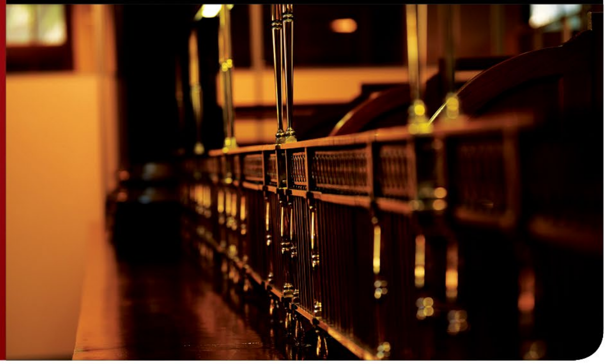
Update on the Enforcement of Section 216(2) of the Constitution targeting the July Equitable Share instalment

Joint portfolio Committees – Cooperative Governance and Traditional Affairs, Standing Committee on Finance, Standing Committee on Appropriations and Standing Committee on Public Accounts

Presented by:
Minister of Finance
DG - Treasury

Institution:
National Treasury

Date:
17 July 2026



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Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

A NATION THAT WORKS FOR ALL

2030 NDP

National government is moving from oversight to active structural intervention

- The 2026 Budget Review signalled a fundamental shift in the approach to local and provincial government. National government is moving from oversight to active structural intervention, to support a sustainable turnaround in local government financial management and service delivery.
- For over a decade, intergovernmental flows have masked rising financial weaknesses.
  - More than half of municipalities are in financial distress.
  - There are high levels of irregular, unauthorized, fruitless and wasteful expenditure and rising levels of non-payment to third parties that include the SA Revenue Services and pension funds as well as water boards and Eskom.
  - The inability of some municipalities to service bulk water accounts lead to near collapse of Magalies Water and Vaal Central WB, threatening water supply in affected provinces
- In December the National Treasury embarked on an extensive process of consultation with municipalities which were in breach of their obligations in terms of the Municipal Financial Management Act. They were given notice that funding could be withheld if they failed to take action to address this.

This action is a corrective measure by the Minister of Finance to halt the financial deterioration in municipalities

- The withholding of the July equitable share transfers is a corrective measure by the Minister of Finance to halt the financial deterioration in municipalities that consistently failed to comply with their obligations, despite extensive consultation and sufficient notice in writing.
- The Minister of Finance is using the tools provided by the Constitution and the Municipal Financial Management Act, which permit him to cut off funding temporarily to municipalities until they can prove they are able to function in accordance with their obligations.
  - For example, persistent failure by municipalities to pay over their monthly pension deductions is financial misconduct by the officials and a criminal act by the Municipal Manager.
- For the transfers to be reinstated, the Minister requires municipalities:
  - To instill fiscal discipline and ensure public money is properly managed
  - To address high levels of unauthorized, irregular, fruitless and wasteful expenditure
  - To hold municipal officials and office bearers accountable where required by law
  - To agree payment plans with third parties

Service delivery by these municipalities should not be adversely affected

- The withholding of the equitable share transfers is a short-term measure, typically for no longer than 30 days (although the Minister may withhold the transfers for up to 120 days). In the longer term, corrective action by the municipalities should improve service delivery.
- Already 42 of the 69 municipalities have complied with the requirements and had their equitable share transfers reinstated, demonstrating the positive impact of the Minister’s intervention.
- This is just one of a suite of far-reaching local government reforms which government has embarked on to support a sustainable turnaround in municipal service delivery and financial management.
- Among the reforms are a new White Paper – led by CoGTA - and a review of the fiscal framework for local government, as well as the Metro Trading Services Reforms and smart meter initiatives led by National Treasury to turn around municipal revenue collection and boost infrastructure investment.

