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8 Mr Alex Mabunda

NTIYISO MEANS TRUTH

14 Failed Municipalities –
the New Normal?

22 INFORMATION TECHNOLOGY
GOVERNANCE



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ED



90TH CELEBRATION – WHAT A TIME TO BE ALIVE!

Ninety years is a very long time. In today's unsettled and stressed-out world, celebrating a 90th birthday or anniversary is a real accomplishment.

It is indeed a very special year for CIGFARO. In celebrating our 90th annual conference, we welcome our new platinum sponsor, Ntiyiso Consulting. Ntiyiso means truth and therefore the highlight and theme of the conference is Transformational Leadership in the Public Sector.

The truth begins with an individual and to transform we all need to firstly be truthful with ourselves when we look in the mirror. One cannot transform without looking deep into your past and envisioning the changed future for the next generation.

Theodore Roosevelt, an American statesman, politician and writer, once SAID: **"The more you remember about the past, the better prepared you are for the future"**. This statement on its own made us realise the importance of our history and therefore it is fitting to highlight some of our greatest moments, looking at our history books but not taking it too far back.

We acknowledge the leadership of the institute that, over the years, have steered this ship to where we are today. The conference theme this year, "Transformational Leadership in the Public Sector", marks an era where we celebrate the name change of the institute to broaden our horizon to include officials in the national and provincial government departments.

We also encourage members to migrate to the New Professional Designations of the Institute. These professional designations are aligned to the SAQA requirements. The Institute has resumed the migration process.

Please be patient with the office and assist us in ensuring that you are placed in the correct designation, by sending the correct documents. For more information, contact US on 011 394 0879.

It is time to act professionally in the daily administrative decision-making processes and consolidate all efforts to improve service delivery to create a better South Africa for all.

Make sure you upload our CIGFARO mobile app to get our daily conference newspaper.

CIAO!

#CIGFARO2019
#CIGFAROtURNS90

CONTENTS

ARTICLES

- 8 Transformational Leadership begins with the TRUTH – "Ntiyiso"
- 12 Transformational Leadership in the Public Sector by Umbusi Ziqalo - Umbusi Thought Leadership Co.
- 14 Failed Municipalities – the New Normal? by Annalien Carstens - Altimax (Pty) Ltd
- 18 Transformational Challenges for Public Sector Leaders by Esethu Mancotywa - BMF Board
- 22 Information Technology Governance by Silma Koekemoer - Private
- 26 Regulating "Short Term" Rental Accommodation in SA by Daniel J de Lange - Nextec Advisory Pty Ltd
- 32 The Escalating trend of national electricity non-technical losses by Chris Gower - Buffalo City Metropolitan Municipality on behalf of SARPA

REGULARS

- 5 Foreword from the President
- 7 Message from the CEO
- 38 CIGFARO New Designations
- 39 New Members
- 42 Legal Corner
- 48 Reporting Requirements - Local Government

GALLERY

- 34 Public Sector Finance
- 36 CIGFARO Branch Activities
 - KwaZulu Natal
 - Limpopo
- 37 - North West
 - Mpumalanga

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COLLEAGUES


By this time, you all have finalised your Annual Financial Statements and await the outcome of the Auditor General report with regard to the performance of your Municipality. When looking at the outcomes of the 2017 – 2018 financial year the theme of this journal is most appropriated **“The Time is Always Right to Do What is Right (Martin Luther King)”** for all of us to reflect on the performance of our municipalities and our decision making. These famous words were expressed by Martin Luther King jr. in his public speech “I Have a Dream” that was delivered by him, during the March on Washington for Jobs and Freedom on 28 August 1963, in which he called for civil and economic rights and an end to racism in the United States.

When Martin Luther delivered his speech in 1963 he had in mind that the time is right for the US Government to take his activism seriously and to correct the injustices of the past. South Africa had a similar history but the call in 2019 is for us as administrators in the public sector to reflect and correct what went wrong in the

past. It is time to act professionally in our day to day administrative decision making processes. The Auditor General disclosed a very bleak picture of the state of Municipalities who are at the cold face of service delivery. The President Mr Cyril Ramaphosa also alluded to the impact Local government has on the electorate and encouraged both politicians and the administrations to consolidate their efforts in improving service delivery to create a better life for all.

Colleagues this call is to all of us who are servants to the public to remove the elements of fraud and corruption and to say “No” to decisions we know would be against the legislation and/or policies and procedures within our organisations. By saying “No” to the obvious wrong actions would make you unpopular however it would increase respect from other people regarding your ethics and professionalism. It is time to ensure we follow SCM policies when it comes to procurement of goods and services. South Africa needs a public sector that can be trusted with high ethical standards which performs their duties with diligence and professionalism.

The call from my desk to you all is to reconsider your performance with regard to your own actions as a public servant to the broader population of South Africa and to reflect on your professional ethos in the workplace.

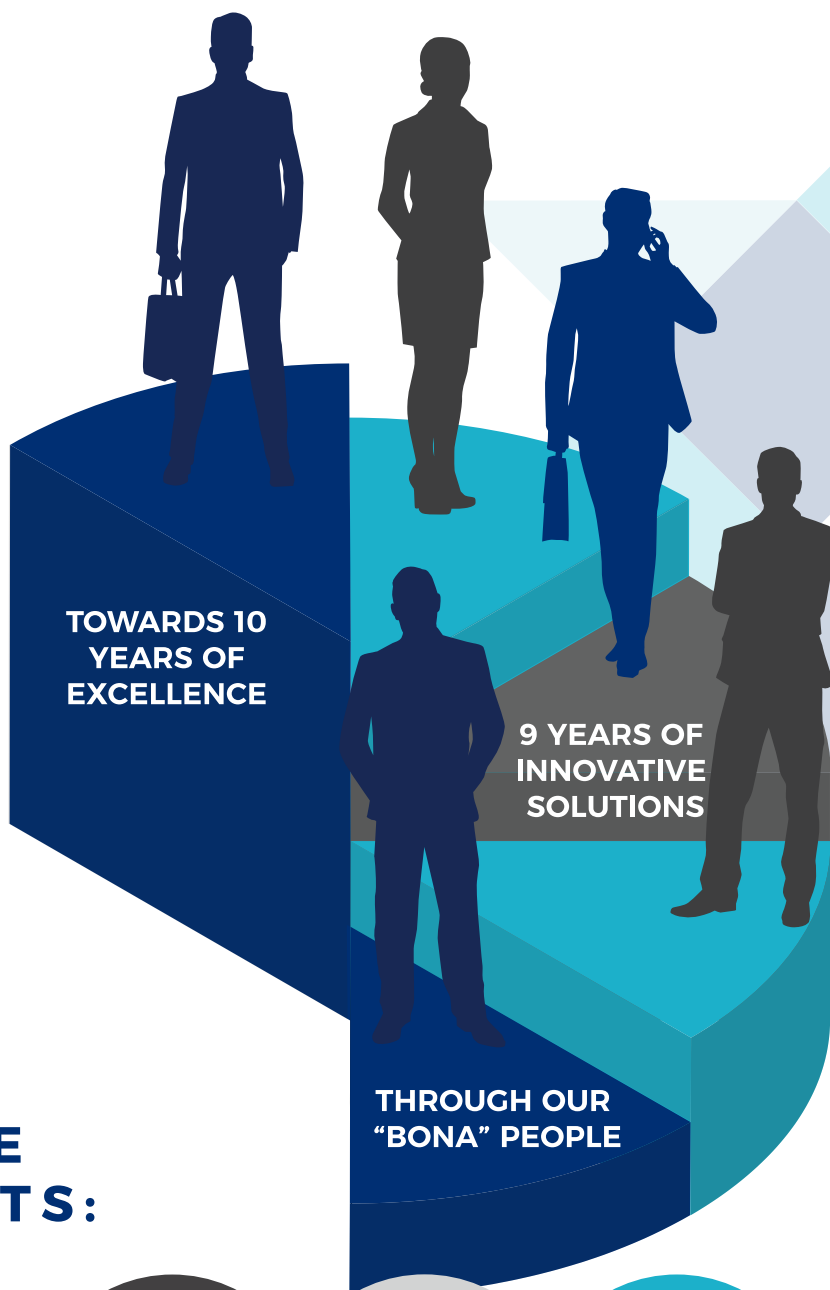
Taking what **Martin Luther King Jr.** said during his speech in 1963 “The Time is Always Right to Do What is Right”, and applying it to our situation, the time is now right in South Africa for us to make sure we take the right decisions that will improve our service delivery to the public of the Republic of South Africa. 

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BONAKUDE



'NEVER GIVE UP'

The CIGFARO family is excited for having landed successfully into a most prestigious season. It is a season of hosting and celebrating our 90th Annual Conference with the theme; **"Ethical Leadership-Enhancement of Service Delivery in the Public Sector"**. This theme is more appropriate to the current governance situation we are facing as a country. A critical and/or observant person would ponder on what has sustained this institute to arrive at 90 years of endurance in training, coaching, nurturing and protecting the interests of the Public Finance management Officers/Practitioners, amidst the economic and political climate it went through.

The road travelled presents a lifelong lesson that, the founders of this institute were great leaders with clear conscious and vision aligned to Mary Mary song **"Can't Give Up Now"**. The lyrics of this song indicate a stance of an ethical leader when it says;

**"There will be mountains that I will have to climb
And there will be battles that I will have to fight
But victory or defeat, it's up to me to decide
But how can I expect to win if I never try"**

We take our hats off and salute our institute's founders for the greatest job, well done! A solid foundation has long been laid for us to take cue from.

We all have the ambition of receiving the highest-ranking award in recognition for being the best in whatever duties we are charged with, like the institute's founders. There is also a contradicting desire to become instant millionaires at the expense of good and ethical leadership conduct. Life is about making choices between the good and the bad, amongst others. The questions that might be of great concern could amongst others be;


- When is the right time to do the right things right?
- How do I know that I am on the right track of doing the right things?

There are various options of sourcing probable solutions to our everyday life challenges. One such option is to emulate our predecessors such as the CIGFARO founders, as our valuable role models. Those who have stood the test of time usually reduce their observations and experiences to writing. The wikiHow (wikihow.com) captures such by presenting the 10 steps of doing the right things as follows;

- **"Take a step back to rationally think through the situation.** The purpose of this is to ensure you are making the best choice possible to avoid negative consequences.
- **Imagine possible outcomes** that could happen because of you making a decision-Evaluate all or potentially important outcomes, so you don't decide on an impulse.
- **Consider any other individuals involved.** Doing the right thing isn't just about you. Most of the time it involves others, and correcting a wrong holds the possibility of crossing others... Try asking yourself these questions to see how it may affect your decision making;
 - How will doing the right thing be for the benefit of others?
 - How will the situation get better when I do it?
 - How will your relationships improve? Worsen?
 - What makes what you're doing the right thing?
- **Try not to overthink or over analyse the situation, your reaction and possible outcomes,** doing so could result in several things that can affect how you go about doing the right thing.
- **Keep your emotions in check.** An emotion can quickly become too much to handle...
 - Don't try to control or hold back emotions
 - Refrain from acting on impulse

- **Talk to someone.** This can relieve any pressure you have on yourself...
 - Make your voice heard
 - Find someone who understands why you need to do the right thing.
- **Evaluate how you handled the situation,** what your thought processes were like, and if applicable, who you spoke to for advice-Doing the right thing in the moment of need is only half the work, as the other half lays in the personal growth you go through.
- **Carry out what you do in a manner that appropriately represents you and others...**
 - Will this decision go against your morals?
 - Who could you potentially cross? Also, how will you go about avoiding this?
 - How will others think of you?
 - Do the other involved parties think this is a big enough deal for a right thing to be done?
- **Touch base with others and act as soon as possible,** doing right by others is just as important as carrying out a right deed to avoid guilt.
- **Let everyone make his or her voice heard.** We all have reputations to maintain. Whether it is for others to see, or for ourselves to be the person we are, or strive to be, it is important to keep in mind how we present ourselves and represent others...
 - Ensure you are acting in a manner that won't be detrimental to other's reputations.
 - Do the right thing so it doesn't make others doubt your judgement"

Our 90th Conference is aiming at cementing this doctrine of "doing the right things right" in order to deliver the best, consistent and continuous service delivery to our devastated Communities. We hope and trust that we will all be leaders in all we do for the betterment of South Africa we love. We should discharge our duties and responsibilities ethically.

Let's all enjoy our 90th Annual Conference and take back home practical solutions for implementation at our respective workplaces. 

Phambili CIGFARO!!!

**ABBEY TLALETSE
CIGFARO CEO**

Ntiyiso means Truth - Mr Alex Mabunda



As we celebrate our 90th Annual Conference, and we are excited to walk in partnership with our new platinum sponsor – Ntiyiso Consulting.

Ntiyiso Consulting was founded in 2005 and is an authentically African and globally wired management consulting firm with expertise across all major industries. The firm delivers sustainable solutions through four subsidiaries, viz. Ntiyiso Industrialisation Consulting, Ntiyiso Business Transformation Consulting, Ntiyiso Revenue Consulting and Tickipay Payment Services. Ntiyiso means TRUTH and we are excited to engage the Group Chief Advisor to find out more about the firm.

Our Editor – Ms Esther Gumata, spent an enjoyable morning with Group Chief Advisor Mr Alex Mabunda.

1. Editor: Welcome Mr Mabunda and thank you for your time. Please give a brief background of yourself and an introduction of the company, as well as the products and services on offer?

Mr Alex Mabunda:

Thank you for taking time to talk to me. I am a Group Chief Advisor for Ntiyiso Consulting. I previously occupied the position of Managing Partner in the firm. My personal background is Computer Science and Applied Mathematics and I graduated with a BSc from Wits University. I then took up a position as a Business Analyst with a multinational FMCG company for 8 years before I had the privilege of starting Ntiyiso Consulting in 2005.

I was born in Bungeni, a village north east of the Limpopo province where I also attended school before heading out to

Gauteng to complete my university studies. I'm the last-born child of Mrs and Mr Mabunda alongside 5 other siblings. My desire in life is to see social and economic justice for my community, communities around South Africa and Africa at large, and it is this conviction that motivated me to go into the nature of business that is Ntiyiso Consulting.

Ntiyiso Consulting's mission is to "empower institutions that enable Africa's development". We are a management consulting firm that provides strategic and operational support to mainly public institutions in South Africa to help them achieve their mandates. We have three offerings that we have now devolved into subsidiary companies. These are Industrialisation Consulting, where we conceive and develop new economic value chains in the form of industrial scale projects across different verticals. We also develop master plans for water infrastructure, electricity infrastructure, as well as township development. This is in order to promote economic development within localities such as municipalities, provinces and countries. Among the key industrial projects that we have worked on, is Sisal Cultivation and Beneficiation, Morula Oils Extraction, and Medical Cannabis Development, where we were part of a consortium that was awarded the first medical cannabis cultivation and extraction license in South Africa.

The second key offering is Business Transformation Consulting where we provide governance, strategy, structure, processes, technology and people management to help organizations deliver their mandates effectively and efficiently.

Perhaps the most popular of our offerings as a group is Revenue Management and Enhancement Consulting where we help utilities and municipalities realize and optimize their income.

We also own a voucher and ticketing platform, Tickipay, that has bill presentation and payment capabilities too.

