments from Provincial Treasury, National Treasury, DBSA and Department of water and sanitation with regards to RFQ.</p>
	<p><b>Funding Gap</b></p> <p>The feasibility study reflected that the municipality will be required to make a contribution of R390 million or commit to pay R103 million every year for 20 years in order to make the project affordable and match the current tariffs charged to the off-takers for portable water.</p>	<p>The PPP unit advised the municipality to make the contributions within the first 3 years of construction of the waste water treatment plant within the municipality's existing capital budget or apply for grant funding from DBSA to pay for the funding gap of R390 million.</p>	<p>The municipality wrote the letter capturing the funding request and sent it to DBSA. The municipality and DBSA came into agreement with regards to the R390 million funding gap and agreed that R300 million will come from the DBSA IIPSA funding and the remaining R90 million will come from the municipality in the first year of construction of the waste water treatment plant. The municipal council approved the funding request in order to make the project affordable and DBSA confirmed that the bank will make R300 million available provided that the project reaches the request for proposal stage in the current financial year.</p>
	<p><b>Use of portable water for Industrial use</b></p>		
	<p>The industries around Richards Bay (off-takers) have contracts with the water board (uMhlathuze Water) to purchase the portable water at a lower tariff than what the municipality would charge for treated water which is due to expire at the end of year 2021 and they are in a process to renew the contract when the current contract comes to an end.</p>	<p>The PPP unit has recommended that the municipality appoint consultants that will assist the municipality in drafting a bylaw that will restrict other water services institutions to sell portable water to off-takers for industrial use.</p>	<p>The consultants were appointed to assist with amendment of bylaws. The consultants drafted the bylaw and forwarded it to the municipality bylaws committee for comments before it can be issued to the public for comments.</p>



**Table 25: PPP related activities (Continued...)**

Municipality	Gaps Identified	Recommendations	Progress thus far
<b>uMhlathuze Local Municipality</b>	<b>Richards Bay Airport relocation</b>		
	<p>The municipality has identified the need to investigate the feasibility and affordability of the different procurement options which will provide the best technical, financial and legal solution in delivering the project, however, the municipality does not have the technical capacity to undertake the feasibility study.</p>	<p>The PPP unit recommended that the municipality must appoint the transaction advisor that will assist the municipality in undertaking the comprehensive feasibility study for airport relocation. The PPP also advised the municipality to utilise the same consultants that produced the prefeasibility study as the technical advisor and only issue the advert to appoint the legal and finance streams if it is not in contravention with the municipal supply chain management policy.</p>	<p>The PPP unit assisted the municipality in drafting the terms of reference to appoint a transaction advisor. The municipality is busy undergoing the internal processes on the appointment of a transaction advisor. The municipality has also allocated a budget in excess of R2 million to pay for the services of a transaction advisor that will be appointed to assist the municipality in undertaking the comprehensive feasibility study of the different procurement options which will provide the best technical, financial and legal solution in delivering the project, including the option of a Public Private Partnership.</p>
<b>iLembe District Municipality - Siza Water Concession</b>	<b>The Five Year Plan:</b>		
	<p>On five year intervals, the concessionaire undertakes a five (5) year plan that details the work that it plans to complete in the upcoming five (5) year term. This plan will entail the work planned by the concessionaire itself and the district. The concession contract provides that the "five (5) year plan must be developed by the concessionaire and be approved by the council at least four (4) months prior to the expiry of the current five (5) year period". The current five (5) year period ends in December 2019. Due to past experiences, the PPP Unit has recommended that the five (5) year planning process commence at an earlier date and be completed and finalised at least six (6) months before the end of the current five (5) year plan.</p>	<p>The PPP Unit has recommended that the five year plan be finalised and submitted for council approval by the 30th of June 2019.</p>	<p>The concessionaire has drafted the first draft of the five year plan and are awaiting inputs from the municipality. The municipality is undertaking a review of the previous five year plan that will inform inputs to be incorporated into the current draft document.</p>

**Table 25: PPP related activities (Continued...)**

Municipality	Gaps Identified	Recommendations	Progress thus far
<p><b>ILembe District Municipality - Siza Water Concession (cont...)</b></p>	<p><b>Change in Shareholding:</b></p>		
	<p>Sembcorp Industries, the main shareholder of the concession, is exiting its operations in South Africa and as such, is selling its stake in the concession. The concession agreement maintains that the municipality's council should give prior approval before any shares are transferred to any person who will have controlling interests in the concession. The sale of shares is being processed from the side of the concessionaire pending approval from the council. The PPP Unit is of the opinion that the concessionaire should have informed the necessary stakeholders of its intention to sell its shareholding which would have afforded the stakeholders the time to negotiate with interested BEE partners who would have wanted to partake in the concession.</p>	<p>The process has been finalized and both KZN Provincial Treasury and the municipality has agreed that there will be extensive monitoring of the concession to alleviate the potential risks that the change in shareholding process has created.</p>	<p>The municipality, in conjunction with its municipal entity, is drafting the terms of reference for the appointment of a project management company.</p>
	<p><b>Skills Development, B-BBEE and SMME:</b></p>		
	<p>The municipality, together with its entity, Enterprise iLembe, reported that they have initiated a contractor development programme to facilitate the development of small and emerging contractors within the district. The purpose of that initiative is to create capacity throughout the district so that contractors can participate in major projects that occur within the district such as, the Siza Water concession. The PPP Unit and Enterprise iLembe will propose that the concessionaire makes use of the contractors being developed by the municipality in performance of its contractual obligations.</p>	<p>The PPP unit will assist and if need be, enforce that the private party complies with the stipulated targets as per the contract and the new Preferential Procurement Policy Framework Act (PPPFA) regulations.</p>	<p>The concessionaire has earmarked specific projects aimed at the development of Exempted Micro Enterprises (EME) within the concession area that will assist uplift and develop enterprises to better understand the environment in which the concessionaire operates.</p>
	<p><b>Project Management:</b></p>		
<p>The municipality's technical and finance departments have come on board recently in a project management capacity. The biggest concern still remains that the project management of the project is still reactive rather than proactive and has led to the project being mainly self-monitored.</p>	<p>The municipality needs to procure the services of a monitoring consultant that will monitor the private party's implementation of the contract. Furthermore, the municipality needs to develop capacity internally to monitor this project as the contract only ends in the year 2029.</p>	<p>The municipality has requested that the unit be more involved in providing support and the PPP unit will be more involved in the technical and legal aspects of the project.</p>	
<p><b>Profit sharing:</b></p>			
<p>The municipality has engaged with the concessionaire to negotiate possible sharing of the concessionaire's profit at an earlier date, before reaching the Internal Rate of Return (IRR) of 15%, as stipulated in the second supplementary agreement of the concession agreement. The concession contract states that the municipality will be able to share in the concessionaire's profits if the historical returns achieved by the concessionaire are in excess of 15%, as determined in the financial model. A review undertaken in 2017 projected that the IRR will be reached in the year 2024.</p>	<p>An analysis of the concessionaire's financial model and performance will need to be undertaken to ascertain as to when the targeted IRR will be reached and a recommendation will be made subsequently as to how to deal with the sharing of profits.</p>	<p>Following the review of the concessionaire's financial model, discussions between the two parties will have to commence.</p>	

## Banking and Cash Management

### Quarterly Withdrawals from Municipal Bank Accounts

#### Background

*In terms of Section 11(4) of the Municipal Finance Management Act No. 56 of 2003(MFMA) “The accounting officer must within 30 days after the end of each quarter:*

-

- (a) table in the municipal council a consolidated report of all withdrawals made in terms of subsection (1)(b) to (j) during that quarter; and*
- (b) submit a copy of the report to the relevant Provincial Treasury and the Auditor General.”*

Municipalities were provided with National Treasury MFMA Circular No. 61 on Banking, Overdrafts and Investments, dated April 2012.

Table 26 below shows a list of municipalities which did not submit their quarterly withdrawal reports in the 3<sup>rd</sup> Quarter of the current financial year of 2018/19

**Table 26: Municipalities that have Outstanding Quarterly Withdrawal Reports for 3rd Quarter of 2018/19**

No.	Name of Municipality	No.	Name of Municipality	No.	Name of Municipality	No.	Name of Municipality
1	Ugu	11	uMgungundlovu	21	Jozini	31	uPhongolo
2	uMzombe	12	uMshwathi	22	Mtubatuba	32	AbaQulusi
3	uMuziwabantu	13	uMngeni	23	iLembe	33	Nongoma
4	Ray Nkonyeni	14	Mpofana	24	KwaDukuza	34	uMhlathuze
5	uThukela	15	iMpendle	25	Ndwedwe	35	uMlalazi
6	Okhahlamba	16	Msunduzi	26	Maphumulo	36	Nkandla
7	iNkosi iLangalibalele	17	uMzinyathi	27	King Cetshwayo	37	uMzimkhulu
8	New castle	18	Nquthu	28	uMfolozi	38	Harry Gwala
9	AmaJuba	19	uMsinga	29	uBuhlebezwe		
10	uMkhanyakude	20	Zululand	30	Dr. Nkosazana Dlamini Zuma		

## **Status of support offered to Municipalities**

### **Background**

Provincial Treasury to assist all municipalities during the 2018/19 Financial year in respect of the under mentioned sections of the Municipal Financial Management Act, No.56 of 2003.

Section 11(4) – Quarterly bank withdrawal reports.

Section 8(5) – Primary Bank Account.

Section 9(b) – Details of all bank accounts details before year-end.

Section 45(4)(a) – Short Term Debt.

Section 13 – Investment and Cash Management Policy.

### **Progress/Outcome**

Visit municipalities when required to provide assistants on the following applicable sections of the Municipal Finance Management Act:

During the Third quarter for the 2018/19 financial year telephonic support was provided to all municipalities on the above applicable sections of the Municipal Financial Management Act.

### **Bank Accounts**

#### **Background**

*In terms of Section 9 and 86 of the Municipal Finance Management Act No. 56 of 2003 – The accounting officer of a municipality must submit to Provincial Treasury in writing within 90 days after opening a bank account, the details of such new bank account and annually before the start of the financial year. This applies to municipal entities as well.*

#### **Progress/Outcome**

Provincial Treasury monitors changes to primary bank accounts.

During April 2018, a request in terms of section 9(b), 86(1)(b) & 86(2), was sent to all municipalities requiring the accounting officer to submit a schedule of all bank accounts held by the municipality and of those held by any municipal entities.

The table below lists the municipalities that have not submitted their bank account details in respect of the 2017/2018 financial year.

**Table 27: List of Municipalities that did not submit the Banking Accounts Details in 2017/18 Financial year**

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

## Cash Management and Investments

### Background

In terms of Section 13(1) of the Municipal Finance Management Act 56 of 2003;

“The Minister, acting with the concurrence of the Cabinet member responsible for local government, may prescribe a framework within which municipalities must—

- (a) conduct their cash management and investments; and
- (b) invest money not immediately required.

(2) A municipality must establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed in terms of subsection (1).”

## **Progress/Outcome**

All Municipalities were provided with:

- a) Municipal Investment Regulations (Government Gazette No. 27431).
- b) A generic investment policy.

These are to be used to tailor their own investment policy in order to ensure compliance with the Regulations and to make economically beneficial investments.

100Percent Compliance.

## **Impending Overdrafts**

### **Background**

In terms of Section 70(2) of the Municipal Finance Management Act 56 of 2003;

“If a municipality’s bank account, or if the municipality has more than one bank account, the consolidated balance in those bank accounts, shows a net overdraft position for a period exceeding a prescribed period, the accounting officer of the municipality must promptly notify the National Treasury in the prescribed format of-

- (a) the amount by which the account or accounts are overdrawn;
- (b) the reason for the overdrawn account or accounts; and
- (c) the steps taken or to be taken to correct the matter.

### **Progress/Outcome**

In Terms of National Treasury MFMA Circular No. 61 on Banking, Overdrafts and Investments, dated April 2012 municipalities must notify a net overdraft exceeding 3 months for municipalities and 21 days for municipal entities to National Treasury as well as Provincial Treasury.

Municipalities were once again made aware of the reporting requirements in terms of Section 70, 74 and 101 of the Municipal Finance Management Act by issuing a circular in October 2018 in this regard.

No municipality reported any impending overdrafts during the third quarter.

## **Supply Chain Management (SCM)**

### **1. Routine Compliance assessment**

The SCM Unit conducts routine compliance assessments in municipalities to ensure proper implementation and compliance with all the relevant SCM prescripts. These assessments inform all the other support initiatives that we provide as the Provincial SCM Unit as they highlight the level of compliance across the whole province.

### **2. Workshops**

We conduct bid committee workshops and workshops on the requirements for Local Production and Content in all municipalities as and when requested to do so. These workshops are conducted so as to ensure that all officials appointed as members of bid committees are aware of their roles and responsibilities and that also to ensure that bid committees are fully functional.

### **3. Consideration of Requests for Regulation 32**

In May 2017, Provincial Treasury issued KZN Municipal Circular No 01 which mandates municipalities to obtain the consent of the Provincial Treasury prior to participating in a contract arranged by another organ of state. The aim of this support initiative is to curb the irregular expenditure that municipalities incur through contracts arranged by other organs of state.

### **4. Deployment of resources for support**

The Provincial SCM Unit deploys external resources to municipalities with distressed SCM units or where there is a lack of capacity at management level within the SCM units. The resources are not involved in operational work and do not hold any delegations; but they provide onsite guidance, support and mentorship of SCM officials in municipalities

### **5. Policy guidelines**

The Provincial SCM Unit issues Provincial Circulars in terms of Sections 5(3)(b) and 5(3)(c) of the Municipal Finance Management Act. The purpose of these Circulars in addition to what is prescribed under the functions of the Provincial Treasury is to guide uniformity in practice and procedure.

### **6. Contract Management**

The SCM Unit has implemented Contract Management at all 53 Municipalities within the Province. The purpose of the contract management system is to reduce irregular expenditure through ensuring that proper management of contracts, from their inception right through to close out, is undertaken.

Table 28 below shows the municipalities which were supported by the SCM Unit.

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19**

Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
<b>Deployment of Resources</b>					
AbaQulusi Local Municipality	Deployment of resources	07-May-18	Mar-19	1. Procurement plan drafted, approved and submitted to the Provincial Treasury 2. Irregular expenditure register for the 2017/18 FY reviewed and updated 3. The resource that was deployed resigned and a replacement resource has now been appointed.	None
<b>Compliance Assessments Conducted</b>					
Eleven (11) Municipalities were visited between January 2019 and March 2019.  Compliance assessments were conducted at the following 1 uMuziwabantu Municipality 2 Amajuba District Municipality 3 eMadlangeni Local Municipality 4 Nquthu Local Municipality 5 Newcastle Local Municipality 6 uMngeni Local Municipality 7 uMgungundlovu Economic Development Agency 8 Alfred Duma Local Municipality 9 Mthonjaneni Local Municipality 10 KwaDukuza Local Municipality 11 Jozini Local Municipality	Compliance assessments	Routine	Routine	Due to the timing of this report, a number of compliance assessment reports were still in the process of being finalised.	The risks and challenges relating to each municipality are contained in the assessment report.



