



CIGFARO

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8

Local Government Adjustment Budgets

& the Mid-Year Performance Reviews

Income Report



12 Municipal Adjustments Budget

20 ESKOM: RESUSCITATING THE DEAD HORSE



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GREETINGS COLLEAGUES

We meet once again as the year closes, and all we can think of is sunny summer days spent with family.

Looking back at our recent events, we can see that 2022 has been a great year; the annual conference was held with a full house following the impact of the pandemic and, we successfully hosted more than a thousand delegates. Admittedly, I didn't think it seemed like this was the world we would soon return to.

The theme for the annual conference for this year was **'Focus on the future: harnessing financial resilience'**. Dr. Genius Murwirapachena, from Durban University of Technology (DUT), gave the keynote address, where he spoke about the economic future for South Africa and the fiscal resilience in challenging economic periods.

On the third day of the conference, the MEC of KZN COGTA spoke on the reality of how political alliances affect service delivery. You can find more presentations on our website at www.cigfaro.co.za. Additionally, we would like to express our gratitude to the conference participants, dependable exhibitors, and anticipated speakers.

In November, we held a virtual session of our mSCOA Workshop which was highly successful, drawing more than 150 participants. We would like to express our gratitude to National Treasury for cooperating with us on this journey. Presentations from the event have been uploaded on the website.

Topics in this issue include, 'local adjustment budget', 'adjustment budgets', 'midyear budget process', and 'protection of service utility revenue'. Everyone will find it intriguing to read, and the holidays are the ideal time to do it.

We wish you a happy holiday, good health, and safe travels throughout this joyous season. Remember to stay in touch with us on our social media platforms.

Till the next issue. Ciao!

Esther G.



CIGFARO

Chartered Institute of
Government Finance, Audit & Risk Officers

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FOREWORD FROM THE PRESIDENT



Honourable Members of CIGFARO, public sector finance colleagues and readers of our journal.

In this quarter, the South African municipalities have been busy with the finalisation of audits with the Auditor General of South Africa and receiving their audit outcomes. These are currently being tabled at Councils and others will be tabled in the new year.

In addition, municipalities and government departments are busy with the mid-year performance reviews and adjustment budgets. This process is critical in municipalities per Section 28 (1) of the Municipal Finance Management Act 56 of 2003 (MFMA), which permits the municipality to revise its approved annual budget through an adjustments budget. According to section of 28 (4) of the MFMA, "only the mayor may table an adjustments budget in the municipal council" subject to certain limitation: the approval from the Council on the adjustments proposed to the Original Operational and Capital Budget. Municipalities need to seek other options available to fund the

adjustment budget. The adjustment budget must also adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue.

I would therefore like to take this opportunity and congratulate my colleagues, members of CIGFARO and friends who, from the 41 municipal entities, received clean audits. This means only 16% of South Africa's 257 municipalities have been given a clean audit by the auditor general for the 2020-21 financial year. Not forgetting our very own CIGFARO for also achieving a clean audit amidst all the challenges due to the pandemic.

Our CIGFARO team continued to impress us by successfully hosting the 93rd Annual Conference in October 2022 at the Durban ICC. The conference was well attended with more physical than online attendees, indicating that we are able to return to hosting in-person conferences. The theme for the conference was focused on "the future and harnessing financial resilience". Resilience comes at a time when the local government fraternity face many challenges requiring us to respond quickly to changing circumstances. We have recently experienced many setbacks as a result of COVID-19. These consequences require us to be more responsive than ever before to ensure that local government is sustainable, both in South Africa and across the world.

The reality is that most municipalities do not have sufficient income and revenue base to drive development. The poverty levels are extremely high. Most of the residents are unemployed and rely on social grants and subsistence living. They rely on social grants and subsistence living. The funding model inclusive of measures to raise capital and creating other revenue streams is thus particularly important for local government sustainability and this featured remarkably high on the agenda of our conference. The problem facing our cities is the population is growing while resources remain limited. This is then exacerbated by people moving from rural areas to urban areas to seek employment. It is critical to note that household income is decreasing, while job opportunities are becoming scarce.

It is an honour to announce again that SAICA and CIGFARO have partnered for greater reach and positive impact on the public sector.

The signing of the Memorandum of Understanding (MOU) will see the realisation of a more collaborative approach for the benefit of the membership and the public sector. The strategic partnership will also contribute to professionalising public service and other government initiatives that will assist with ongoing improvements in the profession.

CIGFARO and SARPA signed a MOU which has the primary objective of creating a means of cooperative efforts between CIGFARO and SARPA. This professional interchange enables the sharing of information between the two institutions in order to advance their professional work in the public sector.

The Professionalization Framework was introduced to ensure that only qualified and competent individuals are appointed into positions of authority, in pursuit of a transformed, professional, ethical, capable, and developmental public sector. Public officials should have the necessary qualifications and technical skills and be inducted into Batho Pele principles. CIGFARO is working very closely with its stakeholders, the Department of Cooperative Governance and SALGA to ensure that we are at the forefront of Professionalization.

The board and staff had an intense Strategic Plan session to prepare for 2023. It is important for us to involve our staff in the planning process. This is one of the most effective ways to build early buy-in with our strategic plan. Every committee of the Board and Administration of CIGFARO must be involved in key performance areas to ensure that the plan is successful.

CIGFARO continues to accelerate the development of our members and I want to take this opportunity to encourage all members and friends to visit our website www.cigfaro.co.za. We encourage members and friends to look at our training offerings on the Public Sector Financial Management e-course which allows you to study at your own pace. This e-course is in partnership with LexisNexis where you will gain access to 9 easy to understand modules, a full understanding of the public finance functions in terms of the applicable legislation. You will find financially empowering content and tools, such as [full of mSCOA] (mSCOA) classification framework to improve the credibility, sustainability, transparency and reliability of your reporting. The office, together with Alitimax, are working on another e-learning program on Basic Accounting Reconciliations which was launched at the conference. We thank you once again for always registering to attend our online sessions, namely those that our Acting CEO has mentioned in her foreword.

CIGFARO will continue to engage and facilitate discussions with AG, SALGA, COGTA, NT and all municipalities to start the conversation about the Municipal challenges and source relevant skills from public and private sector to close the gaps currently existing in the public sector.

Have a blessed festive season and rest well. 2023 is a new year that brings exciting changes at CIGFARO in line with improving our service to you as our members and our stakeholders. ■

Stay blessed and travel safely!
Happy Holidays....

CHERYL REDDY
CIGFARO PRESIDENT



SAVE THE DATES 2023

01

**PUBLIC FINANCE MANAGEMENT
ACT WORKSHOP**
8 MARCH 2023, BIRCHWOOD HOTEL

02

AUDIT & RISK INDABA
4 - 5 APRIL 2023, DURBAN ICC

03

IT GOVERNANCE WORKSHOP
1 - 2 JUNE 2023, SOUTHERN SUN CAPE SUN

04

PUBLIC SECTOR FINANCE
4 - 5 JULY 2023, EMPERORS PALACE

05

ANNUAL CONFERENCE
24 - 26 OCTOBER 2023, CAPE TOWN ICC



Dear members and stakeholders

It gives me great pleasure to end 2022 on a high note. So much has happened in the Public Sector: CIGFARO hosted its first IT Governance and Cyber Attack Conference for financial officials, where they discussed the impact of these attacks on the Public Sector. The Professionalisation Framework was introduced in pursuit of a transformed, professional, ethical, capable, and developmental Public Sector. The framework ensures that only qualified and competent individuals are appointed into positions of authority. Public officials should have the right qualifications and technical skills and be inducted into Batho Pele principles. The Department of Cooperative Governance and SALGA also embarked in reviewing pieces of legislation that impacts local government, aiming to entrench good practices and address challenges that have been experienced.

CIGFARO, in collaboration with National Treasury, commenced Revenue Master Classes in October of 2022. The intention of the Master class is to bring about greater awareness regarding the revenue value chain in the municipal context and address areas of concern that the delegates feel pertinent to their circumstance.

CIGFARO developed a comprehensive “Local Government Financial Management Handbook”.

Local government is currently faced with many challenges mostly related to governance issues that are consistently highlighted by the Auditor General’s report. The main issue is dealing with financial management. Part of the solution lies in a focused

approach that deals with the root causes and ensures that the audit findings and adverse audit opinions are addressed. This will require financial officials who are academically qualified, equipped with local government competency and who uphold high ethical standards; thereby being true stewards of public funds.

The handbook will be a source for e-learning and is supplemented with training videos to enhance the learning process. The training will also be included as part of the CPD requirements to ensure that CIGFARO members comply with CPD requirements in an affordable manner.

On the 22nd of September 2022, the Minister of DCoG launched “The Local Government Ethical Leadership Initiative (LGELI)”. Its purpose is to facilitate a national dialogue on ethical leadership in local government, culminating in the development of a Code for Ethical Governance in South African Local Government. As a Professional Body, CIGFARO promotes ethical behaviour and leadership and is in support of these initiatives through The Ethics Institute. Members were invited to some of these dialogues that took place earlier in 2022. CIGFARO also encourages members and stakeholders to visit The Ethics Institute’s website for free webinars and publications on Thought Leadership.

2023 will earmark another milestone for CIGFARO: we will be hosting our first POWERHOUSE Public Finance Management Act Workshop on 8 March 2023 at the Birchwood Hotel, in Gauteng. For more information, please send an email to ceo@cigfaro.co.za

CIGFARO will work closer with provincial branches at provincial events to ensure that each province addresses and discusses issues related to each province in collaboration with our provincial partners.

