



CIGFARO

Chartered Institute of Government Finance, Audit and Risk Officers

JOURNAL

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5

MY JOURNEY

Peet Du Plessis, CIGFARO President

22 The Future of Asset Management.

26 Municipalities pivotal in rebuilding SA. Here is how they can do their bit.

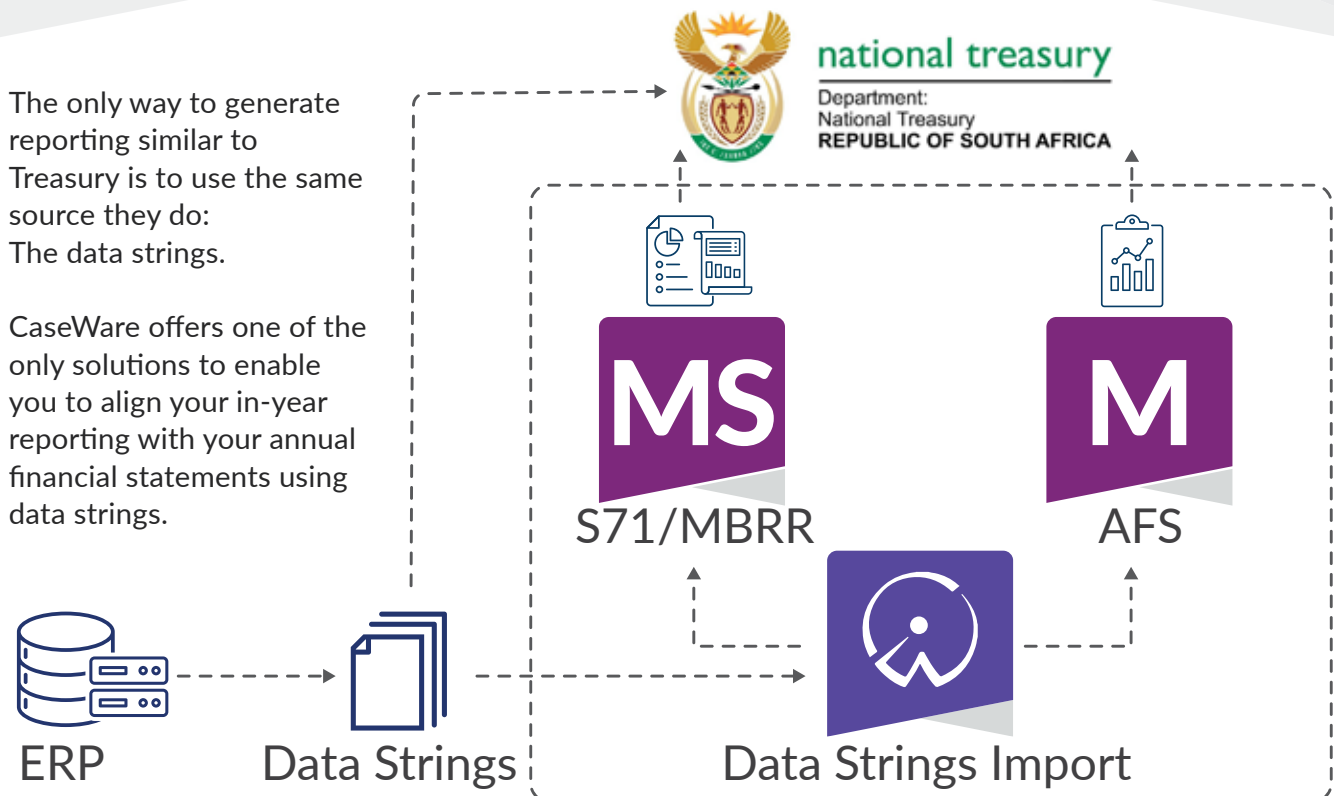


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Greetings Colleagues, we meet again. Welcome to the 92nd CIGFARO annual conference under the “new world - new thinking, closing-out on COVID-19 and starting something new” theme. It has been 18-months since we have been hit by the COVID-19 pandemic as a country and a roller coaster ever since. From being placed on level 5 (where the country was on complete shut down) and moving in-between the levels depending on the state, we found ourselves in. Looking back – who would have thought that we will be able to host conferences? It took some time and a lot of innovation to be able to host again and moving on with our current realities. Though our conferences will take time to host the usual 1200 delegates in attendance and more than 50 exhibitors – the fact that we have started hosting physical conferences indicates that we are well on our way to the original way of doing things, the old way.

This year's conference will be a hybrid session – meaning it will be a mixture of physical attendance (with very limited seats available) and virtual attendance for those who would like to attend virtually. We hope the 3-day conference will be as fruitful as it has always been, with meaningful discussions to empower our delegates to continue to function fully in their respective fields while serving the public. As CIGFARO we continue to pride ourselves as the ambassadors of excellence in the public sector and we will continue to do so for years to come.

I'm so excited to see everyone at the Durban ICC and more so – to feel the printed journal, as since the start of the pandemic we could only produce digital copies. It's been a while not being able to smell the journal paper and page through it with your fingers, I certainly cannot wait. In this issue we have several articles focusing on different topics, we have a two-part series on Asset Management for municipalities, and an interesting read on municipalities and their pivotal role in rebuilding South Africa, by our host platinum – Ntiyiso Consulting, based on the recent looting that took place in some of our areas. We also have our gallery showcasing the Audit & Risk Indaba which we hosted in the beginning of the year – it was a hybrid session limited to 100 delegates.

We hope we will all stay safe and enjoy the conference. Special gratitude goes to our speakers, panel members and sponsors. Let's mask up and see each other at the 92nd conference. Remember you can always find us on our socials and website for all the latest details.

Like and follow us on the social streets.

Don't forget to always sanitise and keep that mask on. Keep safe until we meet again. 

Esther G.

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A NEW WORLD, NEW THINKING


This will be my last foreword for the CIGFARO Journal as President of the Institute, and I want to share with you the Journey of the Institute during my tenure as President as well as a look into the crystal ball for the future.

I have set for myself a goal at the beginning of my tenure as President - to have CIGFARO recognised as the only professional body for Government Finance Audit and Risk Officers. This was a very ambiguous goal, a very challenging goal, and the board, office and I have started this long journey not knowing the outcome. Today I can report that we have not achieved the goal to its fullest, but through our lobbying with Ministers in National Treasury and COGTA, as well as with other Institutes such as ILGM and officials in National Treasury and COGTA, we did see a change in National Government. This change has led to the promulgation of a position paper on A National Implementation

Framework towards the Professionalisation of the Public Service by the Minister of Public Administration. This process is currently underway, and it is foreseeable that this will still take some time before we see Professionalisation in the Public Sector. It is also clear now that there are many Institutes who plan to enter the Public sector space.

My term has also experienced disaster which was unexpected by the current generation, in that the economy was locked down for a whole month as result of the COVID-19 pandemic. This has caused a significant impact on the Finances of the Institute and it was unavoidable for the board to invoke section 189 of the Labor Relations Act, and all employees of the Institute were re-trenched.

The COVID-19 pandemic, being a disaster, has also opened new business practices and opportunities. We have seen a total adaptation of organizations forced to work from home, office space has become irrelevant in certain sectors, and this has become the new normal. It is in this area that the Public Sector must focus and take certain steps towards going paperless and offices need further exploration and adaption due to low usage. Our biggest challenge at this point and time is around productivity and delivering of certain outcomes, on time. This problem is, however, not unique to the Public sector and we should learn from the Private sector.

Looking into the crystal ball, it shows that the new normal will prevail and we will see a gradual move over to further digitize our work environments and where working from home becomes more and more attractive, taking costs into consideration in maintaining buildings - the money could be used to deliver services. It would also require Municipalities to reposition themselves in this space and this would require them to start developing a Virtual office, whereby customers can have enquiries on services in the luxury of their home. Our ability to adopt this concept will show our resilience to change and how well we adapt to the new environment. 

PEET DU PLESSIS
CIGFARO PRESIDENT

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FOREWORD FROM THE ACCOUNTING OFFICER




Colleagues – we meet once again. 2021 marks our institute celebration of the 92nd annual conference under the “New World - New Thinking” theme. The next 3 days will be filled with thought-provoking topics and discussions. 2021 has forced us to do things rather differently, from what we have been used to. As we gather at the Durban ICC and virtually, we are very mindful of the journey we have embarked on as the institute and the country. It hasn't been easy; it was the biggest learning curve for us all. We had to review our structure as an organisation and reconsider how we did most of our daily activities – not running away from our core values and putting our members first at all costs.

As we look back – none of this would have been achievable without the leadership of our President, Peet du Plessis and the entire board. The board had to undertake an additional year in their term of office due to the pandemic we faced and not even a single day were we not lead by due-diligence and dedication. As we bid farewell to our 2019/21 board of directors – allow me to pass my gratitude to the entire board for being generous with your time and helping the institute to stand tall amongst others in the public sector. The past years have been challenging with the unexpected hit of the pandemic – a lot of drastic decisions had to be taken and the board was on the frontline to protect

the image of CIGFARO. We as the office wish all the very best with your future endeavours and we hope you will continue to carry us in your hearts.

I'm happy to report on the institute's activities in our efforts to putting the CIGFARO brand on the map once again as we adopt to the new normal of doing things. In efforts towards professionalisation of the Public Sector we hosted a series of webinars as the institute to help empower our members. We have successfully hosted the Local Government Revenue Management Improvement Program in partnership with the CFO Foundation. Having more than 100 delegates registered for this 8 consecutive weeks program has given birth to similar programs for Asset, Budget, and Supply chain officials. Page through our journal to see more details on the Asset and Budget Programs, as they have already started and will end in October, while the Supply chain will begin in October ending in December.