**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
<p>Contract Management Training invitation was sent to all 53 Municipalities within the Province. Training was conducted on the 22 and 23 January 2019, wherein 46 Municipalities attended the training. These are the following Municipalities:</p> <ol style="list-style-type: none"> <li>1 Abaqulusi Local Municipality</li> <li>2 Amajuba District Municipality</li> <li>3 Big Five Hlabisa Local Municipality</li> <li>4 Dr Nkosazana Dlamini-Zuma Local Municipality</li> <li>5 eDumbe Local Municipality</li> <li>6 eMadlangeni Local Municipality</li> <li>7 eNdumeni Local Municipality</li> <li>8 Greater Kokstad Local Municipality</li> <li>9 iLembe District Municipality</li> <li>10 iMpendle Local Municipality</li> <li>11 Jozini Local Municipality</li> <li>12 King Cetshwayo District Municipality</li> <li>13 KwaDukuza Local Municipality</li> <li>14 Mandeni Local Municipality</li> <li>15 Maphumulo Local Municipality</li> <li>16 Mkhambathini Local Municipality</li> <li>17 Mpofana Local Municipality</li> <li>18 Msinga Local Municipality</li> <li>19 Msunduzi Local Municipality</li> <li>20 Mthonjaneni Local Municipality</li> <li>21 Mtubatuba Local Municipality</li> <li>22 Ndwedwe Local Municipality</li> <li>23 Newcastle Local Municipality</li> <li>24 Nkandla Local Municipality</li> <li>25 Nongoma Local Municipality</li> </ol>	<p>Contract Management Training.</p>	<p>As and when requested</p>	<p>As and when requested</p>	<p>Only 46 Municipalities have attended the Training.</p>	<p>7 Municipalities did not attend the training:</p> <ol style="list-style-type: none"> <li>1. Alfred Duma Local Municipality.</li> <li>2. Dannhauser Local Municipality.</li> <li>3. Harry Gwala District Municipality.</li> <li>4. uMgungundlou District Municipality.</li> <li>5. uThukela District Municipality.</li> <li>6. uMngeni Local Municipality.</li> <li>7. iNkosi Langalibalele Local Municipality.</li> </ol>

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

	Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
26	Nquthu Local Municipality					
27	Okhahlamba Local Municipality					
28	Ray Nkonyeni Local Municipality					
29	Richmond Local Municipality					
30	uBuhlebezwe Local Municipality					
31	Ugu District Municipality					
32	uLundi Local Municipality					
33	uMdoni Local Municipality					
34	uMfobozi Local Municipality					
35	uMhlabuyalingana Local Municipality					
36	uMhlatuze Local Municipality					
37	uMkhanyakude District Municipality					
38	uMlalazi Local Municipality					
39	uMshwathi Local Municipality					
40	uMuziwabantu Local Municipality					
41	uMvoti Local Municipality					
42	uMzimkhulu Local Municipality					
43	uMzinyathi District Municipality					
44	uMzambe Local Municipality					
45	uPhongolo Local Municipality					
46	Zululand District Municipality					
	Local Production and content training was conducted eight (8) municipalities from January 2019 to March 2019. These Municipalities were as follows:	Local Production and Content Training	As and when requested	As and when requested	All requests for workshops were honoured.	None
1	eMadlangeni Local Municipality					
2	uMshwathi Local Municipality					
3	uMvoti Local Municipality					
4	uMsinga Local Municipality					
5	Nquthu Local Municipality					
6	eNdumeni Local Municipality					
7	uMzinyathi District Municipality					
8	uMgungundlovu District Municipality					

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

	Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
<b>Procurement Plans</b>						
	All municipalities	Submission of procurement plans	Jun-18	Continuous	Only 38 municipalities have submitted their procurement plans.	1. Municipalities not complying with the requirements to submit reports, due to the many reporting requirements by the different government institutions. 2. Procurement planning was included as part of the agenda for all Municipalities during the bilateral engagements. 3. Procurement planning was also raised as part of compliance assessments conducted over this quarter.
<b>Regulation 32</b>						
1	Newcastle Municipality	Various roads projects	16/01/2019	04/02/2019	Declined	None
2	Umuziwabantu Municipality	Supply and delivery of free basic alternative energy	18/01/2019	08/02/2019	Declined	None
3	DR Nkosazana Dlamini Zuma	Supply and Delivery of 1x Vehicle for the following reasons	21/01/2019	22/01/2019	Declined	None
4	Nkangala District	To utilize the Services of UHHIYA 1/a fast Moving Trading	25/02/2019	31/03/2019	In progress	None
5	Alfred Duma Local Municipality	Request to utilize a service provider in terms of Regulations 32 of the municipal SCM Regulations notice 868 of 2005	05/03/2019	Awaiting information	Requested additional information	None
6	Ray Nkonyeni Municipality	Advisory services on feasibility studies.	08/03/2018	18/03/2019	Pending	None
7	New castle Municipality	Various roads projects	13/03/2019	18/03/2019	Declined	The Municipality has appealed the previous decision of Provincial Treasury. The Provincial Treasury has engaged with the Municipality articulating reasons for the declining the request.

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
<b>Contract Management</b>					
<p>Provincial Circular No. 1 of 2017/2018 was sent to all Municipalities.</p> <p>Only 37 Reports have been received thus far and 9 report backs have been sent back to Municipalities.</p> <p>These are the following Municipalities.</p> <p>1 Amajuba District Municipality                  2 Big Five Hlabisa Local Municipality                  3 Dannhauser Local Municipality                  4 Dr Nkosazana Dlamini-Zuma Local Municipality                  5 eDumbe Local Municipality                  6 eNdumeni Local Municipality                  7 Greater Kosi Local Municipality                  8 iLembe District Municipality                  9 iMpendle Local Municipality                  10 Jozini Local Municipality                  11 King Cetshwayo District Municipality                  12 KwaDukuza Local Municipality                  13 Mandeni Local Municipality                  14 Maphumulo Local Municipality                  15 Mkhambathini Local Municipality                  16 Mpořana Local Municipality                  17 Mthonjaneni Local Municipality                  18 Mtubatuba Local Municipality                  19 Ndwedwe Local Municipality                  20 Nkandla Local Municipality</p>	<p>As per KZN Provincial Circular No. 1 of 2017/18 Implementation of Contract Management, paragraph 9, issued in terms of Section 5 (3) (c) and (d) as well as Section 116 of the Municipal Finance Management Act (No 53 of 2003).</p>	Routine	Routine	<p>1. Conducted an analysis of the Expenditure Reports and Contract Register of Municipalities to assess the extent of implementation of contract management.</p> <p>2. Comprehensive reports based on the outcome of the desktop exercise undertaken have been conducted and sent to 9 Municipalities, however, the aim is to achieve 30 by the end of March 2019.</p> <p>3. Of the 37 reports received, 19 have been analysed and the status is as follows: 9 reports have been emailed to Municipalities, 3 reports have been sent for review and 7 reports are awaiting for Chief Directors signature.</p>	<p>1. Sixteen Municipalities are not complying with the requirements.</p> <p>2. Msunduzi Local Municipality has submitted their Contract Register, however, it is not in a format prescribed by Provincial Treasury which makes it difficult to review.</p>

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

	Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
21	Nquthu Local Municipality					
22	Okhahlamba Local Municipality					
23	Ray Nkonyeni Local Municipality					
24	Richmond Local Municipality					
25	uBuhlebezwe Local Municipality					
26	uMdoni Local Municipality					
27	uMhlatuze Local Municipality					
28	uMkhanyakude District Municipality					
29	uMlalazi Local Municipality					
30	uMshwathi Local Municipality					
31	uMuziwabantu Local Municipality					
32	uMvoti Local Municipality					
33	uMzimkhulu Local Municipality					
34	uMzinyathi District Municipality					
35	uPhongolo Local Municipality					
36	Zululand District Municipality					
	iLembe District Municipality	Contract Management Provided assistance in reviewing the drafted Session Policy.	As and when requested	As and when requested	Reviewed the iLembe District Cession Policy and provide guidance on how to cover the areas of weakness and how the cession will benefit the Municipality .	None.

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

	<b>Municipality</b>	<b>Support Initiative/ Project</b>	<b>Commencement Date</b>	<b>Estimated Completion Date</b>	<b>Progress to Date</b>	<b>Risks or Challenges</b>
	CSD team initiated the upload of Payments and Orders to the following Municipalities:	Provide upload guidance on CSD	01-Feb-19	30-Apr-19	The section is currently engaging the municipalities to sign the consent letters by the AO's authorising the officials to upload data on CSD. Furthermore municipal officials are guided to create secondary users on CSD in order to get access and be able to upload the data onto CSD. uMlalazi has successfully uploaded the payment files. Officials are	There is resistance from the municipalities as officials are reluctant to utilise the CSD. Officials are not reachable
1	uMkhanyakude District Municipality					
2	Amajuba District Municipality					
3	Okhahlamba Local Municipality					
4	Dannhauser Local Municipality					
5	Alfred Duma Local Municipality					
6	Ray Nkonyeni Local Municipality					
7	Newcastle Local Municipality					
8	Greater Kokstad Local Municipality					
9	iLembe District Municipality					
10	iNkosi Langalibalele Local Municipality					
11	Jozini Local Municipality					
12	Mthonjaneni Local Municipality					
13	Mtubatuba Local Municipality					
14	Nkandla Local Municipality					
15	Nongoma Local Municipality					
16	Nquthu Local Municipality					
17	Ulundi Local Municipality					
18	uMfolozi Local Municipality					
19	uMlalazi Local Municipality					
20	uMzinyathi District Municipality					
21	uPhongolo Local Municipality					
22	Mkhambathini Local Municipality					
23	Ndwedwe Local Municipality					
24	eNdumeni Local Municipality					
25	uMsinga Local Municipality					

**Table 28: Municipalities supported by the SCM Unit in Quarter 3 of 2018/19 (Continued...)**

	Municipality	Support Initiative/ Project	Commencement Date	Estimated Completion Date	Progress to Date	Risks or Challenges
26	uMdoni Local Municipality					
27	uMzimkhulu Local Municipality					
28	uMshwati Local Municipality					
29	eDumbe Local Municipality					
30	Zululand District Municipality					
31	uThukela District Municipality					
32	Mpofana Local Municipality					
33	King Cetshwayo District Municipality					
34	iMpendle Local Municipality					
35	Mandeni Local Municipality					
36	AbaQulusi Local Municipality					

**Table 29: Status of Municipal Bid Appeals in Quarter 3 of 2018/19**

Municipal Bid Appeals					
2018/2019 Financial year	TOTAL APPEALS	WITHDRAWN	LATE APPEAL	STILL OPEN	CLOSED APPEAL
1 <sup>ST</sup> Quarter April to June 2018	27	10	2	0	15
2 <sup>nd</sup> Quarter July to September 2018	13	4	1	1	7
3 <sup>rd</sup> Quarter October to December 2018	28	4	6	16	2
4 <sup>th</sup> Quarter January to March 2019	23	1	0	20	2
<b>TOTAL</b>	<b>91</b>	<b>15</b>	<b>9</b>	<b>37</b>	<b>26</b>

## Municipal Support Program (MSP)

### Municipal Support Program

The Municipal Support Program (MSP) within the Municipal Finance Management Programme was established to assist and provide technical support to delegated municipalities in financial distress. The main objective of the program is to identify the root cause of financial problems experienced by municipalities, support municipalities where their financial sustainability is threatened and implement support initiatives that will assist municipalities to improve their financial health.

The Value Added Tax (VAT) and Pay As You Earn (PAYE) Review initiatives are intended to address the shortcomings relating to the management of VAT and PAYE. The filing of VAT and PAYE Returns by municipalities and the processes associated with these functions have often been outsourced to service providers which resulted in external resources preparing and filing the Returns on behalf of the municipality at a considerable cost thereto. Consequently, the municipal officials have not necessarily been trained in the tasks involved and could be unaware of the best practices to follow in fulfilling these responsibilities. The VAT and PAYE Review initiatives aims to capacitate municipalities to undertake the function on their own.

The MSP also launched the “Guide to Grant Management” in the 2017/18 financial year. The guide presents a holistic approach to effective grant management with the intention of embedding key foundation principles in a municipal environment, covering areas such as municipal planning, budgeting, financial accounting and reporting, cash management, compliance as well as document management. The publication has been rolled-out to three pilot municipalities which included intensive grant management training.

Table 30 below shows the municipalities which were supported by the Municipal Support Program.

**Table 30: Municipalities supported by the Municipal Support Program in Quarter 3 of 2018/19**

NO	MUNICIPALITY	PROJECT		
		VAT	PAYE	GRANT MANAGEMENT
1	iMpendle LM	✓	✓	
2	uMsinga LM	✓	✓	
3	Newcastle LM		✓	✓
4	Amajuba DM			✓
5	AbaQulusi LM	✓	✓	
6	King Cetshwayo DM			✓
7	Mandeni LM		✓	
8	iLembe DM	✓	✓	
	TOTAL 13	4	6	3

Source: KZN Provincial Treasury



# Infrastructure Management

## The Infrastructure Support Team

The provision of infrastructure is integral in the realisation of government’s goal to provide basic services to all South Africans. However, under performance on Capital Expenditure (within the full value change of delivery) by municipalities delays the delivery of basic infrastructure services and exacerbates the current infrastructure backlogs.

The purpose of the Infrastructure Support Team is to assist provincial departments, entities as well as municipalities in the identification and unblocking of bottlenecks in the assessment, planning, implementation and delivery of essential infrastructure services to communities. Table 31 shows a list of municipalities where members of the “Crack Team” have been deployed, the project was concluded in the 2018/19 financial year:

**Table 31: Municipalities which were supported by the Infrastructure Support Team**

No	Name of the municipality	Scope of support provided
1	Dannhauser Municipality	Conditional assessment /remedial recommendations and budget for urban roads

Source: KZN Provincial Treasury

The deployment of the Infrastructure Support Team provides the municipalities with the necessary expertise to tackle infrastructure related projects in various stages of the project cycle thus increasing the delivery capacity. This has ultimately improved the return on investment and the value for money in the delivery of infrastructure.

In addition, the services of the team seeks to improve internal capacity at municipalities by augmenting the required skills, thereby improving spending on capital projects/infrastructure.