Reasons for withholding and extent of non-compliance

Reasons for withholding:

- Despite years of support, guidance, and training, many municipalities continue to:
  - Adopt Unfunded Adjustments Budgets;
  - Not pay their Creditors in terms of Section 65(2)(e) of the MFMA by defaulting on bulk supplier payments (Water Boards and Eskom), third-party contributions (AGSA, SARS and pension contributions);
  - Not achieve a reduction in the total unauthorised irregular, fruitless and wasteful expenditure (UIFWe) balance as at 30 June 2026 based on the unaudited pre-audit 2025/2026 financial statements; and
  - Not implement consequence management

Extent of non-compliance:

  - Since 2021/22, municipalities have incurred R24.12 billion in fruitless and wasteful expenditure
  - They have accumulated R145.21 billion in irregular expenditure, with R40.14 billion in 2024/25 alone
  - They have disclosed R118.13 billion in unauthorised expenditure
  - Budget credibility has deteriorated: in 2024/25, 116 municipalities, nearly half, adopted unfunded budgets
  - By year-end, municipalities owed R3.40 billion in interest to Eskom and R1.21 billion to water boards, while 48 municipalities had overdue third-party deductions

- This threatens the financial sustainability of bulk suppliers, undermines statutory bodies, and disrupts service delivery

69 municipalities are affected by S216 enforcement, down from 99 municipalities when the process started

Total number of affected municipalities by province

Count	Municipality	Unfunded 2025/26 Adjustment Budget	UIFWE 30 April 2026	Auditor General of South Africa 30 April 2026	Pension Fund 30 April 2026	South African Revenue Services 30 April 2026	Eskom 31 March 2026	Water Boards 31 March 2026
	No.	Third Party Creditors[3]					Bulk Creditors	
Eastern Cape	6	1	5	1	1	2	2	1
Free State	16	3	10	3	8	7	6	2
Gauteng	6	1	5	0	0	0	1	4
KwaZulu-Natal	7	5	4	1	0	0	3	0
Limpopo	5	1	3	1	0	0	1	1
Mpumalanga	3	0	0	1	0	0	1	1
Northern Cape	11	1	3	1	3	1	3	2
North West	12	0	6	5	4	3	1	2
Western Cape	3	0	3	0	0	0	0	0
Total	**69**	**12**	**39**	**13**	**16**	**13**	**18**	**13**

1. Data reported by third party creditors as at 30 April 2026

Source: National Treasury, Auditor General of South Africa, The Financial Sector Conduct Authority and South African Revenue Services

The withholding process started in December 2025

- Letters were sent to municipalities in December 2025, requiring certain action in relation to reduction of unauthorised irregular, fruitless and wasteful expenditure (UIFWE) as well as consequence management.
  - Submissions were assessed since January 2026 to verify compliance, and quarterly reports were expected as well to report on progress.
- The Department of Water and Sanitation submitted a request to withhold LGES for those municipalities owing water boards
- The Department of Electricity and Energy submitted a list of those municipalities owing Eskom
- Financial Sector Conduct Authority provided a list of municipalities that owe pension funds
- Auditor General South Africa submitted a list of municipalities that owe audit fees

NT's intention to invoke Section 216(2) of the Constitution was approved by the Minister of Finance on 19 June 2026

- Apart from the three areas of focus underpinning the reason to withhold, NT had received several requests from Department of Water and Sanitation (6 requests in total) and recently Department of Electricity and Energy to utilise the s216(2) approach enforce payments to some water boards and Eskom
- 99 letters were emailed to the Mayors of Municipalities on 22 and 23 June 2026
- 30 municipalities responded by the 30 June 2026 deadline with evidence demonstrating they adhere to the requirements
- The follow up submission to communicate NT's decision to invoke Section 216(2) of the Constitution was approved by the Minister of Finance on 03 July 2026
- 69 letters were emailed to the Mayors of Municipalities on 03 July 2026

The process included wide ranging engagement across different stakeholders

- Parliament was advised of the NT's intention to invoke Section 216(2) of the Constitution and the final decision taken by the Minister of Finance on 06 July 2026
  - Letters were sent to the Speaker of Parliament and Chairperson of the NCOP dated 19 June and 06 July 2026.
- The Ministers of Cooperative Governance and Traditional Affairs, Water and Sanitation, and Electricity and Energy received both the intention and the final decision in writing.
- The President of SALGA was informed of both the intention and final decision in writing.
- The Head Officials of Provincial Treasuries (HODs PT) were simultaneously informed of both the intention and final decision in writing on 23 June and 03 July 2026.