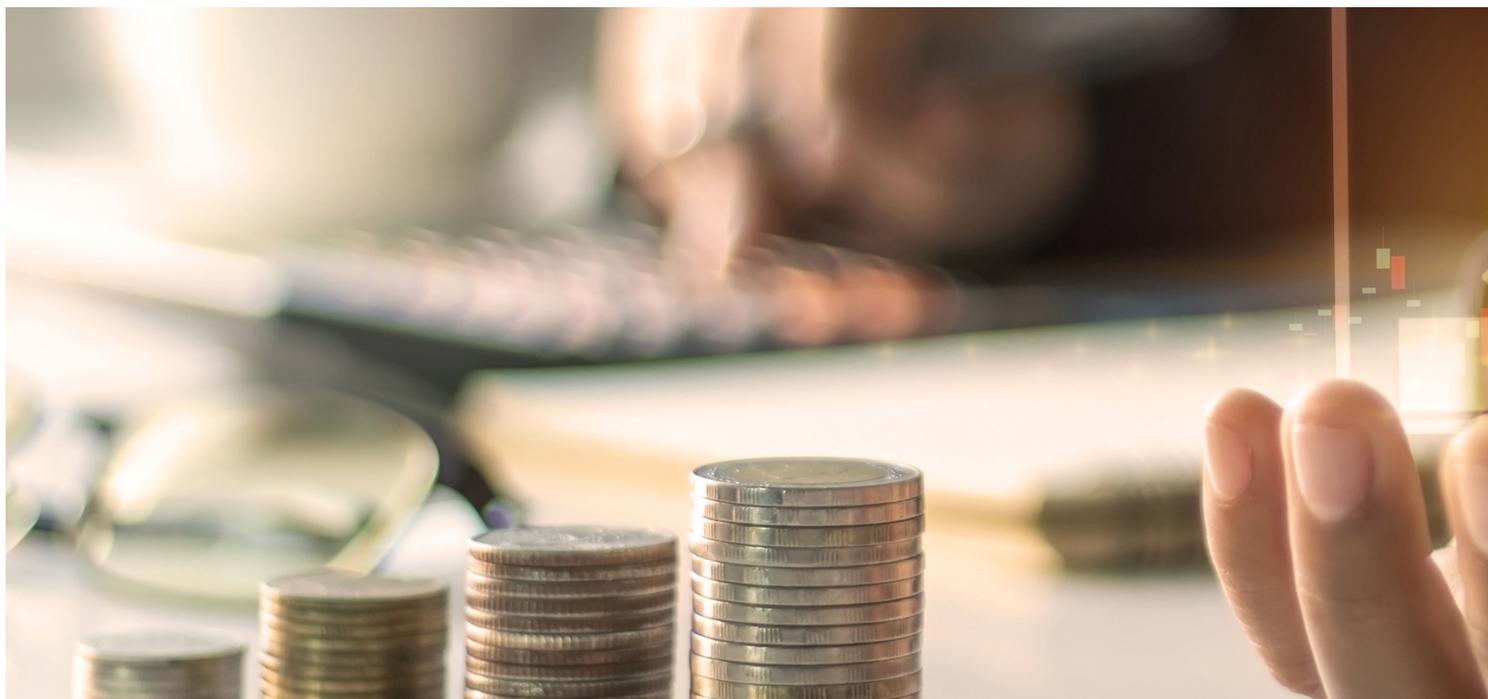
CIGFARO will also have its elections in 2023. Members are encouraged to ensure that they are in good standing to be nominated on the Executive Board. Please ensure you update your details by sending an email to ceo@cigfaro.co.za

I would like to thank our very limited staff for all their hard work during 2022 among all its challenges. Thank you for your continued effort and diligent work. To the Board of CIGFARO, thank you for your oversight and best interest of the Institute and its members. To our members, thank you for your continued support and ethical conduct, and thank you for ensuring that your continuous development takes priority, please ensure you are submitting your CPD points. 

LINDI NOLTE
ACTING CEO

Local Government Adjustment Budgets and the Mid-Year Performance Reviews

by *Sbu Zakwe, CIGFARO Board Member*



1. INTRODUCTION

As we approach the end of 2022 (Quarter 2 for Local Government), with all of its challenges, one must consider the future of Local Government in the aftermath of the Covid-19 pandemic, disastrous floods and even drought (Day Zero water crisis) in some parts of the country that rendered several municipalities dysfunctional, and municipalities that are still experiencing either a financial or leadership crisis, resulting in an inability to deliver the required basic services.

According to the most recent State of Local Government Report, 175 of the 257 municipalities are in financial distress. In comparison, about a decade ago, in 2010/2011, there were only 66 municipalities. This means that the number of municipalities in financial distress has almost tripled. Furthermore, 43 municipalities are in financial and service delivery crisis. This year, 112 municipalities have adopted budgets that are unfunded.

The National Treasury's investigation has revealed that unfunded budgets are the primary cause of financial distress. More than 150 municipalities are bankrupt or insolvent. They are unable to pay their creditors or service pensioners. Many of these municipalities have insufficient funding to invest in the maintenance and upgrades of the local infrastructure required to ensure service delivery. Over a quarter of them, according to the Auditor General, are at significant risk of not being able to continue operating as going concerns. (Enoch Gondongwane, 2022).

However, in his 2022 Medium Term Budget Policy Statement Speech, the Minister of Finance provided a ray of hope: Lo-

cal Government will be allocated additional funding from the Division of Revenue over the next three years to support the delivery of free basic services to poor households, despite the rising cost of free basic services as well as rising bulk electricity and water costs.

2. The Mid-Year Budget and Performance Assessment Report

This report is prepared by using figures from the Municipal Standard Chart of Account (mSCOA) data strings. The mSCOA Regulations were promulgated on 22 April 2014 and prescribes the uniform recording and classification of municipal budget and financial information at a transaction level. All municipalities and municipal entities are to comply with the Regulations by 01 July 2017. The mSCOA Regulations require that municipalities upload their budget and financial information in a data string format to the Local Government portal across the seven mSCOA regulated segments.

The report is part of the In-Year Management, Monitoring, and Reporting System for Local Government (IYM), which allows provincial and national governments to monitor municipalities and identify potential problems in implementing municipal budgets and conditional grants. The credibility of the information in the mSCOA data strings is still a concern, but it is improving as the reform matures. (Treasury, 2022a)

2.1 Preparations

Section 72(1)(a) of the MFMA states that the Accounting Officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year. The MFMA requires the Account-



ing Officer to consider the following, amongst others, when compiling the Mid-Year Budget and Performance Assessment Report:

- The monthly MFMA Section 71 reports;
- The service delivery performance during the first half of the financial year;
- The past year's annual report; and
- The performance of every municipal entity during the first half of the financial year.

The National Treasury bases its quarterly Local Government Revenue and Expenditure Report on the monthly MFMA Section 71 reports submitted by municipalities. Municipalities must therefore ensure that there is perfect alignment between the figures reflected in the MFMA Section 71 data strings for the first six months of the financial year and the MFMA Section 72 Mid-Year Budget and Performance Assessment Report.

Municipalities must also ensure that the Schedule C used for their Mid-Year Budget and Performance Assessment Report is generated directly from their financial system, ensuring complete alignment of the mSCOA data string and the Mid-Year Budget and Performance Assessment Report. They must strive to improve the quality of the information in their Mid-Year Budget and Performance Assessment Reports, as well as their MFMA Section 71 reports. This could be accomplished by timely preparing monthly Schedule C reports and submitting them to the Council, National, and Provincial Treasuries.

Municipalities must also timely upload to the GoMuni Upload Portal, the monthly data strings for the MFMA Section 71 reports. These are comprised of In-Year Monthly, Creditors and Debtors data strings, since they are not allowed to restate the mSCOA data strings submitted on a monthly basis. This is due to the fact that once the month is closed on the system, the municipalities are unable to go back into the period to edit information already submitted. Therefore, the correction of errors must be made when the error is identified and not retrospectively. (Treasury, 2022).

Failure by municipalities to ensure timeous and successful uploading of accurate information to the LG Upload Portal will negatively affect the alignment between the data strings and Schedule C report.

2.2 Formats

Regulation 33 of the Municipal Budget and Reporting Regulations (MBRR) requires that a Mid-Year Budget and Performance Assessment Report must be in the format specified in Schedule C and include all the required tables, charts and explanatory information and any guideline issued by the Minister.

Failure to submit the MFMA Section 72 Report in the correct format constitutes a contravention of Regulation 33 of the MBRR promulgated through Section 168 of the MFMA. Thus, non-compliance with Regulation 33 of the MBRR can be construed as financial misconduct in terms of Section 171(1)(a) of the MFMA which states that the Accounting Officer of a municipality commits an act of financial misconduct if that Accounting Officer deliberately or negligently contravenes a provision of this Act. (Treasury P. , 2022b).



2.3 Submission of Mid-Year Budget and Performance Assessment Report

By January 25 of each year, the Municipal Manager must submit to the Mayor, the National Treasury, and the relevant Provincial Treasury a mid-year budget report and performance assessment (based on the council's service delivery and budget implementation plan) in addition to the monthly budget report. This report should be used to inform the budget process for the following year, and inform the Mayor of any need to consider an adjustment budget. Additional performance information specified for the Mid-Year Budget and Performance Assessment shall be added to the monthly budget statement for the month of December and submitted to council along with a Mayor's report on the mid-year budget and performance assessment.

