

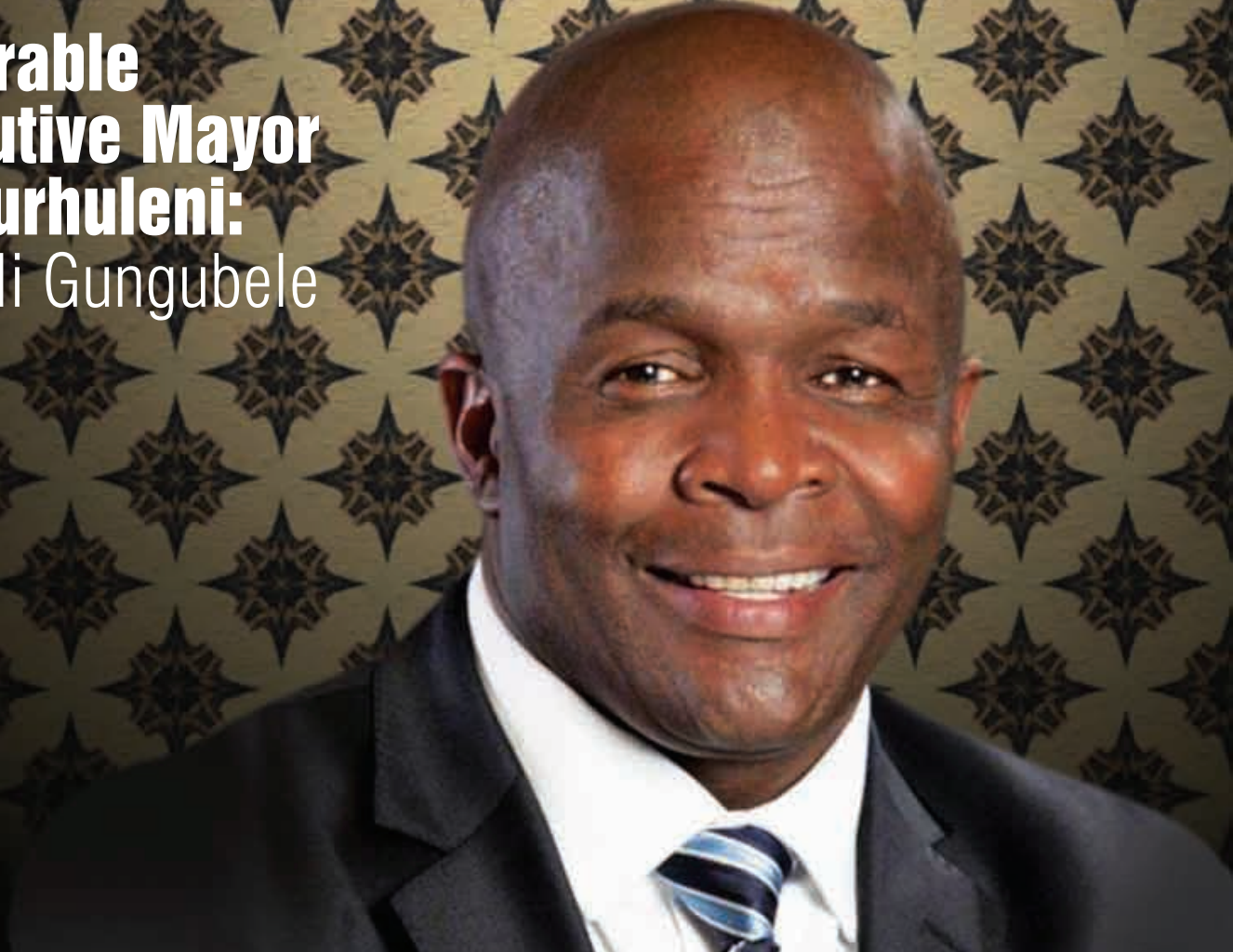
Happy Holidays

IMFO



OFFICIAL JOURNAL OF THE INSTITUTE OF MUNICIPAL FINANCE OFFICERS

**Honorable
Executive Mayor
of Ekurhuleni:
Mondli Gungubele**
8



Back to Basics **12**
A Municipality Soccer Analogy

INTERNATIONAL COLLABORATION KEEPS IMFO RELEVANT **18**



AUDITOR - GENERAL
SOUTH AFRICA

Auditing to build public confidence

What are some of the things that a public servant can do

to assist your entity in effective financial management
and ultimately reaching its service delivery objectives?



Keep records

The maintenance of credible and usable records will ensure accountability. Controls over daily and monthly processing and the reconciling of transactions must be implemented, with variance and exception reports reviewed regularly.



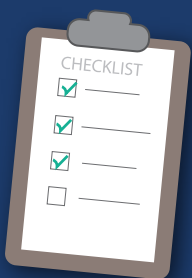
Develop effective policies and procedures

These should be implemented to achieve control objectives.



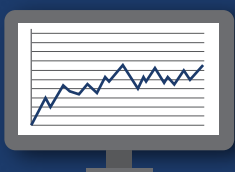
Reporting

Transparency and accountability in reporting and disclosure of information are vital to the practice of good corporate governance. The Municipal Finance Management Act and the Public Finance Management Act speak to the need for quality and relevance of financial reporting.



Checklists or dashboards

Reviewing and monitoring mechanisms to ensure compliance.



Performance information

This process must begin when policies are developed and must continue through each of the planning, budgeting, implementation and reporting stages.

#AGSABackToBasics



This time of the year brings friends and families together. Looking back at the Annual Conference this October, one has witnessed colleagues getting together and sharing ideas. The annual conference was a success and we owe our gratitude to all our supporters, IMFO Members, conference delegates, sponsors and board members.

One can only hope that from this conference going forward, all municipal governance structures will meet regularly and perform their responsibilities with transparency and accountability. It was indeed a great joy to meet old and new faces and most of all; it was humbling to have members enquiring on IMFO Platforms that will allow them to play a more meaningful role in their municipalities or in local government as a whole.

2016 is around the corner and we hope all is in place to ensure that the year starts off with a smooth sailing in your respective areas.

Thank you for your support and please continue to inform us on topics that you would like read about in this journal. 📌

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Foreword from the IMFO President



It is that time of the year again where we get the chance not only to reflect on the road travelled thus far, but a chance to trace our steps and reflect on areas where we can better ourselves and further enhance the image of IMFO. The year 2015 has been one that has seen the Institute usher in new and exciting opportunities.

IMFO turned 86 this year, true to the tradition of IMFO of hosting successful conferences over the years, the 2015 annual conference was no different. We remain grateful to City of Ekurhuleni for its continued support this year and over the years and especially the Honourable Executive Mayor Mondli Gungubele who graced the conference with his presence and for the warm welcome we all address to our delegates and international guests. We pride ourselves with all the wondrous success achieved with the annual conference and all the seminars and workshops throughout 2015.

Our year started off with the Women Seminar that was hosted in Port Elizabeth under the theme *"Amplifying the Voice of Leadership beyond Equity"* led by the Standing Committee on Social Ethics and a success it was. We are also grateful to our partner PricewaterhouseCoopers (PWC) for playing such a huge role in ensuring that the seminar was a success.

The 6th IMFO Audit and Risk Indaba hosted by EThekweni Municipality under the theme *"ABC of Good Governance"* is another milestone recorded with just over 600 delegates attending the Indaba. I extend my gratitude to Standing Committee in Audit and Risk.

I also acknowledge the commitment of our 300 delegates all of whom are practitioners in finance on the attendance of the Public Sector Finance Seminar which was hosted by City of Johannesburg at Gallagher Estates and under the leadership of the committee of Standing Committee on Professional Practises.

The partnership we have with our Municipalities in hosting these annual events speaks to the continued relevance of the role the institute plays within the municipal finance, audit, risk and performance environment. We are and still remain grateful to our municipalities for their support and participation in all our events. It is without doubt that we pride ourselves in the work that we do and the service we provide to our members in ensuring that we keep them focused and well equipped at all times. Reflecting on the year successes, one can proudly say the objectives that I committed to pursue at the beginning of my term of the office are being realised. The objective of professionalization of the local government

profession on municipal finance and related professions remains squarely insight to ensure realisation of that goal during my tenure. To this end the partnership proposed with CIPFA UK, announced at the annual conference is the furtherance of the internal Audit profession within local government. The roll out of the program will be realised in 2016.

While good governance is an important measure we apply to assess our compliance to policies laws and regulations, effective governance must address the extent to which our compliance measures contribute to quality service delivery to our communities. IMFO continues to play a critical role in collaboration with government, municipalities and other stakeholders in ensuring that we all strive towards effective governance.

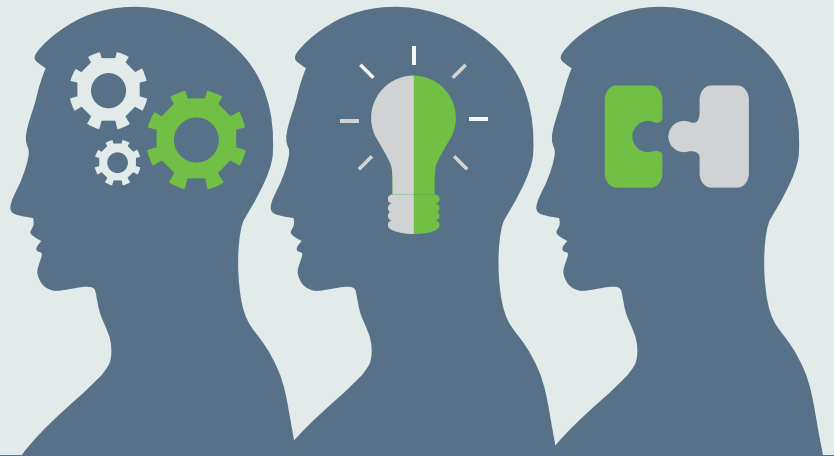
As we transcended the 86th IMFO annual conference, this culminated in the signing of the Memorandum of Cooperation with National Treasury and ISAMAO. This prestigious moment couldn't have come at a better time as municipalities are trying to reach a national standards for the uniform recording and classification of municipal budget and financial information at a transaction level by prescribing a standard chart of accounts for municipalities and municipal entities. This framework of SCOA of national norms and standards across the whole government for the purpose of national policy coordination reporting, benchmarking and performance measurement in the local government sphere. With the objectives of National Treasury and IMFO being clearly set out to achieve the objectives of the mSCOA, to monitor and implement a high quality, accredited mSCOA skills development programme. The MOU with ISAMAO is to work together and support each other in various intervention and programme for the achievement of the common objective of professionalizing local government through various collaborative programmes aimed at capacitating their members in leadership for sustainable financial management and good governance..