Four pillars that inform the corrective action

1. Unfunded budgets
2. Non-payment of bulk suppliers (water boards and Eskom) as well as SARS, AGSA and pension funds
3. Unauthorised, irregular, fruitless and wasteful expenditure
4. Implementation of consequence management

Unfunded budgets

No:	Criterion Element:	Requirement:
1.	Adoption of Unfunded 2025/26 adjustments budgets	• According to circular 129 (par4.1), no municipality that adopted a funded budget in July 2025/26, will be allowed to table and adopt an unfunded budget going forward. The Mayors of municipalities that allowed the tabling and adoption of an unfunded adjustments budget for 2025/26, must respond in writing to the Minister of Finance, committing that, with effect from 2026/27, they will never again allow their municipalities to table and adopt an unfunded budget in future.

Bulk Suppliers (Water Boards and Eskom) and third parties (SARS, Auditor-General SA and the Pension Funds) pillar

No:	Criterion Element:	Requirement:
2.	Signed payment agreement (signed by both parties)	• The affected municipalities are required to submit to the National Treasury a signed payment agreement entered into with their creditors (bulk suppliers and/or third parties). Once signed agreement is received, the National Treasury will release an amount equivalent to the invoice, guided by the payment agreement and adjusted for any shortfalls from previous months, where applicable. The National Treasury will release the remaining balances to the municipalities upon receiving evidence that the previously released funds were used as intended.

Unauthorised, irregular, fruitless and wasteful expenditure (UIFWe)

No:	Activities:	Evidence:
3.	Prepare quarterly progress reports made during the relevant quarter, addressing the following matters: **Addressing UIFWE** 25% reduction of the UIFWE total balance as at 30 June 2026 by 30 September 2026: • Progress on the processing of UIFWE section 32(4) of the MFMA reports to the MPAC. • Progress of any MPAC investigations in terms of section 32. • Progress on the processing of MPAC’s section 32 investigations by the municipal Council.	• Copies of section 32(4) of the MFMA reports (UIFWE reports) as submitted to MPAC. • Copies of the MPAC investigation reports to Council. • Copies of council resolutions relating to the MPAC's recommendations and UIFWE reports considered at the Council meeting. • Consolidated UIFWE register, including the movements from 30 June 2026 to 30 September 2026.

Consequence Management

No:	Activities:	Evidence:
4.	**Implementing consequence management:** • Appointment of Disciplinary Board members • Progress on the referral of matters to the disciplinary board for investigation. • Progress of any disciplinary board investigations. • Progress on any related disciplinary processes. • Progress on the implementation of sanctions.	• Copies of the council resolution appointing the disciplinary board, appointment letters, terms of reference, or shared disciplinary board agreement. • Copies of the disciplinary board process register, referrals, meeting records, preliminary investigation reports, full investigation reports where applicable, and recommendations issued by the disciplinary board. • The municipality must provide proof that all UIFWE matters recorded in the UIFWE register as of 30 June 2026 were assessed for referral to the disciplinary board for financial misconduct. ○ Evidence must include the UIFWE register and the assessments made for each individual entry in the UIFWE register. ○ Where a UIFWE matter was not referred to the disciplinary board, the municipality must provide proper and rational written reasons. ○ The written reasons must be linked to each relevant UIFWE entry in the 30 June 2026 UIFWE register. • The municipality must provide copies of all disciplinary board recommendations submitted to Council. ○ The disciplinary board's recommendations must include the findings, the proposed action, and, where applicable, the responsible persons.

