



**GAUTENG PROVINCE**  
PROVINCIAL TREASURY  
REPUBLIC OF SOUTH AFRICA

## REVENUE MANAGEMENT WORKSHOP

CIGFARO in conjunction with Gauteng Provincial Treasury, would like to invite you to attend the Enhancement Revenue Management workshop.

### **TRAINING OBJECTIVES**

#### **BILLING**

Requirements for sound revenue management

- Constitution
- Systems Act
- MFMA
- PRA
- By-laws
- Policies
- Database management
- General principles

Circular 64 by Treasury

Legal requirements for a valid, accurate account

Principles of billing

Tariff by-law & policy

If no by-law, can we enforce charges?

Requirements for valid tariffs

Differentiation of tariffs – how and when allowed

Meter readings - Estimates

Tariffs and charges where estimates have been used in past

Time to fix inaccurate accounts

Systems Act requirements on customer care and what it actually means for:

- Municipal employees
- Ratepayers/consumers/residents

By-laws

- How is a by-law promulgated?
- Public participation on policies and bylaws
- Definition of meaningful engagement – Grootboom case
- When can a by-law be enforced?
- Water
- Electricity
- Sewer
- Refuse

Tariff calculation

- Budgeting can be exact! No more thumb suck! Just do it!
- Key ingredients for tariff calculations – from a zero-base perspective
  - property rates
  - water
  - electricity
  - refuse
  - sewerage

#### Public participation

- On policies and by-laws
- On budgets, and therefore tariffs to be imposed

#### Property rates

- Policy
- By- law
- Annual promulgation of rates resolution
- Valuation roll
- Reconciliation of valuation roll with financial system vital
  - values - normally done
  - zoning - normally not done
- Budgeting on income from rates can be nearly exact! How to achieve Examples

### **COLLECTION OF REVENUE BILLED**

#### Credit control and debt collection

- Credit control - prevent escalation
- Debt collection - collect portion used not paid - discrimination not allowed
- Notices and administrative justice
- Disputes - Strumpher case
- Disputes - how do we handle withholding of payments?
- Responses on complaints
- Water restricton
- Electricity discontinuation
- Pre - paid electricity discontinuation
- Selective credit control - Walker case
- Case studies on credit control and debt collection

#### Clearance certificates – also a critical tool for effective collection

- Section 118 of Systems Act
- Two years provision and related case law
- Section 89 of Insolvency Act
- What about service delivery standards
  - clearance amounts - how many days
  - clearance certificate - number of days after payment
- Pro rata amounts on clearance amounts
- Previous owners included?
- Prescription?

### **REPORTING – from first accounting entry to disclosure in AFS, common revenue audit qualifications and how to prevent them**

#### Actual accounting entry per type of transaction

- Charges
- Payments
- Adjustments
- VAT
  - o Payment basis
  - o Invoice basis
- Unknown/Unallocated deposits and VAT requirements



Internal control – especially over pre-paid sales where most municipalities lack control

Impairment of debtors/ Calculating provision for bad debts

Revenue – disclosure in Section 71 reports, AFS

- How do we calculate payment ratio's when reporting to Council via s 71 reports?

- only rand value?

- over what period?

- what about number of accounts?

- will it be the same?

Revenue and related matters – disclosure in AFS

- Common audit qualifications on revenue and how to attend

### **PARTICIPANTS THAT SHOULD ATTEND**

This workshop is designed for Municipal staff, Budget and Treasury Office, CFOs, Senior Managers, and preparers of Annual Financial Statements.

### **VENUE**

The venue will be confirmed once the office received the completed registration form

### **DATES & TIME**

25 – 26 March 2019 @ 08:30 – 16:00

27 – 28 March 2019 @ 08:30 – 16:00

### **(NB: COST BE COVERED BY GAUTENG PROVINCIAL TREASURY)**

Should you require any further information, please contact:

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