Annexure B: Operating Expenditure -3rd Quarter 2018/19

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail												
					Employee related costs	Remun. of councillors	Debt impairment	Depreciation and asset impairment	Finance charges	Bulk purchases	Other Materials	Contracted services	Transfers and grants	Other expenditure	Loss on disposal of PPE		
<b>A</b>	<b>KZN2000</b>	<b>eThekwini</b>	<b>35 227 111</b>	<b>35 417 436</b>	<b>25 848 393</b>	<b>73.0</b>	<b>7 858 267</b>	<b>94 926</b>	<b>990 721</b>	<b>1 736 336</b>	<b>499 467</b>	<b>8 503 714</b>	<b>824 373</b>	<b>3 424 627</b>	<b>303 357</b>	<b>1 612 235</b>	<b>368</b>
B	KZN212	uMdoni	296 829	306 278	203 114	66.3	76 646	10 845	-	29 377	135	-	1 713	51 677	3 291	29 430	-
B	KZN213	uMzumbane	190 255	190 255	91 461	48.1	33 594	10 653	-	7 489	66	-	179	18 915	3 361	17 102	100
B	KZN214	uMuziwabantu	184 351	182 164	90 973	49.9	43 292	7 558	-	-	(9 561)	21 780	649	6 885	1 800	18 571	-
B	KZN216	Ray Nkonyeni	945 363	945 363	509 197	53.9	237 155	23 485	2 013	-	1 219	59 060	3 275	79 118	3 492	100 382	-
B	DC21	Ugu DM	884 865	1 148 862	639 368	55.7	299 842	7 161	-	-	1 283	28 712	885	217 111	5	77 108	7 260
<b>Total: Ugu Municipalities</b>			<b>2 501 663</b>	<b>2 772 922</b>	<b>1 534 113</b>	<b>55.3</b>	<b>690 529</b>	<b>59 702</b>	<b>2 013</b>	<b>36 866</b>	<b>(6 858)</b>	<b>109 551</b>	<b>6 701</b>	<b>373 706</b>	<b>11 950</b>	<b>242 594</b>	<b>7 360</b>
B	KZN221	uMshwathi	153 299	158 883	104 965	66.1	51 329	7 377	-	6 656	-	-	-	14 614	-	24 990	-
B	KZN222	uMngeni	391 608	394 164	248 363	63.0	77 534	6 502	-	20 971	2 851	69 180	676	42 036	1 293	27 320	-
B	KZN223	Mpofana	177 452	177 452	101 232	57.0	27 055	1 842	-	-	-	49 047	448	5 939	-	16 901	-
B	KZN224	iMpindle	54 633	54 651	34 138	62.5	22 706	1 467	-	-	56	-	-	2 419	223	6 723	544
B	KZN225	Msunduzi	4 928 912	4 925 581	3 383 261	68.7	810 003	29 633	311 572	314 433	35 624	1 383 214	41 023	331 774	37 481	88 482	22
B	KZN226	Mkhambathini	112 650	120 021	55 415	46.2	25 979	4 643	-	-	-	-	1 472	16 217	-	6 952	152
B	KZN227	Richmond	124 459	124 459	288 950	232.2	31 972	3 840	-	-	2	-	42 875	148 258	1 669	60 335	-
C	DC22	uMgungundlovu DM	808 648	795 236	544 077	68.4	139 511	6 574	70 908	21 558	30 629	93 591	-	117 004	-	64 302	-
<b>Total: uMgungundlovu Municipalities</b>			<b>6 751 660</b>	<b>6 750 448</b>	<b>4 760 399</b>	<b>70.5</b>	<b>1 186 089</b>	<b>61 877</b>	<b>382 479</b>	<b>363 618</b>	<b>69 161</b>	<b>1 595 032</b>	<b>86 492</b>	<b>678 260</b>	<b>40 666</b>	<b>296 005</b>	<b>718</b>
B	KZN235	Okhahlamba	183 018	191 789	133 448	69.6	57 053	7 876	4 236	14 427	1 256	-	773	25 655	42	22 128	-
B	KZN237	iNkosi Langalibalele	499 914	527 739	310 283	58.8	127 180	10 607	3 500	23 830	7 117	77 618	11 302	21 219	633	27 278	-
B	KZN238	Alfred Duma	995 475	1 046 705	509 573	48.7	219 441	18 870	-	-	597	155 328	10 406	49 441	5 474	50 016	-
B	DC23	uThukela DM	720 109	716 844	501 448	70.0	216 256	4 942	109 459	10 999	165	-	4 481	46 867	619	107 660	-
<b>Total: uThukela Municipalities</b>			<b>2 398 516</b>	<b>2 483 078</b>	<b>1 454 752</b>	<b>58.6</b>	<b>619 929</b>	<b>42 295</b>	<b>117 195</b>	<b>49 256</b>	<b>9 134</b>	<b>232 946</b>	<b>26 962</b>	<b>143 182</b>	<b>6 768</b>	<b>207 083</b>	<b>-</b>
B	KZN241	eNdumeni	341 564	318 339	204 793	64.3	84 928	3 093	-	-	-	60 096	355	20 189	2 091	34 041	-
B	KZN242	Nquthu	179 596	173 501	95 592	55.1	40 389	8 455	-	-	-	12 982	-	8 250	3 972	21 544	-
B	KZN244	uMsinga	234 673	226 825	122 747	54.1	45 314	8 547	-	-	-	-	5 936	24 802	-	21 638	-
B	KZN245	uMvoti	299 897	331 981	234 749	70.7	79 306	7 494	9 325	23 177	194	33 456	4 179	49 704	529	27 386	-
C	DC24	uMzinyathi DM	423 579	422 971	272 015	64.3	92 612	3 410	-	-	-	10 822	55 020	67 182	200	42 769	-
<b>Total: uMzinyathi Municipalities</b>			<b>1 479 310</b>	<b>1 473 618</b>	<b>929 896</b>	<b>63.1</b>	<b>342 548</b>	<b>31 000</b>	<b>9 325</b>	<b>39 688</b>	<b>194</b>	<b>117 356</b>	<b>65 490</b>	<b>170 126</b>	<b>6 792</b>	<b>147 378</b>	<b>-</b>
B	KZN252	Newcastle	2 234 510	2 297 430	1 435 814	62.5	413 625	18 143	71 104	272 100	31 298	403 141	2 159	55 517	-	168 726	-
B	KZN253	eMadlangeni	74 447	78 974	53 465	67.7	23 970	2 475	-	5 756	93	8 805	237	5 831	-	6 300	-
B	KZN254	Dannhauser	219 189	117 753	65 665	55.8	23 461	8 216	-	-	2 153	-	126	17 979	-	13 820	(90)
C	DC25	Amajuba DM	231 651	231 651	156 346	67.5	62 722	4 233	2 842	24 884	1 652	10 063	-	16 292	-	33 657	-
<b>Total: Amajuba Municipalities</b>			<b>2 759 796</b>	<b>2 725 809</b>	<b>1 711 290</b>	<b>62.8</b>	<b>523 778</b>	<b>33 067</b>	<b>73 946</b>	<b>302 739</b>	<b>35 196</b>	<b>422 009</b>	<b>2 523</b>	<b>95 619</b>	<b>-</b>	<b>222 503</b>	<b>(90)</b>
B	KZN261	eDumbe	123 998	123 998	78 312	63.2	41 597	5 867	-	-	329	15 139	-	12 713	468	2 198	-
B	KZN262	uPhongolo	263 912	263 912	189 226	71.7	60 917	5 883	6 550	8 495	1 229	21 486	3 440	22 507	4	58 593	121
B	KZN263	AbaQulusi	540 078	560 806	323 978	57.8	125 129	9 430	-	-	43	93 182	14 007	42 558	699	38 902	27
B	KZN265	Nongoma	164 775	170 204	205 153	120.5	71 227	9 008	-	11 044	-	-	3 263	53 244	86	57 281	-
B	KZN266	Ulundi	342 860	382 806	207 516	54.2	107 528	11 500	253	9	4 591	31 629	-	37 571	201	14 246	(11)
C	DC26	Zululand DM	624 184	605 726	426 447	70.4	148 249	7 685	-	34 568	-	72 815	8 872	109 394	566	44 299	-
<b>Total: Zululand Municipalities</b>			<b>2 059 806</b>	<b>2 107 452</b>	<b>1 430 633</b>	<b>67.9</b>	<b>554 647</b>	<b>49 374</b>	<b>6 803</b>	<b>54 116</b>	<b>6 193</b>	<b>234 252</b>	<b>29 582</b>	<b>277 987</b>	<b>2 024</b>	<b>215 519</b>	<b>136</b>
B	KZN271	uMhlalabuyalingana	184 497	215 531	126 011	58.5	47 831	9 308	11 393	7 730	68	-	-	30 376	882	18 319	104
B	KZN272	Jozini	233 773	232 555	137 696	59.2	58 771	10 527	-	4 810	266	1	-	26 089	13 820	23 413	-
B	KZN275	Mtubatuba	213 536	215 237	195 263	90.7	69 415	13 492	-	23 845	1 601	-	7 565	48 388	527	30 431	-
B	KZN276	Big Five Hlabisa	129 578	142 546	100 540	70.5	57 282	5 327	-	4 187	459	-	1 622	16 600	2 034	13 028	-
C	DC27	uMkhanyakude DM	455 028	489 029	354 025	72.4	121 927	6 781	-	-	1 084	106 856	5 753	74 384	-	37 240	-
<b>Total: uMkhanyakude Municipalities</b>			<b>1 216 412</b>	<b>1 294 898</b>	<b>913 535</b>	<b>70.5</b>	<b>355 226</b>	<b>45 435</b>	<b>11 393</b>	<b>40 571</b>	<b>3 478</b>	<b>106 857</b>	<b>14 940</b>	<b>195 837</b>	<b>17 264</b>	<b>122 430</b>	<b>104</b>
B	KZN281	uMfolozi	143 266	161 605	101 319	62.7	39 883	8 133	775	-	-	-	468	29 853	488	21 719	-
B	KZN282	uMhlathuze	3 016 497	3 049 313	2 174 679	71.3	563 407	22 787	23 824	282 050	48 782	730 370	84 589	268 641	10 922	139 307	-
B	KZN284	uMlalazi	406 349	458 196	311 424	68.0	93 218	16 093	31 198	31 364	341	34 505	7 048	71 737	1 919	24 001	-
B	KZN285	Mthonjaneni	124 600	139 413	112 001	80.3	37 542	6 541	-	11 867	10	19 410	328	20 428	340	15 535	-
B	KZN286	Nkandla	139 386	148 379	88 454	59.6	32 766	6 289	-	10 208	(73)	2 876	725	23 441	441	11 782	-
C	DC28	King Cetshwayo DM	836 433	902 822	622 043	68.9	165 604	8 829	234	50 612	2 762	23 007	20 230	256 424	16 803	77 538	-
<b>Total: King Cetshwayo Municipalities</b>			<b>4 666 531</b>	<b>4 859 729</b>	<b>3 409 920</b>	<b>70.2</b>	<b>932 420</b>	<b>68 673</b>	<b>56 032</b>	<b>386 100</b>	<b>51 821</b>	<b>810 169</b>	<b>113 388</b>	<b>670 523</b>	<b>30 913</b>	<b>289 880</b>	<b>-</b>
B	KZN291	Mandeni	247 900	263 092	191 438	72.8	70 753	11 037	3 000	23 852	311	19 021	10 254	23 287	3 542	26 697	(315)
B	KZN292	KwaDukuza	1 524 768	1 576 197	980 450	62.2	261 320	19 198	-	49 692	12 192	425 039	7 730	115 367	4 983	84 930	-
B	KZN293	Ndwedwe	191 571	192 105	131 510	68.5	35 953	10 714	766	13 315	0	-	1 626	30 575	15 655	22 907	-
B	KZN294	Maphumulo	108 894	112 688	80 058	71.0	25 688	5 974	-	7 911	38	-	0	22 989	498	16 960	-
C	DC29	iLembe DM	720 092	750 130	521 587	69.5	164 245	6 455	14 550	57 791	6 604	101 484	5 635	80 856	-	83 966	-
<b>Total: iLembe Municipalities</b>			<b>2 793 225</b>	<b>2 894 212</b>	<b>1 905 043</b>	<b>65.8</b>	<b>557 960</b>	<b>53 377</b>	<b>18 316</b>	<b>152 560</b>	<b>19 144</b>	<b>545 544</b>	<b>25 245</b>	<b>273 074</b>	<b>24 678</b>	<b>235 460</b>	<b>(315)</b>
B	KZN433	Greater Kokstad	405 190	398 844	207 180	51.9	82 950	5 458	687	1	6						