Consequence Management (2)

No:	Activities:	Evidence:
Cont.	Refer to previous slide	• The municipality must provide copies of Council decisions on each disciplinary board recommendation. ○ Evidence must include council resolutions, minutes, decision records, and implementation instructions. • Where Council rejected or varied a disciplinary board recommendation, the municipality must provide copies of the relevant council resolution and written reasons. ○ The reasons must be clear, rational, and linked to the evidence before Council. • The municipality must provide proof that Council decisions, sanctions, recovery steps, or criminal referrals are being implemented. ○ Evidence may include sanction notices, disciplinary outcome letters, payroll deduction records, recovery agreements, civil recovery records, criminal case numbers, South African Police Service correspondence, or implementation tracking reports. ○ Where there are delays, the municipality must provide rational written reasons. ○ Delay reasons must include clear next steps, responsible officials, and target completion date

NT has taken significant steps to support municipalities as required by section 154 of the Constitution

- Extensive support was offered to municipalities that adopted unfunded budgets leading up to withholding:
  - The institutionalisation of annual municipal budget and benchmark engagements:
    - Conduct budget and benchmark assessment engagements for the 17 non-delegated municipalities by NT and all delegated municipalities by PTs
    - Verification of annual MTREF budget and audit outcome figures
  - Municipal financial management monitoring and oversight:
    - Conduct Mid-year Budget and Performance assessments for the 17 non-delegated municipalities by NT and all delegated municipalities by PTs and report on findings
  - Continuously enhancing the structure of the mid-year and benchmark engagements to improve the assessment
  - Municipalities that are unable to improve the funding position in the same financial year are supported to develop a credible funding plan with measures to gradually improve the financial position and achieve a funded budget – monitored quarterly by the Treasuries
  - The funding assessment tool was modified to include restructuring of creditors with payment arrangements to consider the payments in a longer period

NT has taken significant steps to support municipalities as required by section 154 of the Constitution (cont…)

- The 1st iteration of MFMA Circular No. 68 (UIFW Circular) was issued in 2013. Since then, MFMA Circular No. 68 has undergone 4 enhancements, with the latest and 4th enhancement issued in April 2026
- In 2014, Minister of Finance issued the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings (Financial Misconduct Regs), which introduced the consequence management regulatory framework under the MFMA
- The Financial Misconduct Regs was supported by MFMA Circular No. 76, which was issued in 2015, to assist municipalities understand the intent and spirit behind the Regulations
- In 2018, NT developed and issued a Municipal. Public Accounts Committees (MPAC) Guideline and Toolkit through MFMA Circular No. 92, to support MFMA functionality. This, together with MFMA Circulars No. 68 and 76 including the Financial Misconduct Regulations, was supported with extensive capacity and training from 2013 to date, including advisory support through the MFMA helpdesk.
- In 2021, NT noted reduction of UIFWe and implementation of consequence management is not taking place, NT subsequently developed the UIFW Reduction Strategy document and issued to municipalities through MFMA Circular No. 111. This too was workshopped numerous times to councilors and officials in municipalities.

A dedicated Municipal Revenue Improvement Programme includes various initiatives to enhance revenue collection

- The Municipal Debt relief Programme (Eskom) was introduced – reduce and release the burden of excessive debt
- The Water Debt relief programme was introduced together with DWS with similar focus
- Both these programme emphasised the importance of funded budgets
- Smart Meter Grant Programme, assist municipalities with smart prepaid system – payment before service rendered – cash flow initiative
- Organs of state debt verification (property rates and services) – debt owed by departments to municipalities
- Completeness of revenue (Revenue Value Chain), Valuation reconciliation, Cost reflective tariffs, and policy formulation and implementation