As we come to the end of the year, we are hard at work with National Treasury to address the professionalization of the public finance management practises. A common framework of professionalizing public finance is being developed, while IMFO will be focusing on the municipal finance this will be done in the context of the broader Public Sector Finance framework. This will broaden IMFO horizon in PFM and the registration of new designations with SAQA and facilitate the statutory recognition of IMFO. The key highlight of IMFO success is the commencement of the construction of IMFO new building. As we move towards completing the building insight is the name change to accord with the new mission of PFM. We envisaged that this will be completed by year end subject to intense consultation with all our members for proposals. Watch the space!!"

I would like to extend my deepest gratitude to the Board and the secretariat for all the support given towards my leadership and most importantly to the IMFO members for your continued support throughout the years. As we prepare for the holiday season, I would like to wish everyone Merry Xmas and happy and successful 2016. 📍

JANE MASITE
MADAM PRESIDENT - IMFO

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From the DESK of the Acting CEO



Crazy how time flies, I doubt I will be speaking for myself only when I say 2015 has been one speedy year. It feels like yesterday when we were at the IMFO 85th annual conference in Cape Town while witnessing Ms Muller (Past President) handing over the baton to Ms Masite (Current President) to lead IMFO under her leadership. Ms Masite has lead the institute with such pride and honour.

This year's conference marks a year for her as the captain of this ship. As we draw closer to the end of the year, it's only natural that we reflect on our journey as an institute and that we share the memories we lived. I know we all preparing ourselves for some well deserved rest that we all looking forward to with our loved ones, but in that same time we also prepare ourselves for some self introspection while building up hopes and start thinking about all the possibilities that the new year will bring forth.

On that note of reflecting back at our eventful year, one cannot list anything without mentioning The Annual Conference. In fact The Annual conference seems to be the first on the list of most even though it's one of our very last events to be hosted by the institute. As stated on our mission statement, our main mandate is providing, within the statutory framework,

effective financial accounting advice, as well as setting and maintaining high financial standards and controls in public finance and governance, to all levels of government and stakeholders, to benefit the community and 86 years later we still abide by this mission. Our members and those who have participated at any of our events can testify to this.

One of our major highlights of the conference was when the MOU (Memorandum of Understanding) between IMFO and National Treasury and the MOC (Memorandum of Cooperation) between IMFO and ISAMAO were signed in front of the audience on stage at the conference. These memorandum were a mark a new start for the institute and the partners at hand. The purpose of the MOU between IMFO and National Treasury is to provide a framework of cooperation and facilitate collaboration between the two parties and specifically address the National Treasury's objective of collaborating with IMFO to monitor and implement a high quality, accredited mSCOA skills development programme. The aim of the MOU with ISAMAO on the other hand was to formalise relations between IMFO and ISAMAO in order to achieve the objectives of professionalising the local government sector and foster sustainable financial management and good governance.

These changes couldn't have came at the best time for IMFO, as the institute grows from strength to strength with each event. I would like to express my gratitude to the president for the support she has given the staff and the entire board for always being the back bone of the institute. Our heartfelt gratitude is also extended to our sponsors and exhibitors attending our events, for your continued support. Our stakeholders, we also grateful and thank you for working with us till thus far. Our success is truly a team effort. We thank you for working with us in co solidarity towards effective governance and corrupt free country. To all our members and participates we thank you for your loyal support, 2015 has been a good year through your support. I wish you all a safe and joyous holiday season. 📍

IRA KOTZE
ACTING CEO

Welcome Address by the Executive Mayor of Ekurhuleni: Mondli Gungubele



WELCOME TO THE PLACE OF PEACE AND AFRICA'S FIRST AEROTROPOLIS – THE CITY OF EKURHULENI.

Since the advent of Ekurhuleni in 2000 we have proudly hosted this conference five times – and we continue to look forward to hosting you going forward.

This gathering takes place at a time when corruption in both the government and the private sector, has become a cancer that is steadily eating into our community fabric. Week in and week out we are exposed to allegations of corruption running into millions of rands. This practice has been going on for a while now that if left unattended to we risk living in a society that begins to view it as a norm and turn a blind eye.

Indeed we must applaud all South Africans who have declared war against fraud and corruption because it is not too late to stop this practice. Yes, many millions have been lost already, but we have the responsibility to stop this practice from escalating. We must do this because our people have faith in us doing the right thing as professionals and politicians operating in this space.

Five days ago concerned South Africans including celebrities and the clergy took to the streets to call for an end to corruption. Our people were raising a red flag against corruption and called for the government to bring this to an end. So, as we gather here for this conference, it is imperative that we internalize the message of those concerned South Africans and deliberate robustly on ways to respond to their concerns as people who are handling public funds.

Corruption is indeed demonizing our good work as government and it is tarnishing our image as the practitioners in this space. Our people look up to us to protect their financial resources which they expect us to use to better their living conditions and not to pocket. We must then

demonstrate to the majority of our people that they did not make mistake by choosing us. Let us demonstrate that we know what they expect of us by doing the right thing. We cannot have corruption eating into our system of government.

We must continue to run a clean and transparent government that is driven by the needs of the people.

This topic reminds me of the speech delivered by former President Thabo Mbeki when he was encouraging us as South Africans to get involved in a programme he had dubbed the 'RDP of the soul'. Mbeki was commenting as a concerned South African worried about the decay of morality as a result of prevalent corruption.

Mbeki said: "If I am correct, then we must strive to find the answer to the question - what must we all do to rebuild a system of morality in our country, a generally accepted value system that is inimical to actions that are ethically wrong! Fundamentally to create a climate in our country hostile to crime, including crimes of corrupt practice within both the public and private sectors."

Indeed we surely must do whatever is necessary to effect that RDP of the soul. Clearly, whatever it is that we have to do to address the issue of the RDP of the soul, we must, at the same time, ensure that we have a law enforcement system which gives no quarter to corrupt practice.

Also critical for this conference will be the sharing of best practice as we soldier on towards clean audit – which is a sore thumb of our government. It cannot be that with all the skills we have acquired and the political will, our municipalities are still struggling to obtain clean audits. Indeed there has been some major improvement in this area

over the years, but we must agree that more work still needs to be done.

Ladies and Gentlemen this task is not impossible. You will recall that Ekurhuleni obtained a Clean Audit in the 2013/14 financial year after four successive unqualified audits. Indeed this was not easy task but through hard work and determination it finally happened.

For us this was a mission of fulfillment. Gratitude must go to the leadership of the Gauteng province for having demonstrated true commitment to the audit imperatives of the Office of the Auditor General. Gratitude must also go to the office of the AG which demonstrated a very robust, frank and truthful attitude towards ensuring that we obtain a clean audit.

When the late Minister for Co-operative Governance and Traditional Affairs Mr Sicelo Shiceka launched Operation Clean Audit 2014, for us this meant applying our minds to this mission which we deemed doable.

Ekurhuleni is only 15 years old. It was established after the amalgamation of 11 erstwhile administrations which used to constitute the former East Rand. The uniqueness of this joint venture was the streamlining of the various administration systems while ensuring that there was no disruption to service delivery. Indeed that was achieved albeit some difficulties due to the different systems that each of the towns employed before the merger.

Fourteen years on, all the hard work was finally rewarded.

This story demonstrates to this great team of professionals that nothing is impossible. I have no doubt in my mind that with more than 1700 professionals in municipal finance from all over South Africa and more than 300 councillors present here today, we can expect honest and indeed robust engagement that will change the status quo in how certain sectors of society view local government finance management processes and systems. Local government finances in totality has undergone significant reform over the past number of years. The Budget Reform that is being driven by National Treasury since 2008, has brought stability in local governance budgeting and reporting.

This success can be attributed to among others, outcomes and honest deliberations from IMFO. Your dedication and commitment to comply with the Municipal Budgeting and Reporting Regulations has ensured that the quality of reports regarding municipal finances improves significantly over the years. This can also be attributed to the implementation of the Generally Recognised Accounting Practice (GRAP) principles – a process dating back to the 2005/06 financial year.

Minister of Finance Nhlanhla Nene in his 2015 Budget Speech said:

“Over the longer term, progress in municipalities requires local economic growth, property development and revenue capacity, alongside national support.”

In a joint statement by the Ministers of Finance and Cooperative Governance (regarding Audit Outcome for the 2012/13 financial year), reference was made to the strategy for local government to set clear benchmarks of performances to ensure all municipalities perform their basic responsibilities. It refers to the basket of basic services and maintenance, such as cutting grass, patching potholes, working traffic and streetlights, consistent refuse removal and water supply.

Reverting to “Back to basics”. It is very important that we do not just view it as a vehicle for the rendition of basic municipal and infrastructure services, but also a jolt at corporate governance systems and processes of municipalities. All municipal governance structures must meet regularly and perform their responsibilities with transparency and accountability, with no interference. We must force competency standards for senior managers and appoint persons with the requisite skills, expertise and qualifications. All senior managers must sign performance agreements and apply an effective performance management system.

Honorable delegates, looking at the theme of this conference I am confident that the various breakaway sessions will address the Back to Basic principle set by government.

Local government is also now migrating into a new phase in reforming municipal governance as articulated in the new Municipal Standard Chart of Accounts (MSCOA) Regulations, which was gazetted on 22 April 2014. MSCOA is a business reform that prescribes the method and format that municipalities and their entities should use to record and clarify all expenditure, revenue, assets, liabilities, equity, policy outcome and legislative reporting. In this way the municipality’s detailed financial information is captured at a central point making it easily accessible to national, provincial and other departments for monitoring and oversight purposes.

While historically planning for the budget was done by the budget manager in one office with the engineer implementing the project not necessarily involved, MSCOA brings about a business change encouraging all the relevant players for instance the budget manager, engineer and accountant to do joint planning.

A number of municipalities are already piloting MSCOA and are working closely with National Treasury to finalise the entire framework for local government. We are excited at the success and end results so far, and I remain convinced that MSCOA comes into full effect in all municipalities in 2017, it will indeed further contribute to the promotion of national goal of good governance. ❶

The Critical Role of Project Management in Local Government

by Peter Michel - Crest Advisory Africa Associate



“Projects don't fail in the end, they fail at the beginning.”

The primary role of Local Government is the provision of services. The capability to do so is largely dependent on an appropriate and functional infrastructure.

For its part, project management is the ultimate vehicle in the replacement of redundant infrastructure, the development of new infrastructure and the maintenance of all such infrastructure. By effectively managing projects, municipalities learn many of the typical governance principles and processes required to ensure success and avoid adverse audit opinions.