We have finalised our Annual Report which will be uploaded onto our website after the AGM on the 20th of September, do check that out. We wish everyone a safe journey to those who will be travelling to Durban and remember to stay in touch with the institute by emailing at ceo@cigfaro.co.za 

IRA KOTZE
ACCOUNTING OFFICER

The Chartered Institute of Government Finance, Audit & Risk Officers (CIGFARO) in Collaboration with the Center for Municipal Asset Management (CMAM) and the South African Local Government Association (SALGA) presents:

THE LOCAL GOVERNMENT ASSET MANAGEMENT IMPROVEMENT PROGRAMME

DATE:

01st TO 20th
SEPTEMBER OCTOBER

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Platform: **ZOOM CONFERENCING**

"As we commend the great strides made in local government asset management to not be myopic in limiting their focus to just being GRAP and MFMA compliant but instead embrace the holistic management of assets, especially infrastructure management, we acknowledge that there is still a need to underpin the core foundations of municipal asset management and have adequately equipped and capacitated practitioners in our municipalities to build futuristically, knowing that our compliance baseline is indeed truly in order."

By: Dr. E. Ngcobo (Chairperson: CMAM)

Programme Total Cost:

Members: R4 400 (Excl. Vat) Non-Members: R5 920 (Excl. Vat)

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It is that time of the year when we have to bid farewell to our 2019/21 board members. You have been generous with your time in steering this institute to stand tall amongst others in the public sector. Your hard work, dedication, efforts and time shared with us is greatly appreciated. We wish you all the best with future endeavors.

PRESIDENCY



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President



MS CHERYL REDDY
Technical Vice President



MR SIDWELL MOFOKENG
General Vice President



DR KRISH KUMAR
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FS – Mr Thuso Marumo
NW – Mr Attie Jansen

PART ONE

INTRODUCTION

“I LOVE IT WHEN A PLAN COMES TOGETHER”

– Hannibal Smith from “A Team” (TV series).

This followed what was usually an intervention in a crisis with a certain amount of mayhem and destruction, and even human casualties. Sounds a bit like the way things have been going at our municipalities for a while!

The saying can however mean something completely different when we follow what can be termed as “common sense”. It can apply to an asset which is acquired as per the specifications, delivers the service as required and intended, maintained as envisaged, disposed of at the time and manner decided upon, and seamlessly replaced without interruption of service delivery.

It sounds like the ideal scenario; how do we achieve that?

There is no “quick fix”, but the preferred status can be achieved through the implementation of the four pillars of sound fixed asset management: supervision, management unit, guidelines, and system/s.

We will look at the first pillar in this article; the supervisory authority.

BACKGROUND

Accounting for fixed assets at municipalities have gone through some drastic changes over the past 40 years. It included the realisation that the physical management of assets has a direct result on financial results, which requires adequate planning to optimise. The asset management cycle is well documented: Planning – Acquisition – Operating – Disposal.

The British Rail System, with its “Fund accounting” was utilised up to the 1980’s. Fixed assets values were equated by “Capital Receipts” with both values disclosed on the face of the Balance sheet. Depreciation was calculated against the capital receipts and was not an expense against income.

The Fund accounting was replaced with what was termed the IMFO – Standard. Schedules with the values of assets were appended as notes to the financial statements, but the “capital receipts” were equated to accumulated depreciation and Fixed assets ended with vastly understated values on the face of the Balance sheet (even NIL).

During the above period, some prescriptions were issued regarding the format of asset registers (data base/management systems), and inventories were maintained by the various departments within a municipality, with, in many instances, no reconciliation between technical/engineering records and the financial disclosures. Infrastructure was not broken down in components for purposes of disclosure, and descriptions of assets made it difficult, if not impossible, to physically verify the individual asset components. There was no coordinated effort to manage all the assets of the municipality, and conflicts arose frequently.

The Accounting Standards Board was instituted in terms of the Public Finance Management Act (PFMA) and tasked to compile Generally Recognised Accounting Practice (GRAP) for government entities, including municipalities. Certain prescriptions regarding the treatment of assets were also included in the Municipal Finance Management Act (MFMA).

National Treasury issued the Local Government Capital Asset Management Guideline in 2008, which included instructions relating to the implementation of the GRAP-standards, and a table of estimated useful lives for various types of assets. This guideline, together with the various GRAP statements, are still the most authoritative directives regarding municipal asset management. National Treasury added an explanatory Accounting Guideline on GRAP 17 – Property, Plant and Equipment, in June 2012, and Standard Operating Procedures for Municipalities in May 2016.

The GRAP standards were implemented, as per Directives, over a period around 2011, and municipalities made use of various consulting firms to assist in the process. The overriding focus was to componentise the infrastructure assets and bring that to account at a Depreciated Replacement Cost, which made it possible to agree the physical inventory, as per the asset register, to the financial disclosures.

The recognition of Assets Under Construction (also known as Work in Progress), at cost, is an ongoing process at all municipalities, and consultants are still extensively used for that purpose.

The accuracy of asset data, as a rule, is therefore much improved over the past 10 years, but the management of the assets did not necessarily rise above the minimum requirements of compliance.

Fixed Assets, especially Property, Plant and Equipment (the original PPE), is the biggest number on any municipal balance sheet

(statement of financial position), and it represents the means for the municipality to deliver services to the inhabitants of its area of jurisdiction.

It is imperative that adequate attention be paid to the management thereof by the most competent personnel available to the municipality on a continuous basis – the first pillar of municipal asset management.

The First Pillar of Municipal Asset Management

The first identified pillar for effective asset management is based on the prescriptions in the Municipal Finance Management Act (MFMA) relating to the senior managers appointed by the municipality.

Section 63 states that:

- (1)** The accounting officer of a municipality is responsible for the management of –
 - (a) *The assets of the municipality, including the safeguarding and the maintenance of those assets; and*
 - (b) *The liabilities of the municipality.*
- (2)** The accounting officer must for the purpose of subsection (1) take all reasonable steps to ensure –
 - (a) that the municipality has and maintains a management, accounting and information system that accounts for the assets and liabilities of the municipality;
 - (b) that the municipality's assets and liabilities are valued in accordance with standards of generally recognised accounting practice; and
 - (c) that the municipality has and maintains a system of internal control of assets and liabilities, including an asset and liabilities register, as may be prescribed.

Section 78 provides the following guidelines regarding Senior Management:

- (1)** Each senior manager of a municipality and each official of a municipality exercising financial management responsibilities must take all reasonable steps within their respective areas of responsibility to ensure –
 - (a) that the system of financial management and internal control established for the municipality is carried out diligently;
 - (b) that the financial and other resources of the municipality are utilised effectively, efficiently, economically and transparently;
 - (c) that any unauthorised, irregular or fruitless and wasteful expenditure and any other losses are prevented;
 - (d) that all revenue due to the municipality is collected;

There is no “quick fix”, but the preferred status can be achieved through the implementation of the four pillars of sound fixed asset management: supervision, management unit, guidelines, and system/s.



- (e) that the assets and liabilities of the municipality are managed effectively and that assets are safeguarded and maintained to the extent necessary;
 - (f) that all information required by the accounting officer for compliance with the provisions of this Act is timeously submitted to the accounting officer; and
 - (g) that the provisions of this Act, to the extent applicable to that senior manager or official, including any delegations in terms of section 79, are complied with.
- (2) A senior manager or such official must perform the functions referred to in subsection (1) subject to the directions of the accounting officer of the municipality.
- The joint responsibility expressed in section 78 of the MFMA dictates the implementation of a working group of managers for specifically the management of the municipal assets, and the group can (should) be organised in a committee – Asset Management Committee.
- Impact of the asset management strategies;
 - Governance and implementation of plans, policies and procedures;
 - Internal control environment and document management;
 - Standard of financial management and reporting; and Improvement of audit results.
 - Effective management of assets to achieve the required service in the most cost-effective manner.
 - Safeguarding and maintenance of the assets.
 - Implementation and maintaining of an effective and efficient management, accounting and information system that accounts for the assets at municipality.
 - GRAP compliance when valuing and accounting for the municipality's assets.
 - Internal control systems of assets, especially physically, including an asset register, as prescribed.

Asset Management Committee

The **purpose** of the Committee is to provide guidance and oversight to the municipality to assess and monitor the:

Activities of the asset management committee (AMC)

The AMC will achieve the desired results of the vision through:

- Establishment (and capacitation) of the Asset Management Unit.
- Review and approval of Asset Management Strategy, Plans, Policy and Procedures.




- Decision on the Asset management System to be used (compliant to GRAP and MSCOA), and periodic review.
- Review of the business plans supporting the acquisition of assets to be constructed, during the Demand management processes, including the development of maintenance plans.
- Appointment (and capacitation) of departmental asset controllers.
- Review of all asset transactions, including reconciliations between systems.
- Review of physical verification results (and recommended actions).
- Review of condition assessment indicators (and recommended actions).
- Review of monthly update by the Project Management Unit on all projects relating to Assets Under Construction.
- Review of monthly report by Technical services on assets acquired from operations and maintenance processes.
- Review of monthly maintenance expenditure (against plans/budget).
- Control over the disposal of assets:
 - Assets Disposal Policy; and
 - Secure location for (awaiting) disposal of assets.

CONCLUSION

Municipalities where an Asset Management Committee were established experience the improvement in standards immediately, and the exchange of knowledge within the teams, with reference to the different aspects of assets, especially the physical nature within a spatial environment, and the impact of physical changes on financial results, led to a better understanding regarding the challenges going forward for all role players.

A typical example of the relationship between physical and financial is the effect of impairment to an asset, which has a ripple effect in that; the value of the asset reduces, there is an expense recorded in the operating account against income, and the service delivery capacity of the asset reduces. In many cases this can be as the result of deferred (postponed/neglected) maintenance.