Communication to municipalities – criteria to withhold the equitable share

- At MFMA joint meetings
- At LG fora, Budget Council, Budget Forum and Technical Committee of Finance, Joint JEXCO when possible
- Various MFMA budget circulars:
  - MFMA Budget Circulars No. 122 (December 2022, section 8.1)
  - MFMA Budget Circulars No. 123 (March 2023, section 8.1)
  - MFMA Budget Circulars No. 124 (March 2023, Conditions for Municipal Debt Relief Programme, Section 6)
  - MFMA Budget Circulars No. 128 (March 2024, section 2.7)
  - MFMA Budget Circulars No. 130 (March 2025, section 2.9)
  - MFMA Budget Circulars No. 132 (December 2025, section 2.3)
  - MFMA Budget Circulars No. 134 (March 2026, section 2.8)

Progress to date

- All 69 municipalities responded to the Minister of Finance's letter dated 19 June 2026
  - Only 4 municipalities conformed to the UIFWe requirements and will receive the full amount withheld
- Our teams are processing all the information received from municipalities to determine if municipalities meet the criteria in the letters addressed to the Mayors
- Additionally, teams from NT and provincial treasuries are assisting the affected municipalities to conform
- As and when municipalities conform, the funding will be released weekly
- 27 Municipalities received their equitable on Thursday, 16 July 2026
  - 10 municipalities received the full amount of the withheld LGES totalling R1.7 billion
  - 17 municipalities received a portion totalling R2.9 billion to strictly pay the relevant creditors (SARS, Pension funds, Eskom, AGSA and water boards), thereafter submits proof of payment to NT for them to receive the remaining balance
- 22 municipalities will receive their equitable share in the week of 20 July 2026

Municipalities affected by S216 enforcement……

List of municipalities to receive payment in 16 July 2026 – fully complied to the requirements

1. Victor Khanye – Full release
2. AbaQulusi – Full release
3. Umzinyathi DM – Full release
4. Nkomazi – Full release
5. Thembelihle – Full release
6. Randwest City – Full release
7. Buffalo City – Full release
8. Umsombovu – Full release
9. Port St Johns – Full release
10. Impendle – Full release

Municipalities to receive partial payment in 16 July 2026 – must submit the Proof of Payment for the remainder to be released

1. Naledi
2. Tokologo
3. Nketoana
4. Phumelele
5. Thabazimbi
6. Merafong City
7. Lesedi
8. Musina
9. Modimolle-Mookgopong
10. Tswaing
11. Maquassi Hills
12. Mamusa
13. Ngaka Modiri Molema District
14. Kgetlengrivier
15. JB Marks
16. Ditsobotla
17. City of Johannesburg

.....Municipalities affected by S216 enforcement

List of municipalities to receive payment in the week of 20 July 2026 – fully complied to the requirements

1. Xhariep District
2. Tokologo
3. Phumelela
4. Fetakgomo-Tubatse
5. Musina
6. Thabazimbi
7. Kgetlengrivier
8. Naledi

Note: 6 of the 8 municipalities were paid partially in the previous list (16 July 2026)

Municipalities to receive partial payment in the week of 20 July 2026 – must submit the Proof of Payment for the remainder to be released

1. Emadlangeni
2. Newcastle
3. Kamiesberg
4. City of Johannesburg
5. Kai Garib
6. Renosterberg
7. Mafube
8. Mantsopa
9. Ngwathe
10. Emakhazeni
11. Mohokare
12. Kopanong
13. Letsemeng
14. Nketoana

Update on National and Provincial process on outstanding debt to municipalities

- National departments
  - Allocation letters were used to advise the national departments of the intent to invoke Section 216
  - Section 4 of the Appropriation Act will be invoked now that the Appropriation Act is in place, with letters written to give final notice before withholding the funds
- Provincial departments
  - Letters were written to Provincial Treasuries as custodian of provincial finances on 29 April 2026, with submission date of 29 May 2026
  - All 8 provinces that received letters responded and the responses have since been analysed and second letters drafted for final notice for them to submit outstanding documents as well as submit reasonable payment terms