Unfortunately it has to be admitted that the failure rate of projects is estimated to be quite high. Project management undisputedly remains by far the most viable discipline in achieving a unique outcome within a defined timeframe and

any effort to improve the success rate of projects, should be seriously supported.

An estimated 37% of projects fail or run into serious trouble. With so much evidence at our disposal we should benefit from the exact science of hindsight and turn this into a pro-active strategy in enhancing the potential success rate of projects. A multitude of causes for project failure is cited and in the process of formalising a practical pro-active approach towards improved project success we would need a more focussed or categorised perspective.

Even taking into account interrelationships which may cause problems across some boundaries it would serve the objective to group the sources of project failure into three main areas of causality; Process related, People related and Technical related.

Contrary to general belief, only about 7% of project failure is attributed to technical problems. However, these are mostly of a serious and costly nature. Technical problems are caused mainly by choice of inappropriate technology, lack of competence and integration difficulty.

Generally process problems result from not adhering to a formal framework. Other reasons are:

- o Ambiguous specification (sometimes linked to corrupt practices), vague objective setting, inadequate needs analysis, inappropriate structure and a mediocre work breakdown structure (WBS);
- o Poor planning, inadequate attention to risk, no contingency provision, fallible procurement and an ineffective contracting process (possibly part of corruption);
- o Scope creep, poor communication structures, poor resource allocation and balancing (including insufficient budgeting), inefficient change control, insufficient supportive documentation and a lack of control over quality, cost and schedule.

Some of these may in fact be as a result from not adhering to the required process and thus form part of the people problem area.

People problems primarily arise from some of the following:

- o A lack of project management experience, poor interpersonal skills, ineffective communication, lack of guidance, unrealistic perceptions and inability to manage change;
- o Over-reliance on software applications, lack of technical and decision making skills
- o Ineffective stakeholder management and a lack of risk mitigation;
- o And finally a low level of top management commitment and political interference,

It is perhaps not that surprising that it is not software applications, process maps or machines that are responsible for the unsuccessful execution of projects. It is estimated that more than 70% of project difficulties are attributable to people failing to fulfil their project functions.

While no two projects are identical we can benefit from studying the reasons for failure. In order to improve the success rate we need to counter those factors that cause failure and develop strategies to enhance future project success.

Regarding people problems, the first and most obvious inference to be made is that the improved selection and proper training of project managers and teams should have an immediate and marked effect on the project success rate.

Finally, regarding the actual execution of a project, the following input/output Project Management Governance Framework provides guidelines to achieving project success. ❶

Project Management Governance Framework

© PM

Drivers		Input Factors	Output Compliance Control
Objective		Verify and Unambiguously Express Determined Need to be Satisfied or Problem 2b Resolved in a Requirement Specification	Actual Functionality of Result Measured Against Requirements Specification
Process		Implement a Suitable and Standardised Framework and Process Supporting the Execution of the Project	Integrated Utilisation of an Appropriate Project Management System & Techniques
P	Quality	Clearly Specify Intended Deliverables regarding Functionality and/or Geometry	Continuous Measurement of Conformance to Requirement Specification
L	Cost	Budget through Cost Estimation and Allocation per Task Balanced within Agreed Total Expenditure	Continuous Measurement of Expenditure Against Budget
A	Time	Project and Agree Completion Date and Interim Progress Milestones	Continuous Measurement of Delivery Within Scheduled Time
N	Resources	Identify, Acquire, Allocate and Manage Competent Human and Functional Technical Enablers	Continuous Measurement of Actual Performance of Resources
Execution and Control		Integrated Implementation and Constant Measurement Against Baseline with Sound Decisions on Contingencies or Alternatives	Extent of Adherence to Plan and Impact of Reaction to Deviations
Project Success		Continuous Verification of Interim Progress and Final Outcome	Level of Integrated Functionality of Outcome Achieved within Constraints

PLAN = A realistic *visualization* (taking into consideration constraints) of how project management intends to *structure* events and *allocate* resources in order to achieve set *objectives* which then forms the *baseline* against which *performance* is *measured* and *deviations* detected in order to take *corrective action*.

Back to Basics – A Municipality Soccer Analogy

by Yusuf Aboojee – MBD Credit Solutions

Too often we see the rise and fall of a soccer team whether it be national or international. Take Liverpool for instance; a giant of English soccer in the 70s and 80s, now reduced to a team struggling to get into the top 4 of the premier league. But we don't need to look that far, remember Manning Rangers the winners of the inaugural PSL now no longer existing. Many experts say that the key to soccer clubs getting back to their winning ways is to go back to the basics, being get leadership in defense, get a creative midfielder and get a powerful striker. But you may be asking, what has this got to do with the municipal environment and especially how can it assist me in reducing my municipality debt and enhancing my revenue. Well, let's see where this leads.

According to a recent National Treasury report, the total debt owed to South African Municipalities is currently sitting at approximately R107 billion, a 13.3% increase from the previous year. This increase in debtors has led to municipalities becoming less sustainable through escalating uncollectable debt, which affects the revenue of municipalities and impacts on service delivery, in other words in my analogy, municipalities are lacking in making their goals and are losing their championship status and may be relegated next season if change does not occur. There are a number of reasons why this is occurring and touching on the main points, research has shown that a lack of skills, lack of capacity, inefficient audits, incorrect billing, poor or no debt collection process, no proper query resolution and feedback process are the primary reasons why municipal debtors are escalating. A change of strategy is needed, municipalities, like soccer teams need to get back to basics. End of season is here, so let's start planning for the new year. Let's get back to basics and start fixing the gaps.

NEW GOALKEEPER IS NEEDED...

The Goalkeeper is one of the major specialized positions in soccer, and their primary role is to prevent the opposing team from scoring a goal. Goalkeepers play an important role in directing the on field strategy as they have an unrestricted view of the entire pitch, giving them a unique perspective on how the game develops. In the same way a municipality has to have a specialized role, function or skill that can prevent it from an escalation in debtors, which is able to see the big picture and is able to direct performance. Ensuring that municipalities have the right people is imperative to the success and implementation of any strategy. According to the recent Auditor General's report, there is mismanagement of financial practices and certain individuals are not qualified enough to manage municipal finance departments. At the same time, the community does not have confidence in the ability of the municipality due to their interactions with inefficient and unknowledgeable customer facing staff and management. A proper workforce plan needs to thus be put in place in order to eradicate these issues.

Municipalities need to review their recruitment policies and conduct skill audits in their Revenue Management departments or Credit Control departments. This will determine whether they have the right people for effective management and implementation of revenue strategies.

Good workforce planning is making sure that municipalities have the right number of people with the right skills, experience and competencies in the right jobs. Fixing this key problem in municipalities can result in the first step toward better revenue management and ultimately revenue enhancement. The community which the municipality services; will start to have more confidence in their municipality, leading to more interaction and possibly an increase in collections. Similarly once a soccer team has confidence in their goalkeeper, they can rest easy and focus on attacking the opposition's goal. If a municipality is able to get the right people, they can thus concentrate on more pressing areas of concern.



LEADERSHIP IN DEFENSE...

A soccer team is only as strong as its defense. Play start from the defense. In the municipal context, the revenue process starts with the reading of meters and billing process. Let's start from the right of defense and move to the left. On the right we have a huge point of frustration for most consumers with regards to meter reading and meter audits. Meter readings and meter audits are very important in ensuring that municipalities are able to function and bill efficiently due to the fact that they are the start of the revenue process. Research has shown that many consumers withhold payment due to incorrect meter readings, incorrect billing and inefficient credit control processes. Municipalities need to put processes in place to ensure that readings are correct and that meters are regularly audited. Audits should also ascertain which meters need to be updated and or fixed. Also municipalities need to ensure that the companies that they outsource this function to are reputable and are able to deliver. Solving the problem of meter readings and audits will ensure

that the billing process is correct and made more efficient. By having the correct meter readings, more accurate bills will be sent out leading to increased payments and improved revenue. Having a reliable defense will ensure protection and leaking of goals.

CREATIVE MIDFIELDER...

Creative midfielders typically serve as the offensive pivot of the team. It is an important position that requires the player to possess superior technical abilities in terms of passing and dribbling, perhaps more importantly, the ability to read the opposing defense in order to deliver defense-splitting passes to the strikers. Similarly, municipalities need to ensure that they understand their market and also need to have the tools to meet the challenges experienced by both the municipality and the community it serves.

From a systems perspective, making use of an effective revenue management system will increase debt collection,

Back to Basics – A Municipality Soccer Analogy

by Yusuf Aboojee – MBD Credit Solutions



reduce municipal debtors' books and ensure an effective management of outstanding debt. The majority of systems that are currently in place are in need of upgrading or replacement. With the right tools and talent a midfielder is able to perform. Similarly having the right system in the municipal space can assist in better managing revenue processes. Understanding the needs of the community, the frustrations of the community and the challenges facing the community is also very important. Effective query resolution and customer care processes have to be put in place at all municipalities in order to ensure optimal client service and is imperative in ensuring that reputational risk to the municipality is avoided. Employees with excellent communication skills and the ability to deal with the public effectively should be allocated to the query resolution and customer care environment. This is key to the success of the query resolution process. Feedback mechanisms must also be built in which can assist in reputation building for the municipality. These are just two creative tools that can be employed by the municipalities in order to ensure revenue enhancement.

In addition, customer profiling coupled with market analytics and data segmentation, provides key customer insight that can assist municipalities to better service their consumers. There are companies in the South Africa that are able to assist with improved customer profiling.

POWERFUL STRIKER...

Strikers are the players on an association football team who play nearest to the opposing team's goal, and are therefore most responsible for scoring goals. Not to be confused with the individuals that take part in strike action that occurs

regularly in South Africa, these individuals are key to ensuring victory for the team. Without a powerful striker, a team cannot score frequent goals. Similarly in the municipal space without communication with the community, a municipality cannot meet their set objectives. Communication with the public is important to ensure that all stakeholders are kept aware of new developments that are being put in place. An effective communication strategy must be put in place that clearly details the message that the municipality wants the consumer to know about, along with plans to improve service and billing. These could be via various media which include television, radio, SMS, billboards and the internet to name a few. In this day and age mobile technology is an effective solution in two way communication between the municipality and consumer. There should also be a mobile service centre that consumers can access for any queries or communication. Two-way communication will also ensure that issues are fully understood and addressed. It will also give the consumer peace of mind and build confidence in the municipality.