Each one of these offerings is complementary to the other in that they all feed off one another. For example, Revenue Management Consulting is anchored on Business Transformation Consulting capabilities, as is the Industrialization Consulting. This is one aspect that makes our value proposition so effective to our target market.

2. **Editor:** Please tell us more about the design of your logo. I believe there's some story there to be shared.

Mr Alex Mabunda:

Yes, this is a logo that we designed in 2016 when we went through a rebranding process. With the rebranding we wanted to reposition Ntiyiso Consulting as a firm that has arrived, and is here to stay and take on competition in the market. So, we looked around to check what the big established global consulting firms were doing with their brands and the whole idea of an iconography embedded in the name came about.

On the other hand, a young man in our employ had coined the idea of AtomicNtiyiso, which we had adopted as being representative of the fusion, agility and interconnectedness of our solutions. And so, we decided to use the letter "O" as the iconography representing atoms, fusion and the complex interconnection, all built into the name of the company. With the help of a graphic designer from a marketing and branding company, the new logo was born.

3. **Editor:** What is the drive of Ntiyiso participating as a Platinum Sponsor at the 90TH CIGFARO Annual Conference?

Mr Alex Mabunda:

Ntiyiso Consulting has been a participant in CIGFARO going as far back as 2012 when it was still known as IMFO. Since then we have grown our participation to become an exhibitor in 2016 and we have not looked back. Instead, we kept growing the size of our exhibitions into 2017 and 2018. Being a leader in revenue management and enhancement – an area that remains a challenge to most municipalities, CIGFARO provides us with the greatest exposure to the market.

And so, when the opportunity to become a platinum sponsor came about in 2018, we wasted no time raising our hand, and CIGFARO was kind enough to give us the opportunity to provide the sponsorship. We hope to use this opportunity to increase our exposure to the market as well as increase our contribution to thought leadership within the area of revenue management. In particular, we are hoping to use this position to positively influence the brand value of CIGFARO since this is the only platform that finance practitioners across municipalities have to share and learn from one another. We have,

Transformational Leadership begins with the TRUTH – “Ntiyiso” ...continued

for example, provided our ticketing and voucher platform for CIGFARO to manage accreditation and access control in order to enhance the delegate's experience.

4. **Editor: What can delegates expect from your Exhibition stand? What is the inspiration behind the Ntiyiso stand design?**

Mr Alex Mabunda:

Indeed, there is always expectation for something big from the platinum sponsor and Ntiyiso Consulting is not about to break away from tradition. We have invested quite a bit of resources to build the kind of stand that will appropriately announce our arrival as the new platinum sponsor. While I'm not in a position to talk about the actual design, I can assure the delegates that it is inspirational, symmetrical, modern, big and fit for purpose to interact with them. Just like our logo, which represents complex connections, the stand design is themed along the same lines where parts combine. There will also be give-aways and other interactive facilities that will make a visit to the stand an experience for the delegates.

5. **Editor: “Transformational Leadership begins with the TRUTH!” There is power in that statement and I feel it is important that we engage more on this. What does this mean for you in the public sector?**

Mr Alex Mabunda

Ntiyiso means Truth, and so indeed this is a powerful statement that our foundation as a business is built upon. Religious texts are awash with adages about the importance of truth. One such adage is one that says, “the truth shall set you free”. Public sector organisations have a duty to set themselves free from the ills of underperformance and unfulfilled mandates. The leaders in public sector have to honestly examine and acknowledge that which is broken in their organisations. Only then can they begin to do what is necessary to lead their organisations into prosperity. This is true for municipalities too, where report after report indicates that they are currently not performing at their best. Ntiyiso Consulting has therefore appropriated itself the duty to support these organisations to undergo this difficult but necessary undertaking to self-examine and fix that which is broken. This is what motivates us to use the said statement as a guiding principle in all our engagements.

6. **Editor: Which sessions interest you the most, looking at the 2019 CIGFARO Conference Programme?**


Mr Alex Mabunda

This year's programme offers a lot of exciting topics that we believe delegates will be able to gain lots of value from. The one session that attracted the greatest interest is one about the value of clean data in supporting an effective revenue management operation. We have seen a trend in the market where most municipalities are beginning to undertake projects to cleanse data. This is a step in the right direction. However, for municipalities to gain value from these projects, there is a need for the development of clearer terms of references that defines exactly what the scope and objectives of these projects should be. We therefore hope that from this session, which we will be presenting, municipalities can benefit immensely from having some of these and other's questions answered. For example, it does not help for them to simply cleanse the data retrospectively. There have to be ways to build into these projects the means to protect the integrity of the data prospectively, amongst other requirements.

7. **Editor: Let's wrap it up: What message would you like to communicate to the delegates?**

Mr Alex Mabunda:

My message to delegates is that CIGFARO remains the only platform where finance, risk and audit officers can gather to share and learn the best practices, latest thought processes and interrogate the new tools available for them to make improvements in their organizations. They can learn from one another, industry players and other specialists and leaders. On that note, I urge them to make the best of the conference, participate in sessions and learn as much as they can from all the inputs that will be made. Only they can make the conference a worthy investment.

Thank you so much Mr Mabunda for spending the morning with us. We are indeed excited to be walking into this conference with Ntiyiso Consulting. We look forward to more fruitful years emanating from a longer term healthy relationship. 

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Transformational Leadership in the Public Sector

by Umbusi Ziqalo - Umbusi Thought Leadership Co.

Transformational Leadership requires audacity of courage, a daring attitude despite of the odds. The public sector leadership space is a highly charged and contested space. Courage and audacity becomes mandatory for transformational impact.



We need public sector leaders who will be known for doing the right thing, even when no one is looking. Prof. Warren G. Bennis, an American Scholar and Pioneer of Contemporary Leadership Studies, supported this view when he said that “Managers do things right, Leaders do the right thing.” Dwight D. Eisenhower, US Army General Supreme, before he became the 34th US President, believed that “Leadership is an art (an internal construct that you live by), of getting someone else to do something you want done, because he wants to do it.”

In my 2019 leadership book, *The Art and Science of Leadership: A Convergence of Attitude, Talents and Values*, South Africa: Resilience Books., I define transformational leadership as the point where three personal internal constructs (convictions) converge. Let me unpack these three below.

Firstly, when you discover yourself, you inspire people’s mind-sets in a radically progressive way. Without a radically progressive mindset, you cannot disrupt and inspire same. Secondly your belief and value on your own natural endowments, you inspire people and make them believe in their self-worth, their natural-born talents. Lastly, your own conviction about ethics

and morality, inspires your team towards a commitment to un-shakeable values.

Another Leadership Expert supports this view. James McGregor Burns, a historian and political scientist, US Presidential Biographer and an Authority on Leadership Studies. McGregor Burns Introduced the concept of Transformational Leadership in his 1978 Book, “Leadership”. He asserted that leadership is a Transformational Process where “leaders and their followers” raise one another to higher levels of morality and motivation.

There is a dire need for public sector leaders who view their mandate, away from the concept of transacting, and more towards the ethos of transforming their people. A leader who is collaborative, rather than confrontational.

The collaborative-transformational approach to leading people, is relational in nature. It is human and futuristic, drawing people towards a “we” approach, rather than an “I am the boss” approach, and “what I say goes”. Bernard M. Bass supports this notion and concept of transformational leadership, in his 1985 book, “Leadership and Performance beyond Expectations”. Bass

describes this leader as a model of integrity, equity and fairness. Without integrity, there can be no fairness. This type of leader is transformational because they set clear goals, and have high expectations. The very dedication of this leader inspires humility.

Transformational leaders are committed to encouraging others, provide superior support and genuine recognition to those in their watch. They stir the emotions of people, getting people to look beyond their self-interest, and reach for the impossible.

Transformational Leadership was demonstrated in a colossal fashion, in more recent times, by Dr. Nelson R. Mandela. In an Interview by Time Magazine, he said that "Leadership is Courage, and Courage is not the Absence of Fear, but Inspiring Others to Move beyond it". Dr. Mandela demonstrated this by moving beyond fear and retribution, and towards the vision for a Free and Democratic South Africa. His convictions was termed "defiance" and was therefore incarcerated after the Famous Rivonia Trial. He never recanted or withdrew his beliefs for 3 Decades. He emerged from confinement & defeated the Old Way of Thinking Called apartheid. He was honoured with 250 awards.

Audacity and Courage despite the Odds

Clearly, we cannot have transformational leadership in the public sector, without transformed leaders, who are courageous, with an attitude of audacity, no matter the odds. In other words, we cannot transform the public sector without leaders who are willing to suffer personal risk for the sake of advocating for what is right, even if the heavens fall.

Leaders do the right thing

The right thing for the public sector is a new ethos. A new way of thinking, where leaders love people more, love the community they serve more, and use resources to support this belief and passion. The right thing is transformative and collaborative leadership

Transformation is inspirational by nature

Any metamorphosis process leaves you awe struck and spell-bound. Public sector leaders will only inspire others through intention. A deliberate act of empowering others, ensuring that they grow to become towering leaders like yourself in the future as well.

Higher levels of morality and motivation

Transformational leaders go beyond just "work", they imbue their teams with a future that is morally rich, such that these team members become towering figures of ethical and moral beings. They define the future when they inspire others, setting a domino effect that will be beneficial even when they are no longer on planet earth.

There are very subtle differences between transformational leaders and transactional leaders. The difference is determined by the approach towards their people, their organisation and their environment. The differences are:


- Many people assume that Management is the same as Leadership
- This is an assumption. Leaders are transformational in thinking and approach
- Leadership has to do with People
- Management has to do with Resources (Non-Living Things)
- Leaders are not Managers, and Managers are not Leaders
- Leaders inspire people, Managers Intimidate
- Leaders Lead People, Managers have people working for them
- Leaders Know People, Managers know goals and outcomes
- Leaders are inspired by people, Managers are repulsed by people
- Leadership and Management are Mindsets, opposite each other
- The Leadership Mindset is: "I want you to grow"
- The Management Mindset is: "I want the work to grow"

My classic definition of Management is that: Management is a professional philosophy and practice based on using "things" that are less to create more "things". In Management therefore, "objectives, goals and bottom-line" are more important and revered than people.

Many people assume that Politics, Education, Status, Position, Wealth, Popularity, Followers on Social Media, and Other Front of People Positions are the same as (Transformational) Leadership. Again, this assumption could not be further from the truth.

Leadership has to do with you, without anyone necessarily following you. This is called self-leadership. Before you can lead people, you must have led yourself. All the Positions above have to do with Spaces and Resources (Non-Living Things). Having Followers does not mean that you are a Leader, it simply means you are in a Leadership Space or Leadership Position. Most Leaders who are in Positions of Leadership, they are not Leaders. It is a radical and progressive attitude that makes you a true leader.

Transformational Leadership is Individual-Centered, not Position-Centered. Even when you are not in front of People, you are still a leader. True Leaders do not need Space or Position. True Leadership is Self-Mastery, not the Mastery of an Election Campaign or Succeeding in a Promotion.

In the final analysis, transformational leadership is "The Convergence of a Radically Progressive Mindset, with Natural Talents, and Protected by Unshakeable Values" - Ziqalo, U. (2019) The Art and Science of Leadership: A Convergence of Attitude, Talents and Values. South Africa: Resilience Books. 

Failed Municipalities – the New Normal?

by Annalien Carstens - Altimax (Pty) Ltd

INTRODUCTION

The aim of this article is to briefly and at a high level explore the relevance of some fundamental economic concepts relevant to the present status of the local government sphere in South Africa. The reader is challenged to question the status quo and to take a decision on decisive action going forward.

Fragile state, state collapse and failed state

A fragile state is a developing country characterised by weak state capacity or weak state legitimacy leaving citizens vulnerable to a range of shocks. The World Bank deems a country to be fragile if it:

- is eligible for assistance from the International Development Association;
- had a United Nations peacekeeping mission in the last three years; and
- has received a 'governance' score of less than 3.2 as per the Country Performance and Institutional Assessment (CPIA) index of The World Bank.

State collapse is the complete failure of a mode of government within a sovereign state and may coincide with economic collapse.

A failed state is a political body that has disintegrated to a point where basic conditions and responsibilities of a sovereign government no longer function properly. A stable state has both effectiveness and legitimacy. However, when a nation weakens and its standard of living declines, it introduces the possibility of total governmental collapse. The Fund for Peace characterises a failed state as having the following characteristics:

- Loss of control of its territory, or of the monopoly on the legitimate use of physical force therein
- Erosion of legitimate authority to make collective decisions
- Inability to provide public services
- Inability to interact with other states as a full member of the international community

Common characteristics of a failing state include a central government so weak and ineffective that it has an inability to raise taxes and other support and has little practical control over much of its territory and hence there is a non-provision of public services. When this happens, widespread corruption and criminality, the intervention of state and non-state actors, the appearance of refugees and the involuntary movement of populations, sharp economic decline, and foreign military intervention can occur.

Status of municipalities in South Africa

Chapter 7 of the Constitution provides for each municipality to govern, on its own initiative, the local government affairs of its community. The national or a provincial government may not compromise or impede a municipality's ability or right to exercise its powers or perform its functions.

As such the objects of local government are to:

- to provide democratic and accountable government for local communities;
- to ensure the provision of services to communities in a sustainable manner;
- to promote social and economic development;
- to promote a safe and healthy environment; and
- to encourage the involvement of communities and community organisations in the matters of local government.

The municipality as "state"

As a municipality is a community and territory considered as an organised political community under one government it can easily be derived that, in the South African context, a municipality functions as a "state" at local government level.

Consequently the concepts of "fragile state", "state collapse" and "failed state" can equivalently be applied to the realm of a municipality, albeit dovetailed to the specifics of such a structure of state machinery.

The status of South African municipalities

On 26 June 2019 the Auditor General released the municipal audit results for 2017/2018. The following are some of the main snapshots from the report.

Audit results

- Audit outcomes of 55 municipalities regressed.
- Only 8% of municipalities received a clean audit opinion.

Quality of annual financial statements

- 81% of municipalities' annual financial statements required material adjustments.