2.4 Publication of Mid-Year Budget and Performance Assessment Report

The Municipal Manager must make the Mid-Year Budget and Performance Assessment in the format set out in Schedule C public on the municipality's website and have it displayed at the municipality's head office, satellite offices and libraries within 5 working days of submitting them to the mayor.

The Municipal Manager must also communicate/broadcast any other information the council considers appropriate to facilitate public awareness of the mid-year budget and performance assessment.

3. The Adjustments Budget (Amending The Original Budget)

An Adjustments Budget is a mechanism for amending a previously approved budget under certain specified conditions. A Council may be required to consider revising its original budget on occasion due to material and significant changes in revenue collections, expenditure patterns, or forecasts for the remainder of the financial year. However, an Adjustments Budget may not result in additional tax or tariff increases, and when approved by Council, it must include appropriate justifications and supporting material. An important consideration to make with Adjustments Budgets is that it must be appropriately funded, and supporting documentation must include an explanation of how the Adjustments Budget is funded, as per Regulation 22 of the MBRR.

3.1 The Adjustments Budget Process

Section 72(3) of the MFMA requires that the accounting officer must as part of the (mid-year) review:

- a) make recommendations as to whether an Adjustments Budget is necessary; and
- b) recommend revised projections for revenue and expenditure to the extent that this may be necessary.

Regulation 23(3) of the MBRR requires that if a national or provincial Adjustments Budget allocates or transfers additional revenues to a municipality, the mayor of the municipality must, at the next available Council meeting, but within 60 days of the approval of the relevant national or provincial

Adjustments Budgets, table an Adjustments Budget referred to in Section 28(2)(b) of the MFMA in the municipal Council to appropriate these additional revenues.

In terms of Section 28(2) of the MFMA, an Adjustments Budget:

- a) must adjust the revenue and expenditure estimates downwards if there is material under-collection of revenue during the current year;
- b) may appropriate additional revenues that have become available over and above those anticipated in the annual budget, but only to revise or accelerate spending programmes already budgeted for;
- c) may, within a prescribed framework, authorise unforeseeable and unavoidable expenditure recommended by the mayor of the municipality;
- d) may authorise the utilisation of projected savings in one vote towards spending under another vote;
- e) may authorise the spending of funds that were unspent at the end of the past financial year where the under-spending could not reasonably have been foreseen at the time to include projected roll-overs when the annual budget for the current year was approved by the Council;
- f) may correct any errors in the annual budget; and
- g) may provide for any other expenditure within a prescribed framework.

Regulations on the Adjustments Budget specify the conditions and timeframes for tabling and approving Adjustments Budgets.

3.2 Approval of Adjustments Budget

A Municipal Council must consider the entire content of the Adjustments Budget and supporting documentation as set out in the regulations before approving the Adjustments Budget. Council can only approve adjustments dealing with unforeseeable and unavoidable expenditure if the expenditure was authorised by the Mayor in terms of Chapter 5 of the Municipal Budget and Reporting Regulations. The resolutions for approving the Adjustments Budget must cover at least those set out in the regulations under the heading “resolutions”.

3.4 Submission and Formats of Approved Adjustments Budgets and Other Documents

An Adjustments Budget must be submitted within ten working days after the municipal Council has approved the Adjustments Budget to National and Provincial Treasuries as per Regulation 24 of the MBRR.

Regulation 21 of the MBRR states that an Adjustments Budget and supporting documentation of a municipality must be in the format specified in Schedule B and include all the

tables, charts and explanatory information, taking into account any guidelines issued by the Minister in terms of Section 168(1) of the Act.

3.3 Publication of Approved Adjustments Budget

The requirements for publication of the approved Adjustments Budget are very similar to those for the approved annual budget. Regulation 26 of the MBRR prescribes the timeframe for the publication of the approved Adjustments Budget. It states that within ten working days after the Municipal Council has approved an Adjustments Budget, the municipal manager must in accordance with Section 21A of the Municipal Systems Act make public the approved Adjustments Budget and supporting documentation including the resolutions referred to in Regulation 25(3). The Adjustments Budget must also be placed on the municipal website within five days after tabling in Council as per Section 75(1) and (2) of the MFMA.

This information must at a minimum be made available and displayed at the municipality’s head office, satellite offices and libraries. Additional information may be made public including Adjustments Budget summaries in alternate languages.

4. Conclusion

From a fiscal standpoint, the Minister’s approach of allocating more funds from the National Revenue Fund to the Local Government sphere will address some of the aforementioned challenges in the medium term. However, the government as a whole must demonstrate greater resilience and tenacity in resolutely and consistently overcoming the systemic challenges of inequality, poverty, and unemployment, which are exacerbated by chronic low growth, rapid climate change, and the intensification of conflicts, contestations, and ambiguity. □

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Municipal Adjustments Budget

by Bradley Brown, CIGFARO Board Member

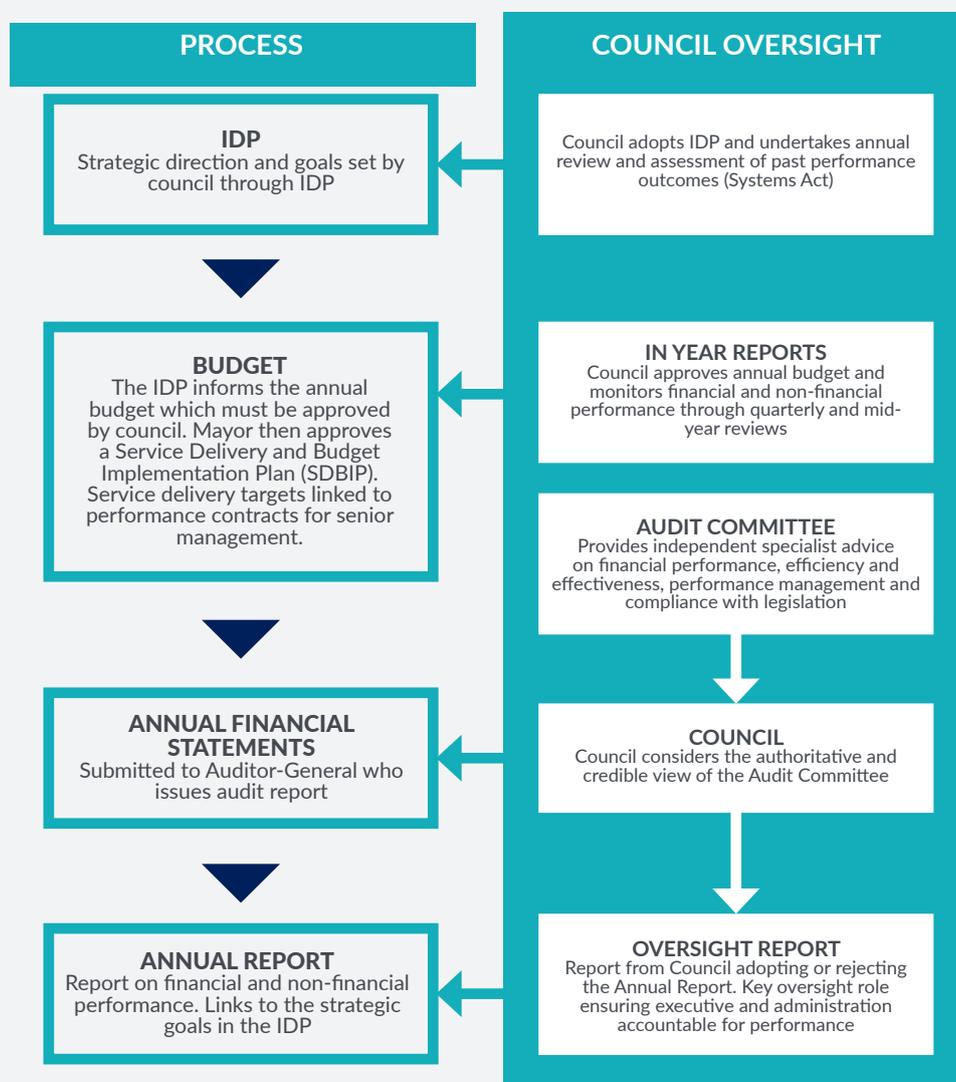


The end of the calendar year is nearing, and we are almost halfway through the financial year. By this time, the audits of most municipalities should be completed. Congratulations to those who managed to sustain their clean and unqualified audit opinions, and to those who've regressed, use this as an opportunity to do better in the next year.

By now, we should also have a clear indication of whether an adjustment is needed in terms of the Municipal Finance Management Act (MFMA). This article will focus on this adjustment budget and broader context of the Municipal Accountability Cycle (MAC).

The overall business context of local municipalities is encompassed in the Municipal Accountability Cycle (MAC). The MAC consists of the Integrated Development Plan (IDP), Medium Term Revenue and Expenditure Framework (MTREF), Service Delivery and Budget Implementation Plan (SDBIP), Annual Financial Statements (AFS), and the Annual Report (AR). Processes within the MAC are illustrated in the figure.

FIGURE 1: MUNICIPAL ACCOUNTABILITY CYCLE PROCESS



The IDP (often referred to as the Term-of-Office Plan) is the five-year strategic document of the municipal council. The IDP states the objectives of the municipal council for the five-year term and informs the MTREF in terms of how the council intends to achieve its service delivery objectives with the available financial resources (Brown, 2020).