FULL TIME

So to conclude, many soccer teams have gone back to basics when looking at ways of improving performance. Those teams that are underperforming but have not gone back to the basics suffer in the long run as fan confidence and form ensure that they do not meet their objectives. Municipalities need to go back to the basics to ensure that the above mentioned points are functioning efficiently. If these basic steps are not in place, then it will have an adverse effect on the rest of the municipal revenue value chain. Start benchmarking your processes against municipalities that are performing well and see where they are in terms of the points above. It's time to get back to basics! ①



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Financing Municipalities for a Greener Future

by Professor André de Villiers - Associate Crest Advisory Africa

“The earth with its diverse life forms is a functioning whole. We have a pressing obligation to respect all strands of this web of life and to preserve them for future generations. (Formulated at a World Conference on Sustainability in Paris, 1991)”



Nowhere is this more applicable than in South African municipalities today. How many of our country's leaders and more specifically the executives in our municipalities understand their huge responsibility in this regard?

A Time Magazine special report in October 2011 stated that it is estimated that our planet had just reached seven billion people and the population was still increasing by 10 000

people per hour. A billion people — that's 1 in 7 — go hungry around the world today, but that's not because the planet is incapable of producing enough food to feed them. After all, as much as half the food produced worldwide ends up wasted, either rotting in the fields, the markets or in our refrigerator. We could feed 7 billion, 8 billion, 9 billion and probably more. But, three major factors are in strong contradiction to this. Firstly most of the one billion just can't afford to buy food and yet they multiply fastest. Secondly, available land is

diminishing and pollution of water, soil and air are negatively affecting food yields. Increasingly innovative technology needs to come to our aid. Thirdly, on average, 52 species of mammals, birds and amphibians move one category closer to extinction every year due to humans invading their habitat. As pollution increases, climate change takes its toll and diversity declines, we move closer to a risk area where unexpected natural disasters can easily overtake us.

Two events of the past week have highlighted the challenges faced by municipalities. Firstly the anti corruption marches held in Pretoria and Cape Town. The public has clearly indicated that it is 'gatvol of corruption'. On television municipalities were singled out to be the main culprits.

Many posters at the march indicated that 'the poor were being robbed'. What they are mostly robbed of is a better education and this in turn is the only way to implement birth control.

Secondly the official launch, by the City of Johannesburg's mayor, of the Ecomobility World Festival. It aims to create awareness around reducing South Africa's carbon footprint and encourage road users to choose alternative modes of transport. No vehicles are allowed in the Sandton CBD.

South African cities suffer from urban spread and this increases the use of private vehicles and makes public transport less economic. Municipalities need to supply, and even worse maintain, road infrastructure as well as water, electricity and sewerage reticulation systems. This pushes up cost.

It is often said that World War III will be about water. Yet our municipalities and their residents waste huge amounts of water. Leaking pipes are responsible for a loss of nearly a third of the water of some municipalities. Our gardens, parks and golf courses are water guzzlers. We need to design our towns and cities for the water scarcity in future.

The One Earth Community has formulated twelve principles which need to be implemented if we want to save our

planet. These relate closely to UN declarations on ecological sustainability such as the Millenium Development Goals and the 2030 Agenda for Sustainable Development. Briefly, these twelve principles are:

- o What we do to the earth we do to ourselves in the long term.
- o Ecological justice and social justice are indivisible.
- o For people to develop fully and understand their role in the total system they need proper education.
- o The right of future generations to a clean, healthy and aesthetically pleasing environment, must be recognised by the people of today.
- o Governments and institutions need to communicate with their communities and come to shared decisions.
- o Bearing in mind the issue of climate change, it is essential to establish procedures and measures permitting a transnational approach to environmental issues.
- o The principle and preventative action should be based on environmental, social and cultural impact assessments.
- o The polluter pays principle must be affirmed, especially in industrialised nations.
- o Bio-diversity must be protected at all costs; especially important is the prevention of destruction of forests and natural habitats through cities and towns.
- o The unjust distribution of wealth must be addressed. To a great degree smaller families assist in this.
- o Military conflicts impact negatively on the environment; the weapons trade must be stemmed; nuclear risks must be minimised.
- o Materialistic life styles and the possession of goods as indicators of personal well being should be changed towards more sustainable life styles.

In leaving this Conference we remind you not to forget your governance, social and ecological responsibilities. Hopefully you will heed the call by promoting attempts to make your municipality a healthier, pleasanter and greener place for people to live in. ①

Hamba kahle!!

International Collaboration keeps IMFO relevant

by Professor André de Villiers - Associate Crest Advisory Africa



IMFO COUNCIL HAS BEEN GIVING SERIOUS THOUGHT TO INTERNATIONAL COLLABORATION TO ENHANCE ITS PROFILE AS AN INSTITUTION FOR PUBLIC FINANCE PROFESSIONALS. ONE SUCH AREA IS A POTENTIAL CLOSER RELATIONSHIP WITH CIPFA, THE CHARTERED INSTITUTE OF PUBLIC FINANCE AND ACCOUNTANCY IN THE UNITED KINGDOM.

Doctor Adrian Pulham, Executive Director Learning and Membership of CIPFA in the UK, has specially flown out to South Africa for this Conference. His commitment to IMFO showed very clearly by the fact that he made the arduous journey here with a broken leg.

He is responsible for developing the strategic direction of the Institute's education and membership services. He liaises with the UK government as well as with public services in Europe and globally. The focus is on public financial management or PFM and more specifically the good governance challenges faced by public sector institutions. This requires a 'whole systems approach'.

Currently CIPFA and IMFO are in discussions to formulate a MoU (memorandum of understanding). If concluded this holds great promise for members of IMFO. They will for instance gain access to international standards setting approaches and best practices. There is also the potential to build the capacity of members through webinars and a database called Management Direct. The total approach is much like becoming part of a university's faculty. Members will gain access to international meetings and conferences.

He ended his presentation by stating that all government and municipal reforms start in finance. Public sector financing is becoming a very exciting field. ●

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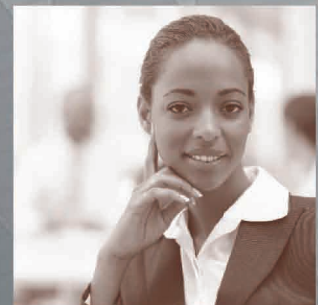
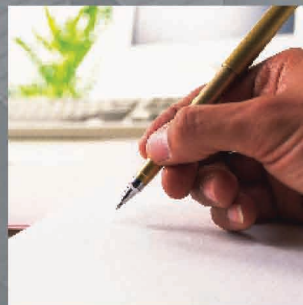
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Moving towards Good Governance and Effective Performance Management through the Application of Smart City Principles in Local Government. *by Constance Mametja - Action iT Pty (Ltd)*



Cities and towns are growing in size and influence as a result of rapid urbanization and migration patterns. Technological developments are therefore having a profound effect on society and calls for government to adapt to changes in a speedy manner. There is an increasing pressure with new challenges facing municipalities e.g. aged infrastructure, fraud and corruption, rapid urbanization, pollution, traffic congestion, citizenry apathy, poor financial management etc. There is also increasing pressure to involve the community in the decision making processes and work of municipalities as well as to provide relevant information to other levels of government, communities and other stakeholders on a regular basis. We are living in an information age.

The challenges above simply imply that local government has to continue to change the way it operates in order to respond to the new technological demands so as to improve the quality of service to citizens. Walking the talk through effective governance simply means that municipalities must keep abreast with new technological advancements and respond to the demands of the citizens in a prompt manner. This requires leadership and management to have a new paradigm of thinking to tackle these new challenges. Becoming smart cities really means going back to the basics. Gone are the days when service delivery only meant the delivery of water, electricity, roads and sanitation. Communities have a need for more services than ever before. Increasing demand for transparency calls for innovate ways of engaging communities. Some of the much-needed services are for instance rural broadband connectivity (to allow for more remote access to services electronically), online citizen engagement platforms (which allows for information gathering, dialogue enablement, decision-making and assessment while storing data for ongoing queries, monitoring, evaluation and reporting) and integrated public transport systems etc.

WHAT IS A SMART CITY?

Caraglin and Nijkamp, 2009 asserts that “a city can be defined as “smart” when investment in human and social capital and traditional (transport) and modern (ICT) communication infrastructure fuel sustainable economic development and high quality of life, with a wise management of natural resources, through participatory action and engagement”. Frost and Sullivan, 2014 identified 8 key aspects that define a Smart City as: - smart governance, smart energy, smart living, smart mobility, smart infrastructure, smart technology, smart health care and smart citizens.

The concept of smart cities essentially enables and encourages the citizens to become more active and participative members of the community. The focus of this conference is on one of 8 key aspects of Smart City principles, which is Smart Governance.

Smart Governance is about the future of public services, it's about greater efficiency, community leadership, mobile working and continuous improvement through innovation. Smart governance is about using technology to facilitate and support better planning and decision-making. It is about improving democratic processes and transforming how public services are delivered.

The core principles of good governance (according to The International Federation of Accountants) as critical key of smart governance are depicted below:



Good governance is at the heart of the effective functioning of smart municipalities. It is about governing an institution in accordance with relevant legislative prescripts and paying attention to community involvement in the decision-making processes of the municipality. Achieving good governance starts with setting a clear strategic direction, which requires a clear analysis of the current, level of services, an understanding of what local people and other key stakeholders including national government wants. Performance indicators, which are linked to the overall strategic objective of the municipality, should be developed.

To achieve good governance requires that municipalities must have functional councils and council structures, as well as effective ward committees, which must be used as key instruments to improve regular communication and participation with the citizens in the affairs of the municipality. More emphasis should be on the development of service standards for each service and monitoring the adherence to these standards to measure good performance. Ward based plans should be in place to ensure that all wards benefit from the budget allocations of the municipality. The introduction of e-participation, citizens' portals, councilor portals and e-communication programmes to accommodate those that may not be able to attend public participation meetings in person but would like to actively participate in the affairs of the municipality is necessary.

"If you can't see success, you can't reward it"

The appetite for creating good governance and performance culture should be at the top echelon of the municipality cascaded down to lower levels. Leaders and senior managers must set the tone and lead the journey towards achieving good governance. It begins with the commitment by leaders and managers to ensure effective strategic plans and the leadership's willingness to learn from mistakes and to take action to address performance inefficiencies. Leaders must be able to identify and understand barriers to improvement, and be able to provide the necessary support to solve the prevailing challenges.

Moving towards Good Governance and Effective Performance Management through the Application of Smart City Principles in Local Government. *by Constance Mametja - Action iT Pty (Ltd)*

“You can effectively manage that which you can be able to measure”

Performance management is a logical process to better manage the delivery of public services. It is a systematic approach towards identifying, collecting and using performance information to monitor achievement of targets and milestones in the municipal strategy and Integrated Development Plan. Making people individually responsible for their performance is therefore a key element of performance management.

