



# CIGFAR<sup>90</sup> YEARS

Chartered Institute of Government Finance, Audit and Risk Officers

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## Editor's Note

### NEW PRESIDENT NEW VISION

At the Annual CIGFARO Conference on the last day, we welcomed our New President Mr Peet du Plessis. On page 8 is the Presidential Address delivered by our President at the closing of the conference. It is included to ensure that all members do not miss out on the good vision shared to all on the day. His vision for CIGFARO consists of three parts: a purpose, an ambition and a philosophy. Read for yourself and journey with us, as we support the new vision of the President.

Many organisations at this time may feel that the energy of the people in their organization is low. The employees have settled in a routine, things are going well, but without a drive. It is time then for management and staff to revisit their vision and mission.

Our New Board had a Strategic Plan meeting where their key purpose was to revisit the vision and answer the question "why", to its members and stakeholders. Why should anybody buy our product? The feeling after the meeting was that, the New Year promises to focus on our members and putting together the values that make our product unique.

Another article about Revenue Management on page 10 might help you improve the financial health of municipalities. Our members have gone an extra mile to share knowledge with you and we hope you will enjoy reading this article.

Asset Management on page 20 seems to be a topic that is in demand. We hope that you will enjoy reading this article and also be motivated to write an article.

As we prepare for holidays, we wish you Happy Holidays and good health during this season.

*Ciao blessed holiday!*

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## YOU AND ETHICS - HOW FAR CAN YOU GO?

We have just had a very successful conference with a most appropriate theme of “A New Dawn for the Public Sector”. During the Conference we launched our Professional qualifications with specific designations. Members are requested to take note of this and begin with the process to change their designations, a grandfather clause is allowed for, for a period of 36 months starting at 01/01/2019.

During the conference there was a constant reflection on the ethical behaviour and integrity of officials. CIGFARO, as a professional body, takes this matter seriously and subscribes to any initiative that will eradicate and prevent unethical behaviour of its members.

Various speakers touched on the issue of “ethics” and the following quotes could be taken out of their speeches:

Deputy Minister COGTA: A Nel **“Hands on, not hands in.”**

Chairperson SABC: B Makhathini **“I will look after the politics, you look after the administration.”**

Past President CIGFARO: Dr K Kumar **“There is a problem with us.”**

In my own address there was a call for us to be responsible and accountable managers who will embrace the code of ethics of being a Professional. When looking at the Prevention and Combating of Corrupt Activities Act 12 of 2004 the following is regarded as corruption:

- Any person who, directly or indirectly –
- (a) accepts or agrees or offers to accept any gratification from any other person, whether for the benefit of himself or herself or for the benefit of another person; or
  - (b) gives or agrees or offers to give to any other person any gratification, whether for the benefit of that other person or for the benefit of another person, in order to act, personally or by influencing another person so to act, in a manner –
    - (i) that amounts to the –
      - (aa) illegal, dishonest, unauthorised, incomplete, or biased; or
      - (bb) misuse or selling of information or material acquired in the course of the exercise, carrying out or performance of any powers, duties or functions arising out of a constitutional, statutory, contractual or any other legal obligation;
    - (ii) that amounts to –
      - (aa) the abuse of a position of authority;
      - (bb) a breach of trust; or
      - (cc) the violation of a legal duty or a set of rules,
    - (iii) designed to achieve an unjustified result; or
    - (iv) that amounts to any other unauthorised or improper inducement to do or not to do anything, is guilty of the offence of corruption.

We know that Lawyers and common readers of legislation have their own interpretation but it is only our courts which will put a final interpretation on what will be carried forward. In the case of *Scholtz & others v The State (428/17, 491/17, 635/17, 636/17) [2018] ZASCA 106 (21 August 2018)*, in paragraph 119,

the learned Judge had the following to say about common law and bribery:

**At common law, it is a crime for a person to offer or give to an official of the State, or for any such official to receive from any person, an unauthorised consideration in respect of such official doing, or abstaining from, or having done or abstain from, any act and exercise of his or her official capacity. Thus in R v Chorle 1945 AD 487, in which the common law in regard to the offence was discussed, the appellant had given money to a municipal official to induce him to use his influence to expedite the issuing of a building permit. This Court held that he had committed the common law offence of bribery. The learned judge went on:**

**‘The law of bribery is designed to protect the State against those who by gifts tempt its officials to use their opportunities as such to further private interests in State affairs and there is no reason why the law, which in its original form was wide enough to secure that protection, should, by restrictive interpretation, be cut down to something less than is necessary to achieve its object.’**

The above judgment requires from us as officials, even if there is undue pressure on us to perform illegal transactions or if we receive any gift before or after the event, to refrain from doing so. We will not escape the consequences if we continue following such irregular orders.

Ensure that you do not accept gifts without appropriately disclosing same as soon as you are back in the office.

The year is close to its end and I want to wish you all a happy and Prosperous Christmas with your loved ones and may we experience the purpose of Christmas in the birth of Jesus Christ our saviour. If you are on the road please take it easy and come back safely. 

**PEET DU PLESSIS**  
**CIGFARO PRESIDENT**

# AMENDMENT OF THE PAA TO ENCOURAGE ACCOUNTABILITY AND GOOD GOVERNANCE IN THE PUBLIC SECTOR

Welcoming change is in the air for the Auditor-General of South Africa (AGSA) and the public auditing environment in the coming year with the recent signing of the Public Audit Amendment Act 5 of 2018 by President Cyril Ramaphosa.

The Act, which will grant the AGSA crucial powers to help encourage accountability and good governance in the Public Sector, is an historic milestone that will benefit South Africa and its citizens.

The AGSA's current role is to audit and report on how government is spending South African taxpayers' money. As it stood, the PAA did not give the AGSA the authority to do more than point out irregular or fruitless spending.

However, mindful of the escalating trend of this type of financial mismanagement reported on by the AGSA, the AGSA's oversight body, the Standing Committee on the Auditor-General (Scoag), approached the National Assembly for permission to amend the PAA.

Permission was granted and the legislative process began in earnest. Significant milestones were the National Assembly's unanimous adoption of the Bill and the National Council of Provinces' passing of the Bill unopposed.

There are 16 amendments to the PAA, which include some major changes and some minor cosmetic changes. The key amendments include the right to refer material irregularities to relevant public bodies for further investigations, take binding remedial action for failure to implement the AG's recommendations and issue a certificate of debt for failure to implement the AG's recommendations if financial loss was involved.

The Act can be viewed on the AGSA website, [www.agsa.co.za](http://www.agsa.co.za).



AUDITOR - GENERAL  
SOUTH AFRICA



**W**e look back at the beginning of 2018 calendar year and put on a bright smile for what we have achieved to date. The smile is further broadened by the beginning of a much awaited for, festive season.

We have been swimming in a pool of poor corporate governance debacles as a result of the widely reported transgressions, corruption and fraud incidences. Such a situation has however not derailed CIGFARO from pursuing a good course of inculcating a culture of striving for good corporate governance, with a bright smile. It is against this background that our successful 89th Annual Conference preached the theme **“Reclaiming Governance and Accountability in the Public Sector – A new Dawn for Public service”**. This conference like many previous ones, did make a positive contribution in enhancing all efforts of recovering from the undesirable state of poor corporate governance.

The mood that prevailed at this conference brought back the confidence that all is not lost as it will be recovered for as long as we stay focused and maintain the smile of hope.

We strongly believe that the Finance, Audit, Risk and other related professions will be able to make a positive impact in this changing

world. The famous Connor Franta says **“Let your smile change the world, but don’t let the world change your smile”**

The newly elected President, Peet du Plessis and his teams (Board Members) are being congratulated and given a warm welcome with much anticipated good working relationship. The outgoing President, Dr. Krish Kumar and his team are being commended for the job well done, and most importantly for the conducive atmosphere they have created which has brought smiles to employees and stakeholders.

It is proper to wish every individual staff member, the Board, CIGFARO registered members and supporters as well as Sponsors, Exhibitors including other key Stakeholders, a pleasant and refreshing 2018 Festive Season.

**“Smile!!! Then you will rest, recover and rejuvenate”**

Follow Thomas Paine’s advice;

**“The real man smiles in trouble, gathers strength from distress and brave by reflection”** 

**ABBEY TLALETSI**  
**CIGFARO CEO**

# PRESIDENTIAL ADDRESS

## CIGFARO members, non-members and colleagues

**D**uring the nomination phase of the election for President I was asked what my mission is for CIGFARO, and I responded that it is to: *“To have CIGFARO Professionally recognised as the only professional body for Government Finance, Audit & Risk Officers”*. When looking at the current negative reporting in the media, as well as with the number of cases of fraud and corruption and state capture, I simply cannot lose this opportunity to indicate that we need to seriously start a lobbying campaign to have CIGFARO legislated as a professional institute with its membership compulsory if you want to work in the public sector as CFO, SCM, Audit, Risk practitioner or as a senior manager in the financial field in the public sector.

Secondly, we need members with high ethical and moral standards who understand and have a passion to serve the public with sound financial management skills. This requires a calibre of person who understands his/her role as custodian of public funds and knows how to manage same. This includes ensuring that we get value for money from service providers and suppliers for goods and services we procure, as well as ensure that they delivered to the ordered specifications and on time. Moreover, it requires people who could say “NO” when they detect something wrong without fear that it will be career limiting. We need members who will not look the other way when they become aware of fraud, corruption or any other financial misconduct, but instead they make sure that it gets reported to the right institutions and or bodies.

Budgetary control is one of the key financial management requirements and we must ensure that we are all well conversant with the requirements in the MFMA/PFMA and other applicable legislation in order to advise our honourable Councillors/Ministers appropriately and correctly when reports on projects and other expenditure appear on committee agendas.

We should also strive to ensure that our municipalities are financially sustainable. This will require that we pay attention to the collection of revenue. For colleagues in the other sphere of government, it is equally important to ensure we manage our expenditure for the purpose it is intended for.