The SDBIP is a detailed planning and monitoring tool consisting of quarterly and monthly performance targets, as well as guidelines on comparing these targets to actual outputs achieved. The SDBIP consists of both financial and non-financial information, including timeframes, measurable performance targets, and performance indicators. These are monitored by the municipal council, and by National and Provincial Treasuries (Brown, 2020). The reliability of the monthly budget and monitoring report (MFMA S71) plays an important role as an early warning indicator as to whether there

any material variances from the municipality's projected revenue by source, and from the municipality's expenditure projections per vote. Additionally, it further shows any material variances from the SDBIP and if there any remedial or corrective steps taken to be taken, to ensure that projected revenue and expenditure remain within the municipality's approved budget.

The monthly budget and monitoring reports for the first six months of the financial year will ultimately feed into the Mid-Year Budget Performance Assessment Report (MFMA S72). This must be submitted to the mayor by the 25th of January and tabled before council by the 31st of January. The Mid-Year Budget Performance Assessment Report must contain a recommendation on whether an adjustments budget is necessary and whether revenue and expenditure estimates must be adjusted, which will influence the SDBIP.

Municipal Adjustments Budget, *continued...*

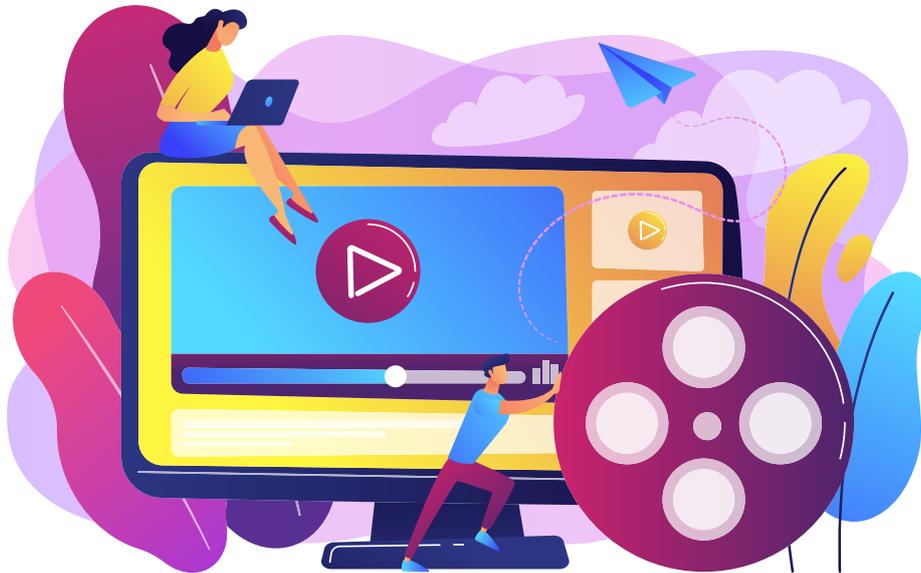
by Bradley Brown, CIGFARO Board Member



Tabling a credible adjustments budget:

- Ensure compliance to the Municipal Budgeting and Reporting Regulations (MBRR) as the application thereof can be used as an early warning detector as to whether council will meet its revenue and expenditure targets.
- Ensure that the monthly (MBRR) report is credible and reflects - as far as possible - all transactions for the month and that the necessary receivables and accruals are raised.
- Ensure that monthly billings are done on time and whether the recoverability thereof is in line with what was estimated, as this affects the cash flow from operating activities, debt impairment and the allowance for debt impairment.
- **Don't manipulate a payment rate to include excessive expenditure as you will run into cash flow problems.**
- Ensure that credit control and debt collection is implemented efficiently and effectively.
- Incorporate the estimates contained in the actuarial reports for the previous financial year in the budget.
- If there is any material under collection of revenue, put an expenditure management plan in action by reducing the expenditure accordingly.
- Analyse the schedules and budget of the MBRR in detail and not in isolation; the statements of financial performance, financial position, cash flows, the net assets, and cash back reserves are equally important.
- Positive cash flow is "king"; ensure that all trading services are operating at a cash surplus which need to result in an increase in cash flow from operating activities from previous years.
- Be careful of an exorbitant capital budget that is not realistically funded as it can eat away from your Capital Replace Reserve and reduce cash back reserves causing cash flow challenges.
- Make sure that the salary budget is calculated properly, and the total cost of appointments are taken in account for future budgets.
- Ensure that the revenue recognition on grants is done timeously and that government grants are spent in accordance with the grant conditions.

In implementing these above pointers, you will ensure that the municipality eliminates possible unauthorised expenditure.



CIGFARO is continuously seeking ways and means to improve the financial and service delivery capability of the local government sector.

As part of this quest, CIGFARO embarked on the design of seven municipal "**Back to Basic Reconciliations**" videos. These videos aim to address the areas of weakness profoundly emphasised on a continuous basis by the Auditor General of South Africa in her annual MFMA General Report.

Our impactful solution

The videos offer basic reconciliation skills for municipal officials, non-financial managers and finance councillors.

THE SEVEN VIDEOS ARE AS FOLLOWS:

- An introduction to reconciliations in a municipal environment
- Basic trade and other payables reconciliations in a municipal environment
- Revenue enhancement techniques - billing reconciliations
- Revenue enhancement techniques - property rates
- Basic bank reconciliations in a municipal environment
- Basic asset register reconciliations in a municipal environment
- Basic salary reconciliations in a municipal environment

EACH SECTION HAS ITS OWN ASSESSMENT TO DETERMINE COMPETENCY.

This impactful solution offers the following characteristics:

- Practical training designed by a former municipal CFO with 5 clean audits
- Practical examples to show staff exactly how to reconcile with mSCOA reporting requirements
- Use of basic language to enhance understandability of the concepts

For more information contact CIGFARO via ceo@cigfaro.co.za or visit our website www.cigfaro.co.za or phone on 011-394-0879. #BACK TO BASICS!

Interview with Jane Masite

by Esther Gumata, ED



TOPWOMEN AWARDS LEADERSHIP - The 2nd Runner - Up Winner - Professional and Support Services - Our Trailblazer

The CIGFARO editor is excited to be spending time with the institute's past president, Ms Jane Masite, on her latest achievement. This comes right after Ms Masite has been named the 2nd Runner-Up at the Top Women Awards for the Top Women Leader in Professional & Support Services 2022 hosted by Standard Bank at the Emperors Palace. Since 2004, Standard Bank Top Women Leaders has been South Africa's leading gender-empowerment publication, listing and celebrating visionary organisations that prioritise gender empowerment as integral to their growth and success.

1. ED: Firstly, welcome and congratulations on your award, Ms Masite. Standard Bank - Top Women Leader in Professional & Support services 2022, 2nd runner-up, that is a huge achievement. How does that feel?

I am deeply humbled. I am honoured by the recognition, conferred to me by industry experts in the financial services and recognition by my peers in the Public Sector space, as 2nd runner-up for Top Women Leader in Professional and Support Services. This award also recognises my contribution in the public in developing, mentoring and coaching young women leaders in my lifetime career as Internal Auditors, Accountants, Risk Specialist, and Performance Specialists. Certainly, my role as the Past President of CIGFARO and the Vice President of CIAGOL SA empowered me to this process and put

me in the spotlight on my efforts in commitment to women advancement in their professional careers over the years. I also want to encourage Young Women to stop being afraid of what could go wrong and start being excited at what could go right.

2. ED: Good to have you back in our publication. How have you been since handing over the baton of being the institute's president?

Since handing over the baton, I retired from the position as Chief Audit Executive of the Emfuleni Local Municipality and got extensively involved in providing Professional Services as an Advisor to various municipalities in Gauteng on behalf of the Gauteng Provincial Treasury. I established The Char-

tered Institute of Audit Governance Oversight and Leadership CIAGOL(SA) together with the former Vice President of CIGFARO which plays a complimentary role to CIGFARO.

I was elected the Executive President and the Executive Director of Internal Control Institute ICI SA (Chapter) housed by CIAGOL SA. As you know, CIAGOL(SA) is the only Professional Body for Audit Governance Oversight and Leadership in South Africa. Accordingly, our services have come at a time where there is a void in the area of oversight capacitation, audit governance capacitation, and general vacuum, and the management leadership space for senior managers in government. This has kept me busy, given that I'm the as Vice President of the Institute is Executive. I am also serving in various Boards, Performance Audit, Audit and Risk Management Committees in the Public Sector. The Auditor General of South Africa subsequently appointment me to serve on the Advisory Committee on Material Irregularity for a period of three years.

3. ED: Now let's talk about the Standard Bank Top Women Awards, how has that journey been?

The Standard Bank Top Women Award is not only a prestigious award, but it is also significant as it transcends industry; women get to be exposed to multiple industries and sectors. The TOP Women journal appropriately profiles one's work and the organization you lead as a woman.

I was nominated for two awards. The Top Women Leader-Public Sector nominees, included the Gauteng legislature, female ministers, public CEOs, Eskom and other women executives. That alone to me was a milestone - to be ranked amongst the best in the public sector.

4. ED: Congratulations on your achievement and award. What does this win mean for you?

This award is an affirmation of my lifelong vision: to live my dream of leaving a lasting legacy which continue past my lifetime. That lifetime vision was inspired by my "humble beginnings", and background of poverty and seeing women being deprived of opportunities to succeed. I am using this Award to inspire young women to become part of my network in CIGFARO and CIAGOL(SA) and to get opportunity to live their dreams.

5. ED: What does the future hold for you?

Shine the spotlight on my work in CIAGOL SA and ICI , develop the profession in Internal Controls, Oversight and au-

dit governance and Leadership. I want to open the space for young men and women - black and white - to seize the opportunity of working with industry to make our country great again. Contribute by fostering the professionalizing public sector and the country at large.