What are the challenges faced by municipalities in general?

- No functional councils and council structures;
- Non-compliance with legislative prescripts;
- Unstructured community engagement processes;
- Poor financial management leading to continuous negative audit outcomes;
- Poor record of service delivery;
- Collapse in municipal infrastructural services;
- Slow or inadequate responses to service delivery challenges in turn linked to the breakdown of trust in the municipality and in councilors;
- Social distance by councilors and poor functioning of ward committees;
- Low rate of collection of revenue;
- Inappropriate personnel placements and lack of skilled personnel;
- Lack of adherence and respect to municipal code of conduct for officials and councilors.

Some of these challenges are fully highlighted in COGTA's B2B blueprint. This gives rise to the need for COGTA to consider introducing a B2B risk monitor, which will serve as a barometer to measure the propensity for risk (those risk elements that will hamper municipalities to achieve their public mandates). These are challenges that pose a risk to the effective functioning of some municipalities.

According to The Back to Basics (B2B) programme an acceptable level of performance means that municipalities must:

- Put people and their concerns first and ensure constant contact with communities through effective public participation platforms. This is the essence of the B2B approach;
- Be well governed and demonstrate good governance and administration (reduce wastage, spend public funds

prudently, hire competent staff, ensure transparency and accountability);

- Create conditions for decent living by consistently deliver municipal services to the right quality and standard;
- Ensure sound financial management and accounting and prudently manage resources so as to sustainably deliver services and bring development to communities; and
- Build and maintain sound institutional and administrative capabilities administered and managed by dedicated and skilled personnel at all levels.

To implement these pillars requires smart initiatives whereby multi-level information on municipalities should be integrated in an intelligent manner to ensure that challenges in local government, in the short and medium term specifically are addressed. In this regard effective performance management systems that will recognize and reward good performance and ensure sufficient consequences and appropriate support for underperformance are key to ensure smart governance. With this analysis, critical questions that need to be asked are firstly, how should an effective performance management system look like? Secondly, what value should the systems add to the entire functioning of a municipality?

An effective performance management system is the optimal way to ensure the success of a strategic intervention. Performance management should not be seen as a once off event but a process that should assist organizations to manage, monitor and report on their performance. It therefore requires the appropriate level of strategic guidance and commitment from the leadership of a municipality.

An effective performance management system should therefore enable managers and leaders to manage and lead in a smart way. This will empower management with the provision of business intelligence information (outputs from operational processes) required to enable them to make the most effective and appropriate business decisions. Some of the elements that should preferably be included are:

- A detailed tracking and reporting of all actions performed by the employees using the SMART principles (Specific, Measurable, Achievable, Realistic, Time-framed);
- Dashboard for Organizational and Individual performance;
- Compliance and Risk Dashboards;
- Detailed activity logs of all actions carried out to ensure individual accountability and responsibility;
- Measurement of actual performance against predetermined objectives supported by attached proof of evidence that

the performance target was achieved;

- Appropriate business information to allow for the monitoring and evaluation of strategic and business operational processes on an ongoing basis; and
- User-friendly reporting.

It is when a top down approach is followed that alignment of performance requirements to meet the required outcomes is realised. The leadership team of an organization needs to ensure that all strategic objectives for a specific financial year are included in the Annual Performance Plan/SDBIP for that year. Once this has been done, the responsibility and accountability of meeting the set objectives must be assigned to the relevant departments/employees. These employees, together with their respective teams will have the responsibility of ensuring that performance indicators are met. Only once the organizational performance indicators have been assigned to the responsible employees, will those employees be in a position to downward cascade the required actions to be undertaken by employees.

An effective PMS must enable managers to manage each and every task. Managers need to facilitate the allocation, tracking and reporting of tasks between the various sections in the municipality. Reports should then be generated for use by management. These reports must be useful tools in the day-to-day management and effective decision-making processes. It is therefore imperative that for a performance management system to function completely, it should be able to provide individual user dashboards clearly showing the progress to completion of tasks assigned to them, to render it effective.

In a nutshell, achieving good governance and a successful implementation of an effective performance management system requires a high level commitment from both the political and administrative leadership of the municipality by applying the smart city principles. When both political and administrative leadership have intelligent information at their fingertips, they get empowered to take proactive actions and smart decisions for the achievement of their strategic goals. ❶

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Sebata is committed to helping all municipalities become mSCOA compliant

by Danie de Lange, IMFO Technical Vice President

The Public Sector Committee was established by the IMFO Board this year with the responsibility to develop implementation plans for the establishment of a single professional body that will represent finance professionals in the whole of the Public Sector.

- Determine functional areas which will be included in the PFM professional body
- Determine the types of membership
- Confirm membership requirements for functional areas (e.g. CFO,S, INTERNAL AUDITORS and PF Officers) for the Public Service bearing in mind NT competency requirements
- Develop proposals on how the PFM Body will be organised taking into account the specialised areas of municipal finance and national and provincial government finance (the constitution could provide for a Board consisting of

- *Develop a draft constitution (MOA) for the PFM body which must include the establishment of provincial branches catering for public finance (municipal as well as provincial and national government finance officers)*
- *Draft a business plan for the establishment of the PFM body and a medium term budget*
- *Establish a PFM task team to discuss proposals with National Treasury (NT) and other government bodies*
- *Set up meetings with NT and other stakeholders and propose that a joint committee be formed consisting of IMFO members, NT and GOGTA to develop proposals to establish a single professional PFM Body and develop an appropriate legislative framework and implementation plan for such professional body detailing membership requirements and its powers and functions*

2. EXISTING PFM LEGISLATION

The complex legislative framework which regulates PFM, public auditors accounting standards and professional accounting bodies is summarized in the diagram below:

```

graph TD
    MoF[Minister of Finance] --> PFM[Public Finance Management Chapter 11]
    MoF --> MFM[Municipal Finance Management Act 56 of 2003]
    MoF --> MCQ[Minimum Competency Requirements Municipal]
    MoF --> AP[Auditing Profession Act 26 of 2005]
    
    PFM --> ASB[Accounting Standards Board GRAP Standards]
    
    MFM --> SAQA[Accreditation by SAQA]
    SAQA --> IMFO[IMFO Uses NT Competency Level Requirements for membership qualifications requirements]
    
    MCQ --> IMFO
    
    IMFO --> SSPB[Single Public Sector Professional Body?]
    IMFO --> SAICA[SAICA Accredited by IRBA]
    
    AP --> IRBA[Independent Regulatory Board for IRBA Auditors See Functions 4]
    IRBA --> SAICA
    
    IRBA --> List["- Prescribe minimum requirements for accreditation of professional bodies SAICA  
- Grant accreditation to professionals  
- Keep a register of professional bodies  
- Keep a register of auditors"]

```

The flowchart illustrates the regulatory framework for IRBA Auditors. It starts with the Minister of Finance, who oversees several key areas: Public Finance Management (Chapter 11), Municipal Finance Management Act 56 of 2003, Minimum Competency Requirements (Municipal), and the Auditing Profession Act 26 of 2005. The Public Finance Management leads to Accounting Standards Board (GRAP Standards). The Municipal Finance Management Act 56 of 2003 leads to Accreditation by SAQA, which then leads to IMFO (Uses NT Competency Level Requirements for membership qualifications requirements). The Minimum Competency Requirements (Municipal) also lead to IMFO. IMFO leads to Single Public Sector Professional Body? and SAICA Accredited by IRBA. The Auditing Profession Act 26 of 2005 leads to the Independent Regulatory Board for IRBA Auditors (See Functions 4). The Independent Regulatory Board for IRBA Auditors leads to SAICA Accredited by IRBA and has a list of functions: - Prescribe minimum requirements for accreditation of professional bodies (SAICA), - Grant accreditation to professionals, - Keep a register of professional bodies, and - Keep a register of auditors.

The following is evident:

- There is no dedicated professional body representing PFM professionals;
- The Minister of Finance has wide ranging legislative powers to determine competency requirements for PFM officials;
- The Accounting Standards Board is responsible for determining GRAP accounting standards for the public service is established in terms of the PFMA;
- Auditing Profession Act (APA) establishes the Independent Regulatory Board for Auditors (IRBA) which prescribes minimum requirements for accreditation of professional bodies, grants accreditation to professional accounting / auditing bodies, keeps a register of professional bodies and public auditors;
- SAICA is the only professional body that has been accredited by IRBA;
- The MFMA and regulations promulgated by the Minister of Finance determines competency level requirements for local government officials (Municipal Senior Management). It does not seem that similar requirements are applicable to the Chief Financial Officers and accounting staff of Provincial and National Government.

In January 2014, the Minister of Cooperative Governance and Traditional Affairs promulgated the Appointment of Senior Managers and Conditions of Employment Regulations which also prescribe competency requirements for senior managers including CFO'S in great detail. There is at present no legal and regularity framework at present to establish a single professional PFM body to govern the PFM profession.

It has been suggested that a single PFM professional body should have its own regulatory structure which fits into the national legal framework. The elements of a regulatory structure generally consist of:

- A PFM Accountants Act which recognizes the professional body as the legal entity representing the profession. The Act may provide the body with powers to register and regulate its members, as well as specific responsibilities;
- A constitution and by-laws for the professional body;
- Admission requirements to the professional body and a register of members;
- Rules of professional conduct and ethics which go beyond the legal framework. These should be based

on the Code of Ethics for Professional Accountants developed by the International Ethics Standards Board for Accountants (IESBA) of IFAC; and

- Professional bodies with members drawn from the public sector should keep in mind that a further expectation of high standards of behaviour is overlaid on those members, who are perceived as being in positions of public trust.

3. BURNING QUESTIONS

Some burning questions regarding this matter include:

- Does SA need a single professional body for PFM?
- What public finance functional areas should be included in the Professional Body (PB)?
- Does IMFO have the recognition and influence to initiate a project of this nature?
- How will the project be initiated bearing in mind that NT has the legal mandate over these matters?
- Does IMFO have the necessary personnel, ICT and financial resources to establish the new body?
- How will the committee that will oversee the project be structured and who (bodies/departments) will be the members of the committee?
- How will the interim Board be structured?
- Will the new body be constituted in terms of a legislated framework that will guide its powers and functions?
- What will the membership qualification requirements be for the different spheres of government?
- It is clear that there are many issues that will have to be researched and debated by stakeholders in an effort to determine appropriate strategies aimed at establishing a single PFM body for the public sector.