Annexure C: Capital Revenue (Source of finance) - 3rd Quarter 2018/19

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Generated	Detail								
					Sources of Finance				Transfers recognised - capital				
					National Govt.	Provincial Govt.	District Municipality	Other transfers and grants	Borrowing	Internally generated funds	Public contr. and donations		
<b>A</b>	<b>KZN2000</b>	<b>eThekweni</b>	<b>7 110 162</b>	<b>7 100 361</b>	<b>3 088 514</b>	<b>43.5</b>	<b>891 127</b>	<b>368 355</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1 829 032</b>	<b>-</b>
B	KZN212	uMdoni	50 485	54 589	21 090	38.6	12 265	144	-	-	-	8 681	-
B	KZN213	uMzumbi	71 392	73 446	18 558	25.3	18 530	-	-	-	-	-	28
B	KZN214	uMuziwabantu	79 353	81 985	59 286	72.3	52 716	-	-	-	-	6 601	(31)
B	KZN216	Ray Nkonyeni	223 131	223 131	91 705	41.1	46 674	37 254	-	-	-	2 150	5 626
B	DC21	Ugu DM	301 163	337 286	222 509	66.0	215 537	-	-	-	-	6 972	-
<b>Total: Ugu Municipalities</b>			<b>725 523</b>	<b>770 437</b>	<b>413 147</b>	<b>53.6</b>	<b>345 723</b>	<b>37 398</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24 403</b>	<b>5 624</b>
B	KZN221	uMshwathi	32 842	34 012	18 116	53.3	17 866	-	-	-	-	250	-
B	KZN222	uMngeni	34 500	44 842	22 623	50.4	11 353	10 784	-	-	-	485	-
B	KZN223	Mpofana	16 878	16 878	10 430	61.8	10 430	-	-	-	-	-	-
B	KZN224	iMpendle	12 265	19 188	13 875	72.3	13 350	524	-	-	-	-	-
B	KZN225	Msunduzi	571 382	595 676	229 837	38.6	173 895	3 245	-	-	21 388	31 309	-
B	KZN226	Mkhambathini	19 285	11 535	20 904	181.2	19 648	-	-	-	-	1 256	-
B	KZN227	Richmond	25 389	25 389	12 399	48.8	12 243	-	-	-	-	144	12
C	DC22	uMgungundlovu DM	207 528	210 828	162 580	77.1	162 580	-	-	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>			<b>920 069</b>	<b>958 347</b>	<b>490 762</b>	<b>51.2</b>	<b>421 365</b>	<b>14 553</b>	<b>-</b>	<b>-</b>	<b>21 388</b>	<b>33 444</b>	<b>12</b>
B	KZN235	Okhahlamba	35 475	43 942	43 414	98.8	32 295	5 074	-	-	-	6 046	-
B	KZN237	iNkosi Langelibalele	53 649	53 649	35 745	66.6	31 193	4 177	-	-	-	374	-
B	KZN238	Alfred Duma	127 847	110 155	47 521	43.1	33 741	430	-	-	-	13 349	-
B	DC23	uThukela DM	407 831	314 681	156 638	49.8	156 628	-	-	-	-	10	-
<b>Total: uThukela Municipalities</b>			<b>624 802</b>	<b>522 427</b>	<b>283 317</b>	<b>54.2</b>	<b>253 857</b>	<b>9 681</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>19 779</b>	<b>-</b>
B	KZN241	eNdumeni	45 178	40 176	17 852	44.4	15 757	-	-	-	-	2 095	-
B	KZN242	Nquthu	128 885	109 260	40 698	37.2	27 805	-	-	-	-	12 893	-
B	KZN244	uMsinga	40 115	61 227	26 695	43.6	26 401	-	-	-	-	293	-
B	KZN245	uMvoti	39 537	40 373	30 006	74.3	25 249	-	-	-	-	4 757	-
C	DC24	uMzinyathi DM	428 459	353 698	184 770	52.2	178 608	-	-	-	-	6 162	-
<b>Total: uMzinyathi Municipalities</b>			<b>682 174</b>	<b>604 734</b>	<b>300 020</b>	<b>49.6</b>	<b>273 820</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26 200</b>	<b>-</b>
B	KZN252	Newcastle	205 576	224 064	95 914	42.8	65 899	13 623	-	-	-	16 392	-
B	KZN253	eMadlangeni	16 147	16 500	6 706	40.6	6 012	-	-	-	-	-	694
B	KZN254	Dannhauser	77 132	77 132	54 464	70.6	14 250	-	-	-	7 360	32 853	-
C	DC25	Amajuba DM	127 206	127 206	85 988	67.6	85 884	-	-	-	-	105	-
<b>Total: Amajuba Municipalities</b>			<b>426 061</b>	<b>444 902</b>	<b>243 072</b>	<b>54.6</b>	<b>172 044</b>	<b>13 623</b>	<b>-</b>	<b>-</b>	<b>7 360</b>	<b>49 350</b>	<b>694</b>
B	KZN261	eDumbe	41 414	41 414	28 705	69.3	28 705	-	-	-	-	-	-
B	KZN262	uPhongolo	67 471	67 471	28 859	42.8	24 201	4 499	-	-	-	159	-
B	KZN263	AbaQulusi	41 284	38 512	14 395	37.4	14 395	-	-	-	-	-	-
B	KZN265	Nongoma	55 206	50 326	30 493	60.6	30 174	-	-	-	-	319	-
B	KZN266	Ulundi	48 335	158 957	48 914	30.8	48 914	-	-	-	-	-	-
C	DC26	Zululand DM	408 113	451 929	180 473	39.9	180 194	-	-	-	-	279	-
<b>Total: Zululand Municipalities</b>			<b>661 824</b>	<b>808 609</b>	<b>331 839</b>	<b>41.0</b>	<b>326 582</b>	<b>4 499</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>757</b>	<b>-</b>
B	KZN271	uMhlabyalingana	53 329	40 601	38 563	95.0	37 465	-	-	-	-	1 098	-
B	KZN272	Jozini	48 306	38 356	20 354	53.1	20 344	-	-	-	-	10	-
B	KZN275	Mtubatuba	34 943	39 758	35 060	88.2	34 158	-	-	-	-	902	-
B	KZN276	Big Five Hlabisa	23 400	21 820	12 313	56.4	11 538	-	-	-	-	775	-
C	DC27	uMkhanyakude DM	266 059	285 443	158 317	55.5	154 629	-	-	-	-	3 688	-
<b>Total: uMkhanyakude Municipalities</b>			<b>426 037</b>	<b>425 978</b>	<b>264 608</b>	<b>62.1</b>	<b>258 135</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6 473</b>	<b>-</b>
B	KZN281	uMfolozi	28 734	64 315	27 140	42.2	16 261	2 915	-	-	-	302	7 663
B	KZN282	uMhlathuze	525 161	586 328	293 781	50.1	78 816	-	-	-	152 758	62 207	-
B	KZN284	uMlalazi	74 043	74 043	35 786	48.3	35 786	-	-	-	-	-	-
B	KZN285	Mthonjaneni	36 339	37 565	25 537	68.0	24 956	-	-	-	-	581	-
B	KZN286	Nkandla	56 200	54 400	28 783	52.9	28 783	-	-	-	-	-	-
C	DC28	King Cetshwayo DM	324 513	337 214	105 733	31.4	103 304	-	-	-	-	2 429	-
<b>Total: King Cetshwayo Municipalities</b>			<b>1 044 990</b>	<b>1 153 865</b>	<b>516 761</b>	<b>44.8</b>	<b>287 907</b>	<b>2 915</b>	<b>-</b>	<b>-</b>	<b>152 758</b>	<b>65 518</b>	<b>7 663</b>
B	KZN291	Mandeni	56 547	71 381	40 970	57.4	34 256	-	-	-	-	6 714	-
B	KZN292	KwaDukuza	344 762	236 754	62 226	26.3	29 505	84	1 234	0	-	31 403	-
B	KZN293	Ndwedwe	71 491	62 872	25 336	40.3	18 242	-	-	-	-	7 094	-
B	KZN294	Maphumulo	33 722	29 780	20 789	69.8	9 549	3 626	-	-	-	7 614	-
C	DC29	iLembe DM	364 303	394 023	141 938	36.0	140 996	-	-	-	-	942	-
<b>Total: iLembe Municipalities</b>			<b>870 824</b>	<b>794 810</b>	<b>291 258</b>	<b>36.6</b>	<b>232 548</b>	<b>3 710</b>	<b>1 234</b>	<b>0</b>	<b>-</b>	<b>53 767</b>	<b>-</b>
B	KZN433	Greater Kokstad	98 798	134 354	53 163	39.6	27 663	7 526	-	-	-	17 974	-
B	KZN434	uBuhlebezwe	67 263	60 900	23 719	38.9	13 590	1 868	-	-	-	8 261	-
B	KZN435	uMzimkhulu	91 750	91 823	44 573	48.5	30 419	941	-	-	-	13 212	-
B	KZN436	Dr. Nkosazana Dlamini Zuma	64 582	72 287	27 018	37.4	22 451	-	-	-	-	4 566	-
C	DC43	Harry Gwala DM	349 789	327 492	180 846	55.2	178 230	-	-	-	-	2 616	-
<b>Total: Harry Gwala Municipalities</b>			<b>672 183</b>	<b>686 855</b>	<b>329 319</b>	<b>47.9</b>	<b>272 355</b>	<b>10 335</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>46 629</b>	<b>-</b>
<b>Total</b>			<b>14 164 647</b>	<b>14 271 327</b>	<b>6 552 618</b>	<b>45.9</b>	<b>3 735 463</b>	<b>465 070</b>	<b>-</b>	<b>1 234</b>	<b>181 506</b>	<b>2 155 353</b>	<b>13 992</b>

Source: NT Igdatabase

Annexure D: Capital Expenditure - 3rd Quarter 2018/19

R'000	Original Budget	Adjusted Budget	Unaudited Actual	% Spent	Detail																	
					Governance and Admin.			Community and Public Safety					Economic and Environmental Services					Trading Services		Other		
					Executive & Council	Budget & Treasury Office	Corporate Services	Community & Social Services	Sport And Recreation	Public Safety	Housing	Health	Planning and Dev.	Road Transport	Environ. Protection	Electricity	Water	Waste Water Mgt.	Waste Mgt.			
<b>A</b>	<b>KZN2000</b>	<b>eThekweni</b>	<b>7 110 162</b>	<b>7 100 361</b>	<b>3 088 514</b>	<b>43.5</b>	<b>9 272</b>	<b>219 786</b>	-	<b>119 965</b>	<b>33 512</b>	<b>30 131</b>	<b>670 109</b>	<b>9 088</b>	<b>198 026</b>	<b>546 722</b>	-	<b>332 658</b>	<b>278 046</b>	<b>596 967</b>	<b>44 086</b>	<b>146</b>
B	KZN212	uMdoni	50 485	54 589	21 090	38.6	-	277	-	432	2 394	-	-	-	-	17 782	-	-	-	-	206	-
B	KZN213	uMzumbane	71 392	73 446	18 558	25.3	-	-	778	28	-	-	-	-	-	17 752	-	-	-	-	-	-
B	KZN214	uMuziwabantu	79 353	81 985	59 286	72.3	75	173	67	6 694	10 000	-	-	-	21 938	20 079	-	205	-	-	54	-
B	KZN216	Ray Nkonyeni	223 131	223 131	91 705	41.1	32 103	106	60	9 885	-	1	33 822	-	82	8 214	-	7 429	-	-	-	-
C	DC21	Ugu DM	301 163	337 286	222 509	66.0	-	-	6 972	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total: Ugu Municipalities</b>	<b>725 523</b>	<b>770 437</b>	<b>413 147</b>	<b>53.6</b>	<b>32 178</b>	<b>556</b>	<b>7 878</b>	<b>17 039</b>	<b>12 394</b>	<b>1</b>	<b>33 822</b>	<b>22 020</b>	<b>63 827</b>	<b>7 635</b>	<b>191 381</b>	<b>24 156</b>	<b>260</b>	<b>7 635</b>	<b>191 381</b>	<b>24 156</b>	<b>260</b>	<b>-</b>
B	KZN221	uMshwathi	32 842	34 012	18 116	53.3	250	-	5 040	5 179	-	-	-	-	-	7 647	-	-	-	-	-	-
B	KZN222	uMngeni	34 500	44 842	22 623	50.4	106	164	31	16	-	-	-	-	10 782	11 349	-	23	-	83	-	69
B	KZN223	Mpofana	16 878	16 878	10 430	61.8	-	-	-	-	-	-	-	-	-	10 430	-	-	-	-	-	-
B	KZN224	iMpendle	12 265	19 188	13 875	72.3	-	-	-	303	1 643	-	-	-	11 929	-	-	-	-	-	-	-
B	KZN225	Msunduzi	571 382	595 676	229 837	38.6	126	(1 423)	908	6 752	6 369	1 227	5 073	-	3 520	122 783	1 144	29 452	28 998	15 191	5 546	4 171
B	KZN226	Mkhambathini	19 285	11 535	20 904	181.2	-	-	1 256	12 081	-	-	-	-	-	7 567	-	-	-	-	-	-
B	KZN227	Richmond	25 389	25 389	12 399	48.8	12	-	130	4 828	166	-	-	-	14	7 248	-	-	-	-	-	-
C	DC22	uMgungundlovu DM	207 528	210 828	162 580	77.1	-	-	-	-	-	-	-	-	-	-	-	-	-	162 580	-	-
<b>Total: uMgungundlovu Municipalities</b>	<b>920 069</b>	<b>958 347</b>	<b>490 762</b>	<b>51.2</b>	<b>494</b>	<b>(1 259)</b>	<b>2 325</b>	<b>29 019</b>	<b>13 358</b>	<b>1 227</b>	<b>5 073</b>	<b>26 245</b>	<b>167 025</b>	<b>1 144</b>	<b>29 475</b>	<b>191 577</b>	<b>15 274</b>	<b>5 546</b>	<b>191 577</b>	<b>15 274</b>	<b>5 546</b>	<b>4 240</b>
B	KZN235	Okhahlamba	35 475	43 942	43 414	98.8	-	-	454	864	-	-	42 082	-	-	-	-	-	-	-	-	15
B	KZN237	iNkosi Langalibalele	53 649	53 649	35 745	66.6	-	250	-	-	-	-	4 358	-	22 742	-	8 394	-	-	-	-	-
B	KZN238	Alfred Duma	127 847	110 155	47 521	43.1	2 070	-	10 848	895	-	-	3 103	-	4 858	-	6 688	-	-	18 841	216	2
C	DC23	uThukela DM	407 831	314 681	156 638	49.8	-	10	-	-	-	-	-	-	-	-	-	-	156 628	-	-	-
<b>Total: uThukela Municipalities</b>	<b>624 802</b>	<b>522 427</b>	<b>283 317</b>	<b>54.2</b>	<b>2 070</b>	<b>714</b>	<b>11 711</b>	<b>895</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49 544</b>	<b>27 600</b>	<b>-</b>	<b>15 082</b>	<b>156 628</b>	<b>18 841</b>	<b>232</b>	<b>156 628</b>	<b>18 841</b>	<b>232</b>	<b>2</b>
B	KZN241	eNdameni	45 178	40 176	17 852	44.4	77	14	111	1 000	-	196	-	-	15 066	-	1 072	-	-	-	316	-
B	KZN242	Nquthu	128 885	109 260	40 698	37.2	1 940	270	703	6 806	-	710	-	2 839	13 555	-	12 231	-	-	-	1 644	-
B	KZN244	uMsinga	40 115	61 227	26 695	43.6	-	-	-	293	-	-	-	-	26 401	-	-	-	-	-	-	-
B	KZN245	uMvoti	39 537	40 373	30 006	74.3	-	4	2	2 757	-	-	-	14	27 229	-	-	-	-	-	-	-
C	DC24	uMzinyathi DM	428 459	353 698	184 770	52.2	-	5 228	-	283	-	-	-	334	-	-	-	-	163 189	15 737	-	-
<b>Total: uMzinyathi Municipalities</b>	<b>682 174</b>	<b>604 734</b>	<b>300 020</b>	<b>49.6</b>	<b>2 018</b>	<b>5 516</b>	<b>816</b>	<b>11 139</b>	<b>-</b>	<b>906</b>	<b>-</b>	<b>3 187</b>	<b>82 251</b>	<b>-</b>	<b>13 303</b>	<b>163 189</b>	<b>15 737</b>	<b>1 959</b>	<b>163 189</b>	<b>15 737</b>	<b>1 959</b>	<b>-</b>
B	KZN252	Newcastle	205 576	224 064	95 914	42.8	-	695	-	1 631	936	-	17	7 687	53 541	-	578	30 830	-	-	-	-
B	KZN253	eMahlangueni	16 147	16 500	6 706	40.6	-	694	-	-	-	-	-	-	6 012	-	-	-	-	-	-	-
B	KZN254	Dannhauser	77 132	77 132	54 464	70.6	591	-	1 121	-	-	-	-	52 752	-	-	-	-	-	-	-	-
C	DC25	Amajuba DM	127 206	127 206	85 988	67.6	-	58	47	-	-	-	-	-	-	-	-	85 884	-	-	-	-
<b>Total: Amajuba Municipalities</b>	<b>426 061</b>	<b>444 902</b>	<b>243 072</b>	<b>54.6</b>	<b>591</b>	<b>753</b>	<b>1 862</b>	<b>1 631</b>	<b>936</b>	<b>-</b>	<b>17</b>	<b>60 439</b>	<b>59 553</b>	<b>-</b>	<b>578</b>	<b>116 713</b>	<b>-</b>	<b>-</b>	<b>116 713</b>	<b>-</b>	<b>-</b>	<b>-</b>
B	KZN261	eDumbe	41 414	41 414	28 705	69.3	-	-	-	-	-	-	-	-	-	-	-	14 488	-	-	-	-
B	KZN262	uPhongolo	67 471	67 471	28 859	42.8	-	-	112	6 718	12 810	-	4 499	387	2 460	-	1 872	-	-	-	-	-
B	KZN263	AbaQulusi	41 284	38 512	14 395	37.4	-	-	-	-	-	-	-	-	14 395	-	-	-	-	-	-	-
B	KZN265	Nongoma	55 206	50 326	30 493	60.6	-	11	308	-	-	-	-	-	30 174	-	-	-	-	-	-	-
B	KZN266	Ulundi	48 335	158 957	48 914	30.8	-	-	-	8 927	-	1 032	-	-	18 955	-	20 000	-	-	-	-	-
C	DC26	Zululand DM	408 113	451 929	180 473	39.9	-	192	180 012	-	-	-	-	-	-	-	-	268	-	-	-	-
<b>Total: Zululand Municipalities</b>	<b>661 824</b>	<b>808 609</b>	<b>331 839</b>	<b>41.0</b>	<b>204</b>	<b>180 433</b>	<b>15 645</b>	<b>12 810</b>	<b>1 032</b>	<b>4 499</b>	<b>387</b>	<b>80 201</b>	<b>36 360</b>	<b>268</b>	<b>15 954</b>	<b>136 002</b>	<b>18 627</b>	<b>-</b>	<b>136 002</b>	<b>18 627</b>	<b>-</b>	<b>-</b>
B	KZN271	uMhlabuyalingana	53 329	40 601	38 563	95.0	-	88	1	8 282	54	-	-	8 505	5 679	-	15 954	-	-	-	-	-
B	KZN272	Jozini	48 306	38 356	20 354	53.1	-	10	-	-	-	-	-	852	19 492	-	-	-	-	-	-	-
B	KZN275	Mtubatuba	34 943	39 758	35 060	88.2	430	-	412	-	-	60	-	-	34 158	-	-	-	-	-	-	-
B	KZN276	Big Five Hlabisa	23 400	21 820	12 313	56.4	-	589	193	-	-	-	-	11 531	-	-	-	-	-	-	-	-
C	DC27	uMkhanyakude DM	266 059	285 443	158 317	55.5	3 688	-	-	-	-	-	-	-	-	-	-	136 002	18 627	-	-	-
<b>Total: uMkhanyakude Municipalities</b>	<b>426 037</b>	<b>425 978</b>	<b>264 608</b>	<b>62.1</b>	<b>4 707</b>	<b>281</b>	<b>423</b>	<b>8 282</b>	<b>54</b>	<b>60</b>	<b>20 888</b>	<b>59 329</b>	<b>15 954</b>	<b>59 329</b>	<b>15 954</b>	<b>136 002</b>	<b>18 627</b>	<b>-</b>	<b>136 002</b>	<b>18 627</b>	<b>-</b>	<b>-</b>
B	KZN281	uMfolozi	28 734	64 315	27 140	42.2	35	4	245	4 099	3 680	-	-	-	19 078	-	-	-	-	-	-	-
B	KZN282	uMhlathuze	525 161	586 328	293 781	50.1	276	334	49 910	24 563	7 744	374	132	62 088	208	47 331	47 442	48 444	4 935	-	-	-
B	KZN284	uMlalazi	74 043	74 043	35 786	48.3	-	777	1 608	7 671	8 211	2 080	-	281	12 093	-	2 524	77	464	-	-	-
B	KZN285	Nthorjani	36 339	37 565	25 537	68.0	9	46	20	23	-	10	-	-	16 155	-	9 273	-	-	-	-	
B	KZN286	Nkandla	56 200	54 400	28 783	52.9	-	-	-	1 752	-	-	-	27 031	-	-	-	-	-	-	-	-
C	DC28	King Cetshwayo DM	324 513	337 214	105 733	31.4	99	196	722	-	-	-	-	66	-	167	-	99 010	5 003	363	108	-
<b>Total: King Cetshwayo Municipalities</b>	<b>1 044 990</b>	<b>1 153 865</b>	<b>516 761</b>	<b>44.8</b>	<b>419</b>	<b>1 357</b>	<b>52 505</b>	<b>38 107</b>	<b>19 634</b>	<b>2 464</b>	<b>-</b>	<b>27 511</b>	<b>109 415</b>	<b>375</b>	<b>59 129</b>	<b>146 452</b>	<b>53 524</b>	<b>5 761</b>	<b>146 452</b>	<b>53 524</b>	<b>5 761</b>	<b>108</b>
B	KZN291	Mandeni	56 547	71 381	40 970	57.4	1 005	-	219	3 503	-	2	2 784	31 290	-	2 168	-	-	-	-	-	-
B	KZN292	KwaDukuza	344 762	236 754	62 226	26.3	-	5 031	-	3 754	6 472	324	1 827	854	38 022	-	5 287</					