I want to encourage colleagues in the audit and risk environments to continue to raise important and uncomfortable questions regarding the activities of our organisations that you audit and where you analyse risk registers for completeness and applicability. Be firm and fair in your assessments and reporting to Internal Audit Committees and Risk Assessment Committees.

CIGFARO is there for its members who need support with adequate training programmes to ensure that they are well equipped to fulfil their duties. My objective for my term of office is therefore to work hard to get CIGFARO recognised in legislation as the professional body for public sector finances, and secondly to ensure that there are proper training programmes in place to train members with regard to the skills required to become outstanding public officials with good financial management skills.

Your continuous support is needed to reach the goals I have set for myself and the CIGFARO office. This includes your commitment to become members under the current framework and to pay your subscription annually. Further to this, please inform the CIGFAO Office of any capacity gaps identified in your daily operations. This will help inform future skills development courses which will be presented by experts. **C**

**PEET DU PLESSIS**  
**CIGFARO PRESIDENT**

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# Revenue Management - Including Revenue Protection - is key to improving the Financial Health of Municipalities

by Ben Dorfling and Daniel J de Lange



## INTRODUCTION

Extracts from reports published by National Treasury and the Auditor General reveal that local government is in a state of financial crisis, although there are also pockets of excellence.

On 30 June 2017, metropolitan municipalities recorded water and electricity losses amounting to R3,6 billion (R2.8 billion in 2016) and R6,5 billion (R7.2 billion in 2016) respectively.

National Treasury (NT) reports that municipal consumer debts amounted to R128.4 billion as at 30 June 2017 (compared to R128.3 billion reported in the third quarter). Government accounts for 5.8 per cent or R7.4 billion of municipal consumer debt. The largest component relates to households, which account for 64.8 per cent or R83.1 billion (67.1 per cent or R86 billion in the third quarter). A total amount of R1.7 billion has been written off as bad debt.

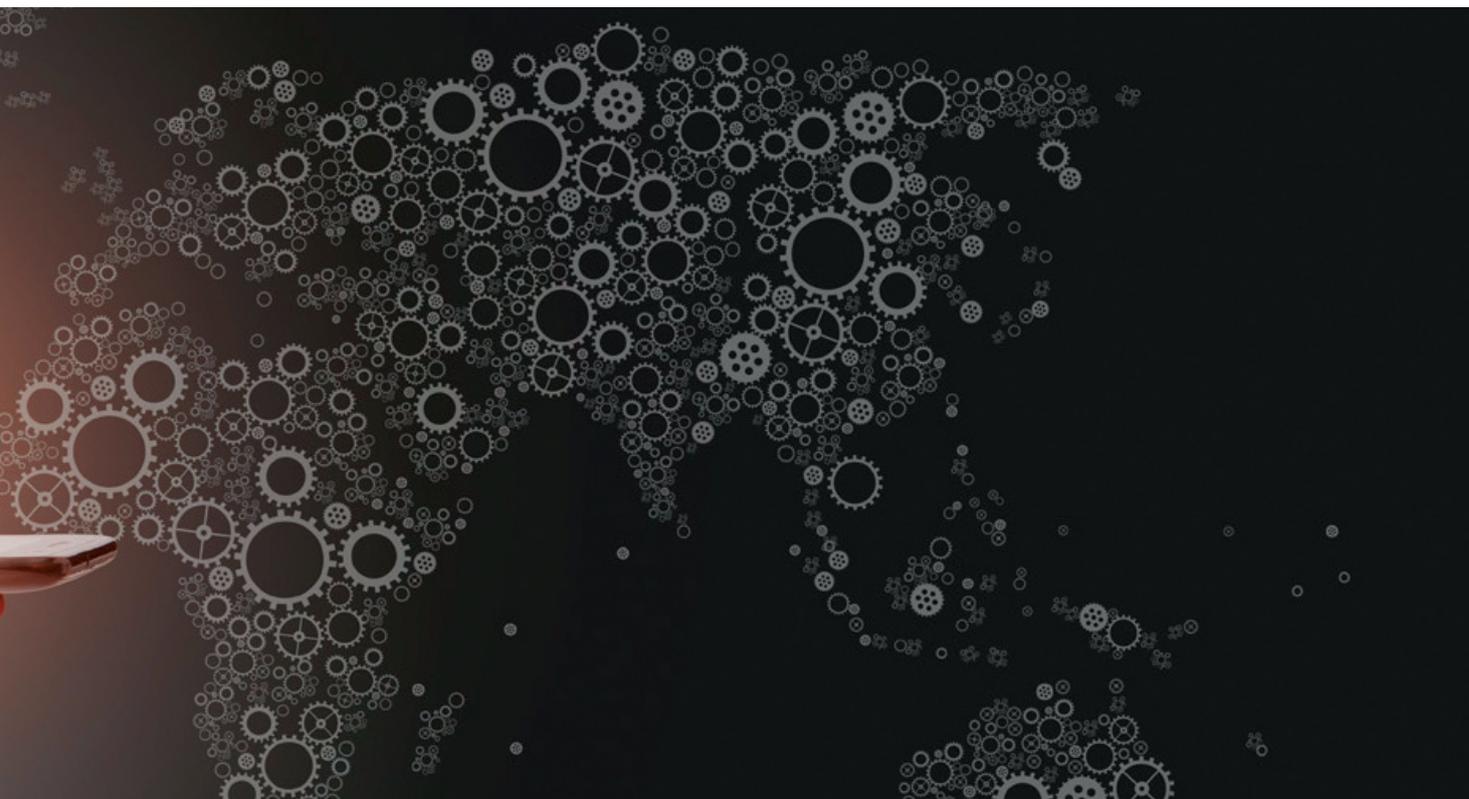
According to NT, if consumer debt is limited to below 90 days, then the actual realistically collectable amount is estimated at R24.9 billion, which is 19, 4 percent.

Overall, municipalities are not adequately prioritising expenditure on asset management, which is impacting negatively on service delivery and cash flows.

National aggregate spending on repairs and maintenance as a percentage of property, plant and equipment averages 3.4 per cent while the norm is 8 per cent.

The AG in his MFMA audit outcomes report as at 30 June 2017, reports that the inability to collect debt from municipal consumers is widespread. In these circumstances, it is inevitable that municipalities will struggle to balance the books.

In total, 31% of the municipalities disclosed a deficit – the total deficit for these municipalities amounted to R5, 6 billion. The financial woes of local government also weighed heavily on municipal creditors. The impact of this inability to pay creditors was most evident in the huge sums owed for the provision of electricity and water to Eskom and the water boards respectively. A combination of various factors, including poor revenue and budget management and the non-payment of creditors, led to 31% of the municipalities disclosing in their financial statements that they might not be able to continue



operating. Although they have to continue to do so, they were reporting that they were in a particularly vulnerable financial position at the end of the financial year.

This paper will highlight the following:

- the negative impact of the deteriorating financial position of municipalities on service delivery
- past reforms to address poor performance
- the National Treasury plans to address the financial distress of municipalities, and
- reasons for failures.

The importance of addressing gaps in the revenue management value chain and keeping track of the developments regarding smart meters, and the Internet of Things to deal with water and electricity losses, are also focus areas.

### Negative Impact of Accountability Failures on the lives of Citizens

The Auditor General reports that local government accountability failures result in municipalities not achieving their objectives, which in turn has a negative impact on the lives of citizens. The AGSA's audits highlighted three key areas of impact, namely:

- Financial health of municipalities
- Fruitless and wasteful expenditure
- The delivery and maintenance of municipal infrastructure

The AG points out that the poor economic climate does play a role in the deterioration of municipalities' financial health. However, many are just not managing their finances as well as they should.

The AG also highlights the poor financial health of municipalities and indicates that one of the main contributing factors is **POOR REVENUE MANAGEMENT**.

**It is clear that the many gaps which exist in the Revenue Management Value Chain, absence of effective Revenue Protection measures, and poor internal controls, are also contributing significantly to the current poor financial health of many municipalities.**

### Past Reforms

South Africa's local government financial management system has undergone a number of reforms and there has been considerable progress.

# Revenue Management - Including Revenue Protection - is key to improving the Financial Health of Municipalities *continued...*

by Ben Dorfling and Daniel J de Lange

However, there is still a long way to go before all municipalities are fully functional and sustainable. It is internationally acknowledged that South Africa has some exceptional financial management legislation and practices but these must be institutionalised if overall performance objectives are to be achieved.

The financial management reform agenda for local government is an evolutionary process and needs to be nurtured to maturity. Government has initiated a number of capacity building initiatives to support municipalities in achieving this:

- Capacity building grants-FMG (Since 2004)
- Municipal Finance Improvement Programme (MFIP) Phase II
- Province-specific strategies
- Cities Support Programme (CSP)
- Standard Chart of Accounts for Municipalities (mSCOA)
- The Back to Basics approach (in September 2014, the President launched the Back-to-Basics Programme (B2B))
- Financial Management Capability Maturity Model (FMCMM) (An assessment was conducted in all municipalities and their entities in 2015)

So far, none of these important support programmes have been able to make a significant impact on the overall performance of municipalities, which is a cause for concern.

## Reasons for the Accountability Failures

The AG's report singles out the following as some of the major contributors to the accountability failures and the regression in audit outcomes:

- Vacancies and instability in key positions slowed down systematic and disciplined improvements. Inadequate skills led to a lack of oversight by councils (including the mayor) and insufficient implementation and maintenance of financial and performance management systems by the administration.
- Political infighting at council level and interference in the administration weakened oversight, hindered dealing with consequences and made local government less attractive for professionals to join.
- Leadership's inaction, or inconsistent action, created a culture of 'no consequences', often due to inadequate performance systems and processes.

- At some municipalities there was a blatant disregard for controls (including good record keeping) and compliance with key legislation, as it enabled an environment in which it would be easy to commit fraud.
- Leadership did not take repeated audit recommendations and warnings of risks for which they needed to prepare seriously.
- Municipalities focused on obtaining unqualified financial statements at a great cost by using consultants and auditors, which was to the detriment of credible performance reporting and compliance with key legislation.
- Provincial and national role players did not sufficiently support municipalities.