4. PROFESSIONAL BODIES

The legislative framework should determine which finance functions (Finance, Internal Auditors, etc) should be included in the professional body. It will also deal with the roles and responsibilities of the governing body as more fully detailed below:

At present in the scope of Public Finance Management (PFM), there are a number of professional bodies and associations, which can be either statutory or non-statutory, and will be expected to -

- Align their Codes of Conduct and ensure that their

Single Professional Body for Public Finance Management (PFM)

by Danie de Lange, IMFO Technical Vice President

members adhere to its provisions;

- Promote and ensure professional development to ensure continuous professional development and life-long learning;
- Conduct on-going research and disseminate good practice amongst members;
- Develop a collective and collegial ethos;
- Set and enforce ethical work practices and behaviour;
- Set relevant competence criteria for admission into the profession and accreditation of educational programmes;
- Oversee the certification and licensing of professionals, and assisting national and state level authorities in the setting of legally enforceable occupational standards;
- Ensure that the supply and demand of technical and professional competence in key sectors are met;
- Develop a clear set of norms and standards for the relevant occupational category in the local government sector;
- Establish minimum competence levels based on national competence frameworks and job profiles; and
- Develop RPL procedures, through which professional bodies can assist employees in obtaining accredited qualifications after the RPL process is completed.

This professionalisation framework must adhere to the new policy and criteria developed by SAQA (under the National Qualifications Framework Act of 2008) for recognising a professional body and registering a professional designation on the NQF as it provides a positive opportunity for professional bodies to further develop and expand their work.

- The Professional Body must have appropriate capacity and should be sustainable. This means that the body can plan with confidence for the future, and can acquire the resources it needs to carry out its work and pursue its mission.

‘Professionalism’ would refer to the competence, work practices, ethos, behaviour and attitudes typically displayed by members of such a profession.

Support of members

The professional body should aim to support its members by:

- Identifying and providing access to relevant professional support services, including insurance or IT support;
- Supporting networks of active members, as a basis for

sharing information, issues and ideas;

- Providing technical guidance and advice;
- Providing access to an up-to-date accounting information resource (e.g. professional library and associated databases); and
- Providing access to relevant career planning and development resources.

5. OBJECTIVES OF THE PROFESSIONAL BODY

A well organized and respected professional body is an essential part of a fully functioning accountancy profession. The main objectives of a professional accountancy body include:

- Protecting the public interest by ensuring observance by its members of the highest standards of professional and ethical behaviour;
- Determining the eligibility criteria for membership of the body;
- Regulating members in public practice;
- Promoting the interests of its members;
- Determining the entry requirements for students;
- Promoting the education, training and certification of accountants (including continuing professional development and practical experience); and
- Developing good relationships with government, other national professional accountancy bodies and regional groupings.

6. EXAMINATIONS AND PRACTICAL EXPERIENCE

As part of its admission requirements, a professional body needs entrance examinations and training requirements. These should follow the International Education Standards (IES) issued by the International Accounting Education Standards Board (IAESB) under the auspices of International Federation of Accountants (IFAC). The IES cover:

- Entry requirements to a program of professional accounting education;
- Content of professional education programs;
- Professional skills;
- Professional values, ethics and attitudes;
- Practical experience requirements;
- Assessment of professional capabilities and competence;
- Continuing professional development (CPD); and
- Competence requirements for audit professionals.



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processing
Author changes
Letter conversion
Digitisation of signatures and
logos
Scanning deduping
Postal code and language file
sorting
Data manipulation

Printing

Full-colour litho
Corporate identity documents
Business forms
Pamphlets
Brochures
Letters
Posters
Calendars
Labels
Company profiles
Magazines

Manuals
Books/pads
Annual reports
Print finishing
Election forms
Laser
Monochrome variable data
printing – simplex/duplex
Full-colour/digital variable data
printing – simplex/duplex
Statements
Invoices
Payslips
One-step mailers
Letters
Manuals
Envelopes
Labels
Vouchers
Election forms and other
documents requiring bar-coding
Lists
Digital
Booklets and brochures
Pamphlets
Presentations
Z-card portfolios
Invitations
Business cards
Letterheads
Complimentary slips
Vouchers
Manuals
Short run personalized
calendars and newsletters
Trans-promotional documents
Silk screen
Half and full-colour printing
Corporate gifts:
T-shirts/hats/caps/bags/pens/
glasses

Pre-print

Conceptual design
Editing and copy-editing
Typesetting
Layout design (DTP)
Proofreading
Scanning
Colour play-outs
Computer to plate (CTP)
Positives and negatives

Mailroom processing

Multiple folding and gluing
options
A1 bookwork folding in
A2, A3, A4, A5, DL finishing
Roll, Z, cross,
Non Envelope Solutions: One-
step mailers with drop-in insert
Re-sealable and aqua seal
glue
Envelope Solutions:
Intelligent insertion:
automated multiple six-station
OMR and BCR selective
insertion
Non-intelligent insertion:
automated and manual
insertion
Document matching
Documents
Letters
Cards (generic and
personalized)
Labelling
Postage and rebate analysis
Postal code sorting
Registered mailing with
track and trace auditing (and
e-document archiving)

Fulfilment solutions
Warehousing
Couriering
Fine packaging for bulk
distribution

Envelope production

Window and non-window
Pocket and wallet options
One- and two-colour reel
conversion
Full-colour flat sheet conversion
(including spot colour,
security printing, foiling and
embossing)
All standard sizes:
DL, C3, C4, C5, C6, B4, B5, B6,
€4, €5, €6,
X-ray sizes (mm):
405 x 370, 438 x 363, 406 x
305, 311 x 260, 267 x 216
Strip seal
Paper bags
CD and VCD
Boxes (including drug boxes;
cosmetic boxes; toy boxes;
paper tissue boxes and gift
boxes)

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designing and
CI guide development
Corporate gifts
Corporate clothing
Event branding (including
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packaging)



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Single Professional Body for Public Finance Management (PFM)

by Danie de Lange, IMFO Technical Vice President

7. WORKING WITH GOVERNMENT TO PROTECT THE PUBLIC INTEREST

Supporting economic growth and protecting the public interest are objectives shared by governments and professional accountancy bodies. Where the professional body seeks to meet the needs of accountants, auditors, budget staff and others involved in public financial management in the public sector, as well as attract members from the private sector, then government will have an additional interest in the establishment and development of the body. Regardless of sector, government will also have an interest in ensuring that the profession is properly regulated, and that its structure and governance reflects the public interest. In working with the government, the group forming the professional body should therefore keep in mind this range of common interests. Additional considerations include the scope of the mandate the government has in forming the professional body, where government is being proactive in establishing the body, and from where that mandate comes.

8. GOVERNANCE STRUCTURE

The main governing body of a professional organization is its Board. This consists of a small number of senior members, who should be qualified to international standards. Board members are normally elected by the membership at large. They are generally elected for a three year term which can be renewable one or more times.

- The Board is usually led by a President who may have a Deputy President and a Vice President. They serve for fixed terms and are elected by their fellow Board members.
- The Board may appoint Committees and Task Forces to assist it in its activities. These Committees and Task Forces often include:
 - Regulatory and Disciplinary Committees;
 - Functional Committees (e.g. Finance); and
 - Task Forces for ad hoc assignments.

8.1 Appropriate Legal and Organizational Structure for a New Professional Body

Some of the factors to be considered in determining the most appropriate legal and organizational structure for a new professional body are:

- The purpose behind the establishment of the professional body;
- The existing legal framework, if any, for the regulation of the profession;
- The number of qualified PFM accountants in the country and the general nature of their qualifications, including the type(s) of designation they typically possess;
- The legal protection, if any, for certain professional titles (e.g., statutory auditor, accountant, etc.);
- The nature of the tasks, if any, which are reserved in statute or regulation for professional accountants;
- How the profession and the government are likely to interact, including the amount of government involvement in the day to day activities of the professional body;
- The accounting and auditing standards usually followed by professional accountants in preparing and auditing financial statements, set alongside the requirements of the international standard-setting bodies;
- The nature of the needs within the profession for continuing education programs;
- The estimated future demand for professional accountants in all sectors within the country;
- The extent and quality of the educational system for the development of professional accountants, including the nature and extent of potential education and training providers;
- The specific activities and programs that will be carried out by the professional accountancy body and those that will be undertaken by governmental bodies or other organizations;
- The resources that are likely to be available to fund the activities of the proposed professional accountancy body, including the funds which will be available for initial investment as well as those which will finance future operating costs; and
- The proportion of accountants in the country who hold membership of a professional accountancy body outside that country.



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Single Professional Body for Public Finance Management (PFM)

by Danie de Lange, IMFO Technical Vice President

9. DISCIPLINARY PROCEDURES

Once a code of ethics and other relevant professional requirements have been established, it is critical to ensure that members are aware of them and remain in compliance with them. In countries where licensing is a governmental function, governmental or regulatory bodies usually have the power to impose the most severe disciplinary actions.

Even when that is the case, a professional accountancy body still needs to have an effective disciplinary process for investigating and disciplining its members (individual members, and if local laws permit, firm members) for breach of the rules, gross professional negligence and other relevant types of misconduct and, where appropriate, to assist governmental and regulatory bodies.

Thus a professional accountancy body will need to consider how disciplinary investigations should be conducted, what due process should be followed, what disciplinary structure should be established, what standards of evidence and proof should be required, what sanctions might be recommended, and what appeals should be permitted.

10. CRITICAL INSTITUTIONAL CAPABILITIES

A professional body requires key institutional capabilities to be able to meet its objectives and further develop. A new professional body will need staff of a Chief Executive and a Secretary, and have the capacity to:

- Manage office administration;
- Keep an accurate and up to date register of members and students by using Information Technology; identify those members who are qualified to carry out public audit and distinguish them from those who are not;
- Organize Council, Committee and Task Force meetings, which should use agendas and minutes;
- Organize members' services, communications, and national and international relations;
- Organize students, examinations and records of training;
- Organize Continuing Professional Development (CPD);
- Organize technical services for members;
- Create a library;
- Handle legal and technical issues and projects;
- Handle public and press relations as well as promotion activities (e.g., seminars, conferences);
- Establish and manage institutional relations with other professional bodies, government, development agencies and other stakeholders; and
- Access translations of international accounting, auditing and ethics standards and guidance
- Investigate and discipline the activities of its members.

11. CHALLENGES AND RISKS

The following challenges and risks have been identified relating to the establishment of a single PFM Professional body:

- No legislative framework for PFM professional body;
- Obtaining agreement of types of membership, designations, membership requirements, and a professional evaluation examination;
- Establishment and operating the professional body will require significant amounts of funding;
- NT may not support IMFO'S vision of establishing a single PFM professional body;
- Financial support for establishing and operating such a professional body may not be available;
- National and provincial government does not have legislated competency requirements for finance officers;
- GRAP accounting standards not fully implemented by national government departments;
- There may be different qualification requirements for municipal and other spheres of government and there is a need for inclusion of public sector subjects in the curriculum of universities; and
- Competition from other professional bodies such as SAICA and SAIPA WHICH HAVE WIDE RECOGNITION IN THE PRIVATE SECTOR.