**Annexure E: Debtors Age Analysis (Total) -3rd Quarter 2018/19**

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	%		
	<b>A</b>	<b>KZN2000</b>	<b>eThekweni</b>	<b>1 617 035</b>	<b>13.8</b>	<b>959 572</b>	<b>8.2</b>	<b>375 527</b>		<b>3.2</b>	<b>8 780 760</b>	<b>74.8</b>	<b>11 732 895</b>	<b>-</b>	<b>0.0</b>
B	KZN212	uMdoni	(1 418)	-1.7	2 692	3.3	1 876	2.3	78 377	96.1	81 527	-	-	-	-
B	KZN213	uMzumbane	-	-	-	-	-	-	23 149	-	23 149	-	-	-	-
B	KZN214	uMuziwabantu	5 897	23.4	1 530	6.1	979	3.9	16 783	66.6	25 190	-	-	-	-
B	KZN216	Ray Nkonyeni	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC21	Ugu DM	15 608	-	26 337	-	15 402	-	445 878	-	503 225	-	-	-	-
<b>Total: Ugu Municipalities</b>			<b>20 088</b>	<b>3.2</b>	<b>30 559</b>	<b>4.8</b>	<b>18 257</b>	<b>2.9</b>	<b>564 187</b>	<b>89.1</b>	<b>633 091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B	KZN221	uMshwathi	4 386	3.7	5 507	4.6	10	0.0	109 165	91.7	119 068	-	-	-	-
B	KZN222	uMngeni	8 314	6.6	4 799	3.8	3 669	2.9	109 776	86.7	126 558	-	-	-	-
B	KZN223	Mpofana	2 793	2.4	396	0.3	(10 745)	-9.3	123 431	106.5	115 875	-	-	-	-
B	KZN224	iMpendle	242	3.0	400	5.0	24	0.3	7 319	91.7	7 984	-	-	-	-
B	KZN225	Msunduzi	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN226	Mkhambathini	1 156	4.4	1 512	5.7	581	2.2	23 229	87.7	26 478	-	-	-	-
B	KZN227	Richmond	1 091	3.8	615	2.1	523	1.8	26 575	92.3	28 804	-	-	2 867	10.0
C	DC22	uMgungundlovu DM	26 115	4.0	33 844	5.2	13 865	2.1	579 835	88.7	653 659	-	-	-	-
<b>Total: uMgungundlovu Municipalities</b>			<b>44 096</b>	<b>4.1</b>	<b>47 072</b>	<b>4.4</b>	<b>7 927</b>	<b>0.7</b>	<b>979 329</b>	<b>90.8</b>	<b>1 078 425</b>	<b>-</b>	<b>-</b>	<b>2 867</b>	<b>0.3</b>
B	KZN235	Okhahlamba	2 768	4.6	3 301	5.5	1 512	2.5	52 525	87.4	60 106	-	-	-	-
B	KZN237	iNkosi Langalibalele	23 617	7.9	14 381	4.8	12 319	4.1	247 220	83.1	297 537	-	-	-	-
B	KZN238	Alfred Duma	53 504	13.6	12 594	3.2	10 626	2.7	315 991	80.5	392 714	-	-	-	-
C	DC23	uThukela DM	(3)	-0.0	26 166	2.8	16 722	1.8	890 013	95.4	932 898	-	-	-	-
<b>Total: uThukela Municipalities</b>			<b>79 885</b>	<b>4.7</b>	<b>56 443</b>	<b>3.4</b>	<b>41 178</b>	<b>2.4</b>	<b>1 505 748</b>	<b>89.5</b>	<b>1 683 254</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B	KZN241	eNdumeni	(264)	-0.3	7 658	7.7	11 757	11.9	79 712	80.6	98 863	-	-	-	-
B	KZN242	Nquthu	3 487	6.5	2 308	4.3	2 086	3.9	45 831	85.3	53 712	-	-	-	-
B	KZN244	uMsinga	1 257	3.4	1 214	3.3	1 207	3.3	33 336	90.1	37 016	-	-	-	-
B	KZN245	uMvoti	8 591	-	5 986	-	2 120	-	54 495	-	71 193	-	-	-	-
C	DC24	uMzinyathi DM	7 354	2.8	3 970	1.5	7 960	3.1	239 911	92.6	259 195	-	-	(721)	-0.3
<b>Total: uMzinyathi Municipalities</b>			<b>20 426</b>	<b>3.9</b>	<b>21 137</b>	<b>4.1</b>	<b>25 130</b>	<b>4.8</b>	<b>453 285</b>	<b>87.2</b>	<b>519 978</b>	<b>-</b>	<b>-</b>	<b>(721)</b>	<b>-0.1</b>
B	KZN252	Newcastle	108 832	8.3	44 415	3.4	41 012	3.1	1 111 662	85.1	1 305 921	66 723	5.1	-	-
B	KZN253	eMadlangeni	1 921	5.7	2 686	7.9	1 132	3.3	28 156	83.1	33 896	33 896	100.0	-	-
B	KZN254	Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC25	Amajuba DM	3 136	4.3	2 193	3.0	2 264	3.1	66 165	89.7	73 757	-	-	-	-
<b>Total: Amajuba Municipalities</b>			<b>113 889</b>	<b>8.1</b>	<b>49 294</b>	<b>3.5</b>	<b>44 408</b>	<b>3.1</b>	<b>1 205 983</b>	<b>85.3</b>	<b>1 413 574</b>	<b>100 619</b>	<b>7.1</b>	<b>-</b>	<b>-</b>
B	KZN261	eDumbe	4 837	-	3 661	-	1 345	-	120 426	-	130 269	-	-	-	-
B	KZN262	uPhongolo	6 578	3.7	5 172	2.9	2 737	1.6	161 744	91.8	176 231	-	-	-	-
B	KZN263	AbaQulusi	18 194	11.2	5 638	3.5	5 339	3.3	133 114	82.0	162 284	-	-	-	-
B	KZN265	Nongoma	1 264	2.2	1 293	2.3	702	1.2	53 026	94.2	56 285	-	-	-	-
B	KZN266	Ulundi	9 173	-	844	-	983	-	80 603	-	91 604	-	-	-	-
C	DC26	Zululand DM	4	3.7	3	3.0	3	2.3	104	90.9	115	-	-	-	-
<b>Total: Zululand Municipalities</b>			<b>40 050</b>	<b>6.5</b>	<b>16 612</b>	<b>2.7</b>	<b>11 109</b>	<b>1.8</b>	<b>549 017</b>	<b>89.0</b>	<b>616 787</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B	KZN271	uMhlabuyalingana	1 736	4.9	720	2.0	1 371	3.8	31 786	89.3	35 613	11 393	32.0	-	-
B	KZN272	Jozini	3 216	1.7	6 246	3.3	2 935	1.6	176 915	93.5	189 313	-	-	-	-
B	KZN275	Mtubatuba	2 208	-	3 793	-	2 009	-	141 621	-	149 631	-	-	-	-
B	KZN276	Big Five Hlabisa	831	2.0	562	1.3	597	1.4	39 902	95.2	41 893	-	-	-	-
C	DC27	uMkhanyakude DM	2 040	2.0	3 963	4.0	516	0.5	93 422	93.5	99 941	-	-	-	-
<b>Total: uMkhanyakude Municipalities</b>			<b>10 032</b>	<b>1.9</b>	<b>15 284</b>	<b>3.0</b>	<b>7 429</b>	<b>1.4</b>	<b>483 647</b>	<b>93.7</b>	<b>516 391</b>	<b>11 393</b>	<b>2.2</b>	<b>-</b>	<b>-</b>
B	KZN281	uMfolozi	(4 133)	445.2	(2 959)	318.8	285	-30.7	5 879	-633.3	(928)	-	-	-	-
B	KZN282	uMhlathuze	303 146	56.8	14 713	2.8	11 630	2.2	204 503	38.3	533 992	-	-	-	-
B	KZN284	uMlalazi	2 815	-	5 181	-	1 700	-	92 910	-	102 606	-	-	-	-
B	KZN285	Mthonjaneni	2 581	8.5	2 488	8.2	718	2.4	24 582	80.9	30 370	-	-	-	-
B	KZN286	Nkandla	1 897	5.7	1 641	5.0	366	1.1	29 218	88.2	33 121	-	-	-	-
C	DC28	King Cetshwayo DM	8 585	11.3	3 861	5.1	2 310	3.0	61 330	80.6	76 086	-	-	34 644	45.5
<b>Total: King Cetshwayo Municipalities</b>			<b>314 891</b>	<b>40.6</b>	<b>24 924</b>	<b>3.2</b>	<b>17 010</b>	<b>2.2</b>	<b>418 421</b>	<b>54.0</b>	<b>775 246</b>	<b>-</b>	<b>-</b>	<b>34 644</b>	<b>4.5</b>
B	KZN291	Mandeni	1 495	0.8	9 499	5.1	4 887	2.6	168 719	91.4	184 599	-	-	-	-
B	KZN292	KwaDukuza	67 160	23.9	18 378	6.5	12 296	4.4	183 708	65.3	281 542	-	-	-	-
B	KZN293	Ndwedwe	203	1.2	275	1.6	59	0.4	16 298	96.8	16 835	-	-	-	-
B	KZN294	Maphumulo	288	1.0	275	0.9	226	0.8	28 195	97.3	28 984	-	-	-	-
C	DC29	iLembe DM	24 494	7.2	16 530	4.9	18 192	5.3	281 560	82.6	340 776	-	-	-	-
<b>Total: iLembe Municipalities</b>			<b>93 639</b>	<b>11.0</b>	<b>44 957</b>	<b>5.3</b>	<b>35 661</b>	<b>4.2</b>	<b>678 479</b>	<b>79.6</b>	<b>852 736</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
B	KZN433	Greater Kokstad	14 148	18.6	9 476	12.5	4 185	5.5	48 176	63.4	75 985	-	-	-	-
B	KZN434	uBuhlebezwe	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN435	uMzimkhulu	579	6.1	374	3.9	331	3.5	8 188	86.4	9 472	(4 662)	-49.2	-	-
B	KZN434	Dr. Nkosazana Dlamini Zuma	2 131	3.6	2 197	3.7	2 007	3.3	53 582	89.4	59 917	59 917	100.0	-	-
C	DC43	Harry Gwala DM	8 444	4.5	48 619	25.7	4 891	2.6	127 571	67.3	189 526	-	-	-	-
<b>Total: Harry Gwala Municipalities</b>			<b>25 301</b>	<b>7.6</b>	<b>60 666</b>	<b>18.1</b>	<b>11 414</b>	<b>3.4</b>	<b>237 517</b>	<b>70.9</b>	<b>334 899</b>	<b>55 255</b>	<b>16.5</b>	<b>-</b>	<b>-</b>
<b>Total</b>			<b>2 379 331</b>	<b>11.8</b>	<b>1 326 520</b>	<b>6.6</b>	<b>595 051</b>	<b>3.0</b>	<b>15 856 375</b>	<b>78.7</b>	<b>20 157 276</b>	<b>167 266</b>	<b>0.8</b>	<b>5 433 922</b>	<b>27.0</b>