6. ED: What message can you leave our readers with?

To the readers, my message is that everything is possible if you believe in yourself. You must be willing to follow your dreams, embrace change, accept criticism but never lose focus. I am grateful that I had amazing support from a number of people who believed in my dreams and who acknowledged my passion for excellence and success, to get things right for the future of our children. To the family of CIGFARO, thank you for believing in me by electing me as 1st Black Woman President of the Institute after 85 years of its existence. All my professional followers and supporters, thank you, I would not be a Trailblazer if it were not for you. The President of CIAGOL (SA), who has supported me throughout my professional journey as well as our CIAGOL(SA) and ICI members, a big thank you. Thank you to Standard Bank and Top Woman Company for the recognition. Finally to followers, I would like to quote from Tata Nelson Mandela, "Do not judge me by my successes, judge me by how many times I fell down and got back up again."



“DREAM BIG AND WORK HARD TO REACH THE DREAM”

CONGRATULATIONS

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31/40
MUNICIPALITIES



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SYSTEMS | TECHNOLOGY | PEOPLE

 CCG SYSTEMS

Weak ethical cultures cause employees and those doing business with Eskom to become susceptible to considerable wrongdoing. This may vary from mild dishonesty to severe counterproductive behaviour such as conflicts of interest, abuse of time and other organisational resources, malicious sabotage, intimidation, withholding effort, and collusion within and with external syndicates to commit crimes.

In November 2021, André de Ruyter was asked why he does not resign as Eskom's CEO, thereby assuming the primary accountability for the state-owned entity's woes. He responded, "you do not change the jockey on a dead horse." He thus confirmed his intention to fulfil his mandate, which was to 'fix' Eskom. Almost a year later, he is still in charge and probably doing what he can to resuscitate the horse.

His saddle remains red-hot though. Pressure for him to resign is still relentlessly applied by many. Be it via demands from trade unions, frustrated and angry consumers, owners and employees of small, medium, and large businesses that had to close their doors because of continual loadshedding, campaigns to reinstate former rogue CEOs, or even through voices in government. To make matters worse, he is surrounded by extreme pessimism, such as that verbalised on 10 October 2022 by the economist Dawie Roodt in the Daily Investor: "Eskom cannot be saved – here is how it will end". It is, however, easy to blame the jockey. Continuously flogging the dead horse will not help much either.

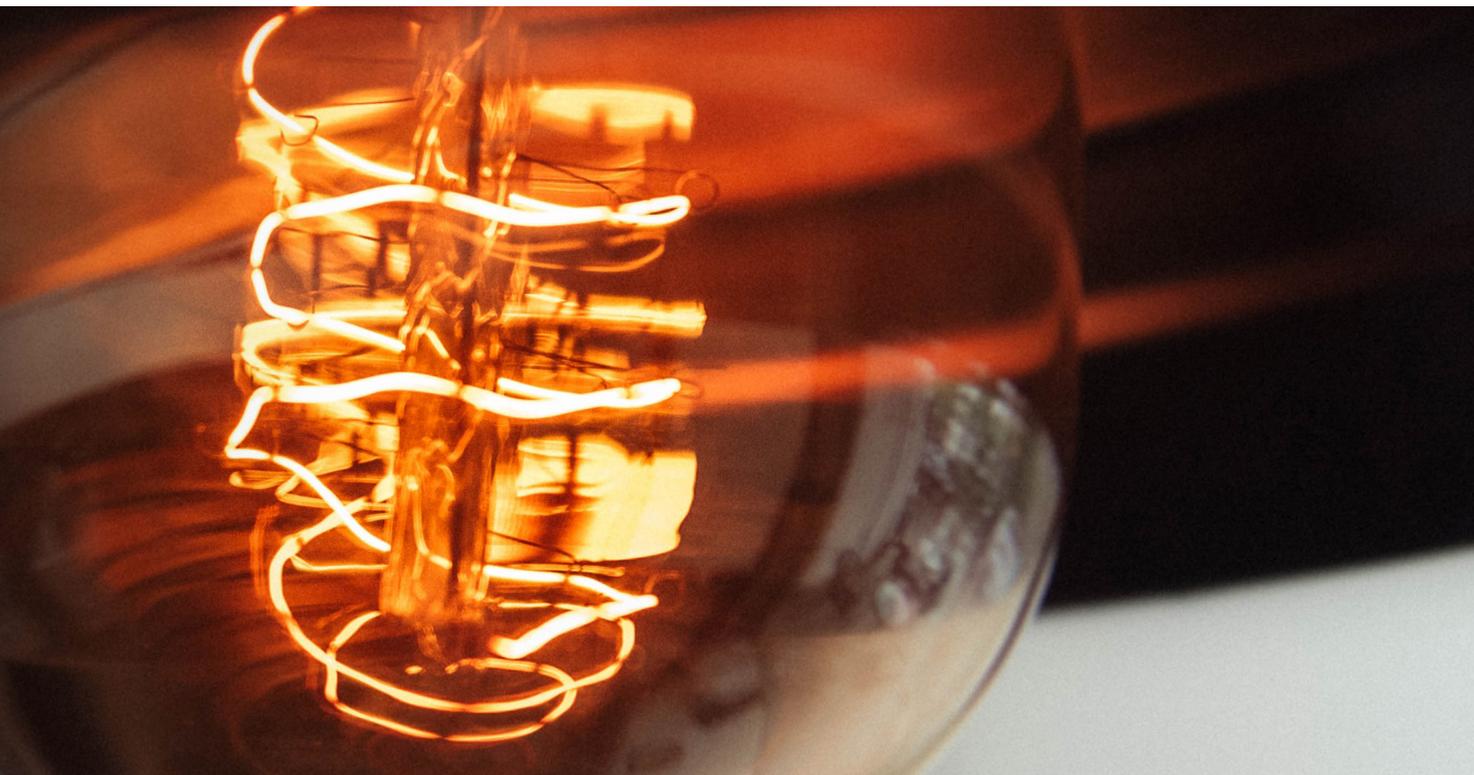
Various other factors contribute to the heat of de Ruyter's saddle. These include death threats, internal sabotage, insufficient capital, a decaying infrastructure, and antiquated and 'tired' equipment. Eskom's internal environment is surely the biggest contributor to

the heat of the saddle. One has to consider what goes on inside Eskom in terms of what the employees are thinking, feeling, and doing – or not doing for that matter.

There is little doubt that the organisational culture is toxic. The recently appointed chair of the Eskom Board stated in a piece that was published in Business Day on 17 October 2022: "**Eskom must 'rekindle' morale and image**". He was probably referring to the organisation's culture. Employees are surely despondent, mentally fatigued, and often embarrassed to admit that they work for Eskom. There is also the prevalence of corruption and unethical behaviour. This has created an ethically weak culture. Simply put, the ethical component of the culture which is 'the way we do things around here when no one is watching' is highly fragile.

Weak ethical cultures cause employees and those doing business with Eskom to become susceptible to considerable wrongdoing. This may vary from mild dishonesty to severe counterproductive behaviour such as conflicts of interest, abuse of time and other organisational resources, malicious sabotage, intimidation, withholding effort, and collusion within and with external syndicates to commit crimes.

South Africa cannot afford the possible demise of Eskom. De Ruyter's heart seems to be in the right place. He remains focused and appears to be sufficiently thick-skinned to deal with the criticism while soldiering on. This is not necessarily a bad thing. The proviso here is that he cannot do it alone. In the statement by the new chair of the Board referred to earlier, he seemed confident that with discipline, the limping power utility can be turned around. The discipline referred to here needs to be enforced through collective action.



Concerted collective action would include the government, the new Eskom Board, leadership and management, employees, and the relevant trade unions. An appropriate question to ask would be what these parties can collectively do to resuscitate the horse. For a start, it is crucial to send the right signals to all stakeholders, internally to Eskom but also to the world around it, that something is being done to fix Eskom. The fact is that every decision or action, whether communicated or not, sends a signal to stakeholders. Such collective action is required urgently to change the organisation's ethical culture.

Green signals are sent to employees and external stakeholders when organisations make decisions that contribute positively to the formation of an ethical culture. Red signals are sent when decisions are made and actions are taken that undermine the progress towards building an ethical culture. The collective action role players need to understand that they repeatedly send signals to all stakeholders about Eskom through what they think, decide, and do. Ethical culture develops incident by incident over many years. Ethical culture or an ethics mindset is shaped by five simple things: who you hire, who you fire, who and how you deal with others, what you talk about, and what you spend money on.

A green signal will be sent when Eskom hires, good apples, a red signal will be sent when they recruit and select, bad apples, green signals are sent when there is swift, fair, decisive, and transparent action to deal with ethics transgressors. These transgressors are dismissed or fired if it is serious. On the opposite side, strong red signals are sent when there is a failure to decisively deal with ethics transgressors. Dealing with reputable suppliers sends clear green signals and dealing with dishonourable suppliers sends red signals. Red signals will be evident when an organisation rewards employees for unethical behaviour through ingenious incentive schemes,

showing clear favouritism in promotions, and when they do not promote people on merit.

What stakeholders that team up for collective action talk about also sends clear green or red signals. The things leaders say and how they say them stick in one's mind. There is a distinct difference between boardroom talk and talk around the water cooler. The narrative that emanates from leadership influences attitudes and behaviour and sends powerful signals. Continuous talk about doing the right things and encouraging ethical behaviour sends green signals. Provided that aligned actions follow the talk.

Being circumspect to what an organisation spends money on sends green signals. In Eskom's case, examples would be research and development of alternative energy production and employee training. On the other hand, spending money disproportionately on non-essentials, such as building new headquarter structures or investing in low-priority initiatives and equipment, sends red signals.