Ongoing Local Government Reforms

Review of the White Paper on Local Government	Amendment of the Municipal Finance Management Act
Review of the Local Government Fiscal Framework • Reviewing the local government expenditure and revenue responsibilities • Reviewing the LGES	**Reviewing the municipal powers and functions** • Addressing the two-tier system of government outside metropolitan municipalities
Conditional Grant Review Reforms ▪ Rationalisation of grants to improve efficiencies (i.e., consolidation of water grants) ▪ Metro Trading Services Reforms	**Review of the Municipal Capacity Building System** ▪ Review of financial management support initiatives including MFIP and FMG
Municipal Infrastructure Grant reforms ▪ Split delivery model and the utilization of competent districts and agencies (MISA, DBSA, capable districts)	**Disaster Management Reforms** ▪ National Disaster Risk Financing Strategy ▪ Municipal guide to approach disaster insurance
Reforms to Local Government Own Revenues ▪ Norms and Standards for Electricity Surges ▪ Development Charges ▪ and municipality’s ability to leverage borrowing	**Sector Reforms** ▪ Metro Trading Services reform ▪ Water and Electricity reforms (separation of authority and provider) ▪ Professionalisation of Local Government
Municipal Utility Reform Programme ▪ JET pilot in Mpumalanga (4 municipalities)	**Revenue improvement programme** ▪ Smart meter programme rollout

THANK YOU

For additional information on municipal matters, visit the MFMA Webpage at http://mfma.gov.za or

https://lg.treasury.gov.za/ibi_apps/welcome

https://municipalmoney.gov.za

For additional information on national and provincial budgets, visit: https://vulekamali.gov.za

Financial Implications

Division of nationally raised revenue

R billion	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	Average
	Outcome			Revised estimate	Medium-term estimates			
Division of available funds								
Local government	**150.7**	**157.7**	**167.7**	**178.3**	**182.3**	**189.3**	**195.3**	**3.1%**
Equitable share	83.9	92.3	99.5	103.8	110.1	114.5	118.0	4.4%
Conditional grants	51.4	50.0	52.1	57.7	54.7	56.6	58.5	0.4%
General fuel levy sharing with metros	15.3	15.4	16.1	16.8	17.5	18.2	18.8	3.7%
Provisional allocations not appropriated[1]	–	–	–	–	1.3	38.2	39.2	
Non-interest allocations	**1 700.7**	**1 690.8**	**1 758.8**	**1 906.5**	**1 945.8**	**2 013.3**	**2 094.8**	**3.2%**
Dates on which the equitable share will be released in terms of Section 5(3) of 2026 DoRA (Act No. 9 of 20206):								
08 July 2026					32.2			
Amount of which was withhold					13.6			
Sub-total					45.7			
09 December 2026					36.6			
10 March 2027					27.5			
Total					**109.8**			
Information for the City of Johannesburg:								
Equitable share allocation					8.6	9.2	9.3	
08 July 2026					3.6			
09 December 2026					2.9			
10 March 2027					2.1			
Total					**8.6**			

Total number of affected municipalities by province

Count	Municipality	Unfunded 2025/26 Adjustment Budget	UIFWE 30 April 2026	Auditor General of South Africa 30 April 2026	Pension Fund 30 April 2026	South African Revenue Services 30 April 2026	Eskom 31 March 2026	Water Boards 31 March 2026
	No.			Third Party Creditors[3] (R'000)			Bulk Creditors (R'000)	
Eastern Cape	6	1	5	16 000	-	68 360	910 466	-
Free State	16	3	10	29 000	1 023 664	77 801	2 042 393	9 679 449
Gauteng	6	1	5	-	-	-	3 732 722	3 829 699
KwaZulu-Natal	7	5	4	3 000	-	-	950 019	-
Limpopo	5	1	3	9 000	-	-	52 059	257 368
Mpumalanga	3	0	0	16 000	-	-	193 018	510 627
Northern Cape	11	1	3	10 000	87 915	126 326	1 021 915	145 053
North West	12	0	6	80 000	492 765	392 641	2 887 147	1 560 883
Western Cape	3	0	3	-	-	-	-	-
Total	**69**	**12**	**39**	**163 000**	**1 604 344**	**665 129**	**11 789 739**	**15 983 079**