The AG has placed the staff turnover at the senior management at the top of his list of reasons for failures at municipality. There is no doubt that no institution can perform without skilled, dedicated and committed leaders with vision and the ability to do the job.

It may be time that municipalities appoint their departmental heads, who should be career professionals, on permanent employment contracts to promote certainty regarding employment and stability at senior management level.

## National Treasury Measures to Deal with the Financial Distress at Municipalities

In the NT's State of Local Government Finances and Financial Management report as at 30 June 2017, the following measures are proposed to deal with the financial distress at municipalities:

### Short Term Measures

- Initial focus is on the top creditors (per the s71 report), which in all probability include Eskom and water boards debt, but is limited to those municipalities with liquidity challenges. This means that each province will identify municipalities in financial crisis to prioritise for support.
- Provincial Treasuries, in collaboration with the National Treasury, should undertake a robust budget assessment of the adjusted 2017/18 budget, and tabled and adopted 2018/19 budgets for prioritized municipalities to ensure that:



- The budgets are funded
- the budget includes adequate provision for realistic payment arrangements entered into with any creditors. In this way, the municipality will be in a better position to structure affordable payment arrangements that will be honoured. This must be a pre-requisite before the budget is adopted by the respective councils.
- National Treasury will facilitate discussions with the government departments that owe these municipalities so that settlement can be linked to the DPW debt verification process.
- It is proposed that a committee comprising National Treasury and the relevant provincial treasuries (including other relevant stake holders) be constituted for each province to support these municipalities to implement financial turnaround strategies (action plan) until there is measurable cash flow improvement. The current debt forums in the province may provide a platform for monitoring.
- This initiative should be formalised by its inclusion in updated and prioritised provincial-specific municipal support strategies of the provincial treasuries.
- To ensure success of this approach, resilient monitoring and oversight of the 2017/18 budget implementation by provincial treasuries will be required.
- National Treasury will work jointly with provincial treasuries to implement other initiatives to assist municipalities to address weaknesses in specific financial management discipline, including budgets and revenue management. This will include engaging with other stakeholders such as DCoG to address matters of governance, service delivery, institutional and human resources challenges that are eminent in these municipalities.
- National Treasury emphasises the need to improve revenue and to reduce expenditure not aligned to core services, through the introduction of an action plan that will culminate into a holistic financial recovery plan in the longer term.

### Medium Term Measures

In cases of failure of the municipality to honour this arrangement, National Treasury will support the relevant provincial treasury to enforce financial recovery measures in terms of chapter 13 of the MFMA by invoking section 216(2) of the Constitution against any defaulting municipality which consistently fails to honour its credit obligations, thereby

# Revenue Management - Including Revenue Protection - is key to improving the Financial Health of Municipalities *continued...*

by Ben Dorfling and Daniel J de Lange

undermining the measures prescribed in section 215(1) of the Constitution. Alternatively, provinces can also choose to invoke section 139 of the MFMA in the failing municipalities.

Invoking section 216(2) will also send a strong message to defaulting municipalities that maladministration, financial mismanagement, corruption and fraud will not be condoned at the expense of service delivery

## Long Term Measures

Since there are existing areas in the MFMA and MSA that are not clear, and these areas impose confusion on roles and responsibilities and duplication of effort in certain instances during the implementation of the Acts, National Treasury and DCoG must endeavour to resolve these differences for a more conducive operational environment.

Opportunities to bring about alignment by clarifying roles, responsibilities and accountability and enabling these changes into legislation will require ongoing engagements at provincial and national department level as well as legislature levels. The strengthening of collaboration, coordination and sharing of information between the departments will form a basis upon which the above changes can be practically implemented. Such forums and engagements must be regularized to ensure coherent actions.

The financial recovery services of National Treasury will participate to prepare a recovery plan that incorporates the action plan for finance mentioned above.

Reports will be prepared and presented to Parliament and Legislatures by National Treasury and provincial treasuries. Such reports will be enhanced with measures that will be included arising from the alignment and amendment of the MFMA and MSA.

Provinces and National Treasury will report to the MSCOA on progress on a quarterly basis and when required.

The National and Provincial support programmes are valuable in the building of institutional capacity and the identification of root causes of the challenges facing local municipalities. It is however a concern that the turnaround strategies implemented are not having the desired effect. It is therefore important that

municipalities focus on addressing the gaps in the Revenue Management value chain.

## Revenue Management Value Chain (RMVC)

A combination of factors could contribute to financial distress, resulting in a situation where a municipality is unable to meet its financial commitments and service delivery mandate.

It is therefore important to identify the factors that may give rise to the current situation and to undertake a detailed RMVC assessment (AS IS) and provide detailed process and action plans for the future (TO BE). These issues are summarised below and demonstrate the complexities to be considered.

## Revenue Management Value Chain Analysis (RMVCA)

The gaps identified in the RMVCA should be categorized and grouped in the Revenue Management Plan and should be based on the following premise:

Revenue generation is everyone's responsibility, not just that of the revenue management unit. Municipalities must effectively manage all functions that impact on protecting and growing their revenue base. The implementation of internal controls along the revenue value chain will aid effective data handovers.

Utilizing system data validation mechanisms and ensuring service level standards are fundamental to maintaining the integrity of billing data. Municipalities tend to neglect these basics and opt for costly 'data cleansing' exercises; however it is protecting the data integrity at source that will yield longer term benefits.

The following are fundamental to maximizing the potential of existing revenue sources and debt collection programmes:

- The billing system must correctly reflect all billing data and customer data that is required to issue an accurate invoice on time to the relevant customer;
- All properties within the area of jurisdiction of the municipality must be correctly valued, whether in the General Valuation Roll or Supplementary Valuation Rolls, and the billing system must be updated with any change in property ownership. This is necessary to grow and protect the property rates base of the municipality;

- Effective business processes to ensure that new property development and improvements to existing properties are valued as required and that billing records are updated accordingly; this requires good working relations between the town planning, valuations and revenue management functions of the municipality;
- Correct categorisation of properties in terms of the Municipal Property Rates Policy. This impacts usage and property rates tariffs applied to the properties;
- Property usage must be correctly recorded so that the relevant property rates tariff is applied to the property. Changes to property usage must also be communicated to the revenue function so that the debtor's system is updated;
- Water and electricity meter numbers must be recorded correctly and linked to the corresponding property on the debtor's system (specifically pre-paid electricity meters);
- Water and electricity meters must be adequately maintained to minimise losses due to leakages or incorrectly measured consumption;
- Water and electricity meters must be read regularly and accurately so that the correct consumption information is recorded on the billing system. Meter reading estimates must be minimised or at least undertaken in accordance with the Credit Control Policy prescriptions of the municipality;
- Refuse and sanitation service charges must be included in the billing records. These services are often neglected as a source of revenue. In fact, some municipalities operate refuse removal services at a loss;
- Billing records must be routinely reconciled to the source of the billing data and customer data;
- Billing queries must be resolved within reasonable timeframes;
- Debt collection and debt management methodologies and technologies need to be updated to ensure that long outstanding debt is recovered, and that debt outstanding for 30 days is prevented from moving into the 90 days and 120 days categories

Municipal functions must be adequately staffed with skilled individuals who understand the job requirements and how to deliver on them.

A Revenue Management Plan should be implemented to ensure sustainability of the municipality, which should inter- alia

include targets for debt collection, distribution losses and cash flow management which should be included in the performance contracts of senior management.

### Revenue and Cash Flow Management

Revenue and Cash Flow Management is based on four legs:

- Revenue management;
- Revenue Growth;
- Revenue protection; and
- Cash Flow Management (Debtors)

The focus of the paper will be on revenue protection.

### Revenue Protection

The term "Revenue Protection" is a colloquialism used to refer to the prevention, detection and recovery of losses caused by interference with water, electricity, gas and other supplies.

Losses can occur as follows:

- Omissions of valuations;
- Omissions of water and electricity meter numbers on the debtors' file;
- Omissions of tariff codes in the debtors' ledger;
- Non-existent or broken water meters;
- Non-existent or broken electricity meters;
- Illegal connections for water and electricity;
- Tampering with water and electricity meters; and
- Bridging of water and electricity supply.

### Revenue Protection Measures - Multi Disciplinary Task Teams (MDTT), Smart Meters and the Internet of Things

It is a fact that municipalities should be looking into the future to adopt smart revenue protection solutions. However, due to financial constraints confronting municipalities, there will always have to be a plan B to deal with the current problems and losses of revenue. One of the approaches adopted by municipalities is the Multi-Disciplinary Task Team (MDTT) to undertake asset verification and remedial action.

### Multi-Disciplinary Task Teams (MDTT)

The establishment of Multi-Disciplinary Task Teams to audit sites is an effective means of asset verification, combatting electricity and water losses as well as identifying properties where owners are not complying with town planning and land use regulations.

# Revenue Management - Including Revenue Protection - is key to improving the Financial Health of Municipalities *continued...*

by Ben Dorfling and Daniel J de Lange



It may be advisable to adopt a phased approach to creating the MDTT's. The first step is to identify a project area for a pilot project. The pilot project should test the viability of the proposed solution and can also act as a blueprint to update and optimize the operational processes.

It may be advisable for the field operations to consist of two separate but sequential actions. The first action is the physical meter audits. The primary aim of the audit is to update the meter records and to identify each meter position with an accurate GPS coordinate. There are many software solutions available in the market to facilitate the audit and asset verification processes. The audit teams should finish the work in a designated area and the next action would be to initiate rectification of any tampering or replacement of meters. The follow up action addresses the remedial field work identified by the initial audit, therefore processes and systems should be in place to coordinate these actions and ensure that all transactions are recorded in the financial and billing systems.

These operations should be executed by a specialised remedial

team responsible for the remedial actions. The advantages of this approach includes:

- The audit team should focus on the data acquisition.
- There is negative impact in terms of access when tamper disconnections are started. By completing the audit sweep, the level of access to the installations will be much better.
- The normalization team's skill set should be selected to contribute towards the remedial tasks to be performed. It should be tested how the audit and remedial teams will work together to promote efficiencies.