Summary

For IMFO to champion the establishment of a single professional PFM body will require more research and addressing the issues raised in this report.

I believe that we will need to do some soul searching to establish whether IMFO has the necessary resources, tools and commitment of all the internal and external role-players to embark on a project of this nature. It will require immediate attention to address the challenges and risks as detailed in the report and to establish the level of dedication and commitment of all role-players to achieve the objective.

There is no doubt that IMFO which has promoted the professional status of municipal finance officials over a period of more than 85 years can play an important role and is an important stakeholder in any project which is aimed at professionalising Public Finance Management. ❶

REFERENCES

ESTABLISHING AND DEVELOPING A PROFESSIONAL ACCOUNTANCY BODY
DECEMBER 2010 BY THE INTERNATIONAL FEDERATION OF ACCOUNTANTS (IFAC).
MFMA
PFA
AUDITING PROFESSION ACT

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mSCOA - What does it mean for you?

by Annalien Carstens CA(SA), RA, MTP(SA), Member IIA - Altimax
Cristal Henning CA(SA), RA - Altima

mSCOA affects all municipal officials across the municipality at all levels and will require a total mind shift in the way officials are performing their day to day activities.

With mSCOA, will the accountant be able to record transactions without any help from other officials in other departments? Likewise will the budget officer be able to draw up the budget without any help from other officials in other departments? The answer is NO. Here is why....

mSCOA has 7 segments namely funding, function, costing, item, project, regional and standard classification in which recording and reporting will take place. Officials need to consider all of these when they are recording and/or reporting on transactions.



A lot to think about, the answers to these questions can definitely not come just from the accountant(s) and require specialist GRAP and expert excellence!

To top it off business processes should be set to be implemented within the systems and transaction processing of the municipalities, IT infrastructure most likely upgraded, extensive training needs to take place for all municipal officials. So, are you ready for mSCOA?



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- Effective management of Supply Chain Management contracts and related processes?
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LIFE ACHIEVEMENT: CHRIS NAGOOROO



HONORARY LIFE MEMBER: SIDWELL MOFOKENG



HONORABLE EXECUTIVE MAYOR OF EKURHULENI:
MONDLI GUNGUBELE



DELEGATES AT THE ENTRANCE OF THE GALA DINNER



DELEGATES AT THE GALA DINNER



EFFECTIVE GOVERNANCE PANEL DISCUSSION



KHENSANI MNISI: ABSA GROUP



FELLOW MEMBER: PALEDI MAROTA

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MSCO: LOCAL GOVERNMENT ACCOUNTABILITY CYCLE PANEL



EFFECTIVE GOVERNANCE - AUDIT & RISK MANAGEMENT B2B PANEL



CENTRAL DATABASE: LOCAL GOVERNMENT PANEL

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SIGNING OF THE MOU BETWEEN IMFO AND NATIONAL TREASURY



IMFO BOARD MEMBERS



DANIE DE LANGE- IMFO VICE TECHNICAL PRESIDENT



JENNY REID - IFACS



SIGNING OF THE MOU BETWEEN IMFO AND ISAMAO



GAVIN SHARPLES- MOTIVATIONAL SPEAKER



JEANINE POGGIOLINI - ASB



DELEGATES

Realizing the Benefits of Innovative Land Governance

The City of Cape Town's approach to improve land governance and management through continuous investments is a success story. During the past decade, under the leadership of Christopher Gavor, Director of Valuations, the City of Cape Town has embraced a new set of valuation statutes, updated its technology and processes, and continued to make improvements on an annual basis. From its general valuations in 2000 to its most recent in 2012, Cape Town has realized quantifiable returns on its investments, added value to improve efficiency, and provided better outcomes for its citizens. The cost of administering a very complex tax has continued to go down while at the same time dramatic improvements have been achieved in overall levels of equity and increased customer satisfaction.

As in many municipalities, Cape Town's property tax is one of the largest revenue sources, accounting for 17% of the R31+ Billion budget in financial year 2013-2014. To ensure the accurate assessment and collection of property tax, the city implemented its first general valuation in 2002. The total cost of the full-market value system, implemented over several years, was in excess of R100M—the process was fraught with challenges and detractors. The City transformed both challenges and criticisms into opportunities to address public concerns. It proactively sought feedback from

"Since the year 2000, the City of Cape Town has added 236,154 properties to its tax roll with an increase in assessment of 330 percent."

ratepayers and engaged an external, professional organization to perform an operational and procedural audit of the valuation practices. Cape Town used the audit results to establish a process of continuous improvement. For the 2009 general valuation, the city expanded its use of spatial data and began to utilize oblique aerial imagery to review data from the office for many functions that were previously handled through



in-field visits. Additional upgrades of its Thomson Reuters valuation system have allowed the city to further utilize technology to drive down costs and significantly increase the quality of results. In 2012, Cape Town received its eighth unqualified audit from the Auditor-General and was the only municipality in the Western Cape to achieve a 'clean' audit. In addition, the global ratings agency Moody's International confirmed Cape Town's top rating of Aa2.za.

Over the past twelve plus years, Cape Town's innovations and investments have delivered improved, interactive, and responsive service delivery to the city's taxpayers. Cape Town's approach and the tools implemented are scalable and applicable to rapidly emerging economies around the world as they seek to establish and administer efficient, equitable property taxation systems that return taxes to communities through public investments like schools, hospitals, roads, and water and electrical utilities.



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IMFO Training

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Budgeting

Targeted at: Middle to Senior Managers involved in Budget preparation; Employees directly involved in the Budget-ing process; Council Members who evaluate and ap-prove budget and budget related policies.

	DATE	PLACE	TIME	DAYS	IMFO Member	Non Member	3 days before training	SEATS
TRAINING	26-27 October	George	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	29-30 October	Bloemfontein	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	02-03 November	Polokwane	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	05-06 November	Rustenburg	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	09-10 November	Durban	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	12-13 November	East London	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	16-17 November	Kempton Park	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	18-19 November	Mpumalanga	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats
	23-24 November	Cape Town	08:30 – 16:00	2	R 4 300.00	R 4 600.00	R 5 100.00	25 seats

Value Added Tax

Targeted at: Any person involved in the VAT function of organisation; Essential for employees involved in the sales cycle

	DATE	PLACE	TIME	DAYS	IMFO Member	Non Member	3 days before training	SEATS
TRAINING	26-October	East London	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	30-October	Kempton Park	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	02-November	Middleburg	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	06-November	Bloemfontein	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	09-November	George	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	13-November	Durban	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats
	17-November	Polokwane	08:30 – 16:00	1	R 2 760.00	R 2 960.00	R 3 460.00	25 seats

For more information please visit: www.imfo.co.za OR contact
Ms Getrude Tsotetsi: getrude@imfo.co.za 011-394-0879



Prescription

The question of prescription has been hotly debated in our courts recently.

In terms of the Prescription Act 68 of 1969, the period of prescription of debts is three years.

The question that arises however, is what is a debt?

The traditional dictionary view is that a debt is something, especially money, which is owed to someone else, or the state of owing something.

The courts in *Evins vs Shield Insurance Co. Ltd* 1980 held that “debt” must be given a wider meaning denoting not just debts sounding in money which is due, but must be extended to debt for a vindication of property.

In *Electricity Supply Commission vs Stewards & Lloyds of SA (Pty) Ltd* 1981, the court held the view that a debt is ‘that which is owed or due; anything (as money, goods or services) which one person is under obligation to pay or render to another and whatever is due from any obligation’. Debt is interpreted to include an obligation to do something or to refrain from something.

In *Desai NO. vs Desai and Others* 1996, the court concluded that a debt was said to have ‘a wide and general meaning, and includes an obligation to do something or refrain from doing something’. In this case, the Applicants sought an order directing the Appellant to take all steps to sign documents necessary to effect transfer to them of certain immovable property. The court *quo* found that the obligation to pass transfer was a debt which had been extinguished by prescription.

The Appellate Division upheld this finding confirming that to procure registration of transfer was a debt as envisaged by Section 10(1) of the prescription Act and such debt was therefore extinguished after three years.

Our courts have also drawn a distinction between real rights and personal rights. In *Staegemann vs Langenhoven & others*

2011, the high court found that the solution to the problem of prescription is to be found in the basic distinction in our law between real rights (*jus in re*) and personal rights (*jus in personam*).

Real rights are primarily concerned with the relationship between a person and a thing, while personal rights are concerned with a relationship between two persons. The person who is entitled to a real right over a thing can claim that thing from anyone who interferes with his right by way of a vindicatory action.

In the recent case of *Absa Bank vs Andre Keet ZASCA* 2015, the court had to decide whether a claim under *actio rei vindicatio* becomes prescribed after three years.

Actio rei vindicatio is where the owner reclaims his property from where ever it is found and from whoever is unlawfully holding it.

In this case, Eastvaal Motors sold a tractor to Andre Keet in 2003. Absa Bank financed the deal and the right, title and interest in and to the agreement was ceded to Absa Bank. Absa Bank would retain ownership of the vehicle until the full purchase price was paid. Should Keet fail to comply with the provisions of the agreement or failed to make any payment to Absa, Absa would be entitled to the return and possession of the tractor.

Keet defaulted in paying his instalments and Absa instituted action for repossession of the tractor.

Keet defended the action stating that any claim against him for arrears had prescribed after three years and therefore the claim for repossession of the tractor had prescribed as well. The court had to apply its mind to the distinction between extinctive prescription and acquisitive prescription. Acquisitive prescription applies to real rights while extinctive prescription deals with the relationship between a creditor and a debtor.

The court quoted (and translated) from the author and draftsman of the present Prescription Act, Professor de Wet. 'Whether prescription is concerned with a single legal concept with two branches, viz. acquisitive and extinctive prescription, or whether there are in fact two distinct legal concepts is an old controversy. It appears to me that one is actually concerned with two distinct legal concepts and even the expressions, "acquisitive" and "extinctive" prescription are somewhat unfortunate and misleading. It is true that the passage of time plays a role in both legal concepts and that certain circumstances, connected to the person against whom "prescription runs", apply to both legal concepts, but nonetheless the two legal concepts rest on different foundations. In the case of acquisitive prescription one is concerned with real rights, which do not concern simply the acquisition of a right by the one and the loss of a right by the other, but also outward appearances that may affect third parties in their relationships with the one or the other. The rationale for the acquisition of real rights by prescription is the perpetuation of a factual situation that has existed for a long time, and upon which third parties may rely in their relationships with the ostensible rightful owner. In the case of extinctive prescription one is more specifically concerned with the relationship between creditor and debtor and prescription serves in the first instance to protect the debtor against claims that perhaps never came into existence or had already been extinguished. The obligation is by its nature and substance a temporary relationship that is destined to terminate through performance and moreover a relationship between creditor and debtor in which third parties are only indirectly involved. A real right, by contrast, is a relationship of a durable nature, that can be maintained against anyone and everyone, and which can impede commerce if outsiders cannot with confidence rely on the appearance thereof.'