Quality of performance reporting

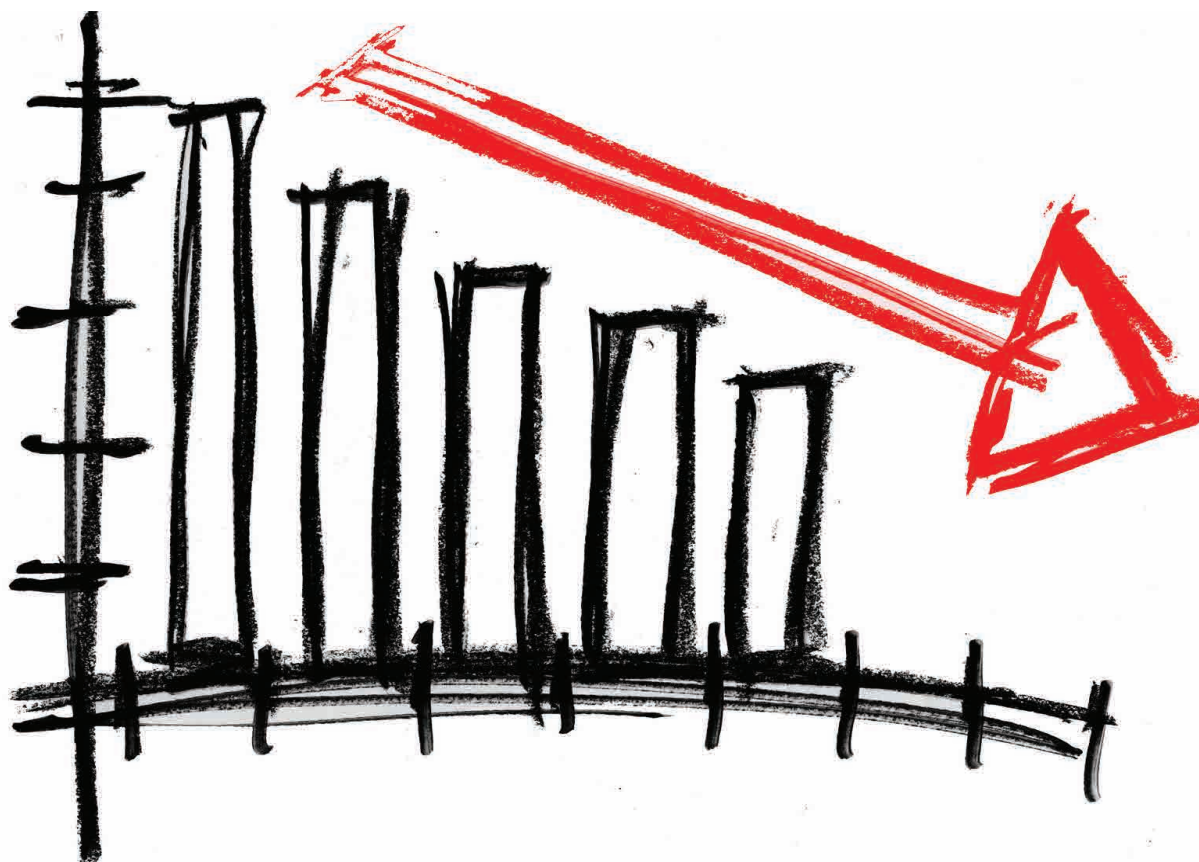
- 65% of the municipalities that produced performance reports had material flaws and were not credible enough for the council or the public to use.

Compliance with legislation

- Material non-compliance with key legislation was reported at 92% of the municipalities.

Supply chain management

- Municipalities with material compliance findings on supply chain management increased to 81%.
- Irregular expenditure amounted to R25,2 billion.



Consequence management

- 74% of the municipalities did not adequately follow up allegations of financial and supply chain management misconduct and fraud.
- The year-end balance of irregular expenditure, that accumulated over many years and was not dealt with, totalled R71,1 billion, while that of unauthorised expenditure was R46,2 billion and that of fruitless and wasteful expenditure was R4,5 billion.

Service delivery

- Service delivery protests occurred regularly.

Financial health

- There are increasing indicators of a collapse in local government finance.
- 76% of the municipalities have a financial health status that was either concerning or requiring urgent intervention.
- Almost a third of the municipalities were in a particularly vulnerable financial position.
- The inability to collect debt from municipal consumers was widespread.
- 34% of the municipalities disclosed a deficit (expenditure exceeded income).
- The average creditor-payment period was 174 days.
- At year-end, R48,5 billion was owed to municipal creditors but the cash available amounted to only R37,3 billion.

- The money owed to Eskom by year-end was in arrears of R9,1 billion, of which R7,5 billion had already been outstanding for more than 120 days.
- The money owed to water boards by year-end was in arrears of R5,9 billion, of which R4,4 billion was for more than 120 days.

Interventions

- Five provinces responded to the impending financial crises through provincial intervention by placing a total of 18 municipalities under administration.

Infrastructure

- Several shortcomings were identified in the development and maintenance of infrastructure, mainly relating to the underspending of grants, delays in project completion, and non-compliance with supply chain management legislation.
- There is a lack of attention paid to water and sanitation infrastructure – the condition of water and/or sanitation infrastructure was not assessed by 32% of the municipalities responsible for water and sanitation – and almost half did not have policies for maintenance.
- 39% of the municipalities that disclosed their water losses reported losses of more than 30%, resulting in an overall loss of R2,6 billion.
- The maintenance of roads also did not receive the necessary attention, with the condition of roads not being assessed by 23% of the municipalities responsible for roads and 41% not having a road maintenance plan.

Failed Municipalities – the New Normal?...continued

by Annalien Carstens - Altimax (Pty) Ltd

Human resource management

- Vacancies and instability in key positions slowed down systematic and disciplined improvements.
- Key officials lacked appropriate skills and competencies for financial reporting, which led to over-reliance on consultants and negatively affected financial planning, record keeping and reporting.

Controls

- Reporting on the performance of municipalities was not taken seriously.
- Poor monitoring and review processes by senior management allowed errors and non-compliance to go undetected.
- At some municipalities, there was a blatant disregard for controls (including good record keeping) and compliance with key legislation.

Governance structures

- Infighting at council level and interference in the administration weakened oversight and did not enable the effecting of consequences.

AN ASSESSMENT OF FRAGILE MUNICIPALITY, MUNICIPAL COLLAPSE AND FAILED MUNICIPALITY

Indicator – Fragile municipality	Status assessment - abbreviated	Presence
Weak capacity	Severe shortcomings in the development and maintenance of infrastructure and vacancies, instability and a lack of appropriate skills in the area of human resource management – see "Infrastructure", "Human resource management"	YES
Leaving citizens vulnerable	Regular service delivery protests – see "Service delivery"	YES
Eligible for assistance	Severe dependency on grants as a result of financial position – see "Financial health"	YES
"Peacekeeping" missions	18 municipalities under administration – see "Interventions"	YES
Poor governance	Severe lack of governance, compliance with reporting frameworks, compliance with legislation and supply chain regulations, consequence management, controls and weak governance structures – see "Quality of annual financial statements", "Quality of performance reporting", "Compliance with legislation", "Supply chain management", "Consequence management", "Controls", "Governance structure"	YES
Indicator – Municipal collapse	Status assessment	Presence
Complete failure	Regular service delivery protests – see "Service delivery"	YES
Economic collapse	76% of municipalities have a financial health status that was either concerning or requiring urgent intervention and 1/3 of the municipalities were in a particularly vulnerable financial position – see "Financial health"	YES
Indicator – Failed municipality	Status assessment	Presence
Basic conditions and responsibilities no longer function properly	Regular service delivery protests – see "Service delivery"	YES
Loss of control	Inability to collect debt from municipal consumers was widespread – see "Financial health"	YES
Erosion of legitimate authority	Infighting at council level and interference in the administration – see "Governance structures"	YES
Inability to provide public services	Regular service delivery protests – see "Service delivery"	YES
No longer a full member of the international community	Debt situation will lead to downgrading by international rating agencies – see "Financial health"	YES

From the aforementioned it is clear that all the indicators of a fragile municipality, of municipal collapse and of failed municipality are not only present but strongly and overwhelming present often in more than 50% of the population and sometimes even in more than 75% of the population.

The normal distribution in statistics states the averages of samples of observations of random variables independently drawn from independent distributions converge in distribution to the normal, that is, they become normally distributed when the number of observations is sufficiently large.

It is therefore safe to say that the number of observations evidencing fragile municipality, municipal collapse and failed municipality is so sufficiently large that it has become the normal distribution.

It has therefor become completely NORMAL for South Africa municipalities to be fragile, collapsed and failed.

Solution according to the Auditor General

The Auditor General's report stipulates that following four elements are areas to focus on to address the deteriorating situation:

- Tone at the top – ethical leadership, good governance and accountability;
- Capacitate and stabilise administration – free from political interference;
- Enable and insist on robust financial and performance management systems; and
- Consistent, appropriate and swift consequences for irregularities.

Back to the constitution

Municipalities are, under all circumstances, administrative structures set up to execute the responsibilities as envisaged in Chapter 7 of the Constitution. It should be noted that these responsibilities are not dependent on which political party has the majority of voting powers within the Council of the municipality at any particular point in time. No, the responsibilities are free from political influence, interference and favour.

Aristotle (384–322 BC), already so many ages ago said that the inherent dangers of democracy are:

- firstly, that conflict between the aristocracy and the poor was inevitable; and
- secondly, that it would usher in mischief and corruption.

Aristotle further advocated that both processes will lead to collapse, unless independent controls and separation of powers were enforced.

In essence what needs to happen is that South African municipalities must again become administrative bodies or then bureaucracies. A bureaucracy refers to both a body of non-elective government officials and an administrative policy-making group. Historically a bureaucracy was a government administration managed by departments staffed with non-elected officials.

The South African municipality as modern bureaucracy should then rely on the general principle of precisely defined and organized across-the-board competencies of the various offices. These competencies are underpinned by rules, laws, or administrative regulations as per the well-known German sociologist, philosopher, jurist, and political economist, Max Weber. For Weber the model means:

- A rigid division of labour is established that clearly identifies regular tasks and duties of the particular bureaucratic system;

- Regulations describe firmly established chains of command and the duties and capacity to coerce others to comply; and
- Hiring people with particular, certified qualifications supports regular and continuous execution of the assigned duties.

Weber notes that these three aspects constitute the essence of bureaucratic administration in the public sector. Furthermore, the main characteristics of Weber's models are:

- Specialised roles;
- Recruitment based on merit;
- Uniform principles of placement, promotion, and transfer in an administrative system;
- Careerism with systematic salary structure;
- Hierarchy, responsibility and accountability;
- Subjection of official conduct to strict rules of discipline and control;
- Supremacy of abstract rules;
- Impersonal authority (e.g., office bearer does not bring the office with him); and
- Political neutrality.

Weber argued that bureaucracy constitutes the most efficient and rational way in which human activity can be organised and that systematic processes and organised hierarchies are necessary to maintain order, maximise efficiency, and eliminate favouritism.

According to the author of this article the only way that the South African local government sector will address the the normal mode of fragility, failure and collapse is to implement the four recommendations of the Auditor-General. And the only way to implement the four recommendations of the Auditor-General is to go back to the Constitution and the true intention thereof. And the only way to implement the intention of the Constitution is to follow Weber's bureaucratic model of administrative activity.


Conclusion

South Africa urgently needs to decide if we are going to suffer from the Bell curve mentality when it comes to our municipalities.

Are we going to take the low road and accept fragile municipality, collapsed municipality and failed municipality as our norm?

OR

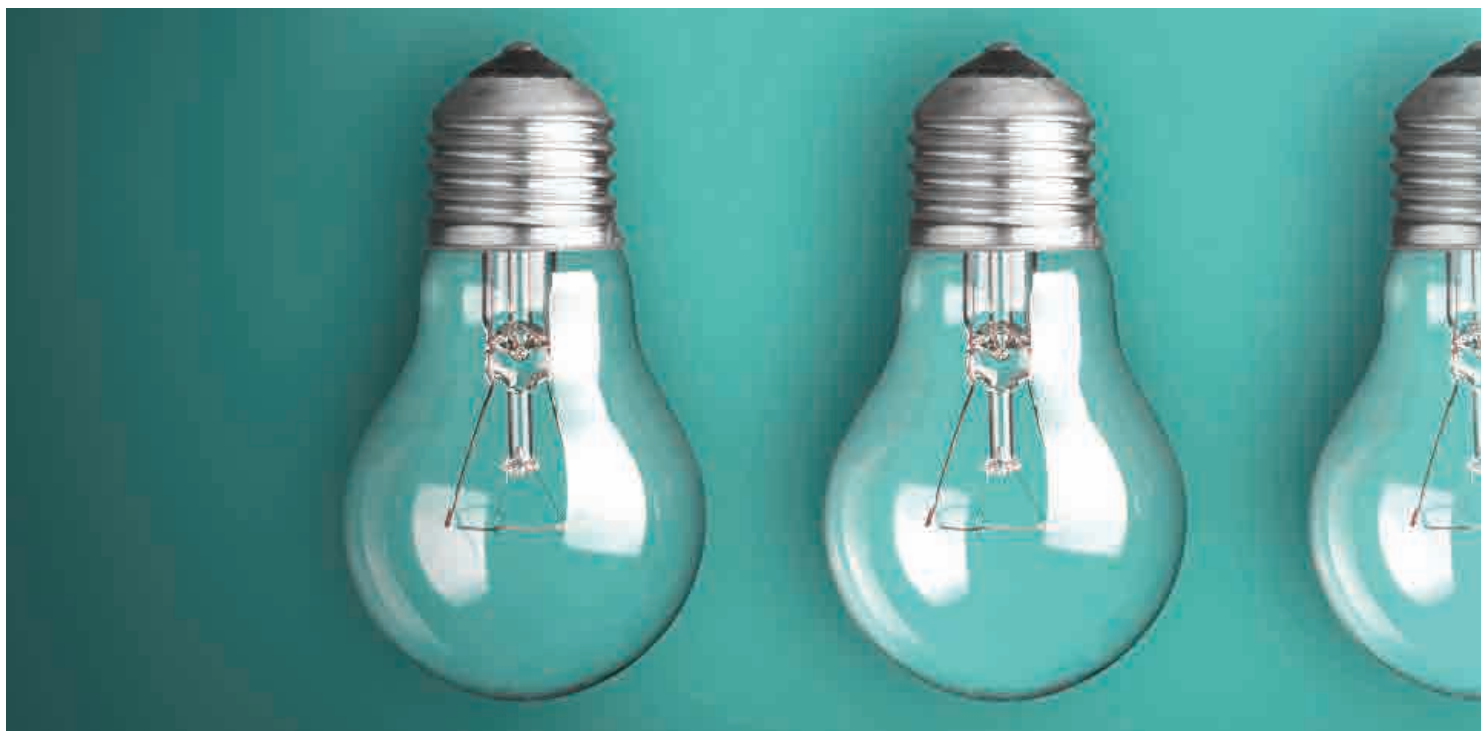
Are we going to take the high road as political office bearers and administrative officials and as a collective aggressively use our democratic responsibility to ensure that we fulfill, without exception, our Constitutional mandate?

Regardless of what we choose it is certain that one of these choices will ensure that our long walk to freedom was not in vain. The other choice certainly will ensure a destination of not only the fragile municipality and collapsed municipality but eventually the failed municipality and the failed state. 

The choice is OURS!

Transformational Challenges for Public Sector Leaders

by Esethu Mancotywa - BMF Board



For the purposes of this article, I will focus on the current state of the South African public sector as the context. I do so because currently, South Africa finds itself at a crossroads with our problems multiplying rather than reducing.

Towards Nasrec, political parties, the citizenry, civic society and churches all rallied behind the call to remove President Jacob Zuma as President of the ANC and we thus successfully ushered in a “new dawn.” Almost two years into the Ramaphosa presidency, we find ourselves at a time where we are plagued by skyrocketing unemployment and a persistently sluggish economy. To add to that, we see a tendency for the very political leaders who ought to be obsessing about these problems seized with factional battles and personality politics. Whilst the country was consumed with the unfolding battle between the Public Protector and the President, Stats SA released shocking 2nd quarter unemployment statistics which, dare I say, received far less attention than they should have. Subsequently, we saw the Presidency hurried-

ly call NEDLAC to give an update on the commitments made at last years’ jobs summit. President Nelson Mandela said in his book, *Long Walk to Freedom* rather potently, “when you have climbed a great hill, one only finds that there are many more hills to climb.” Nasrec was the great hill. Economic growth, poverty, unemployment and inequality are our “many more hills to climb.”



Figure 1: Stats SA 2nd quarter 2019 unemployment stats.