Source: NT Publication

## Annexure F: Debtors by Customer Group (Total) -3rd Quarter 2018/19

R'000		Organs of State						Commercial						Household						Other						Total
		Age category (Days)			Total	%	Age category (Days)			Total	%	Age category (Days)			Total	%	Age category (Days)			Total	%					
		30 - 60	60 - 90	Over 90			30 - 60	60 - 90	Over 90			30 - 60	60 - 90	Over 90			30 - 60	60 - 90	Over 90							
A	KZN2000 eThekweni	151 214	58 538	34 510	509 272	753 534	6.4	643 674	376 854	126 466	1 395 226	2 542 219	21.7	826 819	541 381	212 997	6 830 584	8 411 780	71.7	(4 672)	(17 201)	1 555	45 679	25 361	0.2	11 732 895
B	KZN212 uMdoni	1 819	885	554	27 002	30 259	37.1	718	349	219	10 659	11 944	14.7	2 249	1 095	685	33 397	37 426	45.9	(6 203)	362	419	7 320	1 898	2.3	81 527
B	KZN213 uMzombe	-	-	-	14 827	14 827	-	-	-	-	4 135	4 135	-	-	-	-	776	776	-	-	-	-	3 411	-	-	23 149
B	KZN214 uMuziwabantu	956	154	107	5 579	6 797	27.0	2 155	735	360	4 610	7 859	31.2	2 787	641	512	6 594	10 534	41.8	-	-	-	-	-	-	25 190
B	KZN216 Ray Nkonyeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC21 Ugu DM	2 940	2 266	1 686	21 303	28 196	-	4 758	6 473	3 721	62 880	77 832	-	7 905	17 586	9 995	354 499	389 984	-	5	11	0	7 196	7 213	-	503 225
	<b>Total: Ugu Municipalities</b>	<b>5 714</b>	<b>3 306</b>	<b>2 347</b>	<b>68 711</b>	<b>80 078</b>	<b>12.6</b>	<b>7 631</b>	<b>7 558</b>	<b>4 299</b>	<b>82 283</b>	<b>101 771</b>	<b>16.1</b>	<b>12 941</b>	<b>19 322</b>	<b>11 191</b>	<b>395 265</b>	<b>438 720</b>	<b>69.3</b>	<b>(6 198)</b>	<b>373</b>	<b>419</b>	<b>17 927</b>	<b>12 522</b>	<b>2.0</b>	<b>633 091</b>
B	KZN221 uMshwathi	1 261	2 385	(0)	50 568	54 214	45.5	1 675	1 544	(2)	19 639	22 857	19.2	1 450	1 577	12	38 958	41 997	35.3	-	-	-	-	-	-	119 068
B	KZN222 uMngeni	(808)	167	151	6 596	6 107	4.8	751	84	76	1 942	2 853	2.3	7 563	4 037	3 064	83 562	98 227	77.6	808	510	378	17 676	19 372	15.3	126 558
B	KZN223 Mpofana	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 793	396	(10 745)	123 431	115 875	100.0	115 875
B	KZN224 iMpendle	187	313	22	6 209	6 731	84.3	27	35	1	715	777	9.7	28	52	1	395	476	6.0	-	-	-	-	-	-	7 984
B	KZN225 Msunduzi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
B	KZN226 Mkhambathini	85	48	20	34	187	0.7	713	968	340	9 163	11 184	42.2	210	210	77	2 537	3 033	11.5	148	286	144	11 496	12 073	45.6	26 478
B	KZN227 Richmond	138	240	52	9 466	9 895	34.4	160	(39)	(86)	1 666	1 703	5.9	455	187	337	8 733	9 712	33.7	338	227	219	6 709	7 493	26.0	28 804
C	DC22 uMgungundlovu DM	2 343	2 193	393	9 264	14 194	2.2	311	-	-	-	311	0.0	2 530	3 072	1 206	48 520	55 327	8.5	20 931	28 579	12 266	522 051	583 827	89.3	653 659
	<b>Total: uMgungundlovu Municipalities</b>	<b>3 206</b>	<b>5 347</b>	<b>638</b>	<b>82 136</b>	<b>91 328</b>	<b>8.5</b>	<b>3 637</b>	<b>2 593</b>	<b>330</b>	<b>33 125</b>	<b>39 684</b>	<b>3.7</b>	<b>12 236</b>	<b>9 134</b>	<b>4 698</b>	<b>182 705</b>	<b>208 772</b>	<b>19.4</b>	<b>25 017</b>	<b>29 998</b>	<b>2 262</b>	<b>681 363</b>	<b>738 641</b>	<b>68.5</b>	<b>1 078 425</b>
B	KZN235 Okhahlamba	460	863	426	16 376	18 125	30.2	623	458	203	3 999	5 283	8.8	680	911	413	9 731	11 735	19.5	1 005	1 070	470	22 419	24 963	41.5	60 106
B	KZN237 iNkosi Langalibalele	2 361	2 317	1 771	72 387	78 836	26.5	956	835	857	6 484	9 132	3.1	3 783	2 698	2 070	54 923	63 473	21.3	16 517	8 531	7 621	113 426	146 095	49.1	297 537
B	KZN238 Alfred Duma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	53 504	12 594	10 626	315 991	392 714	100.0	392 714
C	DC23 uThukela DM	-	3 944	1 502	25 475	30 922	3.3	-	3 360	(1 200)	47 818	49 978	5.4	-	18 768	16 404	816 728	851 900	91.3	(3)	95	15	(9)	98	0.0	932 898
	<b>Total: uThukela Municipalities</b>	<b>2 821</b>	<b>7 125</b>	<b>3 700</b>	<b>114 238</b>	<b>127 883</b>	<b>7.6</b>	<b>1 579</b>	<b>4 652</b>	<b>(139)</b>	<b>58 301</b>	<b>64 393</b>	<b>3.8</b>	<b>4 463</b>	<b>22 376</b>	<b>18 887</b>	<b>881 383</b>	<b>927 109</b>	<b>55.1</b>	<b>71 022</b>	<b>22 289</b>	<b>18 732</b>	<b>451 827</b>	<b>563 870</b>	<b>33.5</b>	<b>1 683 254</b>
B	KZN241 eNdumeni	(51)	1 397	8 939	2 717	13 001	13.2	(100)	3 334	688	5 419	9 340	9.4	(108)	2 796	1 972	69 590	74 249	75.1	(5)	132	159	1 986	2 272	2.3	98 863
B	KZN242 Nquthu	1 627	1 520	1 485	34 134	38 766	72.2	1 503	506	361	4 286	6 656	12.4	280	178	143	4 523	5 124	9.5	78	104	96	2 888	3 166	5.9	53 712
B	KZN244 uMsinga	1 241	1 198	1 192	33 051	36 682	99.1	15	15	13	241	283	0.8	2	2	2	45	50	0.1	-	-	-	-	-	-	37 016
B	KZN245 uMvoti	1 235	635	76	1 561	3 508	-	3 536	1 286	459	9 106	14 386	-	3 446	3 485	1 437	36 391	44 760	-	375	580	148	7 437	8 540	-	71 193
C	DC24 uMzinyathi DM	1 353	1 373	882	17 098	20 706	8.0	1 649	(641)	1 266	15 141	17 415	6.7	4 352	3 238	5 812	207 672	221 074	85.3	-	-	-	-	-	-	259 195
	<b>Total: Umzinyathi Municipalities</b>	<b>5 404</b>	<b>6 123</b>	<b>12 574</b>	<b>88 562</b>	<b>112 663</b>	<b>21.7</b>	<b>6 602</b>	<b>4 499</b>	<b>2 786</b>	<b>34 193</b>	<b>48 080</b>	<b>9.2</b>	<b>7 972</b>	<b>9 698</b>	<b>9 366</b>	<b>318 220</b>	<b>345 256</b>	<b>66.4</b>	<b>448</b>	<b>816</b>	<b>403</b>	<b>12 311</b>	<b>13 978</b>	<b>2.7</b>	<b>519 978</b>
B	KZN252 Newcastle	10 867	1 709	528	27 712	40 816	3.1	38 285	13 136	13 635	68 537	133 594	10.2	59 697	29 340	26 674	998 740	1 114 452	85.3	(18)	229	175	16 673	17 059	1.3	1 305 921
B	KZN253 eMadlangeni	484	1 051	407	5 120	7 061	20.8	399	186	78	1 821	2 485	-	395	370	119	5 344	6 228	-	642	1 079	528	15 871	18 122	-	33 896
B	KZN254 Dannhauser	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
C	DC25 Amajuba DM	1 218	197	164	3 385	4 965	6.7	157	125	123	2 760	3 164	-	1 761	1 870	1 977	60 019	65 628	-	-	-	-	-	-	-	73 757
	<b>Total: Amajuba Municipalities</b>	<b>12 569</b>	<b>2 957</b>	<b>1 099</b>	<b>36 217</b>	<b>52 841</b>	<b>3.7</b>	<b>38 841</b>	<b>13 447</b>	<b>13 836</b>	<b>73 119</b>	<b>139 243</b>	<b>9.9</b>	<b>61 854</b>	<b>31 581</b>	<b>28 770</b>	<b>1 064 103</b>	<b>1 186 308</b>	<b>83.9</b>	<b>624</b>	<b>1 309</b>	<b>703</b>	<b>32 544</b>	<b>35 181</b>	<b>2.5</b>	<b>1 413 574</b>
B	KZN261 eDumbe	695	678	259	14 223	15 856	-	1 606	986	193	14 546	17 332	-	2 294	1 661	740	86 787	91 483	-	241	335	153	4 869	5 599	-	130 269
B	KZN262 uPhongolo	(422)	1 152	904	20 860	22 494	12.8	4 023	1 029	354	3 582	8 989	5.1	2 454	2 623	1 195	123 970	130 242	73.9	523	367	285	13 331	14 507	8.2	176 231
B	KZN263 Abaqulusi	1 260	439	333	2 706	4 739	2.9	8 259	1 308	1 204	30 851	41 622	25.6	6 829	3 849	3 203	87 687	101 568	62.6	1 846	42	598	11 869	14 355	8.8	162 284
B	KZN265 Nongoma	350	500	355	28 053	29 259	52.0	759	503	215	13 112	14 590	25.9	67	124	54	4 746	4 991	8.9	88	165	78	7 114	7 446	13.2	56 285
B	KZN266 Ulundi	5 878	464	307	29 752	36 401	-	1 499	227	112	5 611	7 449	-	1 570	547	465	14 363	16 945	-	227	(394)	99	30 877	30 809	-	91 604
C	DC26 Zululand DM	2	1	1	10	14	11.8	0	0	0	3	3	2.9	2	2	2	91	97	84.9	0	0	0	0	0	0.4	115
	<b>Total: Zululand Municipalities</b>	<b>7 763</b>	<b>3 235</b>	<b>2 158</b>	<b>95 605</b>	<b>108 762</b>	<b>17.6</b>	<b>16 146</b>	<b>4 054</b>	<b>2 079</b>	<b>67 706</b>	<b>89 985</b>	<b>14.6</b>	<b>13 216</b>	<b>8 806</b>	<b>5 659</b>	<b>317 645</b>	<b>345 326</b>	<b>56.0</b>	<b>2 924</b>	<b>516</b>	<b>1 213</b>	<b>68 061</b>	<b>72 715</b>	<b>11.8</b>	<b>616 787</b>
B	KZN271 uMhlabyalingana	1 177	282	993	23 600	26 052	73.2	555	434	374	7 959	9 323	26.2	4	4	4	227	238	0.7	-	-	-	-	-	-	35 613
B	KZN272 Jozini	973	2 767	1 236	98 277	103 253	54.5	1 317	1 651	794	30 264	34 026	18.0	927	1 828	906	48 374	52 034	27.5	-	-	-	-	-	-	189 313
B	KZN275 Mtubatuba	(26)	(72)	(8)	3 793	3 687	-	(224)	(592)	(261)	12 165	11 088	-	(134)	(274)	(168)	34 879	34 303	-	2 593	4 732	2 446	90 783	100 554	-	149 631
B	KZN276 Big Five Hlabisa	25	25																							