A structured Revenue Protection Division in municipalities should ideally consist of regional offices and field teams reporting to each office. The focus should be on reducing losses over the entire meter base.

Operating from a Command and Control Centre to coordinate and manage activities should also be considered.

The audit must be conducted by a team consisting of at least the following;

- Team Leader (Managerial level);
- Finance Officers
- Electricians
- Plumber
- A Plumbing Assistant
- A Building Inspector
- Law Enforcement Officers
- Other Protection (If the situation dictates)

The responsibilities of the team members are as follows;

#### Team Leader

- Keep the team together and make decisions on reported matters
- See that all documentation is completed
- Sign off on all documentation

#### Finance Members

- The legal use of the property. If residential and rooms are let, it must be rated as a business (Building Inspector must assist)
- Evaluate the outcomes of the audit
- Complete the documentation
- Change of meters, final readings etc.
- Calculate the immediate amounts to be charged
- Indicate the charges that need to be made on the account (including fines)
- Indicate the change of meter numbers.

#### Electricians

- Check whether the property has a pre-paid meter for electricity
- Check whether the pre-paid meter is bridged or not
- If the meter is bridged remove the pre-paid meter immediately
- Cut the Electricity to the premises
- If the pre-paid meter is not bridged, indicate the credit on the metering device to the Finance members
- If Not Pre-paid, check the conventional meter to ascertain whether it is operational or not
- If not operational, take reading
- Replace conventional meter and indicate new number to the finance member

- If operational, take reading and indicate to the Finance member
- Remove any illegal connection in the meter boxes or around the premises.

#### Plumbers

- Check whether the property has a pre-paid meter for Water
- Check whether the pre-paid meter is bridged/bypassed or not
- If the meter is bridged/bypassed, correct the bridging/bypass immediately
- Restrict the water to the property
- If the pre-paid meter is not bridged, indicate the credit on the metering device to the Finance members
- If not pre-paid, check the conventional meter to ascertain whether it is operational or not.
- If not operational, take reading
- Replace conventional meter and indicate new number to the finance member
- Remove any illegal connection.

#### Building Inspector

- Check for any irregular land use or buildings that deviate from approved plans.

The Revenue Protection Unit responsible for the MDTT operations should report to the Municipal Manager and should operate independently from other departments.

#### Smart Meters and the Internet of Things (IoT)

Existing electricity billing systems have major drawbacks due to the manual work involved, such as meter reading and transferring data into the billing system. Systems have been developed which are based on wireless networks. The client and server relationship through IOT and the municipal office can monitor the energy meter of all consumer homes on real time basis.

The prepayment industry came about through the convergence of electronic measurement technologies and low voltage switchgear technologies. It is increasingly apparent that these technologies are now converging with public communication infrastructures, thereby spawning a new generation of “Smart Theft Detection” using IoT.

# Revenue Management - Including Revenue Protection - is key to improving the Financial Health of Municipalities *continued...*

by Ben Dorfling and Daniel J de Lange

## IoT Based Tamper or Theft Prevention System for Electricity Energy Meters

### So what is the future?

**An embedded system to prevent electricity theft with the use of Internet of Things is the future.**

This embedded system consists of a Wi-Fi module attached to the electricity meter for the purpose of connectivity, and a microcontroller for controlling the major functions. The Passive Infrared (PIR) sensor is being used for the purpose of sensing the tampering attempt and Solid State Relay is used for the purpose of detecting the tampering attempt. In addition to this, there is an additional facility for sending the GPS location of the meter to the distribution company portal or Electricity Board server. Thus, the proposed system will reduce electricity theft and make the electricity system smart.

## Change the Payment Culture to Improve Revenue Assurance

Industry conversations refer more and more to smart grids and positive energy, but finally time has come to focus on the most interesting technology and energy efficiency.

Energy as well as water should be seen as a treasure and a rare resource, and should be used and managed in a clever way: to minimise and optimise consumption, while securing the metering device and associated payment solution.

It is recognized that improved revenue protection requires more than mere technological improvements. There is no substitute for proper, independent audits.

The common practice of supply disconnection upon detection of (probable) tampering should be avoided in favor of “a detect and alert strategy”. This minimizes consumer frustration and aggression arising from inadvertent supply interruptions. These are some of the ideas and developments that are taking place to enhance the Revenue Management Value Chain. Municipalities should be able to collect all revenue due to them and to apply the revenue protection technologies and methodologies to produce the cash flows necessary for them to perform their mandates.

## Conclusion

Water and electricity losses have reached levels where municipalities need to take immediate action. The

establishment of Revenue Protection Units to coordinate the activities Multi-Disciplinary Task Teams responsible for asset verification and identification of meter tampering, will reduce water and electricity losses. It is a fact that new technologies will make it possible to achieve the objectives of improved revenue management and reduction of water and electricity losses, but it is the people who will make it happen. Technology and systems can only be used effectively when people have the will and knowledge to do so. The implementation of smart grids and smart technologies and systems will require effective training as well as an educational component so that users and customers understand and grasp the value of the system and the role they need to play.

The improvement of metered consumption and billing systems can change the attitudes and willingness of customers to pay for services. The introduction of smart technologies and other revenue protection measures should therefore be aimed at changing the attitudes and behavior of the customers to a willingness to pay municipal accounts. This will only happen when customers experience good service delivery standards priced fairly and when they are presented with accurate and efficient billing and collection processes.

A Revenue Management Plan should be implemented to ensure sustainability of the municipality to perform its mandate and should inter- alia include targets for debt collection, distribution losses and cash flow management which should be included in the performance contracts of senior management. The day when municipal customers prioritise their municipal bill in their wallets is the day when cash flows of municipalities will improve significantly. 

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5. Theft Detection and Disconnection in Automated Electricity Energy Meter: A Survey Dr. S.S. Sayyed<sup>1</sup>, Roshani Choudhari<sup>2</sup>, Prashant Tribhuvan<sup>3</sup>, Sagar Salvi<sup>4</sup>, Anuradha Amte Computer Engineering Department, Savitribai Phule Pune University, Pune, Maharashtra, India.



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There is no asset management regulation for the South African public sector. Unlike fields such as supply chain management and budget management, clear regulations have not been promulgated to define, benchmark and evolve asset management practices within the South African public sector. As a result, this field has not matured since its introduction.

This is clearly visible from the numerous modified audit opinions that are issued to entities across all spheres of government in relation to assets. Unlike other fields such as supply chain management and internal audit there is no competency framework or defined skills framework for Asset Managers in the public sector, which further compounds the lack of maturity in asset management practices within the South African public sector.

Due to the relatively ill-matured asset management environment, asset management practitioners find themselves in a predicament where they have to impose the asset management disciplines on systems and people that are not ready to embrace such. Thus Asset Managers end up being allocated responsibilities and job descriptions, which

are neither clear nor aligned to the organisation's asset management strategy, where such a strategy exists. It becomes unclear if they are responsible for:

- Developing and implementing asset management policies and processes, which may or may not include the following elements, amongst others:
  - Safeguarding of assets,
  - Implementation of life cycle management in accordance with or in line with ISO 5500 principles,
  - Ensuring there are optimum levels of assets,
  - Tracking and tracing of assets,
  - Procurement of assets,
  - Recognition and valuation of assets,
  - Disclosure in the annual financial statements,
  - Stock taking of assets, and

# ASSET MANAGEMENT



- Establishment of sub entities that ensure accountability for assets.
- Maintaining an asset register, only.
- Both asset register and policies which include:
  - None of the above policy elements,
  - All the above elements, or
  - Some of these elements.

The emergence of Asset Managers in the public sector came to stay after the promulgation of the Public Finance Management Act 1 of 1999 (PFMA) and the Municipal Finance Management Act 50 of 2003 (MFMA). This was due to the majority of public sector entities getting modified audit opinions from asset related issues. In order to address this they made space for Asset Managers to tackle the issues raised by the Auditor General of South Africa (AGSA). So, taking that into account, it is not far-fetched that the role of Asset Managers could be construed as only addressing matters as raised by AGSA.

The PFMA states that the Accounting Officers are responsible for processes around the safeguarding of assets; ensuring

they are available at optimum levels; and they are effectively, efficiently and economically utilised. These are all policy matters, so does this mean if a public sector entity has the correct policies and they've put up fences, that would be sufficient for the Accounting Officer to achieve the objectives of the PFMA? The same Act is silent on the maintenance of an asset register. The register, which is a very critical tool for managing assets is not mentioned anywhere in the PFMA.

At least the MFMA specifies that the Accounting Officer must maintain a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed. The prescription though is lacking.

When Treasury regulations (TR10) talk about debtors, they specify that the accounting officer is responsible for "maintenance of proper accounts and records for all debtors, including amounts received in part payment". Lack of a similar implicit instruction as far as assets are concerned implies that an asset register is not as critical as the debtors' accounts, and that is exactly the problem.

## The status of Asset Management in the Public Sector *continued...*

by Sithuthukile Mkhwanazi



The consequence of this poor legislative guidance is that critical and significant policies and processes on debtors, for example, permeate organisations to the lowest levels; Asset Management systems however, not so much. Asset Management policies are treated as a by-product of ownership of assets, meaning they are mostly rumour and sometimes phantom, in spite of the best effort by Asset Managers. There is no concerted effort to ensure the implementation and monitoring of asset management policies, process and systems. If they are implemented there is no relationship between the implementation thereof and the asset register. The true value of the asset register along with the policies and processes implemented for asset management are not fully appreciated and understood. As a result public sector employees see the asset register mostly as a whipping tool by the Auditor-General rather than a valuable tool for decision-making.

The Modified Cash Standard (MCS) and the Standards of GRAP are also silent on the contents of an asset register. This is in contrast to the Asset Management Reporting Framework, which was very specific on the contents of an asset register,

the definition of an asset, and extremely useful in the decisions required from an Asset Manager as far as the register is concerned. However, it was only a guide and had no legislative impact and consequences. This framework was superseded by the MCS and the Standards of GRAP.