When organisations are advised to build strong ethical cultures there is often scepticism and fear of the abstract nature of ethical culture. The question 'but where do we start?' is often raised. Decisions and actions that build ethical cultures are in fact not that abstract, vague and fuzzy. The sending of green signals is within the control of Eskom and its stakeholders who are ideally positioned due to their power bases. It becomes a simple choice: green versus red. Such interventions can commence today.

It should be made clear that the sustainable development of Eskom is crucial to the country. This horse can and should be resuscitated rather than being incessantly flogged. Moreover, the jockey needs to be empowered and enabled to lead this process in collaboration with committed collective action partners. **C**

Protection of Service Utility Revenue

by Belinda Dawson, President of SARPA, the South African Revenue Protection Association



Our utilities are essential for service delivery. Whether stand-alone or part of a broader organisation (like many of the Electricity and Water departments in municipalities, many utilities are currently facing several challenges regarding revenue protection.

Municipalities have to protect all revenue. When it comes to utilities, there are multiple challenges and many role-players. The engineering staff needs to focus on the non-technical losses of electricity and water as a measure to protect revenue, while the finance staff need to ensure that credit control and debt collection is undertaken. The days of COVID-19 meter estimates and relaxed debt collection are gone. The Utility Department, together with safety and security personnel and the South African Police Services, has to concentrate on the reduction of theft and the vandalism of essential infrastructure. Many role-players are involved in the TID Rollover which must be completed by the 24th of November 2024 to ensure that residents keep receiving services through the meters.

In the mist of these challenges, let us not forget that load shedding has a huge impact on the South African economy, electricity, waste-water infrastructure, and municipality finances.

What can be done to protect the revenue if there are so many avenues where income can be eroded?

It is proposed that Municipalities establish a specialized task team to address the essential infrastructure crimes which can be linked with the newly established South African Police Task teams. The South African Revenue Protection Association (SARPA) is willing to sensitize any Municipality on this process and more information can be found on the website.

The TID Rollover process is a critical risk for utilities as no purchases can be made on any STS prepayment meter that did not receive the new base date key change during TID Rollover. The due date (24th of November 2024) cannot be extended. Therefore, if it is not addressed timeously, there can be no purchases by the customer, no sales by the utility, no prepaid electricity or prepaid water income. Of course, this causes more reason for the community to resort to their own measures and any tardiness on this matter will be detrimental to revenue protection and the recovery process will take many years. The tampering and bypassing of prepayment meters results in enormous and possibly unrecoverable revenue losses. By not addressing the rollover on STS prepayment meters timeously, will result in an increase in demand for customer services, impacting staffing resources.

It is therefore proposed that whilst doing the TID Rollover, utilities should combine this rollover review/manual rollover coverage with a revenue protection exercise. In current municipal



projects it has been proven that the cost of a manual TID project will be recovered by the combined revenue protection process.

It is a well-known fact that during COVID-19 there were huge job losses and strict credit control was reduced in some areas. Due to lockdown, meter readings were estimated – but based on the households being away from the homes for most of the day due to school, work, etc. However, in reality, many cases more services were used with all members confined to the property and this caused accounts to be re-calculated and increased debt. We all know the cycle: increased debt leads to frustration and gaining of access to meters together with increased tampering.

During recent inspections across South Africa, it has been found that many property owners are undertaking or undertook various building renovations during lock-down. Many owners are adding apartments/flatlets to their premises, adding on much-needed accommodation to those seeking built rental accommodation. In previous years, the process of receiving approval for building plans was followed to obtain additional metering, especially regarding electricity meters. Thus, the municipalities or utilities could ensure the income from land-use or zoning changes, development charges, rates from revaluations and utilities, which, in some cases spread to increased refuse and sewerage income, depending on the tariff structure. Additional meters or sub-meters can be bought freely on the market and there are several private vending companies. Consumers do not need to

go through the building plan process to obtain a meter for an additional dwelling. This causes income due to municipalities or utilities to go to other vendors. The standard adherence to municipal requirements are not being adhered to and it is up to municipalities to put in place alternate methods of observing this unregulated development which is eroding municipal finances. Whilst municipalities might consider that some subdivision rules will protect municipal rights, it is clear that controls must be put in place to complete the subdivision and protect the revenue that should be received for all municipal services.

Load shedding has impacted South Africa significantly and several consumers are opting to self-generate. Self-generation is a loss in Revenue to Utilities due to less sales. Utilities must still maintain the Infrastructure and consumers are not reporting or applying for self-generation which is a safety concern. Furthermore, some meters cannot be bi-directionally and the meter readings are reversing, changing the reading-patterns and causing difficult data analytics and revenue losses. Self-generation may also increase unrecoverable debt. Service usage patterns have to be monitored and consideration of fixed charges for the privilege of having a service connection, whether used or not, should become the order of the day.

The processes of the past are definitely not the processes of the future: revenue protection needs to be improved and managed through all service departments of utilities in order to protect the future of ALL municipal revenue and infrastructure. ■

Wishing you and your loved ones a peaceful and happy Holiday Season and a prosperous 2023.



Office Closure – 23 December 2022 and will open 03 January 2023.



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Delegates in Plenary



Cheryl Reddy - CIGFARO President



Dr Sandile Mnguni - eThekweni Municipality



Louise Muller - CIGFARO Board Member



Dr Emmanuel Ngcobo - CIGFAO Vice President



Nicola Leibrandt - CCG Systems



Carl Stroud - City of Cape Town Municipality



Cllr Lindiwe Mthembu -eThekweni Municipality



Dr Genius Murwirapachena - Durban University of Technology (DUT)



International Delegation



Louise Muller – Merit Award



Annette Van Schalkwyk – Standard Bank



Prosper Mutambirwa – Bonakude Consulting



Limpopo Branch – Upcoming Branch Award



Alice Stander



Delegates



Asma Sheik – Merit Award



Cheryl Reddy – CIGFARO President



Dr Emmanuel Ngcobo – CIGFARO Vice President, Sihle Zikalala - KZNCOGTA MEC and Cheryl Reddy – CIGFARO President



Sihle Zikalala – KZNCOGTA



Michael Chauke – SALGA



Sihle Zikalala – KZNCOGTA at Exhibition Area



CIGFARO President and Sihle Zikalala – KZNCOGTA



Delegates



TJ Malamule – Motivational Speaker



Asma Sheik – CIGFARO Board Member and Danga Mughogho - SA Cities Network

CIGFARO ANNUAL CONFERENCE 2022 EXHIBITORS





MEMBERS: NEW APPLICATIONS & UPGRADES



CHARTERED GOVERNMENT FINANCE OFFICER

PROVINCE	ORGANISATION	NAME	SURNAME
Gauteng	Dlaba Accountants	Sifundo	Shezi

PROFESSIONAL GOVERNMENT FINANCE OFFICER

PROVINCE	ORGANISATION	NAME	SURNAME
Gauteng	National Treasury	Marli	van der Woude
Kwa Zulu Natal	Umkhanyakude District Municipality	Mxolisi	Nkosi
Kwa Zulu Natal	Enterprise Asset Management Services	Siphokazi	Nxele

GOVERNMENT FINANCE TECHNICIAN

PROVINCE	ORGANISATION	NAME	SURNAME
Limpopo	Greater Tzaneen Municipality	Siyakudumisa	Nokwe
Mpumalanga	Gert Sibande District Municipality	Zinhle	Msibi
Mpumalanga	Gert Sibande District Municipality	Ntombi	Moloi

AFFILIATE

PROVINCE	ORGANISATION	NAME	SURNAME
Kwa Zulu Natal	Inspired Management Solutions	Ntombizodwa	Mthembu
Kwa Zulu Natal	Inspired Management Solutions	Shiraz	Patel
Kwa Zulu Natal	Inspired Management Solutions	Busisiwe	Msebi

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02

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03

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04

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...for members about a range of issues to assist in the effective execution of their mandate.

05

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02

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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;

- 1 Migration Application
- 2 Signed Code of Conduct
- 3 Updated CV



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
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IN THE SPOTLIGHT

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Akhile was established in 2006, focusing on providing financial and advisory solutions to the public sector, with a special focus

on municipalities. Over the years, this has remained a core anchor of our operations. We have expanded into national operations, growing our team and expertise to incorporate sustainable, practical, digital and innovative solutions.

Today, Akhile boasts more than 15 years of experience and an impressive track record of successfully implemented projects across South Africa. We distinguished ourselves by offering lasting value to our clients and continuously delivering high quality and implementable assignments.

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Our team subscribe to our values, has a wealth of experience in their respective fields of specialisation and is committed to transformation, empowerment and accountability. At Akhile we encourage our team to develop and grow themselves and provide opportunities for career enhancement, education and training.

We also encourage female leadership, and at the date of writing this, have a 46% female team who are contributing to the sustainability and successes of our people, clients, communities and through all of this, our organisation. As part of our corporate social initiative programme, we also make annual contributions to organisations that we believe are making a difference in our country and for our people. We support communities through contributions to a number of public benefit organisations and have also made special contributions to organisations severely impacted by the Covid-19 pandemic.

Our philosophy is simple. We find innovative ways to achieve sustainability and, in so doing, make a lasting impact that matters. We celebrate every milestone and success because each makes the ultimate goal of a transformed, empowered, developed and sustainable South Africa more achievable.