**Annexure G: Creditors Age Analysis (Total) -3rd Quarter 2018/19**

R'000	0 - 30 Days		30 - 60 Days		60 - 90 Days		Over 90 Days		Total
	Total	%	Total	%	Total	%	Total	%	
<b>A KZN2000 eThekwini</b>	<b>1 321 278</b>	<b>57.2</b>	<b>14 759</b>	<b>0.6</b>	<b>261 322</b>	<b>11.3</b>	<b>710 809</b>	<b>30.8</b>	<b>2 308 168</b>
B KZN212 uMdoni	798	100.0	-	-	-	-	-	-	798
B KZN213 uMzumbe	-	-	-	-	-	-	-	-	-
B KZN214 uMuziwabantu	2 473	-	47	-	-	-	-	-	2 520
B KZN216 Ray Nkonyeni	25 816	100.0	-	-	-	-	-	-	25 816
C DC21 Ugu DM	19 456	-	9 599	-	4 683	-	8 917	-	42 654
<b>Total: Ugu Municipalities</b>	<b>48 543</b>	<b>67.6</b>	<b>9 646</b>	<b>13.4</b>	<b>4 683</b>	<b>6.5</b>	<b>8 917</b>	<b>12.4</b>	<b>71 789</b>
B KZN221 uMshwathi	480	-	-	-	-	-	-	-	480
B KZN222 uMngeni	-	-	-	-	-	-	-	-	-
B KZN223 Mpofana	(179)	-0.2	278	0.2	4 626	3.9	114 042	96.0	118 767
B KZN224 iMpendle	-	-	-	-	-	-	-	-	-
B KZN225 Msunduzi	-	-	-	-	-	-	-	-	-
B KZN226 Mkhambathini	3	-	42	-	42	-	-	-	87
B KZN227 Richmond	-	-	-	-	-	-	-	-	-
C DC22 uMgungundlovu DM	44 732	81.6	2 365	4.3	1 045	1.9	6 707	12.2	54 849
<b>Total: uMgungundlovu Municipalities</b>	<b>45 037</b>	<b>25.9</b>	<b>2 685</b>	<b>1.5</b>	<b>5 712</b>	<b>3.3</b>	<b>120 749</b>	<b>69.3</b>	<b>174 182</b>
B KZN235 Okhahlamba	7 077	100.0	-	-	-	-	-	-	7 077
B KZN237 iNkosi Langalibalele	20 238	16.3	1 010	0.8	1 269	1.0	101 596	81.9	124 113
B KZN238 Alfred Duma	37 156	100.0	-	-	-	-	-	-	37 156
C DC23 uThukela DM	6 566	17.9	149	0.4	533	1.5	29 468	80.3	36 716
<b>Total: uThukela Municipalities</b>	<b>71 037</b>	<b>34.6</b>	<b>1 159</b>	<b>0.6</b>	<b>1 802</b>	<b>0.9</b>	<b>131 064</b>	<b>63.9</b>	<b>205 062</b>
B KZN241 eNdumeni	23 313	100.0	-	-	-	-	-	-	23 313
B KZN242 Nquthu	-	-	-	-	-	-	-	-	-
B KZN244 uMsinga	-	-	-	-	-	-	-	-	-
B KZN245 uMvoti	1 314	-	1 188	-	2 012	-	10 565	-	15 079
C DC24 uMzinyathi DM	20 967	28.7	1 582	2.2	1 110	1.5	49 340	67.6	73 000
<b>Total: uMzinyathi Municipalities</b>	<b>45 594</b>	<b>40.9</b>	<b>2 771</b>	<b>2.5</b>	<b>3 122</b>	<b>2.8</b>	<b>59 905</b>	<b>53.8</b>	<b>111 392</b>
B KZN252 Newcastle	56 455	20.7	44 120	16.2	56 535	20.7	115 614	42.4	272 723
B KZN253 eMadlangeni	1	0.2	520	99.8	-	-	-	-	522
B KZN254 Dannhauser	1 422	-	253	12.2	252	12.1	154	7.4	2 081
C DC25 Amajuba DM	172	0.5	1 199	3.4	4 537	12.9	29 135	83.1	35 043
<b>Total: Amajuba Municipalities</b>	<b>58 050</b>	<b>18.7</b>	<b>46 093</b>	<b>14.9</b>	<b>61 323</b>	<b>19.8</b>	<b>144 903</b>	<b>46.7</b>	<b>310 370</b>
B KZN261 eDumbe	-	-	276	3.7	34	0.5	7 196	95.9	7 506
B KZN262 uPhongolo	4 724	58.9	556	6.9	22	0.3	2 718	33.9	8 019
B KZN263 AbaQulusi	36 622	100.0	-	-	-	-	-	-	36 622
B KZN265 Nongoma	177	139.3	(50)	-39.3	-	-	-	-	127
B KZN266 Ulundi	10 989	12.9	(761)	-0.9	13 672	16.0	61 451	72.0	85 352
C DC26 Zululand DM	5	72.5	0	0.4	2	27.1	-	-	7
<b>Total: Zululand Municipalities</b>	<b>52 518</b>	<b>38.2</b>	<b>21</b>	<b>0.0</b>	<b>13 730</b>	<b>10.0</b>	<b>71 365</b>	<b>51.9</b>	<b>137 634</b>
B KZN271 uMhlabyalingana	20 419	66.9	5 391	17.7	4 384	14.4	343	1.1	30 537
B KZN272 Jozini	341	52.1	12	1.8	-	-	302	46.1	654
B KZN275 Mtubatuba	9 494	72.6	844	6.4	93	0.7	2 654	20.3	13 085
B KZN276 Big Five Hlabisa	1 284	21.6	2 496	42.0	(10)	-0.2	2 172	36.6	5 942
C DC27 uMkhanyakude DM	67 247	47.4	12 439	8.8	2 257	1.6	59 789	42.2	141 732
<b>Total: uMkhanyakude Municipalities</b>	<b>98 785</b>	<b>51.5</b>	<b>21 182</b>	<b>11.0</b>	<b>6 724</b>	<b>3.5</b>	<b>65 259</b>	<b>34.0</b>	<b>191 950</b>
B KZN281 uMfolozi	2 959	43.4	416	6.1	347	5.1	3 097	45.4	6 820
B KZN282 uMhlathuze	159 635	100.0	-	-	-	-	-	-	159 635
B KZN284 uMlalazi	65 247	100.0	-	-	-	-	-	-	65 247
B KZN285 Mthonjaneni	6 730	95.9	304	4.3	10	0.1	(24)	-0.3	7 020
B KZN286 Nkandla	29	-3.1	(80)	8.5	97	-10.2	(997)	104.9	(951)
C DC28 King Cetshwayo DM	25 150	23.0	22 285	20.4	3 335	3.1	58 401	53.5	109 171
<b>Total: King Cetshwayo Municipalities</b>	<b>259 751</b>	<b>74.9</b>	<b>22 925</b>	<b>6.6</b>	<b>3 789</b>	<b>1.1</b>	<b>60 477</b>	<b>17.4</b>	<b>346 942</b>
B KZN291 Mandeni	167	100.0	-	-	-	-	-	-	167
B KZN292 KwaDukuza	126 961	98.5	1 343	1.0	154	0.1	377	0.3	128 835
B KZN293 Ndwedwe	111	18.5	(2 360)	-393.7	2 676	446.5	172	28.7	599
B KZN294 Maphumulo	137	263.5	(32)	-60.5	(167)	-319.9	113	216.9	52
C DC29 iLembe DM	24 356	63.7	11 978	31.3	1 091	2.9	814	2.1	38 239
<b>Total: iLembe Municipalities</b>	<b>151 732</b>	<b>90.4</b>	<b>10 930</b>	<b>6.5</b>	<b>3 754</b>	<b>2.2</b>	<b>1 476</b>	<b>0.9</b>	<b>167 893</b>
B KZN433 Greater Kokstad	(37)	-59.5	-	-	(3)	-5.5	101	165.0	61
B KZN434 uBuhlebezwe	4 098	100.0	-	-	-	-	-	-	4 098
B KZN435 uMzimkhulu	12 842	100.0	-	-	-	-	-	-	12 842
B KZN436 Dr. Nkosazana Dlamini Zuma	-	-	-	-	-	-	-	-	-
C DC43 Harry Gwala DM	8 618	74.0	1 145	9.8	3	0.0	1 878	16.1	11 644
<b>Total: Harry Gwala Municipalities</b>	<b>25 522</b>	<b>89.1</b>	<b>1 145</b>	<b>4.0</b>	<b>(0)</b>	<b>-0.0</b>	<b>1 979</b>	<b>6.9</b>	<b>28 646</b>
<b>Total</b>	<b>2 177 846</b>	<b>53.7</b>	<b>133 316</b>	<b>3.3</b>	<b>365 961</b>	<b>9.0</b>	<b>1 376 904</b>	<b>34.0</b>	<b>4 054 027</b>

Source: NT Publication

Annexure H: National Conditional Grants - 3rd Quarter 2018/19

R'000	Financial Management Grant								Regional Bulk Infrastructure Grant (Schedule 5B Grant)								Municipal Infrastructure Grant							
	DoRA 2018 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2018 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2018 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	1 000	100.0	1 000	100.0	-	-	-	-	-	-	-	-	-	-	-				
B	KZN212	uMdoni	4 315	4 315	4 315	2 611	60.5	2 612	60.5	-	-	-	-	-	-	-	-	30 118	30 118	30 118	13 677	45.4	15 762	52.3
B	KZN213	uMzumbane	1 900	1 900	1 900	1 577	83.0	1 578	83.1	-	-	-	-	-	-	-	-	37 392	37 392	37 392	17 586	47.0	15 698	42.0
B	KZN214	uMuziwabantu	1 900	1 900	1 900	1 603	84.4	1 601	84.3	-	-	-	-	-	-	-	-	22 940	22 940	22 940	11 474	50.0	14 740	64.3
B	KZN216	Ray Nkonyeni	3 600	3 600	3 600	2 017	56.0	1 990	55.3	-	-	-	-	-	-	-	-	60 317	60 317	60 317	45 892	76.1	39 519	65.5
C	DC21	Ugu DM	1 865	1 865	1 865	103	5.5	103	5.5	-	-	-	-	-	-	-	-	235 888	235 888	235 888	128 670	54.5	174 999	74.2
<b>Total:</b>	<b>Ugu Municipalities</b>		<b>13 580</b>	<b>13 580</b>	<b>13 580</b>	<b>7 911</b>	<b>58.3</b>	<b>7 884</b>	<b>58.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>386 655</b>	<b>386 655</b>	<b>386 655</b>	<b>217 299</b>	<b>56.2</b>	<b>260 718</b>	<b>67.4</b>
B	KZN221	uMshwathi	1 970	1 970	1 970	761	38.6	760	38.6	-	-	-	-	-	-	-	-	27 098	27 098	27 098	17 498	64.6	20 576	75.9
B	KZN222	uMngeni	1 770	1 770	1 770	929	52.5	929	52.5	-	-	-	-	-	-	-	-	22 646	22 646	22 646	13 558	59.9	12 659	55.9
B	KZN223	Mpofana	1 970	1 970	1 970	506	25.7	482	24.5	-	-	-	-	-	-	-	-	13 878	13 878	13 878	11 041	79.6	10 233	73.7
B	KZN224	iMpendle	1 900	1 900	1 900	1 279	67.3	1 160	61.0	-	-	-	-	-	-	-	-	11 572	11 572	11 572	8 943	77.3	8 820	76.2
B	KZN225	Msunduzi	1 700	1 700	1 700	1 150	67.6	1 058	62.3	-	-	-	-	-	-	-	-	193 316	193 316	193 316	88 564	45.8	111 279	57.6
B	KZN226	Mkhambathini	1 970	1 970	1 970	1 494	75.8	1 495	75.9	-	-	-	-	-	-	-	-	19 385	19 385	19 385	14 821	76.5	22 546	116.3
B	KZN227	Richmond	1 900	1 900	1 900	158	8.3	932	49.1	-	-	-	-	-	-	-	-	18 149	18 149	18 149	11 350	62.5	19 196	105.8
C	DC22	uMgungundlovu DM	1 000	1 000	1 000	1 000	100.0	618	61.8	-	-	-	-	-	-	-	-	99 828	99 828	99 828	65 293	65.4	88 230	88.4
<b>Total:</b>	<b>uMgungundlovu Municipalities</b>		<b>14 180</b>	<b>14 180</b>	<b>14 180</b>	<b>7 277</b>	<b>51.3</b>	<b>7 434</b>	<b>52.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>405 872</b>	<b>405 872</b>	<b>405 872</b>	<b>231 068</b>	<b>56.9</b>	<b>293 538</b>	<b>72.3</b>
B	KZN232	Okhahlamba	1 900	1 900	1 900	1 161	61.1	1 466	77.2	-	-	-	-	-	-	-	-	32 295	32 295	32 295	32 295	100.0	32 295	100.0
B	KZN237	iNkosi Langalibalele	3 670	3 670	3 670	2 695	73.4	2 678	73.0	-	-	-	-	-	-	-	-	36 949	36 949	36 949	21 367	57.8	21 815	59.0
B	KZN238	Alfred Duma	3 600	3 600	3 600	1 829	50.8	1 829	50.8	-	-	-	-	-	-	-	-	69 946	69 946	69 946	42 142	60.2	35 912	51.3
C	DC23	uThukela DM	1 545	1 545	1 545	1 314	85.0	1 280	82.8	45 000	45 000	45 000	10 462	23.2	20 241	45.0	180 033	180 033	180 033	72 771	40.4	96 951	53.9	
<b>Total:</b>	<b>uThukela Municipalities</b>		<b>10 715</b>	<b>10 715</b>	<b>10 715</b>	<b>6 999</b>	<b>65.3</b>	<b>7 254</b>	<b>67.7</b>	<b>45 000</b>	<b>45 000</b>	<b>45 000</b>	<b>10 462</b>	<b>23.2</b>	<b>20 241</b>	<b>45.0</b>	<b>319 223</b>	<b>319 223</b>	<b>319 223</b>	<b>168 575</b>	<b>52.8</b>	<b>186 973</b>	<b>58.6</b>	
B	KZN241	eNdameni	1 770	1 770	1 770	724	40.9	724	40.9	-	-	-	-	-	-	-	-	24 487	24 487	24 487	16 737	68.4	15 797	64.5
B	KZN242	Nquthu	1 900	1 900	1 900	1 840	96.8	1 869	98.4	-	-	-	-	-	-	-	-	30 627	30 627	30 627	19 503	63.7	20 446	66.8
B	KZN244	uMsinga	1 900	1 900	1 900	1 900	100.0	2 025	106.6	-	-	-	-	-	-	-	-	36 715	36 715	36 715	26 321	71.7	26 401	71.9
B	KZN245	uMvoti	1 870	1 870	1 870	930	49.7	930	49.7	-	-	-	-	-	-	-	-	33 261	33 261	33 261	22 148	66.6	29 777	89.5
C	DC24	uMzinyathi DM	1 320	1 320	1 320	332	25.2	181	13.7	40 000	40 000	40 000	21 811	54.5	21 616	54.0	184 485	184 485	184 485	107 501	58.3	115 024	62.3	
<b>Total:</b>	<b>uMzinyathi Municipalities</b>		<b>8 760</b>	<b>8 760</b>	<b>8 760</b>	<b>5 726</b>	<b>65.4</b>	<b>5 729</b>	<b>65.4</b>	<b>40 000</b>	<b>40 000</b>	<b>40 000</b>	<b>21 811</b>	<b>54.5</b>	<b>21 616</b>	<b>54.0</b>	<b>309 575</b>	<b>309 575</b>	<b>309 575</b>	<b>192 210</b>	<b>62.1</b>	<b>207 445</b>	<b>67.0</b>	
B	KZN252	Newcastle	1 700	1 700	1 700	929	54.6	928	54.6	-	-	-	-	-	-	-	-	56 232	56 232	56 232	36 990	65.8	50 790	90.3
B	KZN253	eMahlangueni	1 970	1 970	1 970	1 341	68.1	1 341	68.1	-	-	-	-	-	-	-	-	9 247	9 247	9 247	3 644	39.4	5 210	56.3
B	KZN254	Darnhauser	1 900	1 900	1 900	1 675	88.2	1 713	90.1	-	-	-	-	-	-	-	-	21 400	21 400	21 400	17 946	83.9	21 867	102.2
C	DC25	Amajuba DM	1 570	1 570	1 570	1 570	100.0	1 428	90.9	-	-	-	-	-	-	-	-	40 253	40 253	40 253	25 827	64.2	30 473	75.7
<b>Total:</b>	<b>Amajuba Municipalities</b>		<b>7 140</b>	<b>7 140</b>	<b>7 140</b>	<b>5 515</b>	<b>77.2</b>	<b>5 409</b>	<b>75.8</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127 132</b>	<b>127 132</b>	<b>127 132</b>	<b>84 407</b>	<b>66.4</b>	<b>108 341</b>	<b>85.2</b>
B	KZN261	eDumbe	1 970	1 970	1 970	1 579	80.2	1 550	78.7	-	-	-	-	-	-	-	-	26 762	26 762	26 762	13 234	49.5	13 951	52.1
B	KZN262	uPhongolo	1 970	1 970	1 970	508	25.8	642	32.6	-	-	-	-	-	-	-	-	27 794	27 794	27 794	14 718	53.0	15 236	54.8
B	KZN263	AbaQulusi	1 770	1 770	1 770	539	30.5	541	30.6	-	-	-	-	-	-	-	-	36 434	36 434	36 434	17 950	49.3	35 799	98.3
B	KZN265	Nongoma	1 970	1 970	1 970	1 812	92.0	1 812	92.0	-	-	-	-	-	-	-	-	31 286	31 286	31 286	20 474	65.4	26 088	83.4
B	KZN266	Ulundi	1 870	1 870	1 870	467	25.0	479	25.6	-	-	-	-	-	-	-	-	36 335	36 335	36 335	29 468	81.1	35 317	97.2
C	DC26	Zululand DM	1 000	1 000	1 000	860	86.0	860	86.0	131 498	131 498	131 498	72 276	55.0	70 924	53.9	220 762	220 762	220 762	175 885	79.7	199 636	90.4	
<b>Total:</b>	<b>Zululand Municipalities</b>		<b>10 550</b>	<b>10 550</b>	<b>10 550</b>	<b>5 765</b>	<b>54.6</b>	<b>5 885</b>	<b>55.8</b>	<b>131 498</b>	<b>131 498</b>	<b>131 498</b>	<b>72 276</b>	<b>55.0</b>	<b>70 924</b>	<b>53.9</b>	<b>379 373</b>	<b>379 373</b>	<b>379 373</b>	<b>271 729</b>	<b>71.6</b>	<b>326 027</b>	<b>85.9</b>	
B	KZN271	uMhlabyalingana	1 900	1 900	1 900	832	43.8	1 100	57.9	-	-	-	-	-	-	-	-	34 265	34 265	34 265	18 975	55.4	22 320	65.1
B	KZN272	Jozini	1 970	1 970	1 970	850	43.1	861	43.7	-	-	-	-	-	-	-	-	36 687	36 687	36 687	28 151	76.7	21 747	59.3
B	KZN275	Mtubatuba	1 970	1 970	1 970	1 375	69.8	1 375	69.8	-	-	-	-	-	-	-	-	31 166	31 166	31 166	28 113	90.2	21 207	68.0
B	KZN276	Big Five Hlabisa	3 870	3 870	3 870	2 532	65.4	1 799	46.5	-	-	-	-	-	-	-	-	21 000	21 000	21 000	9 909	47.2	15 043	71.6
C	DC27	uMkhanyakude DM	1 000	1 000	1 000	725	72.5	723	72.3	-	-	-	-	-	-	-	-	210 378	210 378	210 378	135 968	64.6	106 954	50.8
<b>Total:</b>	<b>uMkhanyakude Municipalities</b>		<b>10 710</b>	<b>10 710</b>	<b>10 710</b>	<b>6 314</b>	<b>59.0</b>	<b>5 858</b>	<b>54.7</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>333 496</b>	<b>333 496</b>	<b>333 496</b>	<b>221 116</b>	<b>66.3</b>	<b>187 270</b>	<b>56.2</b>
B	KZN281	uMfolozi	1 900	1 900	1 900	1 606	84.5	1 606	84.5	-	-	-	-	-	-	-	-	25 761	25 761	25 761	16 609	64.5	16 734	65.0
B	KZN282	uMhlathuze	2 650	2 650	2 650	2 006	75.7	2 006	75.7	-	-	-	-	-	-	-	-	104 604	104 604	104 604	65 530</			



Annexure H: National Conditional Grant Annexure H: National Conditional Grants - 3rd Quarter 2018/19 (Continued...)