With very scant regulation from the National Treasury MCS, Asset Managers still go all out to prepare an asset register that complies with all the relevant assertions for financial statement preparation. The very same register is, sadly, not used internally for asset management decision-making. With asset management information being relegated to a mere disclosure note in the financial statements it begs the question, should Asset Managers be accountants? Alternatively, is it because Asset Managers are Accountants that this information is relegated to a note in the annual financial statements?

The current mention of Asset Management in legislation gives the perception of it being limited to only establishing policy, which may or may not be disparate, depending who you speak to. Asset Managers are currently at the same stage as the public



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sector Internal Auditors in the 80's. At that time, the Internal Auditors were viewed as supernumerary to organisations. However, when they came together and ensured that the status of internal auditors is regulated and defined, there was a change in how they were perceived and the treatment they received from senior management changed. Based on past experience, the buy in of senior managers is absolutely critical to the success of Asset Managers in any organisation.

Asset Management should be seen as a system, which management could use for critical decision-making purposes; which is interoperable and pivotal for service delivery, expenditure management and / or profit making purposes. In order to achieve this view of Asset Management, there must be proper dialogue on the subject. This dialogue must address the legislative changes required; policy implications; the utility value of an asset register; the skills set and competency levels of Asset Managers; all of which must be intertwined to the Asset Management definition. It is therefore critical that entities carry out an independent review of their status of maturity on asset management matters to enable them to achieve the desired results i.e. service delivery. **C**

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## Four facts you should know about indigent households

by Malibongwe Mhemhe and Kevin Parry



### Four facts you should know about indigent households

In 2001, the South African government adopted a policy intended for the provision of Free Basic Services (FBS) to poorer households. Under this policy, municipalities were tasked to identify indigent households that would receive services – such as water and electricity – for free or at greatly reduced rates. The following are four facts about indigent households in South Africa, from the 2017 Non-financial census of municipalities report.

**Fact 1: 22 in every 100 households are classified as indigent**

South Africa's 257 municipalities registered 3,51 million indigent households in 2017. That's about 22% of all households in the country, if we consider the total household estimate of 16,2 million from the latest General Household Survey.

Although municipalities are responsible for maintaining indigent registers and for providing services, the onus is on households to apply with their respective municipalities for indigent status. If an application is successful, the household

qualifies to receive free basic services. A household's indigent status isn't for life. The economic or financial status of a family may improve over time.

To ensure that only the poorest are catered for, municipalities require registered households to reapply every year or every second year for indigent status.

Households may not be aware that they can register for free basic services. Municipalities often conduct awareness campaigns to inform households of the indigent programme.

### Fact 2: Eastern Cape has the widest coverage

Municipalities in the Eastern Cape together registered almost 730 thousand indigent households in 2017, comprising 44% of all households in the province. The big players in the Province, those municipalities with the most number of indigent households, were O.R. Tambo District Municipality, followed by Nelson Mandela Bay and Buffalo City Metropolitan municipalities.

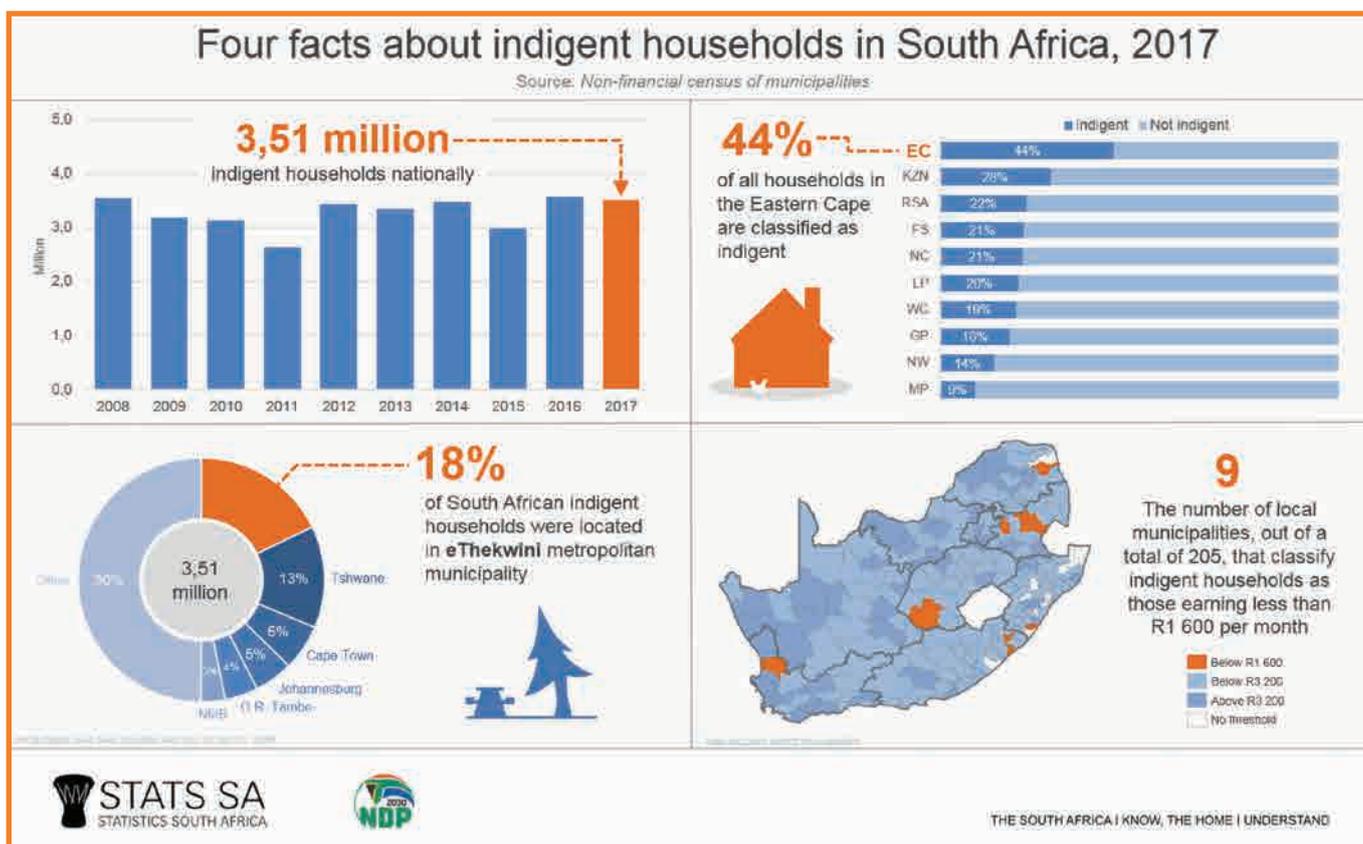
### Fact 3: eThekweni has the largest number of indigent households

Half of South Africa's 3,51 million indigent households are located in just six municipalities: eThekweni, Tshwane, Cape Town, Johannesburg, O.R. Tambo District Municipality, and Nelson Mandela Bay. eThekweni is home to 627 thousand indigent households, comprising 18% of the national tally.

### Fact 4: Municipalities differ in how they determine who is indigent

Municipalities have the freedom to choose their own criteria on how to classify an indigent household. In 2017, most municipalities classified an indigent household as a family earning less than R 3 200 per month. Eleven municipalities (9 local municipalities and 2 district municipalities) used the lower income poverty threshold of R1 600 per month. Municipalities have the power to revise their income cut-off points on a periodic basis.

Municipalities can also decide on the extent to which they can subsidise an indigent household. The general rule is that indigent households are entitled to 6 kl of free water per household per month, and 50 kWh of free electricity per household per month. Many municipalities also subsidise sanitation and refuse removal services. **C**







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Walter Muwandi - CCG Systems



Leanne Manas - Media Personality



Bongumusa Makhathini - SABC



Dr Krish Kumar - CIGFARO



Clr Mzwandile Masina -  
Executive Mayor of Ekurhuleni



Daniel Silke - Motivational Speaker



Nozipho Nkomo - CCG Systems





Peet du Plessis - CIGFARO President



Cheryl Reddy - CIGFARO Vice President



Mbulelo Memani - CIGFARO



Kgomotso Baloyi - National Treasury



Dr Ntsiki Mashiya - Hightowers Petroleum, SA Ltd



Andries Nel - Deputy Minister of COGTA



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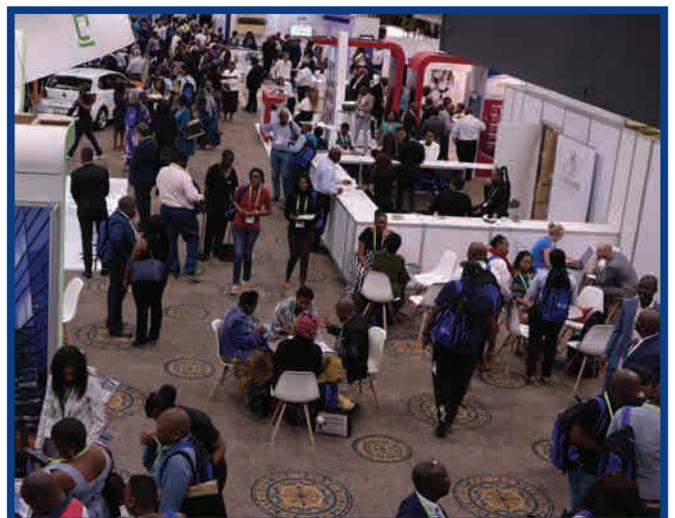
Delegates in Plenary



Ekurhuleni Staff



Delegates in Plenary



Delegates in Exhibition Hall



Sithuthukile Mkhwanazi - Department of Defence



Students



Opening - Moment of Silence



Joey Geyer - TUT and Maggie Thinyane - National Treasury



Abbey Tlaetsi - CIGFARO CEO with one of the Student winners



Registration

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Bharthie Ranchoddas	eThekwini Municipality
Cheryl Reddy	King Cetshwayo DM
Vanessa Kessa	DUT
Sbusiso Zakwe	Provincial Treasury
Riaz Jhetam	Alfred Duma LM
Emmanuel Ngcobo	iLembe DM