The exposure by accountants (financial management personnel) to the physical aspects of asset management is an absolute bonus not only in the public environment but in industry as well. It provides a physical reality to the numbers on the financial statements as no other aspect of accounting can! 

PART TWO

INTRODUCTION

We identified in Part 1 of this series of articles, that sound asset management can be achieved through effective implementation of the four pillars of fixed asset management namely; supervision, management unit, guidelines, and system/s, and described the first pillar; the supervisory authority or more accurately the Asset Management Committee (AMC).

This article is dedicated to the Asset Management Unit (AMU); as a group name for the individuals providing the technical/practical skills required to manage the various types and classes of fixed assets of a municipality; the “engine room” of asset management.

The organisational positioning of the AMU is the subject of much debate. The earlier approach by National Treasury, followed by the Office of the Auditor-General, appears to assign

most responsibility to the Chief Financial Officer (where most municipalities position the officials designated to the AMU), but this is surely restricted to financial reporting.

This contrasts with the prevalence awarded to the various infrastructure management processes at many municipalities, with strategies and plans by the managers of the separate functions/services not always aligned to the overall asset management policies, and even in conflict with the financial planning. The principles described in the Municipal Systems Act regarding the compilation and implementation of Integrated Development Plans provides a sound approach to the consolidation (integration) of plans and efforts regarding asset management.

We must recognise the multi-disciplinary requirements of asset management, which extends beyond financial management, and assign responsibility and accountability to all the appropriate managers, and are of the opinion that an AMU responsible to the Office of the Municipal Manager is best placed to coordinate



the functions exercised by the various managers responsible for assets in the respective departments, as well as the contributions from the various functional departments regarding updating the asset data base, management plans and physical control.

Background

The National Treasury Local Government Capital Asset Management Guideline of 2008 contains extensive directives regarding municipal asset management including a description of responsibilities for the various asset managers. The following is an excerpt from the guide:

Asset managers should ensure that:

- appropriate systems of physical management and control are established and carried out for all assets;
- the municipal resources assigned to them are utilised effectively, efficiently, economically, and transparently;
- proper accounting processes and procedures are implemented in conformity with the municipal financial policies and the MFMA to produce reliable data for inclusion in the municipal asset register;

- any unauthorised, irregular, fruitless or wasteful utilisation and losses resulting from criminal or negligent conduct are prevented;
- the asset management systems, processes and controls can provide an accurate, reliable, and up-to-date account of assets under their control;
- they are able to manage the asset plans, budgets, purchasing, maintenance and disposal decisions and justify that they optimally achieve the municipality's strategic objectives;
- manage the asset life-cycle transactions to ensure that they comply with the plans and legislative and municipal requirements.

The instructions clearly identify the physical and financial aspects of assets and it is therefore imperative that the management team includes representatives from the municipal divisions tasked with the various aspects.

The dissertation below of the responsibilities of the components of the AMU (Second Pillar) relates to the average sized



municipality but the posts and sections can be extrapolated as applicable. The responsibilities of the AMU were correlated with the guidance provided by National Treasury of the duties of an asset manager for a government entity (on the website).

The Second Pillar of Municipal Asset Management

ASSET MANAGEMENT UNIT

Asset Manager

- Develop and oversee the implementation of the asset management system, including: the establishment of the Asset Management Unit (AMU), and municipal policies and procedures.
- Develop and maintain the strategic and annual asset management plans aligned with the municipal strategies, the Integrated Development Plan (IDP), budgets and SDBIP, in consultation with the public where applicable.
- Develop asset needs assessment, acquisition management, operational and disposal plans.
- Verify the spatial plans to the physical asset and update with changes, for example; renewals and enhancements.
- Establish and execute a performance measurement system to evaluate the effective utilisation of assets.

Asset Management Officer/Accountant

- Develop and maintain asset registers, including; acquisitions, maintenance management, transfers, and valuations.
- Develop and maintain the lease register.
- Execute and monitor the implementation of the asset acquisition, maintenance, and disposal plans.
- Plan and execute the asset verification, investigate, and report on variances, make necessary recommendations to resolve discrepancies, and update the asset register.
- Develop, implement, and manage mechanisms to safeguard assets.
- Prepare a monthly reconciliation with the supporting schedules of the asset registers to the relevant accounting records and resolve uncleared items.
- Report on asset management information as required to internal and external stakeholders.
- Develop and manage the implementation of immovable asset management plans, including; a strategic needs assessment, acquisition plan, operations plan, and immovable asset surrender plan.



- Manage valuations for immovable assets and update the asset register.
- Human Resources Office shall ensure that every asset resignation form is counter signed by the Asset Management Unit before processing the termination of service.

GOVERNANCE DEPARTMENT RESPONSIBILITIES

- The Budget and Treasury Office: Budget shall ensure that all acquisitions of a capital nature are allocated to the correct accounts in the ledger.
- The Budget and Treasury Office: Expenditure shall ensure that all additions recorded in the Assets Management System are reconciled monthly to the actual expenditure recorded in the financial management system.
- Project Management Unit shall ensure that the Assets Management unit receive information monthly regarding all projects, from inception to completion.
- Planning Office shall ensure that geographical information is updated and referenced to the assets data.
- Supply Chain Management Unit shall dispose of assets in accordance with the provisions in the Supply Chain Management (SCM) Policy.

All Service Departments

The manager of each department shall ensure that

- employees in their Department adhere to the approved Asset Management Policies and Procedures.
- an employee with delegated authority has been nominated to implement and maintain physical control over assets in his / her Department (movables and immovables).
- assets are properly maintained in accordance with their respective asset maintenance plans.

CONCLUSION

Municipal asset management is a developing science in our country and part of the improvement relies on the configuration of the various internal control structures, their coordination and cooperation. I trust this article will provide some food for thought and assist to configure the asset management team/unit at your municipality. **C**

Financial Statements

by Jeanine Poggiolini - ASB

A close-up photograph of a person's hand holding a silver pen, poised over a black calculator. The hand is resting on a desk cluttered with various items: a calculator, several sheets of paper (some with tables and charts), and two sticky notes (one yellow, one light blue). The background is slightly blurred, showing more papers and a white object, possibly a stapler or paper holder. The overall scene suggests a busy office environment focused on financial work.

It's that time of year again! As the ASB staff, we often review financial statements as part of our work, and we have noticed areas that could be improved.

TELL YOUR STORY

We have observed that entities make use of templates or other reporting tools to generate their financial statements. While these templates and tools can be a helpful to generate a basic set of financial statements, these financial statements should be modified to ensure that they tell the entity's story. In particular, the accounting policies should be modified and the disclosures in the notes should be tailored to explain information about the entity's transactions, events or other matters that will be relevant to an entity's users.

REFINE YOUR ACCOUNTING POLICIES

The Standards of GRAP describe the "rules of the game" and outline the broad recognition, measurement, presentation and disclosure requirements.

The "rules" are broad so that they cover a variety of situations. It is generally understood that the users of the financial statements would have a basic understanding of the "rules" applied in preparing the financial statements. What is most helpful to users, is understanding how the "rules" have been applied by the entity to the transactions, events or other circumstances that are reflected in the financial statements. Do not simply provide generic accounting policies that simply repeat the "rules" outlined in the Standards.

EXPLAIN THE JUDGEMENTS APPLIED IN PREPARING THE FINANCIAL STATEMENTS

As the Standards are principle-based and the facts and circumstances of transactions differ, preparers inherently apply judgement when they prepare the financial statements. This means that two preparers may not arrive at the exact answer. The reasons why preparers could arrive at different answers means that

it is important to explain to users what judgements have been applied in applying accounting policies and measuring assets and liabilities.

1. Applying accounting policies – Explain how the accounting policies have been applied, e.g. how control exists over certain assets or entities, or considering the existence of risks and rewards in analysing lease and financial assets arrangements.
2. Measuring assets and liabilities – Disclose management's most difficult, subjective and complex judgements related to estimates included in the financial statements. Specifically, entities should disclose assumptions and uncertainties that may result in a material adjustment to the carrying amounts of assets and liabilities in the next financial year.

Only say it once...

Financial statements need to comply with the Standards of GRAP and legal reporting requirements. Sometimes the Standards and legislation require the same or similar disclosure. For example:

- Presenting a statement comparing the budget and actual information required by GRAP 24 on Presentation of Budget and Actual Information and presenting an appropriation statement required in legislation.
- Disclosing information on remuneration to management – who is considered management and what benefits should be disclosed may differ.

Avoid duplicating the same or similar information as this confuses users of the financial statements. Where information requirements are similar – whether from the Standards or legislation - preparers should try to develop combined disclosures that satisfy all needs.

Financial Statements, *continued...*

by Jeanine Poggiolini - ASB



THINK ABOUT WHAT INFORMATION IS MOST RELEVANT TO USERS OF THE FINANCIAL STATEMENTS

The financial statements should be prepared and presented so that the most relevant information is provided to users. This means that materiality should be applied in developing accounting policies, and in deciding what information to disclose and how to present it. Applying materiality means that you need to think about whether accounting for, presenting or disclosing items in a certain way will affect the decisions that they would want to make using the financial statements. These decisions include financial ones, but also include decisions about holding the entity accountable for public resources. The ASB's Guideline on materiality could help with decisions about materiality.

TIPS TO AVOID DISAGREEMENTS WITH THE AUDITORS ABOUT MATERIALITY

We are often asked if there is a difference between materiality

applied by the auditors and materiality applied by preparers. The definition of materiality is the same for preparers and auditors. However, how materiality is applied by either party is different. Preparers use materiality so that the most relevant information is provided to users, while auditors use materiality to design their audit procedures and to assess misstatements in the financial statements.