R'000	Integrated National Electrification Programme (municipal) Grant								Expanded Public Works Programme Intergrated Grant (municipality)								Water Services Infrastructure Grant (Schedule 5B Grant)							
	DoRA 2018 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2018 Total Avail. (Inc.Adjust.)	Approved Payment Schedule	Transferred to Munis. (Year to date)	Unaudited Actual		Unaudited Actual		DoRA 2018 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	27 000	27 000	27 000	9 794	36.3	11 562	42.8	75 333	75 333	75 333	75 333	100.0	75 333	100.0	-	-	-	-	-	-				
B KZN212 uMdoni	14 000	14 000	14 000	-	-	-	-	1 219	1 219	1 219	996	81.7	1 219	100.0	-	-	-	-	-	-				
B KZN213 uMzumbane	14 880	14 880	14 880	30	0.2	7 836	52.7	1 526	1 526	1 526	1 119	73.3	1 304	85.4	-	-	-	-	-	-				
B KZN214 uMuziwabantu	5 000	5 000	5 000	-	-	-	-	1 213	1 213	1 213	877	72.3	1 305	107.6	-	-	-	-	-	-				
B KZN216 Ray Nkonyeni	14 000	14 000	14 000	4 935	35.3	8 598	61.4	4 061	4 061	4 061	3 490	85.9	3 489	85.9	-	-	-	-	-	-				
C DC21 Ugu DM	-	-	-	-	-	-	-	3 250	3 250	3 250	1 938	59.6	1 939	59.6	55 000	55 000	55 000	-	-	38 733	70.4			
<b>Total: Ugu Municipalities</b>	<b>47 880</b>	<b>47 880</b>	<b>47 880</b>	<b>4 965</b>	<b>10.4</b>	<b>16 434</b>	<b>34.3</b>	<b>11 269</b>	<b>11 269</b>	<b>11 269</b>	<b>8 420</b>	<b>74.7</b>	<b>9 255</b>	<b>82.1</b>	<b>55 000</b>	<b>55 000</b>	<b>55 000</b>	<b>9 255</b>	<b>-</b>	<b>38 733</b>	<b>70.4</b>			
B KZN221 uMshwathi	10 000	10 000	10 000	-	-	658	6.6	1 471	1 471	1 471	951	64.6	1 031	70.1	-	-	-	-	-	-				
B KZN222 uMngeni	8 000	8 000	8 000	1 724	21.6	4 845	60.6	1 000	1 000	1 000	463	46.3	356	35.6	-	-	-	-	-	-				
B KZN223 Mpofana	6 984	6 984	6 984	-	-	466	6.7	1 000	1 000	1 000	1 000	100.0	735	73.5	-	-	-	-	-	-				
B KZN224 iMpindle	-	-	-	-	-	-	-	1 160	1 160	1 160	1 160	100.0	1 021	88.0	-	-	-	-	-	-				
B KZN225 Msunduzi	-	-	-	-	-	-	-	2 890	2 890	2 890	1 456	50.4	1 456	50.4	42 760	42 760	42 760	12 823	30.0	15 070	35.2			
B KZN226 Mkhambathini	8 000	8 000	8 000	-	-	8 387	104.8	1 034	1 034	1 034	1 034	100.0	1 073	103.8	-	-	-	-	-	-				
B KZN227 Richmond	10 500	10 500	10 500	-	-	-	-	1 515	1 515	1 515	1 515	100.0	1 876	123.8	-	-	-	-	-	-				
C DC22 uMgungundlovu DM	-	-	-	-	-	-	-	4 265	4 265	4 265	1 658	38.9	1 392	32.6	115 187	115 187	115 187	15 808	13.7	29 888	25.9			
<b>Total: uMgungundlovu Municipalities</b>	<b>43 484</b>	<b>43 484</b>	<b>43 484</b>	<b>1 724</b>	<b>4.0</b>	<b>14 355</b>	<b>33.0</b>	<b>14 335</b>	<b>14 335</b>	<b>14 335</b>	<b>9 237</b>	<b>64.4</b>	<b>8 939</b>	<b>62.4</b>	<b>157 947</b>	<b>157 947</b>	<b>157 947</b>	<b>28 631</b>	<b>18.1</b>	<b>44 957</b>	<b>28.5</b>			
B KZN232 Okhahlamba	7 984	7 984	7 984	1 700	21.3	7 107	89.0	2 432	2 432	2 432	2 432	100.0	2 432	100.0	-	-	-	-	-	-				
B KZN237 iNkosi Langalibalele	14 000	14 000	14 000	-	-	8 404	60.0	1 387	1 387	1 387	1 387	100.0	1 730	124.7	-	-	-	-	-	-				
B KZN238 Alfred Duma	14 598	14 598	14 598	7 598	52.0	1 208	8.3	4 319	4 319	4 319	4 319	100.0	4 319	100.0	-	-	-	-	-	-				
C DC23 uThukela DM	-	-	-	-	-	-	-	6 206	6 206	6 206	2 394	38.6	3 879	62.5	108 493	108 493	108 493	7 896	7.3	104 765	96.6			
<b>Total: uThukela Municipalities</b>	<b>36 582</b>	<b>36 582</b>	<b>36 582</b>	<b>9 298</b>	<b>25.4</b>	<b>16 719</b>	<b>45.7</b>	<b>14 344</b>	<b>14 344</b>	<b>14 344</b>	<b>10 532</b>	<b>73.4</b>	<b>12 360</b>	<b>86.2</b>	<b>108 493</b>	<b>108 493</b>	<b>108 493</b>	<b>7 896</b>	<b>7.3</b>	<b>104 765</b>	<b>96.6</b>			
B KZN241 eNdameni	6 930	6 930	6 930	-	-	2 960	42.7	1 000	1 000	1 000	549	54.9	550	55.0	-	-	-	-	-	-				
B KZN242 Nquthu	14 035	14 035	14 035	-	-	12 231	87.1	1 014	1 014	1 014	912	89.9	1 100	108.5	-	-	-	-	-	-				
B KZN244 uMsinga	20 700	20 700	20 700	5 215	25.2	12 101	58.5	4 394	4 394	4 394	4 394	100.0	8 277	188.4	-	-	-	-	-	-				
B KZN245 uMvoti	11 329	11 329	11 329	48	0.4	8 237	72.7	1 849	1 849	1 849	1 368	74.0	1 889	102.2	-	-	-	-	-	-				
C DC24 uMzinyathi DM	-	-	-	-	-	-	-	5 109	5 109	5 109	2 990	58.5	3 828	74.9	70 800	70 800	70 800	2 775	3.9	82 161	116.0			
<b>Total: Umzinyathi Municipalities</b>	<b>52 994</b>	<b>52 994</b>	<b>52 994</b>	<b>5 263</b>	<b>9.9</b>	<b>35 529</b>	<b>67.0</b>	<b>13 366</b>	<b>13 366</b>	<b>13 366</b>	<b>10 213</b>	<b>76.4</b>	<b>15 645</b>	<b>117.0</b>	<b>70 800</b>	<b>70 800</b>	<b>70 800</b>	<b>2 775</b>	<b>3.9</b>	<b>82 161</b>	<b>116.0</b>			
B KZN252 Newcastle	15 000	15 000	15 000	-	-	6 157	41.0	3 199	3 199	3 199	3 119	97.5	2 875	89.9	40 000	40 000	40 000	14 000	35.0	14 000	35.0			
B KZN253 eMadlangeni	6 000	6 000	6 000	-	-	801	13.4	1 000	1 000	1 000	950	95.0	944	94.4	-	-	-	-	-	-				
B KZN254 Dannhauser	-	-	-	-	-	-	-	1 000	1 000	1 000	634	63.4	807	80.7	-	-	-	-	-	-				
C DC25 Amajuba DM	-	-	-	-	-	-	-	1 620	1 620	1 620	1 398	86.3	1 399	86.4	84 400	84 400	84 400	39 192	46.4	49 959	59.2			
<b>Total: Amajuba Municipalities</b>	<b>21 000</b>	<b>21 000</b>	<b>21 000</b>	<b>-</b>	<b>-</b>	<b>6 958</b>	<b>33.1</b>	<b>6 819</b>	<b>6 819</b>	<b>6 819</b>	<b>6 101</b>	<b>89.5</b>	<b>6 026</b>	<b>88.4</b>	<b>124 400</b>	<b>124 400</b>	<b>124 400</b>	<b>53 192</b>	<b>42.8</b>	<b>63 959</b>	<b>51.4</b>			
B KZN261 eDumbe	13 300	13 300	13 300	-	-	12 980	97.6	1 103	1 103	1 103	754	68.4	753	68.3	-	-	-	-	-	-				
B KZN262 uPhongolo	8 500	8 500	8 500	-	-	2 825	33.2	2 534	2 534	2 534	1 681	66.3	1 940	76.5	-	-	-	-	-	-				
B KZN263 Abaqulusi	15 000	15 000	15 000	4 750	31.7	-	-	1 295	1 295	1 295	603	46.6	336	26.0	-	-	-	-	-	-				
B KZN265 Nongoma	15 000	15 000	15 000	-	-	8 006	53.4	1 615	1 615	1 615	1 445	89.5	1 445	89.5	-	-	-	-	-	-				
B KZN266 Ulundi	18 000	18 000	18 000	3 333	18.5	13 001	72.2	3 854	3 854	3 854	2 394	62.1	3 178	82.5	-	-	-	-	-	-				
C DC26 Zululand DM	-	-	-	-	-	-	-	5 908	5 908	5 908	5 908	100.0	5 908	100.0	87 828	87 828	87 828	11 053	12.6	22 528	25.6			
<b>Total: Zululand Municipalities</b>	<b>69 800</b>	<b>69 800</b>	<b>69 800</b>	<b>8 083</b>	<b>11.6</b>	<b>36 812</b>	<b>52.7</b>	<b>16 309</b>	<b>16 309</b>	<b>16 309</b>	<b>12 785</b>	<b>78.4</b>	<b>13 560</b>	<b>83.1</b>	<b>87 828</b>	<b>87 828</b>	<b>87 828</b>	<b>11 053</b>	<b>12.6</b>	<b>22 528</b>	<b>25.6</b>			
B KZN271 uMhlabyalingana	22 000	22 000	22 000	-	-	17 777	80.8	3 047	3 047	3 047	3 047	100.0	3 047	100.0	-	-	-	-	-	-				
B KZN272 Jozini	-	-	-	-	-	3 559	-	2 751	2 751	2 751	2 751	100.0	2 751	100.0	-	-	-	-	-	-				
B KZN275 Mtubatuba	12 600	12 600	12 600	6 082	48.3	5 221	41.4	2 070	2 070	2 070	1 777	85.8	1 540	74.4	-	-	-	-	-	-				
B KZN276 Big Five Hlabisa	-	-	-	-	-	-	-	1 826	1 826	1 826	1 826	100.0	2 716	148.7	-	-	-	-	-	-				
C DC27 uMkhanyakude DM	-	-	-	-	-	-	-	3 022	3 022	3 022	2 811	93.0	3 354	111.0	73 000	73 000	73 000	23 430	32.1	25 101	34.4			
<b>Total: uMkhanyakude Municipalities</b>	<b>34 600</b>	<b>34 600</b>	<b>34 600</b>	<b>6 082</b>	<b>17.6</b>	<b>26 557</b>	<b>76.8</b>	<b>12 716</b>	<b>12 716</b>	<b>12 716</b>	<b>12 212</b>	<b>96.0</b>	<b>13 408</b>	<b>105.4</b>	<b>73 000</b>	<b>73 000</b>	<b>73 000</b>	<b>23 430</b>	<b>32.1</b>	<b>25 101</b>	<b>34.4</b>			
B KZN281 uMfolozi	11 000	11 000	11 000	-	-	4 163	37.8	1 620	1 620	1 620	1 620	100.0	1 620	100.0	-	-	-	-	-	-				
B KZN282 uMhlathuze	-	-	-	-	-	-	-	5 189	5 189	5 189	5 107	98.4	5 108	98.4	-	-	-	-	-	5 648				
B KZN284 uMlalazi	10 000	10 000	10 000	-	-	9 450	94.5	3 212	3 212	3 212	2 799	87.1	2 797	87.1	-	-	-	-	-	-				
B KZN285 Mthonjaneni	15 000	15 000	15 000	-	-	11 219	74.8	1 808	1 808	1 808	1 808	100.0	1 819	100.6	-	-	-	-	-	-				
B KZN286 Nkandla	18 000	18 000	18 000	10 000	55.6	17 856	99.2	2 712	2 712	2 712	2 051	75.6	2 051	75.6	-	-	-	-	-	-				
C DC28 King Cetshwayo DM	-	-	-	-	-	-	-	7 762	7 762	7 762	4 756	61.3	5 453	70.3	88 300	88 300	88 300	29 154	33.0	51 222	58.0			
<b>Total: King Cetshwayo Municipalities</b>	<b>54 000</b>	<b>54 000</b>	<b>54 000</b>	<b>10 000</b>	<b>18.5</b>	<b>42 689</b>	<b>79.1</b>	<b>22 303</b>	<b>22 303</b>	<b>22 303</b>	<b>18 141</b>	<b>81.3</b>	<b>18 848</b>	<b>84.5</b>	<b>88 300</b>	<b>88 300</b>	<b>88 300</b>	<b>29 154</b>	<b>33.0</b>	<b>56 870</b>	<b>64.4</b>			
B KZN291 Mandeni</																								