## ACTIVITIES UNDERTAKEN:

Asset Management Workshop	-	November 2017
Finance Interns Workshop	-	November 2017
FPC Councillors Workshop	-	February 2018
Revenue Management Seminar	-	April 2018
Finance Interns Summit -	-	April 2018
Asset Management Indaba	-	May 2018
AFS Readiness Seminar -	-	June 2018
The CFO Event -	-	September 2018



# NEW MEMBERS

## ASSOCIATE MEMBERS

Province	Initials	Surname	Employer	Join Date
Northern Cape	Thuto	Chabaesele	Provincial Treasury - NC (UPGRADE)	9/27/2018
Kwa Zulu Natal	Vuyani	Gqoboka	Ray Nkonyeni Municipality	7/9/2018
Eastern Cape	Mthokozisi	Khambula	Alfred Nzo District Municipality	7/25/2018
Free State	Thuso	Marumo	Moqhaka Municipality (UPGRADE)	6/19/2018
Kwa Zulu Natal	Mandisa	Mbatha	Ubuhlebezwe Municipality	7/11/2018
Kwa Zulu Natal	Sanele	Mngwengwe	Mkhambathini Municipality (UPGRADE)	7/9/2018
Free State	Sabata	Mofokeng	Mangaung Metropolitan Municipality	7/27/2018
Limpopo	Dennis	Mulaudzi	Vhembe District Municipality	10/4/2018
Kwa Zulu Natal	Zakhele	Ndlovu	Mthonjaneni Municipality	6/26/2018
Kwa Zulu Natal	Jabulani	Nkosi	Big 5 Hlabisa Municipality	11/8/2018
Mpumulanga	Nozipho	Ntombela	Gert Sibande District Municipality	9/18/2018
Eastern Cape	Misumzi	Scott	Nelson Mandela Bay Metropolitan Municipality	7/18/2018
Eastern Cape	Nosi	Shasha	Engcobo Municipality	8/28/2018
Gauteng	Charlotte	Shelile	City of Johannesburg	7/5/2018
Limpopo	Mihloti	Shirinda	Greater Tzaneen Municipality (UPGRADE)	10/4/2018
Eastern Cape	Sandise	Situnda	Nelson Mandela Bay Metropolitan Municipality	6/26/2018
Free State	Pule	Tsekedi	Masilonyana Municipality	7/16/2018
Free State	Roy	Visagie	Moqhaka Municipality	10/23/2018

## FELLOW MEMBERS

Province	Initials	Surname	Employer	Join Date
Mpumulanga	Amos	Twala	Nkangala District Municipality (UPGRADE)	7/25/2018

## GENERAL MEMBERS

Province	Initials	Surname	Employer	Join Date
Gauteng	Louis	Burger	Munsoft	6/26/2018

## JUNIOR MEMBERS

Province	Initials	Surname	Employer	Join Date
Northern Cape	Andre	Beukman	Emthanjeni Municipality	11/1/2018
Kwa Zulu Natal	Vani	Gounder	Umshwathi Municipality	10/26/2018
Kwa Zulu Natal	Dick	Lemmer	Uthukela Water Company	7/13/2018
Western Cape	Wendy	Mancoba	City of Cape Town	8/17/2018
Free State	Raymond	Matlaletsa	Ngwathe Local Municipality	6/27/2018
Northern Cape	Otshepeng	Mojanaga	Sol Plaatje Municipality	10/23/2018
Limpopo	Mamoloko	Mushavhanamadi	Greater Tzaneen Municipality	10/31/2018
Kwa Zulu Natal	Nhlakanipho	Mvelase	Msinga Municipality	8/17/2018
Kwa Zulu Natal	Ncediwe	Ntini	Jozini Municipality	10/31/2018
Limpopo	Antoinette	Ramaphoko	Greater Tzaneen Municipality	9/18/2018

## LICENTIATE MEMBERS

Province	Initials	Surname	Employer	Join Date
Northern Cape	Shannon	Antonie	Pixley ka Seme District Municipality	8/7/2018

Northern Cape	Levonina	Bartlett	Sol Plaatje Municipality	10/26/2018
Rest of Africa	Walter	Chacha	City of Harare	6/26/2018
Eastern Cape	Khanya	Jojo	Alfred Nzo District Municipality	7/25/2018
Rest of Africa	Sarah	Mugodza	City of Harare	6/22/2018
Western Cape	Ntombenkosi	Nase	City of Cape Town	7/9/2018
Kwa Zulu Natal	Nhlonipho	Nene	Okhahlamba Municipality	11/8/2018
Kwa Zulu Natal	Senzo	Ngema	Msinga Municipality	8/21/2018

#### SENIOR ASSOCIATE MEMBERS

Province	Initials	Surname	Employer	Join Date
Western Cape	Bradley	Brown	Langeberg Municipality (UPGRADE)	10/23/2018
Eastern Cape	Chris	Mkhosana	Buffalo City Metropolitan Municipality	7/9/2018
Free State	Mncedisi	Mqwathi	Moqhaka Municipality	7/9/2018
Eastern Cape	Sakhiwo	Nelani	Alfred Nzo District Municipality	7/24/2018
Eastern Cape	Nocawe	Nozigwaba	Alfred Nzo District Municipality	7/25/2018
Mpumulanga	Henri	Pieters	Stabilis Incorporated	10/19/2018
Gauteng	Sewnarain	Sanpersad	City of Ekurhuleni (UPGRADE)	10/1/2018
Western Cape	Bazil	Vink	City of Cape Town	6/19/2018

#### STUDENT MEMBERS

Province	Initials	Surname	Employer	Join Date
Gauteng	Kabelo	Baloyi	Tshwane University Of Technology	10/19/2018
Gauteng	Gloria	Chilepe	Tshwane University Of Technology	9/25/2018
Gauteng	Nkateko	Chuma	Tshwane University Of Technology	9/25/2018
Mpumulanga	Pretty	Dlongolo	Tshwane University Of Technology	9/25/2018
Mpumulanga	Sharon	Gololo	Tshwane University Of Technology	9/20/2018
Gauteng	Amogelang	Lepadima	Tshwane University Of Technology	9/25/2018
Gauteng	Esther	Magoro	Tshwane University Of Technology	9/19/2018
Mpumulanga	Nkosinathi	Mahlangu	Tshwane University Of Technology	9/25/2018
Kwa Zulu Natal	Lungelo	Makhathini	Tshwane University Of Technology	9/19/2018
Limpopo	Rethabile	Matane	Tshwane University Of Technology	9/25/2018
Gauteng	Mpho	Mathibela	Tshwane University Of Technology	9/19/2018
Gauteng	Lebohang	Matjele	Tshwane University Of Technology	9/20/2018
Gauteng	Pearl	Modise	Tshwane University Of Technology	9/25/2018
Gauteng	Bronwin	Modise	Tshwane University Of Technology	9/25/2018
Gauteng	Refilwe	Motaung	Tshwane University Of Technology	9/25/2018
Gauteng	Thando	Mqocwa	Tshwane University Of Technology	9/6/2018
Limpopo	Khodani	Mungani	Tshwane University Of Technology	9/19/2018
Mpumulanga	Nonjabulo	Ndlovu	Tshwane University Of Technology	9/25/2018
Gauteng	Tshepo	Ngobeni	Tshwane University Of Technology	9/19/2018
Gauteng	Mxolisi	Nkosi	Tshwane University Of Technology	9/20/2018
Gauteng	Katlego	Rakuba	Tshwane University Of Technology	9/25/2018
Gauteng	Maggie	Ramonyai	Tshwane University Of Technology	9/6/2018
Gauteng	Zinhle	Shange	Tshwane University Of Technology	9/20/2018
Gauteng	Pretty	Sibiya	Tshwane University Of Technology	9/25/2018



**T**his article gives some indication of legislative processes that affect the core functions of the various spheres of government and have a specific financial impact. As far as possible the references, regarding when and where the notification was made, are supplied for ease of reference. **Note: All gazettes are available free online at [www.gpwnline.co.za](http://www.gpwnline.co.za)**

#### AMENDMENTS TO THE CODE OF PROFESSIONAL CONDUCT FOR REGISTERED AUDITORS

*(Board Notice 171 of 2018, Government Gazette 42037 dated 16 November 2018)*

In accordance with the provisions of Section 10(1)(a) of the Auditing Profession Act, 2005 (Act 26 of 2005), the

Independent Regulatory Board for Auditors (IRBA) published revisions to the IRBA Code of Professional Conduct for Registered Auditors (IRBA Code). The IRBA Code of Professional Conduct (Revised November 2018) is available and may be downloaded from the IRBA website at: <https://www.irba.co.za/guidance-for-ras/ethics:-the-rules-and-the-code/the-irba-coderevised-2018>

The IRBA Code of Professional Conduct for Registered Auditors (Revised November 2018) includes amendments that have been previously released for public comment via the Government Gazette, addressing the following:

- Revised and Restructured IRBA Code of Professional Conduct for Registered Auditors;
- Revisions Pertaining to the Offering and Accepting of Inducements;

- New Guidance for Professional Scepticism and Professional Judgement;
- Improving the Structure of the Code Phase 1 and Phase 2; and
- Proposed Revisions Pertaining to Safeguards in the Code Phase 1 and Phase 2

The Code will be effective as follows:

- Parts 1 and 3 of the IRBA Code will be effective as of 15 June 2019.
- Part 4A of the IRBA Code relating to independence for audit and review engagements will be effective for audits and reviews of financial statements for periods beginning on or after 15 June 2019.
- Part 4B of the IRBA Code relating to independence for assurance engagements with respect to subject matter covering periods will be effective for periods beginning on or after 15 June 2019; otherwise, it will be effective as of 15 June 2019.
- Paragraph R540.19 shall have effect only for audits of financial statements for periods beginning prior to 15 December 2023. This will facilitate the transition to the required cooling-off period of five consecutive years for engagement partners in those jurisdictions where the legislative body or regulator (or organisation authorised or recognised by such legislative body or regulator) has specified a cooling-off period of less than five consecutive years.