Preparers should carefully consider and document their assessments of materiality and discuss materiality with the auditors as well as the audit committee (or equivalent). Ongoing discussions between the preparers and the auditors about materiality may help to minimise disagreements during the audit.

SPEND MORE TIME ON THE CASH FLOW STATEMENT


We recently completed a review of the cash flow statement. We noted a number of areas where entities do not always comply

with the requirements of the Standard. One of the underlying reasons noted for these areas of non-compliance is that preparers do not devote sufficient time to preparing the cash flow statement. We also observed that preparers often use the movement in balances in the statement of financial position to prepare the cash flow statement, and as a result, do not adjust for non-cash items.

Based on the information presented in the cash flow statement, we observed that different information is presented in the cash flow statement and the statements of financial performance, financial position and the notes. This is in part because the same materiality threshold is applied across the financial statements.

An entity may have multiple materiality thresholds or criteria depending on the nature of the statement, line item, etc. Given that the cash flow statement is different to the other statements, it may be necessary to develop materiality thresholds and criteria that focus on the cash flow statement and the line items presented.

STAY UP TO DATE DURING THE AUDIT

To stay up to date with latest accounting news subscribe to the ASB's Newsletter on www.asb.co.za and follow us on LinkedIn, Twitter and Facebook. If any accounting issues are raised during the audit process, we will discuss these on the various platforms. 



CIGFARO **8 SALGA** **THE CFO FOUNDATION**

The Chartered Institute of Government Finance, Audit & Risk Officers (CIGFARO) in Collaboration with the CFO Foundation and the South African Local Government Association (SALGA) presents:

THE LOCAL GOVERNMENT SUPPLY CHAIN MANAGEMENT CAPACITY BUILDING PROGRAMME

DATES 15th TO 03rd OCTOBER TO DECEMBER

DAY: FRIDAY (8 CONSECUTIVE MASTER CLASSES)

Time: 10AM to 12PM

Platform: ZOOM CONFERENCING

Programme Total Cost:
Members R4 400 (Excl. Vat)
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5 or More Registrations 15% Programme Discount Applicable
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>> For Queries: Please contact Lindi Nolte at Lindi@cigfaro.co.za (011 394 0879) or Lindi Tembe at Lindi@cifooundation.org (061 466 6420)

"We are convinced that if municipal leaders at both administrative and political level, supported by their provincial leadership, are fully committed to turn around local government towards the capable, efficient, ethical and development-oriented institutions envisaged by the Constitution, improvements are bound to follow."

By: Tshepo Moleke (Auditor-General) Consolidated general report on the local government audit outcomes (MFMA 2019/2020)

SESSIONS	DATE	MASTER CLASS TOPIC
Master Class 01	15 October	LG Legislative & SCM Policy Framework: MFMA & PFMA PPPFA SCM Regulations PAIA PAJA CIDB
Master Class 02	22 October	Elements of LG SCM - Demand Management - Acquisition Management - Logistics Management - Contracts Management
Master Class 03	29 October	Effective Committee System for Competitive Bids
Master Class 04	05 November	Annual Procurement Plans Implementation & Monitoring
Master Class 05	12 November	Forms of Strategic Sourcing & Procurement for Municipalities
Master Class 06	19 November	Transversal Contracts
Master Class 07	26 November	Procurement Information systems & e-Procurement
Master Class 08	03 December	Internal Controls for Detection & Prevention of Irregular, Fruitless and Wasteful expenditure

CIGFARO **8 SALGA** **THE CFO FOUNDATION**

The Future of Asset Management

by Siphokazi Nxele and Zyango Kumalinga - CCG Systems



Transparency and Accountability
are non-negotiable.

The world is developing at a fast pace. As technology advances it becomes ever more important that the management of assets keep up. One needs to take a fresh approach to assets management. Constantly assessing what tools are available to aid us and how can they best be used to bring the most cost effective and efficient way of managing assets. The better you manage your assets, the better you can achieve your mandate.

Asset management entails the safeguarding of assets as well as the extraction of their full potential. Assets when properly considered, maintained, and utilised aid us to achieve fanatic feats. We just need to look around to immediately note what we can achieve when we have the right tools in the right hands. Like the construction of the building you are in or transporting people into space. With asset management the goal is to reach the sweet spot in a Venn Diagram where you are keeping costs

low, using the latest technology, and are utilising the most relevant assets. This allows for efficient and effective asset management.

The latest developments with regards to Infrastructure Assets SMART Systems, Drones, IoT (internet of things), and BIG Data has helped us take asset management to the next level. These terms can be daunting at first, but we get to understand what they mean and how they can be best used to assist us, we find that their potential is vast. For example, we can make use of Drones to perform verifications. Drones can go places that are not easily accessible or safe for humans to go. With the correct software you can use the Drone to automatically assess what it has verified and propose possible impairments. With IoT sensors you can equip assets with sensors that provide you with live information about assets. You can be anywhere in the world and know if your asset has moved or if the water level in a dam is too low. With live data you can also plot your assets on a

map and quickly assess, which areas you have neglected when it comes to maintenance. With this information you can effectively plan the next maintenance roll out.

The world is advancing at a fast pace when it comes to managing our assets. One aspect that will always remain is the complete and accurate reporting of our assets. It is crucial to advance with the times but to also remain relevant to our clients. We must be practical in our approach to finding solutions for our clients. As not two clients are the same, we tailor our solution per client. Below is more about CCG Systems and how we are currently most effectively assisting clients with Fixed Asset Reporting.

Our Asset Management Software System has assisted clients in maintaining better records, meet compliance requirements, and make audits seamless.

CCG SYSTEMS, YOUR ONE STOP FOR SOLUTIONS

CCG Systems (Pty) Ltd, is an Information Systems, Communications and Technology company, specialising in the Supply, Development and Implementation of Systems including Enterprise Resource Planning (ERP), Supply Chain Management (SCM), Performance Management System (PMS), Asset Management, Human Resource Systems, Document Management, Mobile Apps, etc., in both the Public and Private Sector. We are currently providing Services to Municipalities, Water Boards, Government Departments, Public Entities, Constitutional Entities, and Private Companies. With a presence in every province in South Africa.

INTRODUCING ON AMS TEAM

The Assets Management and Software (AMS) team at CCG Systems has relevant, appropriate, and extensive experience in the compilation and implementations of Fixed Asset Registers. The Compilation of Fixed Asset Registers refer to producing compliant asset registers and ensuring that they are audit ready. Implementation is where we introduce and fully set up Asset Management Software. We also offer Accounting Support which entails assisting clients to produce audit ready financial statements by performing internal controls that allow us to achieve this.


As an organisation we have over 18 years of experience. Our Asset Management pool has a good mix of Chartered Accountants, Professional Accountants and Qualified Engineers.

WINS FOR AMS TEAMS

We have assisted several entities in preparing for the annual audit and clearing audit. Most of these entities' opinions improved from Disclaimers/Adverse Opinions to Qualified and Unqualified Opinions. This has been achieved by a combination of Passion and Skill within our Asset Management Team. Our Asset Management Software System has assisted clients in maintaining better records, meet compliance requirements, and make audits seamless.

Through our experience, we have noticed that the major issues that face Fixed Assets are the lack of consistent required skills in relevant positions which leads to a break down in internal controls. Once the internal controls break down it becomes difficult to produce a credible register that not only passes audit but also provides valuable information in the Maintenance and Management of Assets. The number one internal control that is often forgone, is performing monthly reconciliations between the Fixed Asset Register and the financial system, as well as resolving discrepancies.

We have taken an interest in leaving each of our clients better than the way we found them. We have an on-the-job skills development approach, where we identify areas that require upskilling and we ensure that with our interaction with the client, we address any gaps as best as we can. This is in addition to providing our core services that require us to document and maintaining support for all updates made to the registers, and the financial system.

The above scenario is a common theme with new clients that we take on board. We have learnt how to handle numerous types of issues and prescribe a plan that, if followed, will improve the status of assets. If you are having difficulty with your Fixed Assets reporting, we recommend CCG Systems. 



CaseWare Africa works with Drakenstein Municipality, Western Cape, and achieves clean audit using new Treasury guidelines



Drakenstein Municipality - encompassing Paarl, Wellington, Gouda, Hermon, Saron and Simondium, recently announced that it had received a clean audit opinion from the Auditor-General for the 2019/2020 financial year. Drakenstein Municipality managed to achieve all of this despite the Covid-19 lockdowns and all the additional complexities that municipalities had to face. The Municipality worked with CaseWare Africa to become one of the first in South Africa to align their reporting with National Treasury guidelines as set out in the mSCOA Annual Financial Statements Specimen.



mSCOA Specimen Financial Statements

Bradley Brown, Chief Financial Officer, Drakenstein Municipality, has high praise for CaseWare's professional team. "The guidance and dedication of the CaseWare team during the compilation of our Annual Financial Statements (AFS) for the year ending 30 June 2020 was unsurpassed. Our personnel could, at any given time, liaise with them for assistance with changes to the AFS' and on all occasions they were greeted with extreme professionalism – which we feel is reflected in this achievement," says Mr. Brown.

He goes on to confirm that a clean audit report - or unqualified audit report with no material misstatements, was issued to the Drakenstein municipality, from the Auditor General of South Africa, with the first-time implementation of CaseWare's template. "Not only is the outcome a huge



The guidance and dedication of the CaseWare team during the compilation of our Annual Financial Statements (AFS) for the year ending 30 June 2020 was unsurpassed.

Bradley Brown - Chief Financial Officer



achievement but we also did not receive a high-level overview report regarding casting errors or notes, not agreeing to the head statements. This was definitely not the case in previous years,” adds Mr. Brown.