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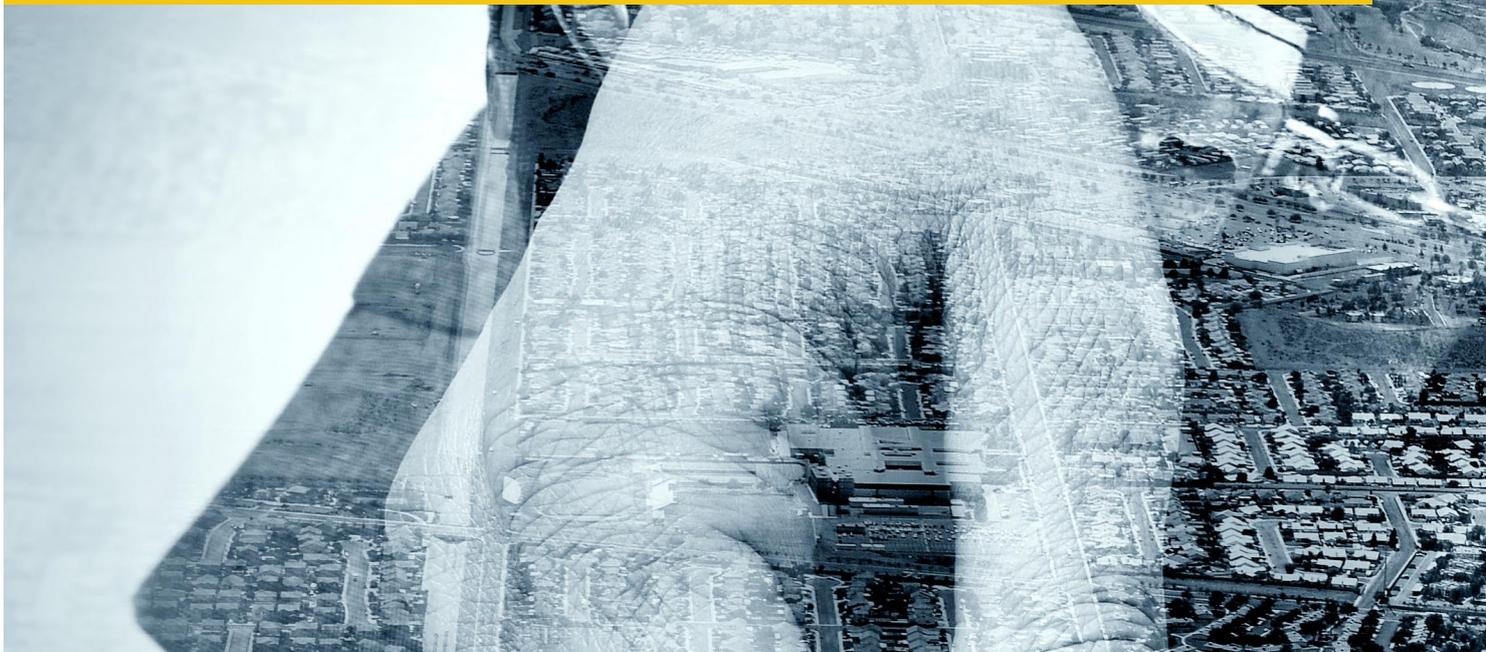
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The world today faces huge challenges and these challenges threaten prosperity and stability for all. The plague of corruption appears to be intertwined in every challenge when examined carefully. The examples of the corruption, found when the Auditor-General reviews processes followed during a disaster or crisis intervention, attest to this.

Corruption is a complex social, political and economic phenomenon that affects all countries to a greater or lesser extent. The impact of corruption is the undermining of democratic institutions and the slowing down of any economic development while significantly contributing to governmental instability. Corruption attacks the foundation of democratic institutions by distorting electoral processes, perverting the rule of law and creating bureaucratic quagmires where the only reason for existing is for the soliciting of bribes. Economic development is stunted because foreign direct investment is discouraged and small businesses within the country often find it impossible to overcome the "start-up costs" required because of corruption.

International Anti-Corruption Day (IACD) is commemorated annually on 9 December in recognition of the United Nations Convention against Corruption which was signed in Mexico in 2003. This day provides an opportunity for political leaders, gov-

ernments, legal bodies and lobby groups to join forces against corruption and for anti-corruption advocates to engage the general public to effectively fight against corruption and fraud in communities.

The focus of the 2022 IADC, besides marking the start of the twentieth anniversary, was to highlight the crucial link between anti-corruption and peace, security, and development. Corruption undermines the rule of law, worsens poverty, facilitates illegal processes and the illicit use of resources, and brings about distrust and lack of harmony. Preventing corruption, promoting transparency and strengthening institutions is crucial if the targets foreseen in the Sustainable Development Goals are to be met. These 17 Goals – a "shared blueprint for peace and prosperity for people and the planet, now and into the future" – offer us a way to help protect our environment, create jobs, achieve gender equality, and secure wider access to essential services such as health care and education.

In South Africa, Corruption Watch has been encouraging all South Africans to sign a pledge to be a responsible and honest citizen, and to undertake to: "neither pay nor take bribes; obey the law and encourage others around me



to obey the law and to treat public resources respectfully; neither abuse any public money entrusted to my care, nor any position I hold as a public servant; act with integrity in all my dealings with government; and always remember that public resources are intended for the benefit of the public, not for private gain”.

Why is the exposure and prevention of corruption so important?

Undetected and unchecked corruption in the public sector can cause serious damage including:

- undermining public trust in government
- wasting public resources and money
- causing injustice through advantaging some at the expense of others
- inefficiencies in operations
- reputational damage which makes it difficult to recruit and retain quality staff or obtain best value in tender processes.

It may also be more difficult to attract business investment in the area, adversely affecting prosperity of the community and long term financial sustainability.

Globally, the World Economic Forum has estimated that the cost of corruption is about US\$2.6 trillion a year. Corruption disproportionately affect the most vulnerable people in society. To encourage private capital into emerging markets and developing economies, the World Bank leaders state that attention should be paid to the corruption risks that investors face. This means levelling the playing field for large and small businesses, putting the right regulatory frameworks in place and incentivizing integrity. It also means paying attention to illicit financial flows and blocking the avenues that hide the proceeds of corruption.

This is why there is such emphasis on anti-fraud and corruption strategies to be part of the public sector suite of governing policies and procedures. Corruption breaks the trust between the citizens and the state that is critical for development to work. Bad governance is one of the four major drivers of poverty, alongside conflict and violence; unchecked population growth; and the effects of climate change and natural disasters.

Fighting corruption is key to building trust in government and it is also an essential ingredient for robust and sustainable economic growth. Corruption contributes to instability, poverty and is a dominant factor driving fragile countries towards state failure. In South Africa the fight against corruption is one of the

LEGAL CORNER - The Anti-Corruption Strategy: What is my role regarding combatting fraud and corruption? *continued...*

by Louise Muller

major priorities of government. Corruption in both the private and public sector has a detrimental effect on government's effort to deliver effective services to the people.

In the public sector and in all financial processes, public finance officials have a unique opportunity to assist in the prevention of public sector corruption and to make sure public funds are spent as intended. If you are a manager or leader in the public sector, you have to take responsibility for preventing corruption. This obligation is not only in your management area, but any section of the public sector as you also have the best understanding of your work environment in order to:

- identify and remove or mitigate the fraud and corruption risks specific to your work area or organisation;
- promote public sector values with reference to the Constitution and all related legislation and all regulations, the Code of Conduct, as well as any other policies and procedures;
- establish and maintain a corruption-resistant culture; and
- examine and interrogate the supply chain procedures followed and the outcome thereof.

It is important that leaders bring the political will and visibility to the issue, and it is also important to complement this prominence with technical know-how, good regulation and hard work. Preventing corruption unlocks progress towards the Sustainable Development Goals, helps protect our planet, creates jobs, achieves gender equality, and secures wider access to essential services such as healthcare and education.

To achieve this, policies, systems and measures need to be in place for people to be able to speak up and say no to corruption. The United Nations Convention against Corruption emphasizes the responsibility of Governments to put in place effective whistle-blower protection to ensure that persons who speak up are protected from retaliation. These measures contribute to effective, accountable and transparent institutions towards a culture of integrity and fairness. Good practices and examples of preventing and countering corruption worldwide work through strengthening international cooperation against corruption; tackling linkages with other forms of crime; enabling the recovery and return of stolen assets; developing innovative solutions; advancing prevention through education; leveraging youth engagement; and mobilizing allies in civil society, academia, and the private sector.

"Your Right, Your Role: **Say No To Corruption**"



How do we act against corruption?

People often think that corruption is "just a way of life", but every society, sector and individual would benefit from saying "NO" to this crime. The United Nations advises as on some examples of how you can say "NO" to corruption:

- Review and enact the United Nations Convention against Corruption. Successfully attacking corruption creates far more legitimacy in the eyes of citizens, creating stability and trust.
- Know what the Convention requires of your government and all the officials. Rooting out corruption allows social and economic development.
- Educate the public about government's responsibility to be corruption-free. Equal and fair justice for all is crucial to a country's stability and growth. It also helps to effectively fight crime.
- Raise awareness among the public, the media and your sphere of government about the costs of corruption for key services. All of society benefits from functioning basic services.
- Educate the youth about what ethical behaviour is, what corruption is and how to fight it, and encourage them to demand their right to education. Ensuring that future generations of citizens are brought up to expect corruption-free countries is one of the best tools to ensure a brighter future.