For further assistance, send an email to [standards@irba.co.za](mailto:standards@irba.co.za).

#### **EXPOSURE DRAFTS PUBLISHED BY THE ACCOUNTING STANDARDS BOARD**

*(Board Notice 93 of 2018, Government Gazette 41781 dated 20 July 2018)*

The Accounting Standards Board issued the following two exposure drafts for comment:

- The proposed Guideline on The Application of Materiality to Financial Statements (ED 168); and
- The proposed amendments to the Standard of GRAP on Presentation of Financial Statements (GRAP 1)(ED 169).

All comments received by 7 December 2018 will be used in finalising the applicable pronouncements before they are issued. The documentation is available electronically on the Board's website – <http://www.asb.co.za>

#### **REMUNERATION OF PUBLIC OFFICE-BEARERS ACT, 1997**

*(Presidential Notice 711 of 2018, Government Gazette 42040 dated 15 November 2018)*

In terms of sections 8 (4) and (5) of the Independent Commission for the Remuneration of Public Office-Bearers Act, 1997 (Commission Act), the Independent Commission for the Remuneration of Public Office-Bearers (Commission) is mandated to make annual recommendations relating to the salaries and /or the upper limits of the salaries, allowances, benefits of Public Office-Bearers (POBs) and the resources required by some to enable them to perform their respective duties effectively.

The Commission is recommending 4% annual adjustment to the remuneration of all categories of POBs.

#### **LOCAL GOVERNMENT: UPPER LIMITS OF TOTAL REMUNERATION PACKAGES PAYABLE TO MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS**

*(Notice 1224 of 2018, Government Gazette 42023 dated 15 November 2018)*

Having regard to the upper limits of salaries of municipal managers and managers directly accountable to municipal managers (senior managers) as set out below, the need to prioritise service delivery to communities and to sustain viable local government and the fiscal capacity of different categories of municipalities, this Notice provides a strategic framework for remuneration of senior managers across all municipalities.

The upper limits constitutes an integral part of the human resource value chain in building resilient administrative institutions underpinned by the intent to enable municipalities to attract, appoint and retain appropriately qualified and competent senior managers necessary for effective performance of their functions.

After confirmation of the actual values and points scored by the municipality in relation to the total municipal income, population and municipal equitable share, including the driving factors that led to a higher categorisation as well as affordability (using the ratios: liquidity ratio, creditor's payment period and debtor's collection rate) and approval by the Minister, the municipal council may implement such new categorisation including adjusting the total remuneration package of senior manager to the higher category. The full formula for the calculation of the municipal categorisation is included in the gazetted notice.

The adjustments to current salaries are also spelt out in the notice. This notice took effect from 1 July 2018.

The upper limits of the annual total remuneration packages payable to municipal manager are as follows:

MUNICIPAL CATEGORISATION	TOTAL REMUNERATION PACKAGE - MINIMUM	TOTAL REMUNERATION PACKAGE - MIDPOINT	TOTAL REMUNERATION PACKAGE - MAXIMUM
10	R 2,568,755	R 3,251,589	R 3,934,423
9	R 2,204,466	R 2,755,584	R 3,306,702
8	R 1,903,222	R 2,335,240	R 2,767,260
7	R 1,646,643	R 1,995,931	R 2,345,220
6	R 1,424,447	R 1,705,924	R 1,987,402
5	R 1,242,678	R 1,470,625	R 1,698,573
4	R 1,129,229	R 1,313,058	R 1,496,887
3	R 1,038,509	R 1,193,690	R 1,348,869
2	R 988,264	R 1,110,409	R 1,232,554
1	R 951,779	R 1,057,532	R 1,163,285

Annual total remuneration packages of managers directly accountable to municipal managers

MUNICIPAL CATEGORISATION	TOTAL REMUNERATION PACKAGE - MINIMUM	TOTAL REMUNERATION PACKAGE - MIDPOINT	TOTAL REMUNERATION PACKAGE - MAXIMUM
10	R 2,055,005	R 2,601,272	R 3,147,538
9	R 1,763,574	R 2,204,466	R 2,645,361
8	R 1,522,577	R 1,868,192	R 2,213,808
7	R 1,317,315	R 1,596,747	R 1,876,176
6	R 1,156,263	R 1,376,505	R 1,596,747
5	R 1,026,342	R 1,207,460	R 1,388,579
4	R 932,548	R 1,078,089	R 1,223,632
3	R 857,571	R 980,082	R 1,102,590
2	R 811,416	R 911,704	R 1,011,991
1	R 781,460	R 868,290	R 955,118

Every municipality has to compile an updated report showing the situation on 1 July 2018 regarding senior officials and containing the following information:

- a. Total approved posts;
- b. Total filled posts;
- c. Total vacant posts;
- d. Name of incumbent;
- e. Designation;
- f. Gender;
- g. Nature of contract (i.e. permanent or fixed term contract);
- h. Date of appointment;
- i. Date of expiry of contract;
- j. Total remuneration package for 2018/19 financial year;
- k. Any allowance(s) payable to a senior manager;
- l. Total municipal income;
- m. Total population;
- n. Total municipal equitable share; and
- o. Municipal categorisation for 2018/19 financial year.

This report must be submitted to the MEC responsible for local government in the province on or before 30 November 2018 on an official letterhead of the municipality, signed by the municipal manager. The MEC for local government must submit a consolidated report to the Minister on or before 14 December 2018.

#### **DEPARTMENT OF TRANSPORT: DRAFT BILL - ECONOMIC REGULATION OF TRANSPORT BILL 2018**

*(Notice 1135 of 2018, Government Gazette 41992 dated 24 October 2018)*

The Department of Transport has published the draft Economic Regulation of Transport Bill 2018.

The Bill aims to consolidate the economic regulation of transport within a single framework and policy, to establish

the Transport Economic Regulator, to establish the Transport Economic Council, and to make consequential amendments to various other Acts.

The purposes of this Act are to --

- promote the development of a competitive, efficient and viable South African transport industry contributing to economic growth and development;
- promote the development of an integrated system of economic regulation of transport of passengers and goods, through airports or ports, and by road or rail;
- promote efficiency, reliability, safety and performance in the management and operation of transport facilities and services, in accordance with recognised international standards and local requirements;
- establish appropriate institutional arrangements and procedures to support the consistent economic regulation of transport facilities and services;
- enhance transparency in the management of transport facilities and services; and
- promote appropriate investment in transport facilities and services.

All the above should be done in a manner that promotes the development of small and medium enterprises; and the achievement of equality through measures designed to advance persons or categories of persons historically disadvantaged by unfair discrimination in the operation of and access to transport facilities and services.

#### **NATIONAL CREDIT AMENDMENT BILL**

The Select Committee on Trade and International Relations invited comments (up to 2 November 2018) on the National Credit Amendment Bill [B30 - 2018].

The Bill seeks to amend the National Credit Act, 2005, so as to:

- provide for debt intervention; to insert new definitions;
- include the evaluation and referral of debt intervention applications as a function of the National Credit Regulator and to provide for the creation of capacity within the National Credit Regulator and logistical arrangements to execute this function;
- include the consideration of a referral as a function of the Tribunal;
- provide for the recordal of information related to debt intervention;
- require a debt counsellor to investigate whether an agreement is reckless;
- provide for a court to enquire into and either refer a matter for debt intervention or make an order related to debt intervention;
- provide for a Magistrate's Court and the Tribunal to determine the maximum interest, fees or other charges when re-arranging debt and for guidance to be prescribed in this regard;
- provide for an application for debt intervention and the evaluation thereof;
- provide for the Tribunal to re-arrange a consumer's obligations and make an order in respect of an unlawful credit agreement;
- provide for orders related to debt intervention and rehabilitation in respect of such an order;
- provide for mandatory credit life insurance to be prescribed;
- provide for offences related to debt intervention, prohibited credit practices, selling or collecting prescribed debt and related to failure to register as required by the Act;
- provide for measures when an offence is committed by a person other than a natural person;
- provide for penalties in relation to the newly created offences; to provide for the Tribunal to change or rescind an order under certain circumstances;

- require the Minister to make regulations related to a financial literacy programme;
- provide in a transitional provision for the application of this Amendment Act to credit agreements entered into before its commencement; and to provide for matters connected therewith.