Stephan van der Merwe, Product Manager - Public Sector at CaseWare Africa, a division of Adapt IT, says helping municipalities to automate their financial statement preparation processes using CaseWare software, has been an important focus for CaseWare Africa over the past decade.

“Drakenstein Municipality was one of the first adopters of our new mSCOA Specimen Financial Statements and we are absolutely delighted that they could successfully prepare their 2019/2020 financials using our solution. Amending the reporting format to align with the latest guidelines from National Treasury, would have been a complex process in a normal year. However, 2020 was further complicated by the COVID-19 pandemic and lockdown, making on-site collaboration near impossible. But despite these challenges, the CaseWare Africa team collaborated virtually with the Drakenstein municipal finance team in assisting to implement CaseWare’s new software and using it to prepare Annual Financial Statements,” says Mr. van der Merwe.

The CaseWare mSCOA Specimen Financial Statements solution aligns with the National Treasury’s mSCOA Annual Financial Statement Specimen, as issued in July 2019. The CaseWare solution is powered directly by the datasets that municipalities submit to National Treasury as part of the mSCOA reforms. This greatly streamlines the process in preparing financial statements, as importing data into the financial statements is completely automated and seamless. “By automating the annual financial statement preparation process, finance teams in municipalities don’t have to waste time collecting all the appropriate information they need, locating and correcting data errors and implementing new requirements in isolation, but rather focus their attention on the actual financial statements.” Says Mr. van der Merwe.

In conclusion, Mr. Brown reaffirms the importance of the business relationship between Drakenstein Municipality and the CaseWare Africa.

About CaseWare Africa

CaseWare Africa, is the African reseller for CaseWare International - the global leader in auditing and financial reporting software which is used in over 130 countries worldwide. CaseWare Africa, a division of Adapt IT, has a 20 000 strong user base across Africa that consists of audit and accounting firms, government entities, municipalities as well as large blue-chip companies.

CaseWare is the undisputed leader when it comes to compliance. Our leading content providers ensure you are always compliant with the latest disclosure requirements on ISAs, IFRS, IFRS-SME, GRAP and IPSAS. CaseWare’s world-class products are not only designed to deliver on our compliance promise, but to ensure quality results, increased efficiencies, and improved profitability.

About Adapt IT

Adapt IT is a provider of leading specialised software and digitally-led business solutions that assist clients across the targeted industries to Achieve more by improving their Customer Experience, Core Business Operations, Business Administration, Enterprise Resource Planning and Public Service Delivery.



PROVIDER Factories such as this one in Sea Cow Lake, Durban, will need municipal support to rise from the ashes.
Image: Darren Stewart/Reuters

Municipalities pivotal in rebuilding SA. Here is how they can do their bit.

The recent unrest in parts of SA was one of the lowest points in its adolescent democracy. The appalling news was relayed across the globe and the brand image of the country has taken a knock. In addition to the unfortunate loss of lives and livelihoods, such an impactful event is expected to hit the economy hard and denigrate SA as an investment destination. The tremors of the unrest are expected to reverberate across multiple sectors in time to come.

A municipality's fate is directly connected to the fate of the country and vice versa. Municipalities are among the few organs of the state that directly interact with the common citizens. Hence, they will also be the first to feel the effects of such events and brace for impact on multiple fronts.

One of the primary priorities of a municipality is to nurture and retain its large consumer groups (LCGs), primarily businesses and industries within its geographical limits. This is because the LCGs bring in the lion's share of municipal revenues and consume the

majority of services. Often, there are residents of the municipality who are directly or indirectly dependent on these LCGs for their livelihoods. The unrest will profoundly impact some of these customers due to direct impact (such as properties burnt or looted) or indirect impact (such as interruptions in the production value chain). These customers will potentially fail to meet their current and historical debt obligations to the municipality.

In addition to retention, a municipality is mandated to attract new businesses. Unrest pours cold water on the potential plans of a municipality to attract investors and thus future revenues. Who will invest in a place where the security situation is poor? Who will invest in a country or section thereof where the safety of personnel and equipment cannot be guaranteed?

The ripple effects will also be felt in complimentary sectors, such as the tourism industry, which is already reeling because of the impact of Covid-19. The unrest has created a double negative which will further alienate potential tourists.

Not least, it will accelerate the migration of skills out of the country and further strain the labour force and associated skill sets. It does seem all is lost, especially with business and investor confidence at new lows.

Nelson Mandela once famously said: “Do not judge me by my successes, judge me by how many times I fell down and got back up again.” As a nation, municipalities and the community, there is no better time to imbibe this psyche and turn one of the worst crises into the finest opportunity.

Unity is the call of the day, and a collective effort based on the pillar of customer centricity and premised upon public-private partnerships the order of the day. Moreover, municipality as the customer-facing arms of the government is the pivotal player in realising this opportunity.

First, municipalities need to ring fence their LCG customers and establish dedicated task teams with a primary focus on customers affected directly by the unrest, closely followed by customers indirectly impacted in the order of severity. Municipalities should focus on getting LCGs impacted by the unrest to survive and salvage parts of the businesses which can be sustained. The intention is to get these businesses to survive so their operations can be restored to health, with better cash flow positions to meet the obligations of employees and suppliers of services, such as the municipality.

Overall, the municipality should design a relief programme or package which can get the affected LCGs back to health. The relevant departments and other organs of the state should also be included in the programme to reduce red tape and achieve integrated service delivery. By-laws and policy decisions need to be adopted where applicable.

Unconditional support needs to be provided by the municipality to restart operations of affected businesses. Where properties have been rendered unusable, municipalities may consider leasing out municipal properties and assets with associated rental breaks and incentives. Moreover, their debts may need to be restructured and interest put on hold where applicable. At least a year of rates payment breaks and holds on tariff increases should be considered for the most severely affected LCGs. Furthermore, the municipality should consider roping in the services of its other facets, such as outdoor advertising, and provide free advertising space for products or services of the affected LCGs.

Further, municipalities and LCGs have been presumed to work in silos and it is important for both to visibly join the collective. Public-private partnership projects should be initiated and implemented in a time-bound manner. These projects should also give importance to training and development to improve employment prospects, especially for the youth.

This might also be an opportune time to relook at the prospect of special economic zones (SEZs), which can provide improved security and safety, among other benefits. Excessive government/municipal control was one of the key reasons SEZs, a successful concept overseas, were not fully successful in SA. This may be an apt opportunity to reintroduce SEZs to a public-private partnership framework so both parties can cover the limitations of each other and reap mutual benefits.


Further, municipalities should improve and better equip the security apparatus under their purview. Improved visibility of security through successful examples, such as CCTV rollouts, is a confidence booster for LCGs.

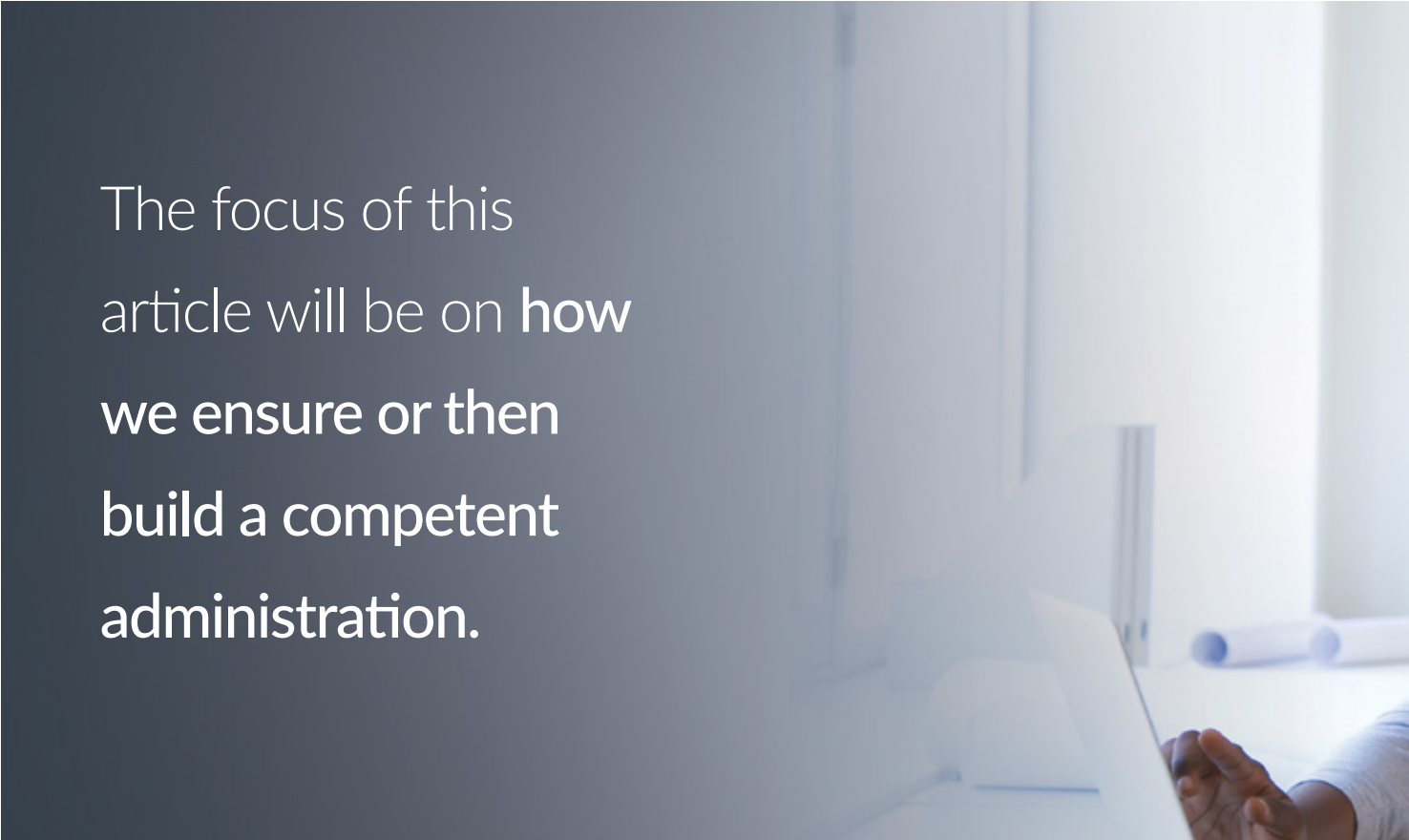
Lastly, municipalities should consider introducing community-based projects for revenue-protection activities where whistleblower communities are rewarded considerably for reporting illegal connections and other activities, thereby indirectly supporting the communities through a reward system.