What is leadership?

There are many definitions of leadership. One such definition is by Daft (2011) who defines leadership as “an influence relationship amongst leaders and followers who intend real changes and outcomes that reflect their shared purposes” (Daft, 2011). This definition highlights key elements of leadership which are 1) influence – meaning that the relationship between leaders and followers is not passive but that of influencing each other, 2) change – meaning the leaders create change and do not conform to the status quo, and 3) purpose – this is the shared purpose that leaders and followers pursue, and 4) intentions – which means that leader and followers are actively involved in pursuit of change (Daft, 2011)

One of the early leadership theories spoke about a leader as a “Great man.” Great man theory presented a leader as a hero. I believe that South Africa is still caught in a state of Great Man leadership. This is evidenced by the over-personalised politics which we see where there was one great man who “singlehandedly” messed up the country. And we have now shifted all our hopes on another “great man” who is expected to be the panacea to all our problems. In so doing, we often lose sight of the structural problems facing the country and get caught off guard

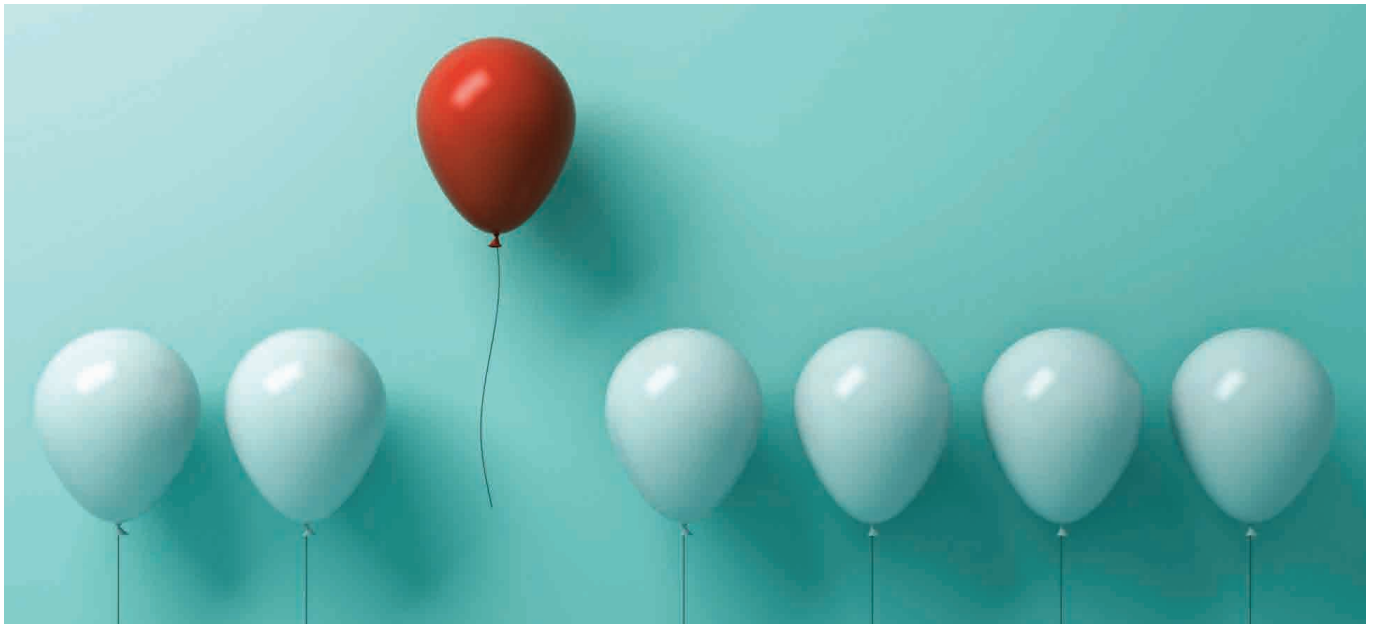
when we find the problems persisting despite the emergence of new leadership. What is needed to turn around SA Inc. is a shift from great man leadership to transformational leadership.

What is Transformational Leadership?

Transformational leadership is defined as an approach to leadership that is based upon the leader-follower relationship that collectively engages others in a manner that raises stakeholders toward higher levels of motivation, accomplishment, and morality (Burns, 1978). Chou, Lin, Chang, and Chuang (2013) define transformational leadership as “the leadership type that creates valuable and positive changes in the leaders’ followers” which potentially drives the development of followers’ abilities, good value systems, motivations and morality. To achieve superior results, transformational leadership uses one of the four components of motivations in which leaders are 1) charismatic - serving as role models to their followers because they are trusted and admired by them, 2) inspire and motivate subordinates to instil the idea that they can achieve greater things with extra efforts, 3) stimulate employees to be creative, innovative and not accepting of the status quo but questioning and reframing problems and stretching their abilities (Sözbilir and Yeşil, 2017).

Transformational Challenges for Public Sector Leaders...continued

by Esethu Mancotywa - BMF Board



Today's public sector leaders are faced with many challenges which I believe require transformational leadership to navigate through. Due to the limited resources within the state, leaders are essentially being asked to do more with less and to continually find innovative ways of tackling our longstanding challenges as a country. This requires the third trait of a transformational leader listed above which is to challenge the status quo through creativity and innovation. As one embarks on this role, one needs to be cognisant that they not only carry a mandate to deliver financial performance and ensure employee satisfaction, but moreover, they are tasked with delivering services to citizens who are the ultimate shareholders in this context. Public sector leaders are responsible for delivering on the government's mandate whilst ensuring good public governance, ensuring that plans are executed on, driving efficiencies and driving accountability and transparency. The way in which a public servant performs directly influences how government and its agencies perform. Under the current environment where the country is attempting to unravel the shackles of state capture, this is no small feat.

I believe that there is a unique set of competencies required to be a successful leader in the public sector. These competencies can indeed be learnt and are additional to the competencies one would need in the private sector. In the public sector, one is

tasked with essentially needing to deliver extensive public services with (1) limited budgets and (2) stringent policies, processes and rules (PFMA, MFMA). Without many of the short-term and long-term incentives available in the private sector, a public sector leader has got to (1) resist the temptation to supplement their own income through skimming off the top of government tenders and (2) motivate their own employees and maintain a positive working environment. This requires the second aspect of transformational leadership listed above namely "inspire and motivate subordinates to instil the idea that they can achieve greater things with extra efforts."

I have reserved the first trait of Transformational leadership for last as I believe that this is the one box we can confidently tick as it comes in the form of our President, the Honourable Cyril Ramaphosa. President Ramaphosa is the epitome of "charismatic - serving as role models to their followers because they are trusted and admired by them." To demonstrate the "Ramaphosa effect", one can refer back to the strong rallying of the Rand post-Nasrec is a wave of positive global public sentiment dubbed "Ramaphoria." The President is currently the hope that we so desperately cling to as our ground falters and shakes. And he dare not falter because his faltering carries with it dire consequences for our country and for our economy.




In conclusion, I would like to highlight four burning platforms which our leaders need to address urgently:

1. **Jobs.** Jobs need to be at the centre of any economic policy or economic stimulus package. And this need to be a focal point even whilst we seek to restructure our economy going forward.
2. **Leaders need to become pre-occupied with economic growth** in South Africa and urgently devise a set of measures to halt the current fiscal crisis, then look at enhancing the competitiveness of our sectors to compete in the global economy.
3. **Expand new technological advances** in order to modernise our economy and to move it from being a factor-driven economy to becoming an efficiency-driven economy.
4. **We need to urgently expand and enhance our human capabilities** to (1) increase productivity and (2) ready our workforces for technological advancement.

In order to achieve the above, there are certain fundamental trade-offs which will need to be made. One such example is perhaps a relaxation of certain highly restrictive regulations in order to stimulate growth and encourage investment in certain targeted sectors.

PUBLIC SECTOR LEADERS ARE THEREFORE CALLED UPON TO BE AMBIDEXTROUS. ON THE ONE HAND, THEY NEED TO BE STRATEGIC AND VISIONARY.

On the other, they need to simultaneously be operational and efficient in order to deliver on same strategies and visions.

In our public recruitment processes, it therefore becomes critical to identify people who inherently possess these traits to be deployed in key senior leadership positions. 



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Information Technology Governance

by Silma Koekemoer - Private



Developmental local government should be committed to working with citizens and stakeholder groups within the community to identify sustainable ways to address social, economic and material needs and improve the quality of citizen's lives. Information Technology (IT) is a key enabler of service delivery and plays an important role in municipal administration, yet the contribution which IT could make towards service delivery has not materialised within this context (McDowell & Simon, 2001). In fact, this can only be achieved with effective use of technology which is well managed and governed.

IT GOVERNANCE

IT governance forms an important part of the broader municipal governance, which refers to a framework of rules and practices to guide executives in their role of ensuring accountability, fairness and transparency when dealing with diverse stakeholders (National Computing Center, 2005).

Stenzel (2007) continues that "IT governance is the organisational capacity exercised by the board, executive management, and IT management to control the formulation and implementation of IT strategy and in this way ensure the fusion of business and IT". Shark (2009) adds a present and future perspective to IT governance, stating that it addresses the way in which the current and future use of IT is managed, involving evaluation and direction of "plans for the use of IT to support the organisation and monitoring the achievement of these plans". Shark (2009) further proposes drivers to improve IT governance and includes return on IT investment, the transformational nature of technology, alignment with the management strategy and objectives, and organisational considerations.

A popular approach to integrating IT governance and management oversight, adapted from O'Brien (2004) and Shark (2009), can be illustrated as follows:

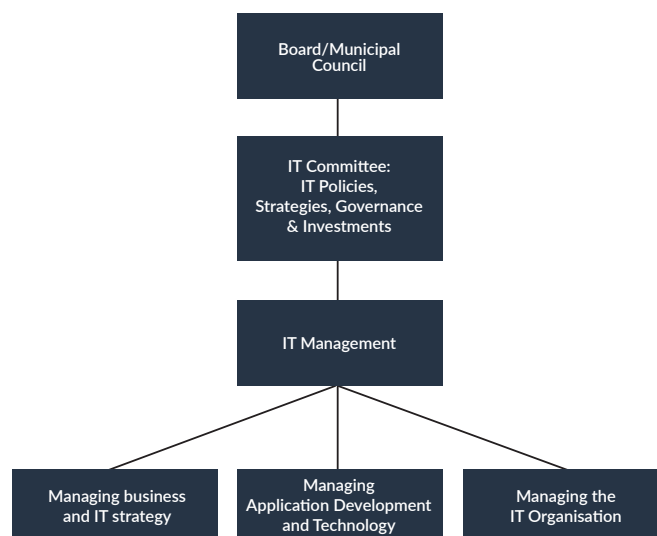


Figure 1: Information Technology Governance and Management Oversight (Adapted from (O'Brien, 2004) & (Shark, 2009))

These authors explain the IT management approach, illustrated above, as:

- Jointly developing and implementing both business and IT strategies and objectives;
- Researching, developing and implementing business – and IT applications, and new technologies; and
- Managing the IT unit and its sub components.

It is clear that meaningful involvement of management and the end users in development, implementation and governance of IT results in improving the business value thereof. Indeed, Shark (2009) contends that the Chief Information Officer (CIO) is not a surrogate for effective IT governance, which is a sub set of organisational governance and a product of executive involvement and drive. The author concludes that “the ability of organisations like cities and counties (municipalities) to manage this change will be determined in part by their ability to manage their IT investments”, which in turn are dependent on their ability to integrate IT governance best practice into everyday business activities.

IT GOVERNANCE: THE MUNICIPAL CONTEXT

Municipalities spend the money of the community to render basic services which should improve their lives. IT on the other hand, is expensive and expected to drive value creation in a time of budget constraints. Juiz et al (2014) state that management relies on IT to support decision making and enable critical business processes, whilst reducing the overall cost of doing business, and therefore IT governance should align the policies, culture, practices and services of the municipality. Effective IT governance, risk management and oversight, create trust and confidence in the use of IT, the services it provides and the information it produces (Juiz, et al., 2014).

Literature stresses the role of executives in the governance of IT, and in the case of municipalities, this is the councilors and top management. Dahlberg and Kivijarvi (2006) expand this framework to six areas of responsibility, namely:

- Alignment of business and IT;
- Monitoring of IT resources, risks and management;
- Monitoring of IT performance;
- Evaluation of the business benefit of IT (cost benefit analysis);
- Evaluation of business opportunities (opportunity risk analysis) emanating from the use of IT; and
- Development of IT governance.

Hashim and Piatti (2016) state that a well-functioning financial system is the core component of a government's capacity to manage public finances, and although significant resources have been invested in these across the world, it has been largely with disappointing results. IT no longer is a luxury or a grudge purchase in municipalities, it has become a tool to address service delivery needs in cost effective and sustainable ways. The

increased cooperation and interaction between IT and business that result from executive involvement and good governance practice, should enable IT to focus on business enablement.

IT GOVERNANCE FRAMEWORKS

IT governance can be explained as the structure of relationships and processes within a municipality which create value by balancing risk and return-on-investment within the context of the municipal strategies and objectives, (ISACA, 2005). Internal controls give effect to governance and represent defined actions entrenched in business, are a part of management processes and ensure reliable financial reporting, legal and regulatory compliance, and prevent reputational damage.

Koekemoer and Von Solms (2018) explain good governance by referring to the ways of managing business through formal institutions, regimes enforcing compliance and informal arrangements which have been agreed to, or are perceived to be for the greater good. In this vein, municipalities tend to select from one of four governance frameworks, adopt hybrids of these, or define their own: The King Reports, ISO 38500, CobIT, and industry guidelines. The context and relationship between these IT governance frameworks can be graphically represented as follows:

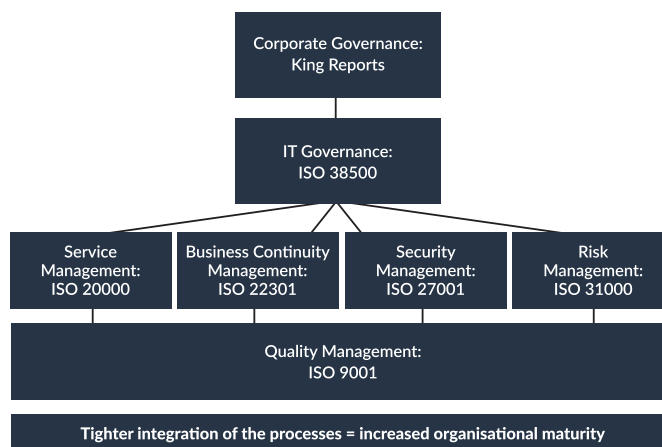


Figure 2: Governance Frameworks (Fox ITSM, 2018)

The King Reports on corporate governance (Harduth & Sampson, 2016), address the information and technology environment of a municipality, placing numerous obligations on the executive regarding management and security, formal review to establish adequacy and effectiveness, and compliance with disclosure requirements. The authors continue by explaining that assurance calls for an adequate and effective control environment and strengthening the integrity of management reports for better decision making. It establishes a link between the governance framework and oversight of risks and opportunities, with executives and council formally approving a strategy defining the core purpose of the municipality, including its short-, medium- and long-term goals.

Information Technology Governance...continued

by Silma Koekemoer - Private

ISO 38500 guides municipal councilors and executives to understand and meet their legal, regulatory and ethical obligations regarding the effective governance and use of IT. The standard is principle based and provides guidelines for the direction and control of current and future IT, including strategies and policies for using IT to achieve the municipal service delivery strategies and objectives.