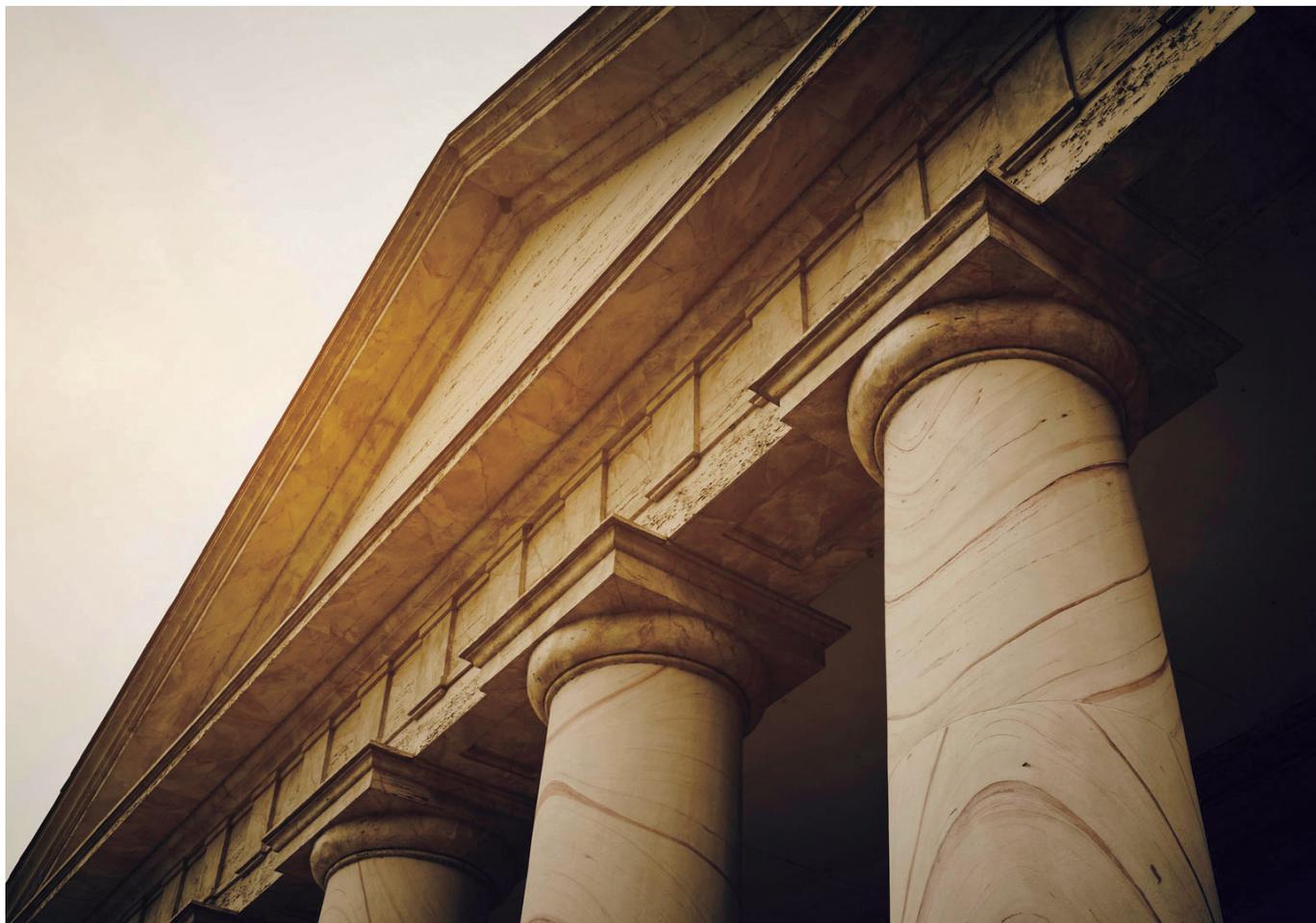
### **PUBLIC AUDIT AMENDMENT ACT, 2018**

*(Notice 1260 of 2018, Government Gazette 42045 dated 20 November 2018)*

The provisions to amend the Public Audit Act, 2004, have been published so as to address, inter alia, consequence management. There are some interesting aspects brought in by this amendment Act.

These amendments are to:

- provide for certainty regarding the discretion of the Auditor-General with regard to certain audits;
- to authorise the Auditor-General to undertake performance audits and to provide audit or audit related services to an international association, body, institution or organisation;
- to provide for the Auditor-General to refer suspected material irregularities arising from an audit performed under this Act, to a relevant public body for investigation;
- to empower the Auditor-General to take appropriate remedial action;
- to provide for the Auditor-General to issue a certificate of debt where an accounting officer or accounting authority failed to recover losses from a responsible person and to instruct the relevant executive authority to collect the debt;
- to provide for the establishment, powers and functions of a remuneration committee;
- to provide for consultation between the Independent Commission for the Remuneration of Public Office-bearers and the remuneration committee;
- to provide for additional reporting requirements;



- to provide for the defraying of certain excess audit fees as a direct charge against the National Revenue Fund;
- to revise the provisions relating to the appointment of an audit committee for the Auditor-General;
- to provide that the Auditor-General makes regulations on specific issues; substitute certain expressions and to provide for matters connected therewith.

**AMENDMENTS TO MUNICIPAL REGULATIONS ON MINIMUM COMPETENCY LEVELS, 2007**

*(Notice 1146 of 2018, Government Gazette 41996 dated 26 October 2018)*

The Minister of Finance, acting with the concurrence of the Minister of Cooperative Governance and Traditional Affairs, amended the Municipal Regulations on Minimum Competency

Levels, 2007, published under Government Notice R.493 of 15 June 2007.

This amendment requires that a person appointed as a financial or supply chain management official on or after the date of commencement of this regulation, who does not meet the minimum competency level in the unit standards for a competency area required for the position in terms of the Regulations, must attain that minimum competency level within 18 months from the date of appointment. This applies equally to the local government sphere and all municipal entities.

If a financial official or supply chain management official must conclude a performance agreement and does not meet the minimum competency level in the unit standards in a competency area required for the position in terms of the

## Legal Corner *continued...*

Regulations, attainment of that minimum competency level within the time frames set out the regulations must be included as a performance target in that official's performance agreement. If a person is appointed a financial official or supply chain management official and does not meet the minimum competency level in the unit standards in a competency area required for the position in terms of the Regulations, the attainment of that minimum competency level within the timeframes set out in regulation 15, must be included in the person's

- employment contract which must also state that, if it is not attained within the applicable period, the employment contract will terminate automatically within one month after the applicable period; and
- performance agreement as a performance target, if such agreement is required.

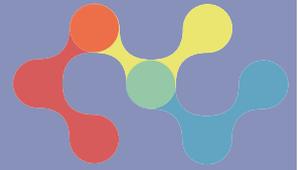
A municipality or municipal entity must deal with the failure by an official to attain the required minimum competency levels in the unit standards for each competency area within the 18 month period, in accordance with the applicable labour legislation and policies and procedures of the municipality or municipal entity. [c](#)

These regulations took effect from 26 October 2018.

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### 3. Project Management

### 4. Change Management

- Audit File/Circular/Legislative Compliance Review

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- Segment Combination
- GL Review
- Transaction Review
- Audit Preparation
- mSCOA Business Intelligence
- Data String Testing & Analysis

### 8. mSCOA Training

- Accredited Trainers
- Non Accredited Training/Workshops mainly tailor-made per municipality to facilitate awareness and change management especially to non finance staff

### 10. Audit Preparation

- Review and or Preparation of Project Management (Documentation) File inline with mSCOA Regulations and Circular
- Review and or Preparation of IT Audit File (Documentation) in terms of the mSCOA Implementation

### 5. mSCOA Budgeting Support & Revenue

- mSCOA Budgeting Tool/System (Buy or Lease)
- Budget Breakdown Support
- Budget Adjustments Support
- A, B & C Schedules (Preparation, Review/Reconciliation)

### 7. mSCOA Reconciliations

- Bank Recon – Tool (Buy/Lease)
- Bank Recon – As a Service
- Supplier Reconciliations

### 9. Reporting

- Review and correction of all monthly and quarterly returns



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# REPORTING REQUIREMENTS - LOCAL GOVERNMENT

## NOVEMBER

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

# DECEMBER

(2<sup>ND</sup> QUARTER OF FINANCIAL YEAR)

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

# REPORTING REQUIREMENTS - LOCAL GOVERNMENT

## JANUARY

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Cons report - all withdrawels each quarter	MFMA (11(4)	Within 30 days	Accounting Officer	Prov Treas, AG
4	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
5	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
6	Implementation of the budget & financial state of affairs	MFMA 52(d)	Within 30 days of each quarter	Mayor	Municipal Council
7	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
8	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
9	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
10	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
11	Mid-year budget & perform assessment	MFMA 72(1)(b)	25 January	Accounting Officer	Mayor, Nat Treas, Prov Treas
12	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
13	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
14	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
15	Entity - Stmt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
16	Entity - Mid-year budget & perform assessm	MFMA 88(1)	20 January	Entity Acc Officer	BOD of entity, 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 Cilrs	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	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
25	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
26	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
27	Non-compliance & reasons of non-complia	MFMA 128(c)	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
28	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
29	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
30	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtr	Acc Officer etc	Nat Treas
31	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA
32	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA

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## INDUSTRIALISATION & CATALYTIC PROJECTS PRACTICE

Ntiyiso Consulting's DNA is rooted in development of catalytic projects to boost economic development and industrialisation while creating jobs in the process. Over the years, Ntiyiso Consulting has conceptualised, researched, developed, fund-raised and implemented a number of farming, manufacturing and energy projects in Limpopo, Free State and North West provinces. It was from these projects that the necessary management knowledge was mastered to turn the firm into a Management Consulting outfit, which gave rise to the Governance and Strategy as well as the Revenue Management practices.

This (Catalytic Projects and Industrialisation) practice has also grown to include Business Process Outsourcing Advisory too, where we advise clients on key sourcing and outsourcing decisions, as well as investment attraction strategies.

**THE CATALYTIC PROJECTS AND INDUSTRIALISATION PRACTICE OFFERS THE FOLLOWING:**

### ECONOMIC DEVELOPMENT ADVISORY

Ntiyiso Consulting offers Local, Provincial and National Government masterplans and studies to improve their location's ability to attract investment and promote economic development. From the studies we help clients develop and implement strategies to attract and grow investment at their locations.

### PROJECT DEVELOPMENT LIFECYCLE

#### OPPORTUNITY DEFINITION

Ntiyiso Consulting's Innovation team identifies and defines opportunities for the development of catalytic projects such as Water, Electricity and Transport Master Plans for Local Government. We also define opportunities for industrial projects within Agriculture, Manufacturing and Energy for local economic development programmes.

#### FEASIBILITY STUDIES

We make detailed assessments to determine the key specific drivers of a project and to verify that the project has good prospects for success in delivering intended results.

#### FACILITY DEVELOPMENT/ BUSINESS PLAN DEVELOPMENT

Where specific solutions are needed following the gathering of relevant data, information is organised into a business design covering all the relevant aspects and systems in a bankable manner that our clients can rely on to commence implementation of the project.

#### FUNDRAISING

Ntiyiso Consulting has a team of specialists who, upon redelivering a compelling business case and business plan thereof, are able to package the projects for fundraising from various funding institutions, including DFIs.

#### PROJECT IMPLEMENTATION

We offer implementation services to build the facility or a system. The implementation process entails planning, execution and monitoring. The end result is an operational system.

#### MONITORING AND EVALUATION

As part of a change management process, it is necessary to monitor and evaluate the new systems during the formative stage. In order to help our clients bridge the gap between implementation and operations, we offer renewable monitoring contracts so as to ensure that the systems/operations implemented achieve intended results.

**CONTACT**

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