Time is key and municipalities have been long accused of sluggish pace, not without reason. Hence it is vital to action these in a time-bound manner. As Mandela said: “We must use time wisely and forever realise that the time is always ripe to do right.”

In summary, the unrest has presented a fine opportunity for municipalities to set up the aforementioned task force for all LCGs, with focus on affected ones at the start and a gradual transition to a one-stop contact centre for all LCG services. In the meantime, municipalities need to think out of the box to introduce public-private projects which stimulate the local and national economy.

SEZs need to be investigated more closely as potential confidence boosters to public-private partnership initiatives. Simultaneously, municipalities need to work on improving their security apparatus and monitoring mechanisms.

It is apt to conclude with another of Mandela’s famous quotes: “Everyone can rise above their circumstances and achieve success if they are dedicated to and passionate about what they do. When people are determined they can overcome anything.” It is imperative the nation assimilates this into its psyche and rises above the perceived ashes. 



The focus of this article will be on **how we ensure or then build a competent administration.**

On 24 August 2021 the Department of Cooperative Governance and Traditional Affairs briefed Parliament's Cooperative Governance and Traditional Affairs Committee on the grim financial status of the country's municipalities.

Highlights (or is it low lights?) from the presentation include:

- 163 municipalities are under financial distress (63%)
- 64 municipalities are considered to be dysfunctional (25%)
- 108 municipalities have unfunded budgets which means these councils will not have enough money to meet their expenditures (42%)
- 29 municipalities have been placed under administration (11%)
- Only 16 municipalities are considered stable (6%)

The country's local government sphere has become a failed state of rot, mismanagement and unsuccessful administrations. This begs the question...is there a solution?

There are many solutions on many fronts. The main ones include:

- De-politicize municipalities: A municipality should not be a place for politics. It is an administration responsible for delivering the mandate of the functions as contained in the Constitution and the Municipal Finance Management Act to every citizen within its constituency at an acceptable level or standard.
- Ensure competent administrations: We need to be honest that the Municipal Finance Management Programme's (MFMP) objectives failed. Professionalisation of this sphere of government has never taken place or is taking place too slowly.

Each of these offered solutions begs for a thorough analysis and a short article of this one's nature can never give full recognition to the complexities of each of these solutions. I will not even comment further on the de-politization of municipalities. That is a topic for another article.



The focus of this article will be on how we ensure or then build a competent administration.

...Is it about everybody having degrees?

...Is it about everybody having the MFMP qualification?

The answer could definitely partially be "YES", but it is much more about:

1. Knowing exactly **WHAT** you need to do
2. Knowing **WHEN** you need to do it
3. Knowing **HOW** you need to do it
4. **DOING** it
5. Developing a discipline of doing it **ROUTINELY** and **CONSISTENTLY**
6. At a high **QUALITY**

This sounds so easy. Surely everybody can do that you may ask? It is exactly there where we make a big mistake. Traditional learning methods and qualifications are not necessarily designed to combine theoretical knowledge with practical execution within a larger process and institution. Furthermore, traditional learning methods and qualifications are not aimed at also

developing the character and leadership capabilities of the individual in order to develop him/her to a true professional valuing attributes like integrity, competence, due care, confidentiality, professionalism and so on.

In 1970 DA Bligh in his article "The case for a variety of teaching methods in each lesson" already made the following statement: "Teaching involves people. People differ. Thus different teachers teach best by different methods and different learners learn best by different methods".

This quote was of course made at a time when the emphasis was on teachers and teaching. These days the emphasis have shifted to learners and learning.

Over the years multiple research projects were done in this area and what came about is that most people actually learn through a combination of different learning styles:

Some research in the late 1980s indicated that it has been estimated that 90% of all instruction occurs through lectures and question and answer methods, and yet, only between two and four out of a group of ten learners, learn best by listening.

We strongly believe that if we can speak to the learning preferences – visual, auditory, reading and kinesthetic – of the municipal audience that the narrative of “failed municipalities” can be dramatically changed in the next decade.

As a result we need to understand that there are in essence four main learning styles:

- **VISUAL** – This preference includes the depiction of information as charts, graphs, shapes, circles, lines and other images that are used to represent what could have been presented in words.
- **AUDITORY** – This style describes a preference for information that is spoken or heard.
- **READ** – This preference is for information displayed as words.
- **KINESTHETIC** – This preference relates to the use of experience and practice (simulated or real), almost a learning by doing style.

Where does all this fit in?

It fits into the paradigm of indicating that the time has come, over and above traditional qualifications and programmes, to empower the administration in our municipalities with addition-

al learning interventions that will provide a balanced combination of all four main learning styles. It is the only way in which we, as a nation, are going to ensure a competent administration. The only learning and training initiatives that will ensure the paradigm shift in South Africa’s municipalities are learning which have the following characteristics:

- Readily available to all
- Easily accessible
- Innovative
- Presented in a way to effectively combine all four learning styles:
 - To cater for those with a visual preference – demonstrating graphs, charts, diagrams, lines, arrows etc – find a way to bring the traditional whiteboard to the learner and make it alive
 - To cater for those with auditory preference – evidencing dialogue and stories to demonstrate the concept, but also allowing these learners to speak and be heard
 - To cater for those with a read preference – providing explanatory notes on the topic




- To cater for those with a kinesthetic preference – providing an opportunity to do examples and think of ideas on the application of the concepts and principles right in their particular world

We currently do not have learning initiatives which are fully embracing all the learning styles in a single one-stop-shop. We have a bit here and a bit there. It is exactly, for that reason, that our municipal administrations are struggling to know, what to do, when and how.

If you do not really know what to do, when and how, you will also not do it consistently in a routine fashion at a high quality. We are working with people. People who do not understand where they fit in, what their purpose is, and how they form a critical part of contributing to a successful outcome, will also not be professionals who are proud of being exactly that.

As a seasoned public sector consultancy firm, we set ourselves out at Altimax to make an active contribution towards this much desired change we believe is required in the sector. Instead of doing people's jobs for them (is that not what most of us are doing as consultants in municipalities?) we set ourselves out, from 2021, to rather enable people. Our contribution will be exciting new learning initiatives that will aim to professionalise the sector.

We strongly believe that if we can speak to the learning preferences – visual, auditory, reading and kinesthetic – of the municipal audience that the narrative of “failed municipalities” can be dramatically changed in the next decade.

Naturally other changes need to happen as well, as I set out in the beginning of this article. But today we all need to make a choice for failed state or not...and I am excited to say we have made that choice already! 



Delegates during registration



Peet du Plessis – CIGFARO President



Dr Krish Kumar – CIGFARO Past President



Cheryl Reddy – CIGFARO Vice President



Lehlohonolo Tseke – CCG Platinum Sponsor Rep



Sanele Ngema – Umlalazi Municipality



Nosipho Mchunu – Private



Delegates in plenary



Note of appreciation for presenter by CIGFARO Board member



Note of appreciation for presenter by CIGFARO Board member



Delegates in plenary



Fathima Khan – CIGFARO Board member



Thantaswa Mpetsheni – iLembe Municipality



Reshma Durjan- eThekweni Municipality



Note of appreciation for presenter by CIGFARO Board member



Delegates in plenary



Delegates



Registration



Exhibitors engagement with delegates

MEMBERS: NEW APPLICATIONS & UPGRADES

ELEVATED TO FELLOWS			
PROVINCE	ORGANISATION	NAME	SURNAME
Western Cape	Drakenstein Municipality	Bradley	Brown
KwaZulu Natal	Ethekwini Municipality	Nosipho	Dladla
North West	Bojanala Platinum District Municipality	Attie	Jansen
KwaZulu Natal	City of Umhlatuze Municipality	Mxolisi	Kunene
Mpumalanga	City of Mbombela	Zanele	Malaza
Northern Cape	Sol Plaatje University	Annalene	Marais
Free State	Moghaka Municipality	Thuso	Marumo
Gauteng	Gauteng Provincial Treasury	Xolani	Ndlovana
Eastern Cape	Nelson Mandela Metro	Jackson	Ngcelwane
Gauteng	City of Johannesburg	Asma	Sheik
CHARTERED GOVERNMENT FINANCE OFFICER			
PROVINCE	ORGANISATION	NAME	SURNAME
KwaZulu Natal	Umlalazi Municipality	Sydney	Mbuyazi
Gauteng	Lunika Incorporated	Ajay	Patel
Northern Cape	Mubeko Africa	Simon	Tarr
PROFESSIONAL GOVERNMENT FINANCE OFFICER			
PROVINCE	ORGANISATION	NAME	SURNAME
Gauteng	Visual Revenue Management	Frederick	Els
KwaZulu Natal	Umvoti Municipality	Samson	Kaziko
Northern Cape	MK Management Consultant	Marco	Kearns
Limpopo	Ephraim Mogale Municipality	Joseph	Madisha
Northern Cape	Gamagara Municipality	Aobakwe	Makoku
Free State	Moghaka Municipality	Jimmy	Maswanganyi
KwaZulu Natal	Umlalazi Municipality	Themba	Mnguni
Free State	Ngwathe Local Municipality	Daphney	Mtimkulu
KwaZulu Natal	Ubuntu Business Advisory & Consulting (Pty) Ltd	Poovalingum	Naidoo
Mpumalanga	City of Mbombela Municipality	Gugu	Ngomane
KwaZulu Natal	Umlalazi Municipality	Khulekani	Nxumalo
KwaZulu Natal	Elangeni TVET College	Christian	Xolo
REGISTERED GOVERNMENT FINANCE TECHNICIAN			
PROVINCE	ORGANISATION	NAME	SURNAME
Gauteng	City of Tshwane	Fanie	Dladla
KwaZulu Natal	Okhahlamba Municipality	Siyabonga	Mncube
KwaZulu Natal	Okhahlamba Municipality	Velaphi	Shezi