1. Data reported by third party creditors as at 30 April 2026

Source: National Treasury, Auditor General of South Africa, The Financial Sector Conduct Authority and South African Revenue Services

(R thousand)	Municipality	Unfunded 2025/26 Adjustment Budget	UIFWE 30 April 2026	Auditor General of South Africa 30 April 2026	Pension Fund 30 April 2026	South African Revenue Services 30 April 2026	Eskom 31 March 2026	Water Boards 31 March 2026
				Third Party Creditors[3]			Bulk Creditors	
BUF	Buffalo City		Failure to address UIFWE and implement consequence management					
NMA	Nelson Mandela Bay		Failure to address UIFWE and implement consequence management					
EC104	Makana		Failure to address UIFWE and implement consequence management					
EC106	Sundays River Valley		Failure to address UIFWE and implement consequence management					
EC131	Inxuba Yethemba	Unfunded	-	16 000	-	2 081	910 466	-
EC154	Port St Johns					66 279	-	
Total: Eastern Cape	**6**	**1**	**5**	**16 000**	**-**	**68 360**	**910 466**	**-**
MAN	Mangaung	Unfunded	Failure to address UIFWE and implement consequence management					
FS161	Letsemeng		Failure to address UIFWE and implement consequence management		22 000		351 445	
FS162	Kopanong		Failure to address UIFWE and implement consequence management	6 000	378 244	49 096	138 896	160 161
FS163	Mohokare			15 000	168 606		125 873	
DC16	Xhariep District Municipality	Unfunded						
FS181	Masilonyana			8 000	156 777	2 512		
FS182	Tokologo				25 400		451 404	
FS184	Matjhabeng		Failure to address UIFWE and implement consequence management					9 519 288
FS185	Nala		Failure to address UIFWE and implement consequence management					
FS192	Dihlabeng		Failure to address UIFWE and implement consequence management					
FS193	Nketoana		Failure to address UIFWE and implement consequence management		2 739	9 732		
FS194	Maluti-a-Phofung		Failure to address UIFWE and implement consequence management					
FS195	Phumelela	Unfunded				3 245		
FS196	Mantsopa					4 904	563 059	
FS203	Ngwathe		Failure to address UIFWE and implement consequence management		2 786	4 611		
FS205	Mafube		Failure to address UIFWE and implement consequence management		267 112	3 702	411 715	
Total: Free State	**16**	**3**	**10**	**29 000**	**1 023 664**	**77 801**	**2 042 393**	**9 679 449**