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LEGAL CORNER - The Anti-Corruption Strategy: What is my role regarding combatting fraud and corruption? *continued...*

by Louise Muller

- Report incidents of corruption. Create an environment where the rule of law prevails.
- Refuse to participate in any activities that are not legal and transparent, as this will increase investment. Everyone is more willing to invest in economic climates when they see that funds are not being siphoned off into the pockets of corrupt officials.
- Foster economic stability by enforcing zero tolerance practices towards corruption. A transparent and open business community is the cornerstone of any strong democracy.

"Our hope for the future depends also on our resolution as a nation in dealing with the scourge of corruption." - Nelson Mandela

Every person has the right to justice and opportunity, to public services, and to a sustainable future. Corruption undermines every one of those rights, and more. Corruption has negative impacts on every aspect of society and

brings about conflict and instability, jeopardizing social and economic development and undermining democratic institutions and the rule of law. The United Nations Development Programme (UNDP), the United Nations Office on Drugs and Crime (UNODC), and Secretariat for the Convention's Conference of States Parties, are at the forefront of ensuring a world **#UnitedAgainstCorruption**.

Tackling this crime is the right and responsibility of everyone. Only through cooperation and the involvement of each and every person and institution can we overcome the negative impact of corruption. Government officials, civil servants, law enforcement officers, media representatives, the private sector, civil society, academia, the public and youth alike all have a role to play in uniting the world against corruption, preventing and countering corruption, in order to promote resilience and integrity at all levels of society. **C**

Are you also **#UnitedAgainstCorruption**?



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- ✓ One of the key factors why employees choose the CRF is because of our excellent long-term returns. Since inception our Growth Portfolio has beaten inflation by almost 8%. When comparing the CRF's returns against other funds' returns, remember that our returns are after costs have been deducted.
- ✓ At the CRF we encourage members to make informed decisions regarding their retirement. We equip our members with the following tools to ensure they are able to retire financially secure:
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 - Retirement Benefit Counsellors and a team of financial advisors to assist and guide members and pensioners in making informed decisions with regards to their annuity and the various investment options available.
 - A unique CRF App and Web Access allowing members direct access to their Fund information. Regional offices and consultants that visit members regularly at their workplace makes face-to-face interaction possible, ensuring that the CRF is always accessible.
- ✓ Our Trustees continuously look at innovative ways to save members' money, ensuring that our members enjoy some of the lowest running costs in the industry. The lower the costs, the more members can save towards retirement.
- ✓ The CRF offers members exceptional death, disability, dread disease and funeral cover. We know that no two people are the same or have the same needs; we therefore offer 7 different risk benefit categories allowing members to choose the right amount of cover to suit their individual needs.
- ✓ Free expert advice from the Fund's appointed financial advisors guiding our members to ensure that they retire financially independent and secure.
- ✓ The CRF is registered in terms of the Pension Funds Act. The Board of Trustees actively ensure that we are compliant, and that good governance is practised. Our Fund takes the implementation of legislation that governs the pension fund industry seriously and was complemented by the Financial Sector Conduct Authority (FSCA) for the Fund's diligence.

Do you feel...

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- that the benefits and retirement options available in your current fund are not suited to your individual needs?
- unsupported when making decisions regarding your largest investment – your retirement savings?
- that the people looking after your retirement savings don't have your best interest at heart?

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Nedbank partners with local government to deliver positive societal impact

At Nedbank, we believe in being the difference that impacts our world, and we are committed to delivering positive societal and environmental impact. Our purpose is to use our financial expertise to do good and to contribute to the well-being and growth of the societies in which we operate by delivering value to our employees, clients, shareholders, regulators and society.

We recognise that the various spheres of government and their agencies face unique challenges, and that the public sector requires financial solutions to enable the broader mandate of service delivery. In response, we have established dedicated public sector teams across South Africa and now boast extensive experience in provincial and local government, state-owned entities, and educational institutions.

With an enduring belief in the value of strong partnerships in facilitating business growth, effective community development and environmental conservation, our teams draw on Nedbank's innovative, seamless and hassle-free products and solutions to help build a greater nation. For example, local government plays a key role in providing critically required investments in infrastructure and, in response, we have provided medium-to-long-term loans and other funding solutions to various municipalities. We also offer convenient ways to help municipalities manage payments due to them, and appreciate the need for our clients to thrive in this digital era where ease of transacting and convenience is the order of the day.

Nedbank's partnership with the public sector, and our aspirations to become their bank of choice continue to grow. Since 2019 Nedbank Commercial Banking was appointed primary banker to Nelson Mandela Development Agency, Bloem Water, Amatola Water, and awarded the Free State Provincial Treasury account in 2022, as well as the following 19 municipalities:

- 1 Amathole District Municipality
- 2 Cape Winelands District Municipality
- 3 Central Karoo District Municipality
- 4 Dr Ruth Segomotsi District Municipality
- 5 Drakenstein Municipality
- 6 Elias Motsoaledi Local Municipality
- 7 Garden Route District Municipality
- 8 Impendle Local Municipality
- 9 JB Marks Local Municipality
- 10 Lekwa Local Municipality
- 11 Mangaung Metropolitan Municipality
- 12 Maphumulo Local Municipality
- 13 Matatiele Local Municipality
- 14 Midvaal Local Municipality

- 15 Nama Khoi Local Municipality
- 16 Namakwa District Municipality
- 17 Ndwedwe Local Municipality
- 18 Overstrand Local Municipality
- 19 Ubuhlebezwe Local Municipality

During the same period we were appointed primary banker of four public entities, and we remain the bank of choice for the eThekweni and City of Cape Town metropolitan municipalities, as well as several local and district municipalities across the country.

We sincerely thank all our public sector clients for continuing to entrust us with their business. Being the preferred banking partner is a major accolade that we do not take lightly. It is testament to the strides we are making in meeting the banking needs of public sector clients through our experienced team of specialists.

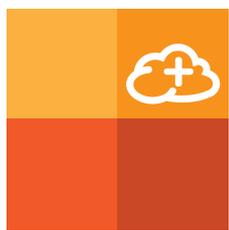
Nedbank's dedicated team of public sector specialists is ready to discuss how we can partner with you to support your needs. To find out more, talk to your business manager or send an email to publicsector@nedbank.co.za.



Phumela Xanywa, Executive: Public Sector, Business Transformation and Sustainability, at Nedbank Commercial Banking

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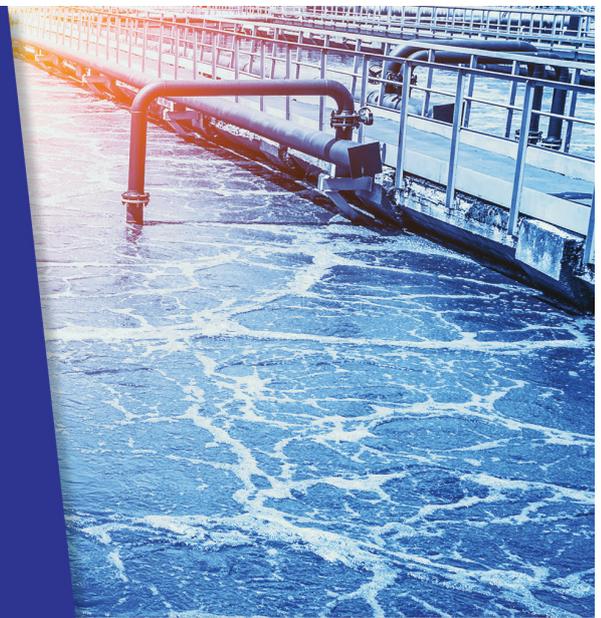


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REPORTING REQUIREMENTS - LOCAL GOVERNMENT

JANUARY

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Cons report - all withdrawels each quarter	MFMA (11(4)	Within 30 days	Accounting Officer	Prov Treas, AG
4	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
5	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
6	Implementation of the budget & financial state of affairs	MFMA 52(d)	Within 30 days of each quarter	Mayor	Municipal Council
7	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
8	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
9	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
10	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
11	Mid-year budget & perform assessment	MFMA 72(1)(b)	25 January	Accounting Officer	Mayor, Nat Treas, Prov Treas
12	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
13	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
14	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
15	Entity - Stmnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
16	Entity - Mid-year budget & perform assessm	MFMA 88(1)	20 January	Entity Acc Officer	BOD of entity, Parent Mun
17	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
18	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
19	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
20	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
21	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
22	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
23	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
24	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
25	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
26	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
27	Non-compliance & reasons of non-complia	MFMA 128(c)	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
28	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
29	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
30	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtr	Acc Officer etc	Nat Treas
31	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA
32	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA

FEBRUARY

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

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

MARCH (3RD QUARTER OF FINANCIAL YEAR)

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	Table the Annual Budget	MFMA 16(2)	90 Days before new year	Mayor	Municipal Council
4	Table time schedule (key deadlines) (b) (1)(2)(3)&(4)	MFMA 21(1)(b)	10 Months before start of budget year	Mayor	Municipal Council
5	Submit annual budget in printed and electronic formats	MFMA 22(a)	Immediately after budget is tabled in Council	Accounting Officer	Nat Treas, Prov Treas
6	Submit the approved budget	MFMA 24(3)	Once approved	Accounting Officer	Nat Treas, Prov Treas
7	Non-compliance pertaining to tabling & approval of budget	MFMA 27(3)	Promptly	Mayor	Mun Council, MEC (Finance) Nat Treas
8	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
9	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
10	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
11	Delay in tabling budget, approval of SDBIP or signing of ann performance agreements	MFMA 53(2)	Promptly	Mayor	Municipal Council & MEC (Fin)
12	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
13	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
14	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
15	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
16	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
17	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
18	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
19	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
20	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Counc
21	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
22	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
23	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
24	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
25	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
26	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
27	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas



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