CIGFARO
Chartered Institute of
Government Finance, Audit & Risk Officers




**THE LOCAL GOVERNMENT
BUDGET MANAGEMENT
IMPROVEMENT PROGRAMME**

MASTER CLASS BUDGETING

DATES & TIME:
26 August – 14 October 2021
10am to 12pm
PLATFORM: ZOOM

Key Points to be covered:

1. Legislative Framework & Court Cases
2. Institutional Capacity
3. Effective public participation
4. The accountability cycle and the budget compilation process
5. Policy Determination
6. Budgeting techniques
7. Setting of tariffs
8. Property rates tariff modelling
9. Annual performance plans - how to go about developing your SDBIP

Targeted at:
 Chief Financial Officers (CFOs) | Head/ Managers: Revenue Management
 Revenue Management Officers / Practitioners

Click here to register in advance
 By Friday, 20 August 2021.

PROGRAMME TOTAL COST:

Members: R4 400 (Excl. Vat)
Non-Members: R5 920 (Excl. Vat)
5 or More Registrations: 15% Programme Discount Applicable
10 or More Registrations: 20% Programme Discount Applicable

After registering, you will receive a confirmation email containing information about joining the meeting. Proforma invoice to be generated as per registration details.

For Queries:
 Please contact **Lindi Nolte** at Lindi@cigfaro.co.za
 Tel: 011 394 0879

Dear member, as you are aware CIGFARO Professionalised their membership designation as follows:

PREVIOUSLY

Student (SIMFO)

Junior (JIMFO)

Licentiate (LIMFO)

Associate (AIMFO)

Senior Associate (SAIMFO)

General (GIMFO)

NEW

Student (Student-CIGFARO)

Registered Government Finance Practitioner (RGFP)

Registered Government Internal Auditor (RGIA)

Registered Government Risk Practitioner (RGRP)

Registered Government Finance Technician (RGFT)

Registered Government Internal Audit Technician (RGAT)

Registered Government Risk Technician (RGRT)

Professional Government Finance Officer (PGFO)

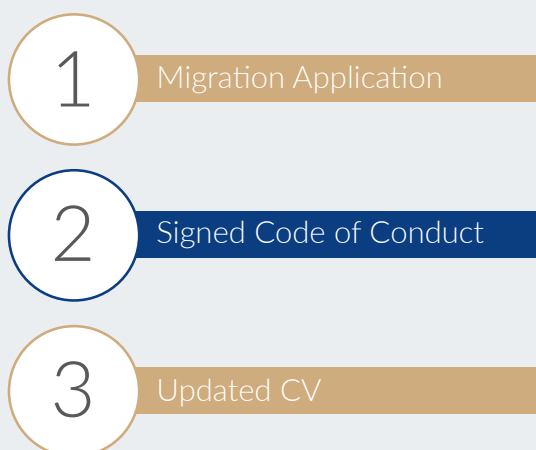
Professional Government Internal Auditor (PGIA)

Professional Government Risk Officer (PGRO)

Chartered Government Finance Officer (CGFO)

Affiliate (Affiliate-CIGFARO)

At the Annual General Meeting which was held on 7 October 2019 it was announced that we will close the window period for migration at the end of October 2019, the institute however extended the period to the Financial Year-End being 31 March 2020 to allow Members to pay their Membership fees and submit the necessary documentation for migration;



Members who have not complied with the window period will be terminated as members of the Institute.

For more information please contact the Membership Department on 011-394-0879
or email: membership@cigfaro.co.za



Section 159 of the South African Constitution read with the Municipal Structures Act prescribes that elections must be held within a period of 90 days of the end of a five-year term of local government. Consequently, on the 21st of April President Ramaphosa announced that the local government elections will take place on 27 October 2021.

On 3 August 2021, the Independent Electoral Commission (IEC) acknowledged the proclamation by Minister Nkosazana Dlamini-Zuma in the Government Gazette 44935 of 3 August 2021, Notice 678, stating that Local Government Elections will be held on 27 October 2021. This announcement followed a legally sanctioned consultation process between the Commission and the

Minister. Of course, the proclamation had a number of implications – for South Africans concerned about COVID-19 and their safety, concerns around a free and fair election being able to take place due to the global pandemic and the implications of illness and bereavement for so many, as well as for the Electoral Commission and the electoral programme.

The proclamation triggers the requirement for the Commission to publish an election timetable. The election timetable spans 85 days and lays down the key dates and deadlines for various electoral milestones until voting day on 27 October 2021. The practical implication was that the voters' roll for the Local Government elections in South Africa closed at midnight on 3 August 2021. It also opens the candidate nomination process with registered political parties and independent candidates intending to contest the 2021 Municipal Elections submitting their lists of candidates and nomination documents by 23 August 2021.

The Moseneke Report

Due to the National State of Disaster due to COVID-19, the IEC appointed retired Deputy Chief Justice Moseneke to consider the possibility of undertaking free and fair elections during October 2021. Over 4 000 submissions from political parties, health experts and the general public were considered in the preparation of the report that was handed to the IEC on 20th July.

Former Deputy Chief Justice Dikgang Moseneke, who chaired the inquiry, conceded that all the non-pharmaceutical interventions – including social distancing – were effective means of mitigating the risks. But, in his opinion, that was not enough and it would become acceptable to hold elections only once a higher number of voters had been inoculated against the SARS-CoV-2 virus. The inquiry linked these health considerations to the constitutional requirement of the right to life, and bodily and psychological integrity. Another important consideration was the opinions of political parties about their ability to campaign during the pandemic. It would not be possible, for example, to hold large rallies and door-to-door canvassing.

The report also raised mitigating plans. For improving the campaigning process, it recommends the application of all the health protocols in all the different voting activities. In addition, more voter registration opportunities should be created, and the broadcasting authority, ICASA, should ensure more equitable access to broadcasting opportunities for all the parties.

The protection of voters could be improved through the hours of voting being extended, as well as the opportunities for special votes. It also proposed that the times for voting should be staggered in alphabetical order according to voters' surnames and that electronic voting should be considered (presumably only in future elections).

Clearly it would be possible to implement these recommendations for elections in October.

However, the report concluded "... it is not reasonably possible to or likely that the local government elections scheduled for the month of October 2021 will be held in a free and fair manner..."

When considering balancing the need to secure livelihoods with the democratic obligations, the IEC stated that they were in agreement with the outcomes of the Moseneke Inquiry. Thus, they effectively adopted the conclusion that should the IEC "accept and seek to implement the outcome of [the] Inquiry it is self-evident that it must approach, with deliberate speed, a court of competent jurisdiction to seek a just and equitable order to defer the local government elections to not later than the month of February 2022 and on such terms the court may grant."

While the report was clear that the IEC must seek legal support to defer the elections, the Minister of COGTA had to unravel her legal role in this matter.

COGTA Legal Opinion

Consideration had to be given by the Minister of COGTA whether she was obliged by law to proclaim the election date despite the report recommendation, and, if not, what in law would entitle her not to do so. Another matter to be clarified was whether the IEC could request the Constitutional Court to postpone elections where an election date has not yet been proclaimed. Legal Counsel also considered:

- whether this means the Minister must proclaim the election date, leaving the IEC to approach the Constitutional Court for a postponement of the elections;
- whether it should be the IEC or the Minister that approaches the Constitutional Court for the postponement of the elections; and
- the role that the Minister should play in the litigation if the IEC approaches the Constitutional Court – namely whether she should be a co-applicant or amicus curiae.



The Legal Opinion concluded that:

1. By resolving to adopt the Report the IEC has, by implication, concluded that elections held in October 2021 will not be free and fair and has resolved to follow the recommendations of the Report.
2. There is an imperative to protect the rights of all persons to life, bodily and psychological integrity, as well as access to healthcare services, all of which rights may be jeopardised if elections continue as initially planned.
3. The Minister is not empowered to postpone the elections to a date beyond 90 days after the expiry of the term of the municipal councils, as prescribed by section 159(2) of the Constitution.
4. The Minister is bound to fulfill her constitutional and statutory obligations to timeously proclaim the election date for the elections. There is currently no court order that would excuse the Minister from fulfilling her constitutional and statutory obligations. Proclaiming the election date for 2021 would only be prohibited if there is a Court order postponing the elections to February 2022.
5. Since it is the IEC that has formed the view that the elections held within the period permitted by the Constitution would not be free and fair, it is the IEC that ought to be the applicant. The IEC is obliged to cite the Minister as a respondent. The Minister will be free to participate in the proceedings as a respondent in any manner she wishes. The Minister may abide by the decision of the Court or actively support the relief that the IEC will seek. The Minister may even abide by the decision but file an explanatory affidavit and make written and oral submissions to assist the Court to come to a just outcome.


There is no legal or constitutional provision that enables elections to be postponed, and the IEC does not have such powers.