(R thousand)	Municipality	Unfunded 2025/26 Adjustment Budget	UIFWE 30 April 2026	Auditor General of South Africa 30 April 2026	Pension Fund 30 April 2026	South African Revenue Services 30 April 2026	Eskom 31 March 2026	Water Boards 31 March 2026
					Third Party Creditors[3]		Bulk Creditors	
JHB	City of Johannesburg	Unfunded	Failure to address UIFWE and implement consequence management				3 732 722	1 228 323
GT421	Emfuleni		Failure to address UIFWE and implement consequence management					
GT423	Lesedi		Failure to address UIFWE and implement consequence management					122 443
DC42	Sedibeng District Municipality		Failure to address UIFWE and implement consequence management					
GT484	Merafong City		Failure to address UIFWE and implement consequence management					1 528 395
GT485	Rand West City							950 538
Total: Gauteng	**6**	**1**	**5**	**-**	**-**	**-**	**3 732 722**	**3 829 699**
KZN224	iMpendle	Unfunded		3 000				
DC24	uMzinyathi DistrictMunicipality	Unfunded	Failure to address UIFWE and implement consequence management					
KZN252	Newcastle	Unfunded	Failure to address UIFWE and implement consequence management				596 917	
KZN253	eMadlangeni						25 302	
DC25	Amajuba District Municipality	Unfunded	Failure to address UIFWE and implement consequence management					
KZN263	AbaQulusi						327 800	
DC27	uMkhanyakude DistrictMunicipality	Unfunded	Failure to address UIFWE and implement consequence management					
Total: KwaZulu-Natal	**7**	**5**	**4**	**3 000**	**-**	**-**	**950 019**	**-**
DC33	Mopani District Municipality		Failure to address UIFWE and implement consequence management					
LIM341	Musina						52 059	
LIM361	Thabazimbi							257 368
LIM368	Modimolle-Mookgopong		Failure to address UIFWE and implement consequence management	9 000				
LIM476	Fetakgomo Tubatse	Unfunded	Failure to address UIFWE and implement consequence management					
Total: Limpopo	**5**	**1**	**3**	**9 000**	**-**	**-**	**52 059**	**257 368**
MP311	Victor Khanye							510 627
MP314	Emakhazeni			16 000				
MP324	Nkomazi						193 018	
Total: Mpumalanga	**3**	**0**	**0**	**16 000**	**-**	**-**	**193 018**	**510 627**

(R thousand)	Municipality	Unfunded 2025/26 Adjustment Budget	UIFWE 30 April 2026	Auditor General of South Africa 30 April 2026	Pension Fund 30 April 2026	South African Revenue Services 30 April 2026	Eskom 31 March 2026	Water Boards 31 March 2026
					Third Party Creditors[3]		Bulk Creditors	
NC064	Kamiesberg						150 807	
NC067	Khâi-Ma							21 700
NC071	Ubuntu		Failure to address UIFWE and implement consequence management					
NC072	Umsobomvu	Unfunded						
NC073	Emthanjeni						543 756	
NC075	Renosterberg			10 000	34 109			
NC076	Thembelihle				4 554			
NC077	Siyathemba		Failure to address UIFWE and implement consequence management				327 352	
NC082	!Kai !Garib				49 252	126 326		
NC093	Magareng		Failure to implement consequence management					
NC094	Phokwane							123 353
Total: Nothern Cape	**11**	**1**	**3**	**10 000**	**87 915**	**126 326**	**1 021 915**	**145 053**
NW372	Madibeng		Failure to address UIFWE and implement consequence management					
NW374	Kgetlengrivier			6 000		29 165		
NW382	Tswaing				103 740			
NW383	Mafikeng		Failure to address UIFWE and implement consequence management					
NW384	Ditsobotla			8 000	48 719	66 199		
DC38	Ngaka Modiri Molema District Municipality							869 117
NW392	Naledi			11 000	105 499			
NW393	Mamusa			27 000	58 977	44 625		
DC39	Dr Ruth Segomotsi Mompati DistrictMunicipality		Failure to address UIFWE					
NW403	City of Matlosana		Failure to address UIFWE and implement consequence management					
NW404	Maquassi Hills		Failure to implement consequence management	8 000				401 660
NW405	JB Marks		Failure to address UIFWE				843 316	
Total: North West	**12**	**0**	**6**	**80 000**	**492 765**	**392 641**	**2 887 147**	**1 560 883**
WC031	Theewaterskloof		Failure to address UIFWE and implement consequence management					
WC051	Laingsburg		Failure to address UIFWE and implement consequence management					
WC053	Beaufort West		Failure to address UIFWE and implement consequence management					
Total: Western Cape	**3**	**–**	**3**	**–**	**–**	**–**	**–**	**–**
National Total	**69**	**12**	**39**	**163 000**	**1 604 344**	**665 129**	**11 789 739**	**15 983 079**