Drawing from this, the court determined that a claim under the *actio rei vindicatio* does not become prescribed after three years by virtue of the provision of Section 10 of the Prescription Act.

The court expressed itself as follows:

'In the circumstances, the view that the vindicatory action is a 'debt' as contemplated by the Prescription Act which prescribes after three years is, in my opinion, contrary to the scheme of the Act. It would, if upheld, undermine the significance of the distinction which the Prescription Act draws between extinctive prescription, on the one hand and acquisitive prescription on the other. In the case of

acquisitive prescription one has to do with real rights. In the case of extinctive prescription one has to do with the relationship between a creditor and a debtor. The effect of extinctive prescription is that a right of action vested in the creditor, which is a corollary of a 'debt', becomes extinguished simultaneously with that debt.²⁹ In other words, what the creditor loses as a result of operation of extinctive prescription is his right of action against the debtor, which is a personal right. The creditor does not lose a right to a thing. To equate the vindicatory action with a 'debt' has an unintended consequence in that by way of extinctive prescription the debtor acquires ownership of a creditor's property after three years instead of 30 years that is provided for in s 1 of the Prescription Act. This is an absurdity and not a sensible interpretation of the Prescription Act.'

Prescription as it is applied by Municipalities

The usual rules relating to prescription still apply viz; Rates is a tax and therefore prescribes 30 years from the date the account became due;

Water and electricity charges prescribe 3 years from the date the debt became due;

Illegal connections, tampering of meters, theft of services – these prescribe 3 years from the date the act of tampering or theft came to the knowledge of the Municipality. The Municipality may calculate charges going back any number of years from the date the tampering or theft occurred;

From the cases above, we can now claim immovable property back from purchasers who, for example, have agreed to develop the land within a specified period, and have not honoured the agreement;

Prescription is interrupted by summons or any acknowledgement by the debtor, of the debt. Ensure, therefore, that there is always some payment into the account of the debtor especially if there is an acknowledgement of debt in place. If no payment is received then the debt prescribes 3 years from the date that the debtor entered into the acknowledgment of debt or 3 years after the last payment was made;

In order to ensure payment into the account, the Municipality may use S102(1)(b) of the Municipal Systems Act and credit the debtors account from any other account he may hold with the Municipality. ①

Clean Audit Award 2015 Winners

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MUNICIPALITIES	
PROVINCES	NAMES OF MUNICIPALITIES
Eastern Cape	Sarah Baartman District Municipality
	Senqu Local Municipality
Gauteng	Sedideng District Municipality
	Ekhurhuleni Metropolitan Municipality
	Midvaal Local Municipality
	Mogale City Local Municipality
Kwazulu-Natal	Ilembe District Municipality
	uMgungundlovu District Municipality
	uThungulu District Municipality
	Zululand District Municipality
	Dannhauser Local Municipality
	eMnambithi Local Municipality
	Ezinqoleni Local Municipality
	Mandeni Local Municipality
	Ubuhlebezwe Local Municipality
	Richmond Local Municipality
	uMhlathuze Local Municipality
	Umzumbe Local Municipality
	uMzimkhulu Local Municipality
Mpumalanga	Ehlanzeni District Municipality
	Steve Tshwete Local Municipality
Northern Cape	Frances Baard District Municipality
	ZF Mgcwawu District Municipality
Western Cape	City of Cape Town Metropolitan
	Cape Winelands District Municipality
	Eden District Municipality
	West Coast District Municipality
	Bitou Local Municipality
	Breede Valley Local Municipality
	Cape Agulhas Local Municipality
	Drakenstein Local Municipality
	George Local Municipality
	Hessequa Local Municipality
	Knysna Local Municipality
	Langeberg Local Municipality
	Mossel Bay Local Municipality
	Overstrand Local Municipality
	Swartland Local Municipality
	Theewaterkloof Local Municipality
	Witzenberg Local Municipality

MUNICIPAL ENTITIES	
PROVINCES	NAME OF COMPANY
Eastern Cape	Mandela Bay Development Agency
Gauteng	Brakpan Bus Company
	Ekurhuleni Development Company
	Germiston Phase II Housing Company
	Joburg City Theatres
	Joburg Market
	Johannesburg Roads Agency
	Johannesburg Social Housing Company
	Lethabong Housing Institute
Kwazulu-Natal	Pharoe Park Hosing Company
	Durban Marine Theme Park(Pty)ltd
	ICC, Durban
	Ilembe Management Development Enterprise
	Safe City Pietermaritzburg
	Ugu South Coast Tourism
	uThungulu Housing Development Trust
	uThungulu Financing Partnership
Western Cape	Cape Town International Convention Center



PORTFOLIO OF SOLUTIONS



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New Members

STUDENT MEMBERS

Province	Title	Initials	Surname	Designation	Employer
FS	Mr	LJ	Mogorosi	Student	Central University of Technology

JUNIOR MEMBERS

Province	Title	Initials	Surname	Designation	Employer
WC	Ms	NT	Nqola	Specialist Clerk	City of Cape Town
FS	Mr	MF	Leteane	Finance Intern	Mantsopa Municipality
KZN	Ms	SP	Mchunu	Finance Intern	Ilembe Municipality
KZN	Mr	MB	Nzama	Finance Intern	Ilembe Municipality
EC	Mr	AS	Kortman	Finance Intern	Tsolwana Municipality
WC	Mr	W	Kemotie	Finance Intern	Cape Agulhas Municipality

LICENTIATE MEMBERS

Province	Title	Initials	Surname	Designation	Employer
NW	Ms	BG	Chope	Internal Auditor	Dr Ruth Mompoti Municipality
GP	Mr	LS	Mokoena	Internal Auditor	Emfuleni Municipality
KZN	Ms	NM	Mkhize	Acting Manager: SCM	Ugu District Municipality
KZN	Ms	NM	Ndlovu	Accountant	eThekweni Municipality
KZN	Mr	SH	Mbatha	Finance Officer	uMhlozinga Development Agency

ASSOCIATE MEMBERS

Province	Title	Initials	Surname	Designation	Employer
KZN	Ms	NN	Mbongwa	Management Accountant	Ethekeweni Municipality
WC	Mr	MS	Magadla	Manager: Billing	Breede Valley Municipality
GP	Ms	LSS	Kgalake	Chief Admin Officer	Ekurhuleni Metro Municipality

Membership Details Update

INFORMATION	
INITIALS:	
SURNAME:	
EMPLOYER:	
DESIGNATION:	
PHYSICAL ADDRESS:	
CODE:	
CITY/ TOWN:	
POSTAL ADDRESS:	
POSTAL CODE:	
PROVINCE:	
TEL (W):	
EXT:	
FAX:	
MOBILE NUMBER:	
EMAIL ADDRESS:	

POSTAL ADDRESS:

PO Box 4003, Kempton Park, 1620

PHYSICAL ADDRESS:

22 Thistle Road, Kempton Park, Johannesburg, 1620

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Bytes Universal Systems
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Munsoft (Pty) Ltd
Nedbank Limited
Nedbank Limited
NetVendor
New Integrated Credit Solutions
Office of the Tax Ombud
OS Holdings
Pay At Services

PayDay Software Systems
PK & Sons Financial Consultants
Pragma Africa
PricewaterhouseCoopers
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PSIRA
Renaissance Chartered Accountants
RUMAS
Sabinet
Sage Pastel
Sage Pastel
Sage VIP Payroll
SALGA
Sebata Municipal Solutions
Smart Metro
South African Institute of Professional Accountants
Southern African Institute of Learning
Spectrum Utility Management
Standard Bank
Syntell (Pty) Ltd
Tat-i-Chain
Thomson Reuters
Total Geo-Spatial Information Solutions
TransUnion
Truth in Advertising
Umnotho Business Consulting
Utility Management Solutions
UWP Consulting



MFMA Reporting Requirements

Reporting Requirements

Reporting Requirements (Local Government Finance)

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
FEBRUARY 2016	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 - Stmt: 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	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas

MARCH (3RD QUARTER OF FINANCIAL YEAR)

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
MARCH (3RD QUARTER OF FINANCIAL YEAR)	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	Table the Annual Budget	MFMA 16(2)	90 Days before new year	Mayor	Municipal Council
	4	Table time schedule (key deadlines) (b) (1)(2) (3)&(4)	MFMA 21(1)(b)	10 Months before start of budget year	Mayor	Municipal Council
	5	Submit annual budget in printed and electronic formats	MFMA 22(a)	Immediately after budget is tabled in Council	Accounting Officer	Nat Treas, Prov Treas
	6	Submit the approved budget	MFMA 24(3)	Once approved	Accounting Officer	Nat Treas, Prov Treas
	7	Non-compliance pertaining to tabling & approval of budget	MFMA 27(3)	Promptly	Mayor	Mun Council, MEC (Finance) Nat Treas
	8	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
	9	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
	10	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
	11	Delay in tabling budget, approval of SDBIP or signing of ann performance agreements	MFMA 53(2)	Promptly	Mayor	Municipal Council & MEC (Fin)
	12	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
	13	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
	14	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
	15	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
	16	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
	17	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
	18	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
	19	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
	20	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
	21	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
	22	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
	23	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
	24	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
	25	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
	26	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
	27	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas

MFMA Reporting Requirements

MONTH	NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
APRIL 2016	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 withdrawals each quarter	MFMA (11(4)	Within 30 days	Accounting Officer	Prov Treas, AG
	4	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
	5	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
	6	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
	7	Implementation of the budget & financial state of affairs	MFMA 52(d)	Within 30 days of each quarter	Mayor	Municipal Council
	8	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
	9	Draft SDBIP & ann perform agreements	MFMA 69	14 Days after appr of budg	Accounting Officer	Mayor
	10	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
	11	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
	12	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
	13	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
	14	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
	15	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
	16	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
	17	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Council
	18	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
	19	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
	20	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
	21	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
	22	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
	23	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
	24	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
	25	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtr	Acc Officer etc	Nat Treas
	26	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA
	27	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA



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