Court Application

Whilst the Commission continues to prepare for the elections in October 2021, an application has been made directly to the constitutional court primary as the matter raises weighty constitutional matters involving the balancing of rights enshrined in the constitution. The application is launched on an urgent basis because there is need for certainty on the preparations for the municipal elections.

Further, this court application is an extraordinary one and presumably unprecedented and carries uncharted constitutional consequences. The issues which are core to the application have a bearing on the political rights of citizens as well as the right to life, bodily and psychological integrity and access to health. The application will undoubtedly offer the constitutional court another opportunity to contribute to the evolving jurisprudence of our constitutional order. The IEC believes this is a short-term challenge and should not easily lead to the amendment of the Constitution, and also given the time-frames, it would be impractical to embark on a process to amend the Constitution.

Way Forward

Until there is finality about a possible election postponement, the timetable is set to continue as if South Africans will go to the polls in October. Party leaders in the National Assembly plan to hold an urgent meeting soon after the Constitutional Court makes a ruling on the issue of the timing of the local government elections, a ruling that is expected on 31 August 2021. 

WEBINAR PROGRAMME

Team of Authors:
Peer Reviewers:

THE LOCAL GOVERNMENT BUDGET
MANAGEMENT IMPROVEMENT
PROGRAMME

MASTER CLASS BUDGETING

26 August – 14 October 2021
10am to 12pm

Chapters:

1. Legislative Framework & Court Cases
2. Institutional Capacity
3. Effective public participation
4. The accountability cycle and the budget compilation process
5. Policy Determination
6. Budgeting techniques
7. Setting of tariffs
8. Property rates tariff modelling
9. Annual performance plans - how to go about developing your SDBIP

Supported By:



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Budget Management Improvement Programme: OnLine Capacitation Implementation Plan

Date	Master Class Topic	Key Points to be covered	Speaker 1	Speaker 2	Lead Facilitator	Backup Facilitator
26 Aug 2021	Legislative Framework + Court Cases	a) Key sections in the Legislation i. Constitution ii. MFMA iii. MPRA iv. MSA v. MBRR vi. MFMA Regulations	LexisNexis	Branch Chairperson to identify	Board member	Lindi Nolte
2 Sept 2021	Institutional Capacity	a) Roles and responsibilities - Political Leadership vs Administration/BTO	Bradley Brown	Branch Chairperson to identify	Board member	Lindi Nolte
9 Sept 2021	The accountability cycle and the budget compilation process	a) Accountability cycle b) Budget compilation processes and timeframes	National Treasury based on circulars	AGSA or PT's	Board member	Lindi Nolte
16 Sept 2021	Policy Determination	a) Cash management and investment policy b) Funding and reserves policy c) Borrowing policy d) How to determine your municipality's capacity to borrow	Mxolisi Kunene	Branch Chairperson to identify	Board member	Lindi Nolte

WEBINAR PROGRAMME

Budget Management Improvement Programme: OnLine Capacitation Implementation Plan

Date	Master Class Topic	Key Points to be covered	Speaker 1	Speaker 2	Lead Facilitator	Backup Facilitator
	Budgeting techniques	e) Policy related to long term financial plan f) Budget implementation policy				
23 Sept 2021	Setting of tariffs	a) Types of budgeting methodologies b) Compilation of a water inventory budget c) How to determine if your budget is funded d) How to prepare a basic capital project funding request e) Calculation of a vehicle cost charge out rate f) How to prepare a procurement plan	Annette v Schalkwyk Xolani Mhlongo Ethekekwini	Branch Chairperson to identify Vinod Moodley Eric Nielsen	Board member	Lindi Nolte
30 Sept 2021	Property rates tariff modelling	a) Determining the cost of the service b) Cross-subsidisation c) Tariff determination	Simon Scruton Ethekekwini	Peet du Plessis	Board member	Lindi Nolte
7 October 2021	Policy Determination	a) Categories of properties b) Impermissible rates, Reductions, rebates and exemptions c) Tariff determination	Peet du Plessis	George v Schalkwyk	Asma Sheik	Lindi Nolte

Budget Management Improvement Programme: OnLine Capacitation Implementation Plan

Date	Master Class Topic	Key Points to be covered	Speaker 1	Speaker 2	Lead Facilitator	Backup Facilitator
14 Oct 2021	Annual performance plans - how to go about developing your SDBIP	a) Inputs, activities, outputs, outcomes, impacts b) SDBIP c) Performance information	Ethekekwini Sponsor Explain system	Thuso Marumo	Board member	Lindi Nolte

PLATFORM: Zoom Conferencing

DATE: 26 August - 14 October 2021

TIME: 10am to 12pm

TO REGISTER: Go to: <https://zoom.us/meeting/register/tJMIduhrD4oGdEK1s1jwvwRps6nn77kb2L->
before Friday, 20 August 2021

FOR QUERIES: Please contact Lindi Nolte at Lindi@cigfaro.co.za (011 394 0879)

Members: R4 400 per participant (Excl. Vat)

Non-Members: R5 920 per participant (Excl. Vat)

5 or more Registrations 15% Programme Discount applicable

10 or more Registrations 20% Programme Discount applicable



DID YOU KNOW?

5
AUGUST

INTERNATIONAL TRAFFIC LIGHT DAY

INTERNATIONAL TRAFFIC LIGHT DAY TAKES PLACE ON 5 AUGUST EACH YEAR.

- The American Traffic Signal Company installed a traffic signal system on 5 August 1914. It was mounted on the corner of East 105th Street and Euclid Avenue in Cleveland, Ohio.
- There's a set of traffic lights in Dresden, Germany that has remained red since its installation 30 years ago.
- The world's first traffic light was a manually operated gas-lit signal installed in London in December 1868. It exploded less than a month after it was implemented, injuring its policeman operator.
- Why do South Africans call traffic lights "robots"? Back in the (very) old days actual policemen were organising the traffic by hand signals on South Africa's roads (like anywhere else in the World). When the first electric traffic lights were introduced they replaced the traffic policeman and therefore got the name "robot policemen". Over time the name was shortened to "robots".
- 2 October 2007: South Africa took a step toward improving energy efficiency as the first set of traffic lights backed up by solar-power was piloted at an intersection in Cape Town. The project, funded by Eskom and backed by

the National Energy Efficiency Agency, saw the installation of solar-powered traffic lights along Plantation Road in Lotus River, Cape Town. As part of project, robots – as South Africans call their traffic lights – have been retrofitted with solar panels at the top of the mast, which charge batteries buried in the ground. When power from the national electricity grid fails, the robots immediately start drawing power from the batteries until mains power is restored. It is estimated that the batteries can last up to five to six hours, providing the same amount of power needed to run a three-bedroom house. In 2007 it was estimated that Cape Town's traffic lights consume the same amount of electricity as 1 200 homes.

- 2019: South Africa's very first algorithm optimised traffic lights were rolled out in Stellenbosch, Western Cape, in the first quarter of 2019. A similar rollout of the German-developed technology in India along a 3 km route with six signalised intersections in Delhi resulted in travel time reducing by 26%. Traffic queues shrank by 37%.

FOR SOE'S/MUNICIPAL ENTITIES

01

Did you know... that the appointment of directors has a two-pronged requirement?

Under section 66(7) of the Companies Act, a person only becomes entitled to serve as a director when that person

- (i) has been appointed or elected to act as such; and
- (ii) has delivered to the company a written consent to serve as its director.

Often the latter requirement is overlooked, which may have unintended consequences for the timing of the director's appointment.

02

DID YOU KNOW ...?

Section 68(2)(a) of the Companies Act requires the election of directors to occur on an individual basis. For example, a company cannot pass one resolution nominating several directors for appointment – it must be done individually, with one resolution per proposed appointment.

The rationale for this is that, if a shareholder wants to vote in favour of the appointment of some directors and not others, they would not be able to do so if all the elections are combined into one resolution.

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

OCTOBER

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

NOVEMBER

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

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

DECEMBER (2ND QUARTER OF FINANCIAL YEAR)

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
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4	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
5	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
6	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
7	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
8	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
9	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
10	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
11	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
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19	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
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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-compliance	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

Know your wards for the 2021 local government elections

#KnowYourWards



Drop a location
pin to find
your ward
in real-time.

- ✓ Province
- ✓ Municipality
- ✓ Ward No.

Add an address
to know in
which ward it
is situated.



Choose an image
of street maps,
satellite images,
etc.



Print the
electronic map.



Share the link
via email, Twitter,
Facebook,
LinkedIn or
Google+



Visit the web App now

Scan to view
the map

or

Visit:
<https://arcg.is/aCWji>



For more information visit:
www.demarcation.org.za

012 342 2481



mdb
municipal demarcation board

Please note: The wards will take effect from the date of the 2021 local government elections.

TRUTH | TRUST | RESULTS

Ntiyiso Consulting is an authentically African and globally wired management consulting firm.

www.ntiyisoconsulting.co.za

With over sixteen years' experience, we continue to be thought leaders, solution architects and trusted advisors. Our innovative consulting models and methodologies lead to the transformation of the status quo and create a positive impact. We **collaborate** with our clients to deliver **end-to-end, value for money** solutions that are **tailor-made** to their needs.

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NTIYISO REVENUE CONSULTING

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We **improve cash positions** of medium to large sized municipalities and utilities. We achieve this by deploying our Revenue Maturity Diagnostic Model to optimise specific functions and ultimately the entire revenue value chain, thereby enhancing revenue.



NTIYISO BUSINESS CONSULTING

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We improve the **profitability and sustainability** of medium and large sized organisations. We also **enhance service delivery capabilities** of public and private entities. We achieve this by aligning the organisational ecosystem viz. strategy, leadership, people, architecture, routines and culture.



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"We empower institutions that enable Africa's development".