Fox ITSM (2018) explain that CobIT provides a framework for the governance of IT that is a leading-edge business optimisation and growth roadmap, leverages from proven experience, global best practice and ground-breaking tools to inspire IT innovation and fuel business success. The premise of CobIT is to facilitate the achievement of objectives by creating a balance between risk and the cost of control for each system.

The South African Local Government Association (SALGA) has produced a guideline for effective governance of Information and Communication Technology (ICT). This document defines the importance of governance within the public sector, aligns with legislation and standards applicable to municipalities, and provides guidance on the governance of ICT (SALGA, 2012). Whilst only a guideline, many municipalities have indicated this as their standard for IT governance.

REPORTS OF THE AUDITOR GENERAL

The Auditor General (AG) performs an annual audit of municipalities, including an IT review. Koekemoer (2017) reports that the review of the AG includes amongst other, assessing IT management roles and responsibilities; control and management weaknesses; and the root causes of deficiencies. The article continues by highlighting that "significant IT weaknesses were identified in the areas of IT governance; Security Management; User account management; and IT service continuity" (Koekemoer, 2017).

The AG also warns that attention should be given to the threats and weaknesses that would have an impact on the confidentiality, integrity and availability of data. Management should ensure that the IT controls that have been designed and implemented are functioning effectively at all times, and should sustain these IT controls through disciplined and consistently performed daily, monthly and quarterly IT operational practices and reviews. The AG recommends:

- i) A uniform IT governance framework should be developed and rolled out to all municipalities;
- ii) An IT best practice manual or guideline should be drafted for municipalities;
- iii) Policies and procedures should be centrally developed to address the control weaknesses;
- iv) External stakeholders such as Department of Co-Operative Governance and Traditional Affairs (CoGTA), SALGA and District Municipalities should support and capacitate IT functions within municipalities;
- v) A working group should be established to assist the municipalities in addressing the root causes of audit findings;
- vi) IT governance forums should be established;

- vii) Internal audit and audit committees should play a more effective role in tracking progress made with implementation of corrective measures to address IT audit findings;
- viii) Management should institute consequence management;
- ix) Management should reprioritise budget allocations to provide for the implementation of disaster recovery plans and backup procedures;
- x) Management should reallocate sufficient budget for the up-skilling of IT staff;
- xi) Consultants should be monitored and managed through service level agreements (SLAs);
- xii) Staff should be up-skilled by the consultants performing services; and
- xiii) More standardisation should take place at the municipalities with regards to the IT systems used and the vendors that support these systems.

CONCLUSION

This article has reviewed the King Reports, ISO 38500, CobIT and industry guidelines as best practice for IT governance in municipalities. It has considered the reports and recommendations of the AG concerning the status and governance of IT in municipalities and summarised key proposals for improvements to address these adverse audit findings.

It has become clear that deficient IT governance and a lack of effective oversight are major contributors to adverse audit findings, and that municipalities need support, guidance and external interventions to address the current situation. **C**

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- **North West Province**

Regulating “Short Term” Rental Accommodation in SA

by Daniel J de Lange - Nextec Advisory Pty Ltd



On 10 April 2019 an article appeared in the “Your Views” section of The Herald dealing with the topic of Nelson Mandela Bay Metro (NMBM) consulting on the Airbnb platform issue. The article stated that the NMBM is not opposed to Airbnb and it is in fact supporting it. However, the municipality is of the opinion that Airbnb is a business and must therefore operate within the legal and regulatory framework.

On 27 June 2019 the NMBM organized a stakeholder meeting and invited tourism stakeholders to a meeting to discuss the proposed regulations of short term rentals. The meeting was well attended and issues raised included:

- That there was a need to level the playing field for all businesses offering rental accommodation;
- That the majority of Airbnb listings are entire homes and in most cases the owners do not reside on the premises;
- That these “commercial establishments” operate without a business license, do not pay commercial property rates or services and do not comply to the municipal zoning restrictions which apply to the Bed and Breakfast establishments;
- That people were buying and listing entire properties on Airbnb often more than one property; and
- There was no control over Airbnb activities which was impacting negatively on neighborhoods.

Many cities around the world in recent years have been forced to provide a regulatory framework to address the disruptive influences of the Airbnb platform. The short-term rentals platform has been blamed for unruly tourists, rising house and rent prices, unfair

competition in the accommodation industry as well as a weakening of the local neighborhood fabric. This has resulted in many cities imposing Airbnb regulations that are tough on both hosts and the platform.

CURRENT REALITY IN SOUTH AFRICA

In South Africa it is the tourism sector that has been most vocal about regulating Airbnb – particularly the Tourism Business Council of SA (TBCSA), which represents companies such as the City Lodge hotel group, Avis, Bidvest Car Rental, Legacy Hotels & Resorts and Tsogo Sun. TBCSA wants Airbnb to comply with the same regulations that apply to hotels, B&Bs, guesthouses and resorts.

TBCSA is in favor of government regulating the platform to ensure compliance with municipal bylaws around short-term rentals, as well as regulations around alcohol licenses, food safety and taxation. “It is the responsibility of municipalities or relevant authorities to ensure that all regulations achieve what they are meant to achieve.”

In a media statement published on 17 May 2019, the public was informed that the Tourism Minister Derek Hanekom met with representatives of the global online accommodation booking platform – Airbnb to discuss various policy issues, in particular the regulation of short-term home rentals.

The meeting took place in the context of the current call for public comment on the Tourism Amendment Bill, published on 15 April 2019, to provide stakeholders an opportunity to make submissions.



The Tourism Amendment Draft Bill aims, amongst others, to address the regulatory vacuum on short-term rentals by defining short-term home rentals as “the renting or leasing on a temporary basis, for reward, of a dwelling or a part thereof, to a visitor.” It also seeks to enable the Minister of Tourism to determine thresholds regarding short-term home rentals, through a notice in the Government Gazette.

These thresholds could include a limit on the number of days guests could stay at an establishment in a year. It could perhaps even limit the number of guests due to potentially larger water consumption in an area. Thresholds could also look at pricing, zoning, how much an establishment can earn and maybe even regulating matters like security.

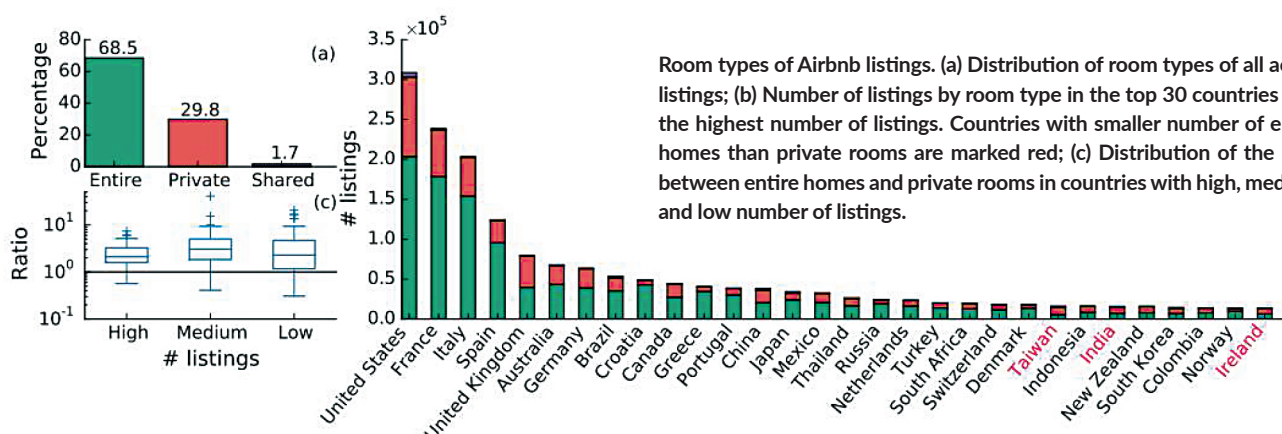
The worldwide approach regarding the regulation of Airbnb has been for municipalities of cities to determine a regulatory envi-

ronment which is appropriate for local conditions. Each city has taken its own approach towards Airbnb regulation which will be referred to in this article.

AIRBNB – SHARED SHORT TERM RENTAL OR COMMERCIAL ACCOMMODATION OPERATIONS?

Recent empirical studies have found that the majority of Airbnb listings across many countries are entire homes, suggesting that Airbnb is actually more like a rental marketplace rather than a spare-room short term sharing platform. The existence of commercial hosts who own multiple listings on Airbnb are widespread.

The graph below found in an article “Sharing Means Renting? An Entire-marketplace Analysis of Airbnb” written by Qing Ke, provides evidence that the majority of Airbnb listings (68.5%) are entire homes.

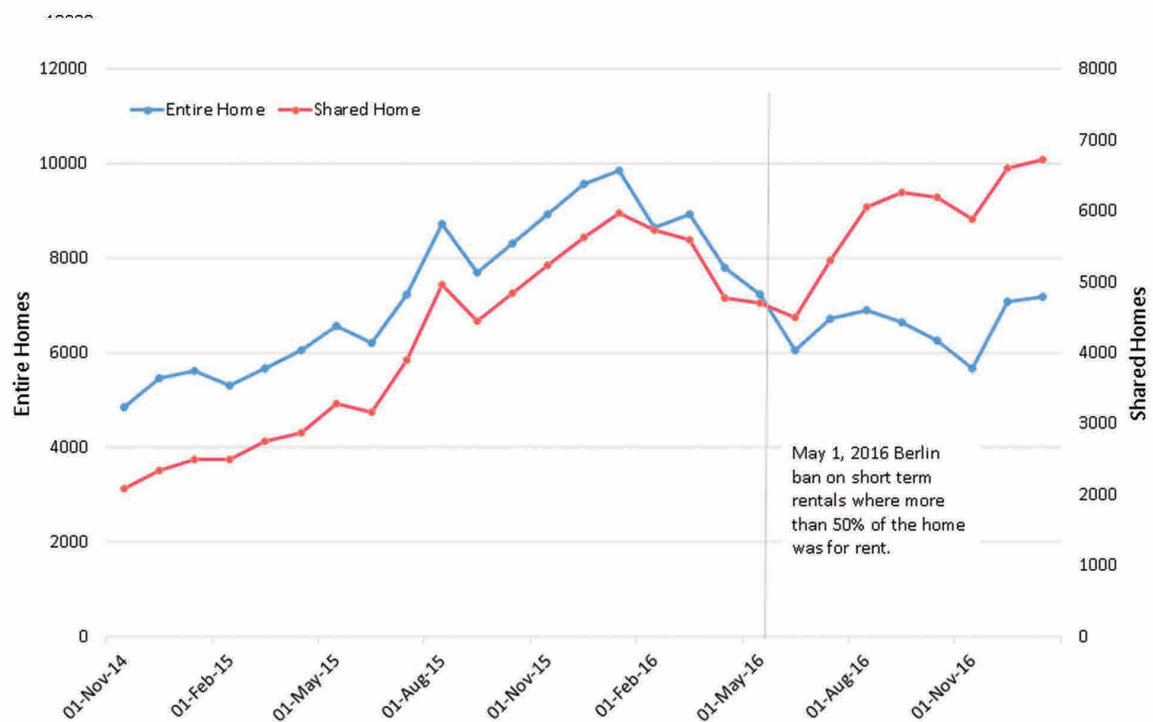


Regulating “Short Term” Rental Accommodation in SA...continued

by Daniel J de Lange - Nextec Advisory Pty Ltd

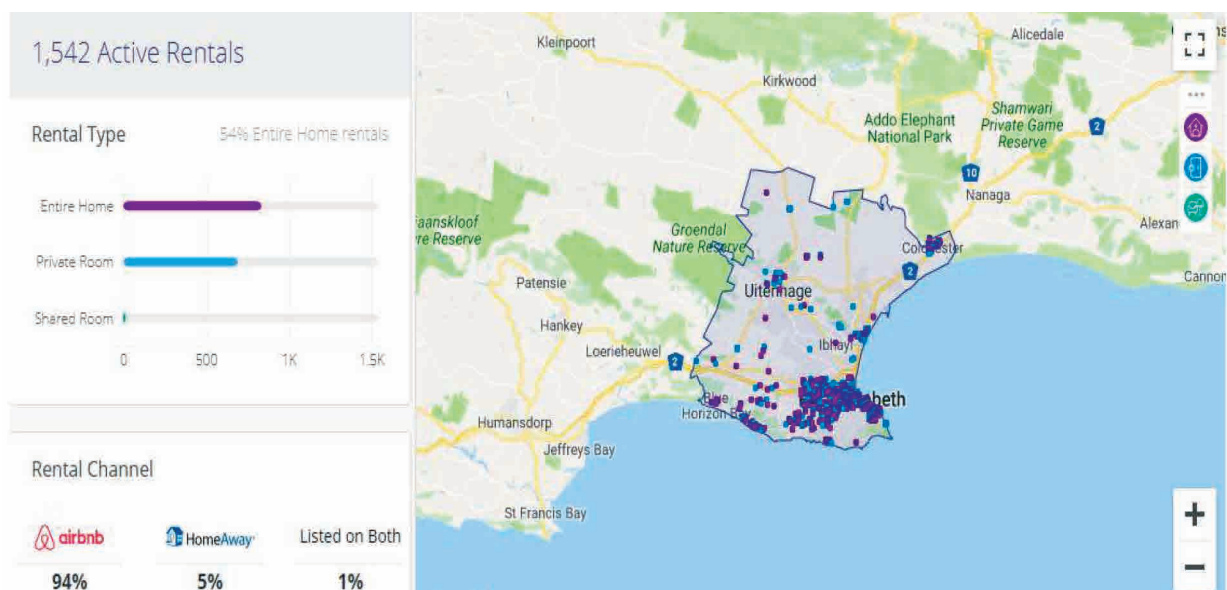
Berlin has perhaps the strictest Airbnb regulation in the world. Starting on May 1, 2016, Berlin banned hosts from renting out their homes to short-term visitors unless the hosts occupied at least 50% of the homes themselves. Data collected by Airdna is a good reflection of how the ban in Berlin has made an impact on Airbnb in the city, using a difference-in-differences methodology. The graph below shows that the rise of the number of entire home listings flattened after May 1, 2016. By comparison, however, the number of shared home listings continued to rise. We can assume that if the Airbnb regulation ban had not been introduced, the number of entire home listings could have grown at the same rate as the number of shared home listings.

NUMBER OF ENTIRE HOME AND COUNTERFACTUAL AIRBNB LISTINGS IN BERLIN – NOVEMBER 2014



STATE OF AIRBNB IN THE NELSON MANDELA BAY MUNICIPALITY (NMBM)

The map below and statistics were obtained from the Airdna website on 16 July 2019.



It is evident that there are 1,542 active Airbnb listings in the NMBM. The rental type statistics is an eye opener as 835 of the total number of listings or 54 % are entire homes that are listed on the platform. Private rooms consist of 693 units or 45% and the balance 14 or 1% are shared rooms.

The map clearly indicates that the majority of the listings are in the Summerstrand, central and western suburbs.

REGULATORY APPROACHES

Extensive research which is available shows that cities across Europe and the United States are dealing with Airbnb in different ways. In general, European cities seem to be more lenient towards short-term rentals than their American counterparts and cities in the United States are more protective when it comes to Airbnb guests.

Most cities most want to benefit from the positive economic effects that the tourists staying in Airbnb accommodations can bring which involves not only the city and its tourism industry, but also entrepreneurs around Airbnb accommodations and residents renting out their homes. Although none of the cities (except for one Anaheim) actually bans Airbnb or other short-term rental platforms completely, there is still diversity in the amount of restrictiveness based on the effects of urban tourism in general. Cities like Barcelona and New Orleans have adopted

partial bans for certain areas in the city and other cities have tried to limit the impacts of Airbnb by requiring the host to be on site during renting or having a primary residency requirement to avoid commercial-style short-term rentals operating as businesses. In the City of Vancouver, short term rentals in respect of any dwelling unit for a period of more than 30 days is not allowed unless such unit forms part of a Hotel, or is used for Bed and Breakfast Accommodation. No person is allowed to carry on business as a Short Term Rental Accommodation Operator without having first obtained a license to do so from the Cities Chief License Inspector.

Among the many regulatory frameworks that have been proposed or are currently in place, a common set of characteristics have emerged that include inter alia:

- a registration and business license system;
- a cap on the maximum allowable days in which short-term list-ings can be made available in a given year;
- provisions restricting the rental of entire and/or vacant homes;
- taxation;
- health and safety standards; and
- the establishment of zoning bylaws.

The table below shows the different mix of characteristics in regulatory models across North America. These models differ in their composition of these characteristics and they vary in the extent to which these characteristics are enforced.

FIGURE 1: Comparison of regulatory models across North America

	Licence/ registration	Restriction on number of days	Primary residence	Entire/vacant homes restricted	Hotel/sales tax	Health & safety/ liability insurance	Zoning
Anaheim	✓						
Chicago		✓			✓		
Denver	✓					✓	✓
Houston					✓		
Las Vegas	✓						
Louisville	✓				✓	✓	
Miami Beach	✓				✓		✓
New Orleans					✓	✓	
New York	✓	✓					
Philadelphia		✓			✓		✓
Phoenix	✓				✓		
Portland	✓				✓	✓	
Quebec	✓				✓		
San Francisco	✓	✓			✓		
Seattle	✓		✓		✓		
Tofino	✓						✓
Toronto	✓		✓		✓	✓	✓
Vancouver	✓		✓				
Whistler	✓						

Toronto classifies short-term rental activity as “any rental of a residential unit lasting up to 28 days in a row.”

Regulating “Short Term” Rental Accommodation in SA...continued

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CONCLUSION

The biggest concern for cities is not the original idea of home-sharing, but the development of commercial-style Airbnb's. Investors increasingly buy up houses and apartments to permanently rent out on platforms like Airbnb. Consequently, entire apartment blocks or even neighborhoods turn into vacation rentals that operate in a similar way as hotels.

Several regulatory frameworks have been proposed and many jurisdictions have enacted rules to help minimize the negative consequences of Airbnb and other platforms. This article has identified some of the key components that have emerged as part of the mandate to legalize and regulate the short-term rental industry. Integral to the success of any regulatory framework is the extent to which compliance to the set rules are enforced.

The South African approach whereby national legislation is proposed to regulate the Airbnb industry is unique and there is a concern that one size fits all legislation may result in many unintended consequences. It is assumed that if Parliament approves a law that regulates Airbnb establishments it will apply to all municipal areas without exception. Depending on the areas that will be legislated it may result in onerous and costly enforcement responsibilities for municipalities.

It may be more acceptable for the National Government to provide a broad legislative framework to regulate platforms within which municipalities can determine their own specific policies and ordinances that are appropriate for their areas of jurisdiction.

The mushrooming of hotels often referred to as “illegal” or “rouge hotels” on the Airbnb platform where entire homes are listed and where many owners have more than one listing definitely needs to be regulated as these are commercial operations and should be subject to the same regulations applied to hotels and bed and breakfast establishments.

An approach adopted by many major cities is that no listing should be allowed on an Airbnb or other platform unless the property has been registered with the local municipality. It is at the registration stage where the municipality will determine the category of property for the payment of property rates. The registration of entire properties on the platform will automatically be categorized as a commercial property which will then be subject to zoning regulations, business property taxation as well as business tariffs for services.


The theme of the Financial and Fiscal Commission's (FFC) 2020/21 annual submission is: Repositioning Local Government

Public Finances. One of the important recommendations included in the report relates to additional resources of revenue for municipalities.

The FFC has recommended that the Minister of Finance should take steps (including piloting) to add the following supplementary revenue sources to the list of allowable taxes for different types of municipalities in a differentiated manner that could include, the development charges, tourism levies, land value capture mechanisms, tourism levies and fire levies.

Imposing regulations as already indicated can result on onerous and costly enforcement systems and operations and it will be very important for South Africa to negotiate a compliance model with Airbnb and other platforms that is simple, efficient and cost effective. It is here where National Government can play an important role paving the way for municipalities to regulate within their own environments.

An effective compliance model for taxation would make Airbnb and other platforms directly responsible for tax collection and remittance. A prominent example is Philadelphia, where Airbnb is required by law to collect a sales and hotel tax on behalf of the city. The platform automatically charges the tax to the guest's final transaction bill. This kind of model minimizes tax avoidance and encourages accountability.

It will be important for municipalities to be aware of the nature and scope and statistics that relate to Airbnb and other platform listings and to undertake the necessary stakeholder consultations before embarking on the drafting of regulations. 

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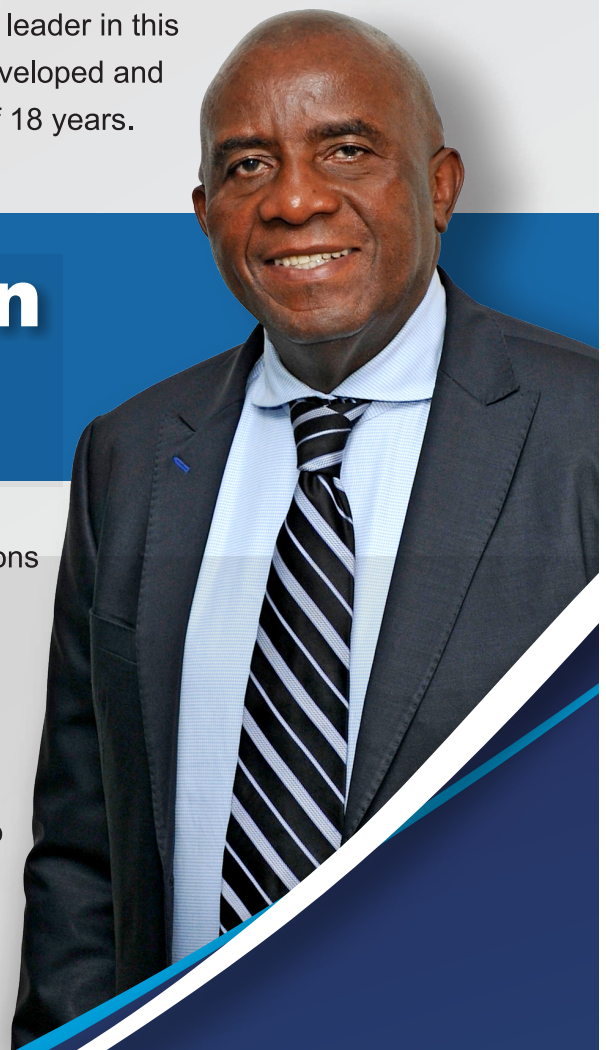
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The Escalating trend of national electricity non-technical losses

by Chris Gower - Buffalo City Metropolitan Municipality on behalf of SARPA



The Southern African Revenue Protection Association (SARPA) is a non-profit organisation, comprising of both utility and affiliate members. Our local utility members are from all municipalities/metropolitans in Southern and South Africa and our aim is to share strategic information associated with best revenue protection practices.

We also influence national legislation and best practices, where our members have a vested interest. With regard to non-technical electricity losses, SARPA facilitated NRS 055, which is the national standard for best revenue protection practices and NRS 080, which is the national standard for calculating both technical and non-technical losses.

The escalation of non-technical losses on a national level is a cause of concern for all local and metropolitan municipalities, as this directly impacts on cash flow income and associated IDP budget commitments to roll out services to the general public. This concern is even more pronounced in smaller municipalities which have no dedicated revenue protection section with electricity losses at some of these institutions are in excess of 50%.

This concern was also noted by NERSA's Mr Brian Sechotlho, in his key note address at the SARPA National Conference which was recently held in Plettenberg Bay.

SARPA members are the experts in the field of addressing non-technical loss problems and have the expert subject knowledge to address this concern, but in most local cases, there is a dire shortage of deployed Revenue Protection field staff and available operational budget. This is the crux of the problem associated with high electricity losses in a local municipal environment.

So how do we resolve this concern? There are "three" key ways to address non-technical problems, these being:

1. Regulate the dedicated Revenue Protection operational income by introducing a "Revenue Protection" annexure to the SA Grid code document. The SARPA is presently talking to key stakeholders to get 2% of generated electricity income ring-fenced for revenue protection activities and ensuring this operational budget will become a regulated provision. SARPA has already discussed this approach with NERSA, AMEU and SALGA but there is still some work to be done to get this strategic approach in place.
2. Apply to NERSA for above average tariff increases, let's say 2%, and ring fence this to fund revenue protection sections and activities.



3. Become a member of SARPA to get shared information on known Revenue Protection activities/ concerns and your appointed Revenue Protection staff will receive “free” SARPA revenue protection training (yes, you have to still pay for the facilitator’s S&T).


In all municipal case examples, someone has to “run with the ball”. Until option 1 above is introduced the only option available is to “run” with option 2 and get the necessary funding through electricity tariff applications in order to address non-technical losses using best practices as recommended in NRS080 and NRS055.

My finance colleagues have to remember that as in any business, one has to spend money to make some money. In an example that I’m aware of, a municipality has +23500 non-purchasing pre-payment customers and the institution does not have the staff capacity or the operational budget to target this loss. The average financial recovery, per meter tampering customer, at this institution is R8 000. If one does the maths on this revenue protection project, the best case scenario is that the institution can recover a potential R188 million by introducing a revenue protection operating budget of just R4.7 million. However, due to the socio economic conditions of these tampering customers, the anticipated minimum recovery for this project is 20% or R32.9 million after costs. So, spend R4.7 million and make an expected R32.9

million or a potential R188 million, but alas, there was no available internal funding!

The presentation from the Bitou Municipality at the recent SARPA National conference was a shining example of how a municipality can reduce non-technical losses simply by appointing dedicated water and electricity revenue protection staff and introducing strategies as recommended in NRS055.

The reality of the situation is that municipal budgets are set the previous year and these are based on sales for that year. Escalating electricity losses erode into the declining electricity sales profit margins and this is now resulting in having a dire effect on municipal cash flow income, which is being felt by most of the smaller municipalities and even some of the metros.

I challenge you to appoint a “Revenue Protection champion” and to fully capacitate your dedicated Revenue Protection teams. This can only be achieved by providing an adequate budget or by applying to NERSA for a ring-fenced revenue protection budget over and above the standard applied for tariff increase and getting specialised Revenue Protection training for appointed staff. The end result will be lower electricity losses, lower electricity tariffs and more available budget to address the socio-economic conditions that some of our more disadvantaged customers live in. 

PUBLIC SECTOR FINANCE



SALGA – Thakane Lekhera, CIGFARO – Cheryl Reddy, National Treasury – Kwanele Mtembu and Tumelo Ntlaba



CIGFARO Vice President – Cheryl Reddy



CIGFARO Vice President – Sidwell Mofokeng



Accounting Standards Board – Tsholo Tshoke



Sebate – Avon Pinetown



National Treasury – Tumelo Ntlaba



Token of appreciation



Panel Discussion: Bonakude – Zenzo Masuku and National Treasury – Wayne McComans



Token of appreciation



Token of appreciation



Token of appreciation



Token of appreciation



Token of appreciation



Delegates



Delegates

CIGFARO Branch Activites

KWAZULU NATAL



During registration



CIGFARO KZN Branch chairperson – Emmanuel Ngcobo



Sbu Zakwe – Motivational Speaker



Delegates



Delegates in plenary

LIMPOPO



CIGFARO Limpopo Branch
Chairperson – Maria
Makhongela



Plenary interaction



Greater Letaba Municipality –
MPAC Chairperson Cllr Manyana



Delegates in plenary



Delegates in plenary



Mandela Day handout by the Limpopo branch

NORTH WEST



CIGFARO CEO – Abbey Tlaetsi, MEC of Finance, North West – Motlalepula Rosho and CIGFARO North West Branch chairperson – Attie Janson



MEC of Finance, North West – Motlalepula Rosho



CIGFARO North West Branch Chairperson – Attie Jansen



City of Matlosana – MPAC Chairperson Cllr Juta Bogatsu



Delegates in plenary

MPUMALANGA



CIGFARO CEO – Abbey Tlaetsi



Delegates in session



Delegates in session



Bonakude CEO – Vela Mtshali



Delegates

CIGFARO NEW DESIGNATIONS

Dear Members, as you may be aware of the CIGFARO Annual General Meeting (AGM) decision taken on Monday 8 October 2018, the members approved the New Professional Designations of the Institute. These professional designations are aligned to the SAQA requirements. The Institute will commence with the migration process, to assist in ensuring that you are correctly placed in the correct membership category. Kindly follow these easy steps and provide us with the following:

- 1 Complete Migration Application Form
- 2 Sign Code of Conduct
- 3 Send us your latest updated CV



All members must be up to date with their membership fee to be included in the migration process. As soon as we receive the above will we migrate you to the new membership category and send you an updated Membership Certificate.

PLEASE TAKE NOTE OF THE NEW DESIGNATIONS AS INDICATED BELOW.

PREVIOUSLY

Student (SIMFO)

Junior (JIMFO)

Licentiate (LIMFO)

Associate (AIMFO)

Senior Associate (SAIMFO)

General (GIMFO)

NEW

Student (Student-CIGFARO)

Registered Government Finance Practitioner (RGFP)

Registered Government Internal Auditor (RGIA)

Registered Government Risk Practitioner (RGRP)

Registered Government Finance Technician (RGFT)

Registered Government Auditor Technician (RGAT)

Registered Government Risk Technician (RGRT)

Professional Government Finance Officer (PGFO)

Professional Government Internal Auditor (PGIA)

Professional Government Risk Officer (PGRO)

Chartered Government Finance Officer (CGFO)

Affiliate (Affiliate-CIGFARO)

If you need to upgrade your membership, please provide us with following additional documentation:

- Certified copy of Qualifications
- Statement of Results
- Letter confirming employment

NEW MEMBERS

AFFILIATE MEMBERS

Member Type	Province	Organisation	Surname	Name	Join Date
Affiliate	MP	Nkomazi Municipality	Bhiya	Vincent	2016/04/28
Affiliate	GP	Ducharme Consulting	Braxton	Christoph	2011/10/25
Affiliate	GP	Munsoft	Burger	Louis	2018/06/26
Affiliate	KZN	MetGovis (Pty) Ltd	Channing	Janet	2010/08/12
Affiliate	GP	University of South Africa	Erasmus	Lourens	2010/09/22
Affiliate	GP	Environmental & Sustainability Solution	Godschalk	Seakle	2015/07/20
Affiliate	KZN	PricewaterhouseCoopers - Durban	Kooverjee	Kishore	2011/10/26
Affiliate	WC	Matzikama Municipality	Lubbe	Daniel	2003/03/23
Affiliate	MP	National Prosecuting Authority	Mabunda	Nghilichi	2019/06/26
Affiliate	LP	Auditor General South Africa	Mphahlele	Matlale	2019/08/15
Affiliate	GP	mSCOA Solutions	Ncube	Dumisani	2019/04/26
Affiliate	EC	Infinite Tax	Schafer	Mornay	2011/10/26
Affiliate	GP	Johannesburg Roads Agency	Smith	Deidre	2019/04/04
Affiliate	GP	TAT I-Chain Technology (Pty) Ltd	Verheul	Paul	2019/07/24
Affiliate	NW	Matlosana City Council	Weitsz	Kevin	2011/03/04

CHARTERED MEMBERS

Member Type	Province	Organisation	Surname	Name	Join Date
Government Finance Officer	NW	Drakenstein Municipality	Boshoff	Rian	2017/02/02
Government Finance Officer	WC	Langeberg Municipality	Brown	Bradley	2018/10/23
Government Finance Officer	NW	Private Sector	Buys	Francois	2017/11/13
Government Finance Officer	GP	City of Johannesburg	Cvetkovski	Beverley-Ann	2016/07/07
Government Finance Officer	WC	University of Stellenbosch	Daka	Landiwe	2019/07/30
Government Finance Officer	KZN	Bonakude Consulting (Pty) Ltd	Dube	Simangele	2019/04/04
Government Finance Officer	EC	Nelson Mandela Bay Metro	Freeman	Marisa	2017/09/12
Government Finance Officer	KZN	Ubuntu Business Advisory & Con	Hukum	Ved	2019/02/27
Government Finance Officer	WC	City of Cape Town	Jacoby	Kevin	2015/02/18
Government Finance Officer	GP	Rakoma and Associates Inc	Jaji	Princess	2019/05/15
Government Finance Officer	NW	Rustenburg Municipality	Jugmohan	Terence	2019/08/14
Government Finance Officer	WC	Kromco (Pty) Ltd	Leuvennink-Venter	Henk	2019/06/13
Government Finance Officer	LP	University of LP	Maaapea	Isaiah	2019/09/05
Government Finance Officer	MP	Nkangala District Municipality	Mahlangu	Sipho	2019/08/23
Government Finance Officer	GP	City of Johannesburg	Maphosa	Ntsako	2019/07/02
Government Finance Officer	NC	Sol Plaatje University	Marais	Lientjie	2015/06/22
Government Finance Officer	KZN	Ethekwini Municipality	Maruma	Roger	2019/07/16
Government Finance Officer	KZN	Bonakude Consulting (Pty) Ltd	Masuku	Zenzomusa	2015/05/28
Government Finance Officer	KZN	Umgungundlovu District Municipality	Mazibuko	Zamangwe	2019/08/19
Government Finance Officer	KZN	Umlalazi Municipality	Mhlongo	Zakhele	2019/03/20
Government Finance Officer	KZN	Umkhanyakazi District Municipality	Mkhwanazi	Ntombenhle	2019/07/05
Government Finance Officer	KZN	Umlathuze Municipality	Mkhwanazi	Balungile	2019/07/05
Government Finance Officer	LP	Ba-Phalaborwa Municipality	Mogano	Tshepo	2019/08/14
Government Finance Officer	KZN	Ethekwini Municipality	Monaledi	Maria	2019/08/21
Government Finance Officer	MP	Gert Sibande District Municipality	Mposi	Azwi	2018/03/06
Government Finance Officer	EC	Alfred Nzo District Municipality	Nelani	Sakhiwo	2018/07/24
Government Finance Officer	GP	Joburg Property Company Ltd	Ngejane	Simphiwe	2017/03/14
Government Finance Officer	NC	Mubeko Africa	Niehaus	Hendri	2017/10/19
Government Finance Officer	EC	Amahlathi Municipality	Nokwe	Ntabethemba	2019/08/21
Government Finance Officer	EC	Alfred Nzo District Municipality	Nozigqwaba	Nocawe	2018/07/25
Government Finance Officer	KZN	Provincial Treasury - EC	Ntshingila	Thobelani	2018/11/28
Government Finance Officer	EC	NEXTEC Advisory (PTY) Ltd	Ramoo	Dion	2016/10/20
Government Finance Officer	GP	City of Ekurhuleni - Boksburg	Sanpersad	Sewnarain	2018/10/01
Government Finance Officer	KZN	Nongoma Municipality	Shandu	Njabulo	2015/08/17
Government Finance Officer	GP	City of Johannesburg	Sheik	Asma	2018/05/29
Government Finance Officer	WC	Provincial Treasury - WC	Sigabi	Msimelelo	2019/06/05
Government Finance Officer	GP	Altimax (Pty) Ltd	Van Schalkwyk	Annette	2015/07/20
Government Finance Officer	KZN	Umkhanyakazi Municipality	Vilakazi	Ayanda	2019/05/29
Government Finance Officer	WC	City of Cape Town	Vink	Bazil	2018/06/19
Government Finance Officer	MP	Altimax (Pty) Ltd	Wassermann	Elmari	2003/03/20

NEW MEMBERS

PROFESSIONAL MEMBERS					
Member Type	Province	Organisation	Surname	Name	Join Date
Government Finance Officer	NC	ZF Mgcawu District Municipality	Beukes	Petrus	2019/03/13
Government Finance Officer	KZN	Ethekwini Municipality	Bhengu	Khetha	2019/03/18
Government Finance Officer	WC	Mubesko Africa	Bredenhann	Arnold	1999/07/30
Government Finance Officer	NC	Provincial Treasury - NC	Chabaesele	Thuto	2018/09/27
Government Internal Auditor	MP	Nkomazi Municipality	Chokoe	Moraswi	2019/07/02
Government Finance Officer	NC	Nama Khoi Municipality	Cloete	Heinri	2017/03/29
Government Finance Officer	LP	Pensioner	Cornelissen	Lourens	1987/02/12
Government Finance Officer	WC	Drakenstein Municipality	Crotz	Lynne	2015/05/08
Government Finance Officer	NC	Sol Plaatje Municipality	De Klerk	Karin	2019/04/02
Government Finance Officer	WC	George Municipality	Diemont	Hein	2019/07/30
Government Finance Officer	SWA	Siteki Town Council	Dlamini	Wanele	2017/08/30
Government Risk Officer	KZN	Zululand District Municipality	Dlomo	Mboniseni	2017/03/02
Government Finance Officer	LP	MFAS	Du Rand	Dick	2003/07/17
Government Finance Officer	KZN	Mtubatuba Municipality	Gumede	Kenneth	2019/08/23
Government Finance Officer	GP	Rates Watch (Pty) Ltd	Herman	Kokkie	1990/04/03
Government Finance Officer	MP	Pensioner	Houy	Bertrand	2003/03/20
Government Finance Officer	KZN	Msunduzi Municipality	Khoza	Sifiso	2014/12/09
Government Finance Officer	NW	Rustenburg Municipality	Letlojane	Tumelo	2016/03/16
Government Finance Officer	GP	Private Sector	Magan	Viren	2009/08/14
Government Finance Officer	GP	Johannesburg Roads Agency	Magubane	Zwelithini	2015/05/08
Government Finance Officer	GP	Gert Sibande District Municipality	Mahlangu	Godfrey	2018/05/07
Government Finance Officer	KZN	Umswathi Municipality	Mani	Ramesh	2017/11/02
Government Finance Officer	KZN	Dr Nkosazana Dlamini Zuma Municipality	Manyathi	Cebile	2019/07/26
Government Finance Officer	WC	Bitou Municipality	Maredi	Ntho	2014/07/14
Government Finance Officer	GP	City of Ekurhuleni	Marota	Paledi	2018/12/04
Government Finance Officer	EC	Nelson Mandela Bay Metro	Mbangi	Thuleka	2019/05/14
Government Finance Officer	KZN	Nquthu Local Municipality	Mbongwa	Nombuso	2019/05/14
Government Finance Officer	KZN	Ethekwini Municipality	Mbongwa	Nelisiwe	2015/09/07
Government Internal Auditor	GP	Reasuma Business Solutions	Mdakane	Michael	2018/11/20
Government Finance Officer	NW	Rustenburg Municipality	Mdhuli	Vivian	2019/09/04
Government Finance Officer	KZN	King Cetshwayo District Municipality	Mdletshe	Bongani	2011/07/05
Government Finance Officer	FS	Masilonyana Municipality	Mekana	Nthabeleng	2019/07/24
Government Finance Officer	GP	Pensioner	Mills	Andre	1984/04/02
Government Finance Officer	KZN	Mkhambathini Municipality	Mngwengwe	Sanele	2018/07/09
Government Finance Officer	LP	Modimolle Mookgopong Municipality	Mokase	Willy	2017/10/26
Government Finance Officer	NC	Dikgatlong Municipality	Mokeng	Christian	2017/02/21
Government Finance Officer	NW	Rustenburg Municipality	Mokotedi	Louisa	2019/08/19
Government Finance Officer	LP	Ba-Phalaborwa Municipality	Mokwatedi	Edith	2019/07/24
Government Finance Officer	GP	South African Social Security Agency	Mongalo	Masanya	2019/04/29
Government Finance Officer	LP	PricewaterhouseCoopers - LP	Mosam	Nasreen	2013/10/07
Government Finance Officer	NC	Pixley ka Seme District Municipality	Mqhum	Desmond	2019/04/08
Government Finance Officer	KZN	Provincial Treasury - KZN	Mthimkhulu	Xolani	2013/08/15
Government Finance Officer	KZN	Ethekwini Municipality	Mtshali	Sisekelo	2019/04/02
Government Finance Officer	KZN	Newcastle Municipality	Muir	Julie	2004/07/05
Government Finance Officer	LP	Vhembe District Municipality	Mulaudzi	Dennis	2018/10/04
Government Finance Officer	GP	Pensioner	Muller	Richard	1983/02/02
Government Internal Auditor	KZN	Mthonjaneni Municipality	Ndlovu	Zakhele	2018/06/26
Government Finance Officer	EC	Joe Gqabi District Municipality	Ngqongqwana	Thandeka	2003/07/17
Government Finance Officer	MP	Gert Sibande District Municipality	Nkhata	Vukosi	2013/10/28
Government Finance Officer	KZN	Newcastle Municipality	Nkosi	Sisho	2012/08/03
Government Finance Officer	KZN	Ethekwini Municipality	Nyasulu	Noky	2010/09/01
Government Finance Officer	LP	Capricorn District Municipality	Pilusa	Tiro	2019/09/02
Government Finance Officer	NC	Sebata Municipal Solutions	Salome	Heinrich	2018/01/09
Government Finance Officer	LP	Ba-Phalaborwa Municipality	Seemela	Lethabo	2017/10/03
Government Internal Auditor	FS	COGTA - FS	Sefako	Lisebo	2019/04/24
Government Finance Officer	NC	Provincial Treasury - NC	September	Dieketseng	2019/08/14
Government Finance Officer	GP	City of Johannesburg	Shelile	Charlotte	2018/07/05
Government Risk Officer	FS	Masilonyana Municipality	Shuping	Dintletse	2019/09/03

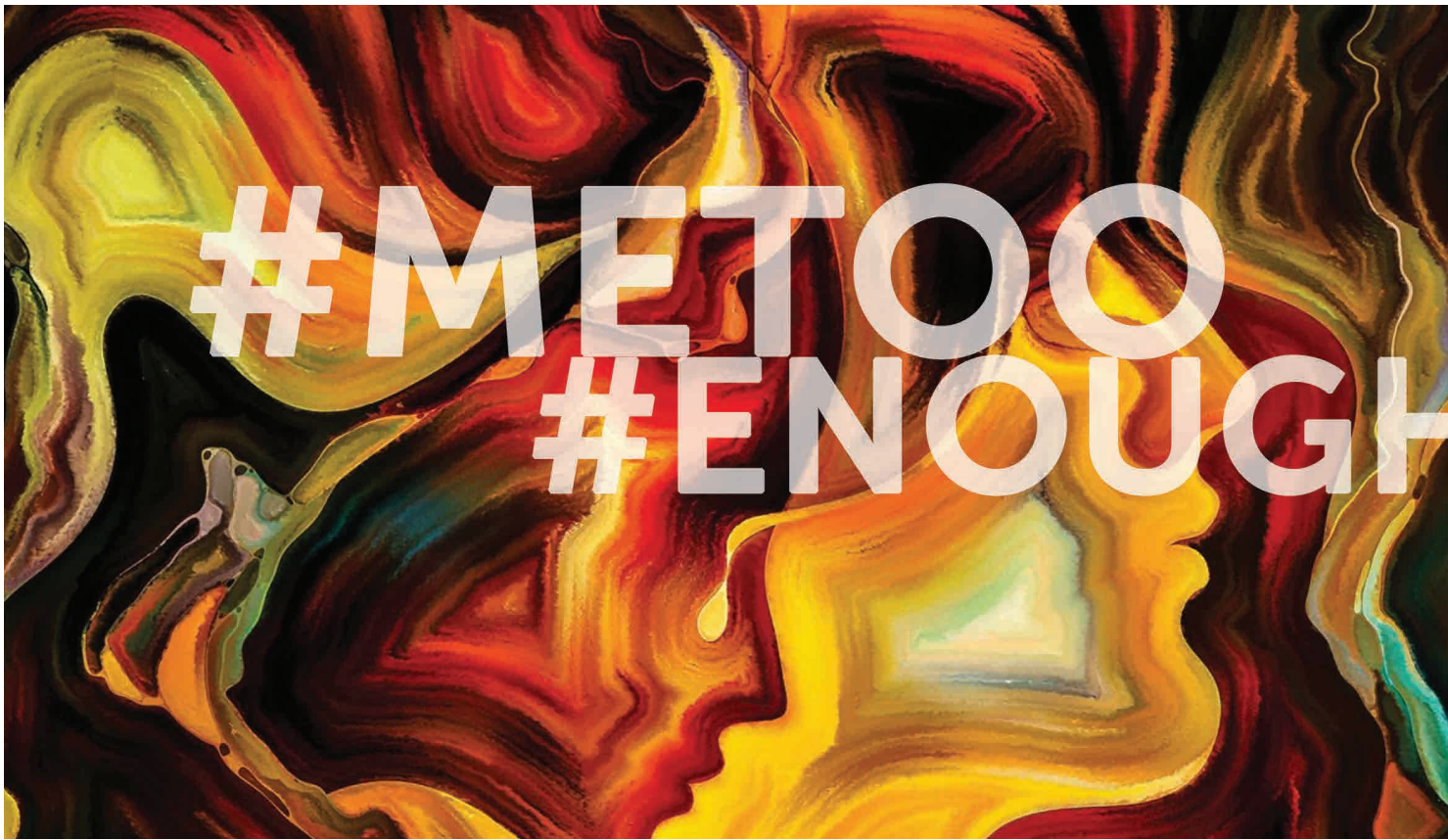
Government Finance Officer	EC	Nelson Mandela Bay Metro	Situnda	Sandise	2018/06/26
Government Finance Officer	GP	Pensioner	Smal	Erne	2001/09/25
Government Finance Officer	GP	Johannesburg Roads Agency	Stephenson	Ronald	2005/04/01
Government Internal Auditor	FS	Moghaka Municipality	Tantsi	Vuyani	2018/07/19
Government Finance Officer	EC	A2A kopano Incorporated	Tom	Luxolo	2017/08/15
Government Finance Officer	MP	Nkangala District Municipality	Twala	Amos	2018/07/25
Government Finance Officer	WC	City of Cape Town	Van Schoor	Bevan	2012/05/31
Government Finance Officer	NW	National Treasury	Viljoen	Hannes	1990/09/24
Government Finance Officer	EC	Buffalo City Metropolitan Municipality	Walton	Geoff	2001/11/09
Government Finance Officer	KZN	Ethekwini Municipality	Xaba	Bryan	2016/10/27
Government Finance Officer	KZN	Nkandla Municipality	Zulu	Nkosenkulu	2018/04/05

TECHNICIAN MEMBERS

Member Type	Province	Organisation	Surname	Name	Join Date
Registered Government Finance	NAM	Keetmanshoop Municipality	Farmer	Rene	2019/07/05
Registered Government Finance	WC	Provincial Treasury - WC	Kemotie	Wayne	2019/08/14
Registered Government Finance	KZN	Dr Nkosazana Dlamini Zuma Municipality	Khumalo	Innocent	2015/02/18
Registered Government Risk	KZN	COGTA - KZN	Linda	Sipho	2019/08/14
Registered Government Finance	GP	Dep of Rural Dev & Land Reform	Maleka	Karabo	2019/08/23
Registered Government Finance	KZN	Umvoti Municipality	Mdlalose	Enock	2019/04/24
Registered Government Finance	WC	Cape Agulhas Municipality	Mitchell	Ricardo	2019/07/24
Registered Government Finance	NW	Moses Kotane Municipality	Modiba	Matome	2019/09/03
Registered Government Finance	SWA	Mbabane City Council	Mokoena	Lwazi	2017/11/20
Registered Government Risk	GP	Ginini Consulting (Pty) Ltd	Morabi	Tshidi	2017/03/14
Registered Government Finance	GP	City of Ekurhuleni	Mosiane	Ndoli	2002/07/19
Registered Government Finance	GP	Randwest City Municipality	Mvumbi	Nomhle	2016/04/29
Registered Government Finance	WC	Breede Valley Municipality	Ndamoyi	Mawanda	2019/09/02
Registered Government Finance	MP	Ba-Phalaborwa Municipality	Ndzimande	Amos	2016/11/30
Registered Government Finance	WC	Bytes	Noholoza	Malungisa	2014/04/10
Registered Government Auditor	MP	Emakhazeni Municipality	Ntshwane	Duduzile	2019/04/30
Registered Government Risk	GP	Johannesburg Roads Agency	Pillay	Navin	2018/02/27
Registered Government Finance	MP	Gert Sibande District Municipality	Ralinotsi	Melody	2018/10/23
Registered Government Finance	WC	Cape Agulhas Municipality	Sefoor	Roberto	2011/03/30
Registered Government Finance	WC	City of Cape Town	Singh	Fairuz	2013/04/11
Registered Government Finance	GP	City of Tshwane	Steyn	Retha	2002/10/07
Registered Government Finance	GP	Johannesburg Roads Agency	Taylor	Venancia	2018/12/18
Registered Government Finance	MP	Gert Sibande District Municipality	Vilakazi	Nomavila	2019/04/01
Registered Government Finance	KZN	King Cetshwayo District Municipality	Xulu	Sifiso	2017/07/31
Registered Government Finance	KZN	Dr Nkosazana Dlamini Zuma Municipality	Zuma	Zinhle	2019/07/30

REGISTERED MEMBERS

Member Type	Province	Organisation	Surname	Name	Join Date
Government Finance Practitioner	GP	Private Sector	Chauke	Andson	2019/04/01
Government Finance Practitioner	KZN	RPM Consulting	Dittrich	Phila	2007/08/30
Government Finance Practitioner	KZN	Ethekwini Municipality	Haripershad	Neerasha	2019/03/07
Government Finance Practitioner	KZN	Dr Nkosazana Dlamini Zuma Municipality	Jali	Sibusiso	2019/07/24
Government Internal Auditor	LP	Road Traffic Management Corporation	Kekana	Kabelo	2018/04/18
Government Finance Practitioner	WC	Breede Valley Municipality	Klein	Tyron	2016/10/20
Government Finance Practitioner	GP	W&RSETA	Magagula	Londi	2018/02/21
Government Finance Practitioner	SWA	Matsapha Town Council	Mdluli	Nokulunga	2016/04/20
Government Finance Practitioner	WC	Matzikama Municipality	Meyer	Heleen	2019/07/18
Government Finance Practitioner	MP	Gert Sibande District Municipality	Mkondwane	Fanyana	2016/02/01
Government Finance Practitioner	KZN	Nquthu Local Municipality	Mpanza	Sakhile	2019/08/02
Government Finance Practitioner	KZN	Umzinyathi District Municipality	Myeni	Bongani	2015/06/11
Government Finance Practitioner	LP	Greater Tzaneen Municipality	Ngobeni	Edmond	2019/08/14
Government Finance Practitioner	FS	Setsotho Municipality	Rantsatsi	Matseliso	2019/07/16
Government Finance Practitioner	KZN	Msinga Municipality	Shangase	Zonke	2019/04/08
Government Finance Practitioner	KZN	Ethekwini Municipality	Sibisi	Tholi	2018/08/24
Government Finance Practitioner	KZN	Ethekwini Municipality	Sithole	Zinhle	2019/07/11
Government Finance Practitioner	WC	Knysna Municipality	Van Huyssteen	Landia	2017/08/30
Government Finance Practitioner	WC	Matzikama Municipality	Van Wyk	Ethel	2019/08/01
Government Finance Practitioner	NC	Emthanjeni Municipality	Visser	Isak	2004/03/23
Government Finance Practitioner	WC	Stellenbosch Municipality	Wagener	Pieter	2008/01/18



#AmINext became a regular item on South African social media as news broke of yet another woman being raped and then murdered during Women's month and just after the country celebrated Women's Day. Demonstrations took place to focus attention to the magnitude of gender-based sexual violence, rape and murder taking place throughout the country. This scourge of gender-based violence (GBV), which disproportionately affects women and girls, is a profound and widespread problem in South Africa, impacting on almost every aspect of life. Sadly GBV is systemic, and deeply entrenched in institutions, cultures and traditions in South Africa. The cause of GBV cannot be attributed to a single factor, but is a combination of individual, community, economic, cultural and religious factors interacting at different levels of society.

The impact can be felt significantly in the workplace with extended unforeseen absenteeism, interrupted job performance, a despondent workforce, loss of valued employees and reputational damage being just some examples of the costs that the employers bear as a direct result of gender-based sexual violence. The effect doesn't stop there as it also has significant economic consequences. A 2014 study by KPMG also estimated that GBV,

and in particular violence against women, cost the South African economy a minimum of between R28.4 billion and R42.4 billion, or between 0.9% and 1.3% of gross domestic product (GDP) in the year 2012/2013. Can you imagine what it is costing now – never mind the loss of the potential that was wrapped up in that individual now scarred for life or, worse, no longer living?

The consequences run further and deeper into society. The high rate of GBV places a heavy burden on the health and criminal justice systems. Considering that GBV can be physical, sexual, emotional, financial or structural, and can be perpetrated by intimate partners, acquaintances, strangers and institutions, it is essential that the public sector is well versed on the issues and the legal requirements.

South Africa is a signatory to a number of international treaties on GBV, and has a strong legislative framework, which includes the Domestic Violence Act (DVA) (1998), the Sexual Offences Act (2007) and the Prevention and Combatting of Trafficking in Human Persons (2013) Act. South African law prohibits any form of sexual harassment or violence in the workplace. It is a form of unfair discrimination on the basis of sex, gender and/or sexual

HISENOUGH #AMINEXT

orientation and has been described by the Labour Appeal Court as 'the most heinous misconduct that plagues a workplace'.

The Occupational Health and Safety Act enforces the duty to create a workplace that is without risk to the health and safety of their employees. The employer is required to take reasonable steps to safeguard its employees against harm that is reasonably foreseeable. Further, the 2005 Amended Code of Good Practice: Sexual Harassment Cases (the Code) requires employers to maintain a working environment in which the dignity of its employees is respected. This is best done through the employer adopting an appropriate sexual harassment policy setting out clear procedures to deal with sexual harassment in a sensitive, efficient and effective manner and to make assistance available to a victim of sexual harassment.

Action must be taken as soon as an act of sexual harassment or violence is brought to the attention of the employer. This entails investigating the matter and consulting with all relevant parties, taking the necessary steps to address the harassment or violence in accordance with its sexual harassment policy, the Code and other applicable law, and taking steps to eliminate the harassment

or violence. It is also important to take steps to protect the victim and other employees against further harassment or violence by the perpetrator. In fact, an employer that does not address allegations of sexual harassment or violence in the workplace may be deemed to have contravened the Employment Equity Act (EEA) firstly by virtue of the perpetrator contravening the EEA by committing sexual harassment or violence; and secondly the employer failing to take the necessary steps to eliminate the sexual harassment or violence. A consequence of any lack of action may be that the employer may be liable to pay damages or compensation to the victim. A complainant may also institute a delictual claim against the employer for damages on the basis of the employer's vicarious liability for the perpetrator's actions as an employee.

The Code requires employers and employees alike to ensure that the identities of persons involved in sexual harassment or violence allegations and proceedings are kept **confidential** to avoid claims of defamation in the event that false allegations are made. At this stage employers are not obliged, by law, to report sexual violence to the South African Police Service.



As a result of the sexual harassment or violence experienced, a victim may become either temporarily or permanently incapacitated (i.e. inherently unable to perform work to the employer's established standards of quality or quantity). The Labour Relations Act requires employers to adopt a more empathetic approach towards employees who are injured at work or incapacitated by work-related illnesses. The duty to accommodate the incapacity of an employee is more onerous in circumstances where the illness or injury can be linked to events that occurred in the workplace. However, even where the sexual harassment or violence was perpetrated outside the workplace, and was beyond the realm of the employer's control, the employer will still be expected to reasonably accommodate that employee where he or she is incapacitated as a result.

If a victim's sick leave entitlement has been exhausted, the Code requires employers to consider granting additional paid sick leave where an employee, on medical advice, requires trauma counselling. Employers may also consider assisting with the cost of the medical advice and trauma counselling if these are not covered by any applicable medical aid scheme.

Over and above what the law requires, employers should give serious consideration to vigorously taking further steps to eliminate

and prevent gender-based sexual violence in their workplace. Most acts of interpersonal gender-based violence are committed by men against women, and the man perpetrating the violence is often known by the woman. GBV (and IPV in particular) is more prevalent in societies where there is a culture of violence, and where male superiority is treated as the norm. A belief in male superiority can manifest in men feeling entitled to sex with women, strict reinforcement of gender roles and hierarchy (and punishment of transgressions), women having low social value and power, and associating masculinity with control of women.

Violence prevention policies and programmes should be informed by the best evidence we have available. Programmes that are evidence based are:

- built on what has been done before and has been found to be effective;
- informed by a theoretical model;
- guided by formative research and successful pilots; and
- multi-faceted and address several causal factors.

These factors interact with a number of drivers, such as social norms (which may be cultural or religious), low levels of women's empowerment, lack of social support, socio-economic inequality, and substance abuse. The interactions implemented may include:

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- initiating discussions and getting input and suggestions from all employees on how best to eradicate GBV and support their colleagues.
- conducting specialised sensitivity and awareness training in relation to inappropriate conduct towards, and remarks made, in the workplace.
- Undertaking a workplace climate survey to understand the sexual harassment or violence that may have already taken place and to determine the gaps in the current policies.
- Educating staff and updating the sexual harassment policy to incorporate employees' suggestions where the reporting procedures, the protections in place for victims and the strict sanctions that may be imposed are all clearly articulated.
- Implementing a confidential complaint line for employees to report acts of violent conduct and inappropriate office behaviour while remaining anonymous within the employer's reporting structure.
- Providing free counselling to address emotional and mental support needs.
- Reviewing and upgrading security procedures in the workplace, including the provision of transport or security escort services where safety may be compromised.
- Amending leave policies to allow for paid leave where medical attention, counselling or attendance at a programme is required as a result of an experience of sexual harassment or violence.

- Introducing activities in the workplace that aim to empower employees.

Addressing GBV is a complex issue requiring multi-faceted responses and commitment from all stakeholders, including government, civil society and other citizens. While a workplace cannot involve change the full society it can endeavor to eliminate gender-based sexual violence from the workplace by ensuring that all individuals are actively involved, and become part of the solution. In fact, the workplace can be a powerful structure for much-needed social benefit, providing information, education, support and other vital resources that employees may not otherwise get. **C**

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- Gender-based violence in South Africa – an article published by Safer Spaces - <https://www.saferespaces.org.za/understand/entry/gender-based-violence-in-south-africa>
- Muller R, Gahan L & Brooks L (2014). Too costly to ignore – the economic impact of gender-based violence in South Africa.
- Jewkes, R., et al. Preventing Rape and Violence in South Africa: Call for Leadership in A New Agenda For Action. MRC Policy Brief, 2009.



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REPORTING REQUIREMENTS - LOCAL GOVERNMENT

OCTOBER

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Cons report - all withdrawels each quarter	MFMA 11(4)	Within 30 days	Accounting Officer	Prov Treas, AG
4	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
5	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
6	Implementation of the budget & financial state of affairs	MFMA 52(d)	Within 30 days of each quarter	Mayor	Municipal Council
7	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
8	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
9	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
10	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
11	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
12	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
13	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
14	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
15	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
16	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
17	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
18	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
19	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
20	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
21	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
22	Entity - Submit annual report	MFMA 127(1)	1-6 months after Fin Y-end	Entity Acc Officer	Municipal Manager
23	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
24	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
25	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
26	Non-compliance & reasons of non-complia	MFMA 128©	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
27	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
28	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
29	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtr	Acc Officer etc	Nat Treas
30	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA
31	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA

NOVEMBER

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
4	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
5	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
6	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
7	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
8	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
9	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
10	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
11	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
12	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
13	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
14	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
15	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
16	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
17	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
18	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
19	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
20	Entity - Submit annual report	MFMA 127(1)	1-6 months after Fin Y-end	Entity Acc Officer	Municipal Manager
21	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
22	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
23	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
24	Non-compliance & reasons of non-complia	MFMA 128©	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
25	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
26	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

DECEMBER (2ND QUARTER OF FINANCIAL YEAR)

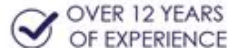
NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
4	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
5	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Council, MEC (Loc Govt)
6	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
7	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
8	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
9	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
10	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
11	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
12	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
13	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Council
14	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
15	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
16	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
17	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
18	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
19	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
20	Entity - Submit annual report	MFMA 127(1)	1-6 months after Fin Y-end	Entity Acc Officer	Municipal Manager
21	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
22	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
23	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
24	Non-compliance & reasons of non-complia	MFMA 128©	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
25	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
26	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas



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ARMS is a dynamic South African auditing firm founded by black professionals with a passion for transformation, professionalism and upliftment of previously disadvantaged persons. The firm focuses on servicing all spheres of government, state-owned entities, and private sector in South Africa.

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