



JOURNAL CIGFARO

Chartered Institute of Government Finance, Audit and Risk Officers

VOLUME 17 • NUMBER 3 • AUTUMN ISSUE



8

PUBLIC PROTECTOR
ADV. BUSISIWE MKHWEBANE

10 Climate Change

A time for Leadership & Action

12

*Public Private Partnerships as an alternative
way of Procuring Infrastructure*



R30.00 ISSN 1607-520X



COMMITTED TO BUILDING A SUSTAINABLE FUTURE.

Through a sound understanding of and partnership with the public sector, Nedbank provides the funding and banking expertise needed to drive economic growth and social upliftment. Just one of the ways we embrace our responsibilities to make a difference.

For more information email us at publicsector@nedbank.co.za.



The first quarter of the year is almost over. I feel 2017 is moving at a speed of a lightning. In this issue, we will be focusing on our past events that took place, with the Women Seminar being the first on the list. On the 8th of March, we celebrated the International Women's Day under the theme "Be bold for change". The International Women's Day (IWD) is celebrated on March 8 every year. It commemorates the movement for women's rights. The earliest Women's Day observance was held on February 28, 1909 in New York and organized by the Socialist Party of America. On March 8, 1917, in the capital of the Russian Empire, Petrograd, a demonstration of women textile workers began, covering the whole city. This was the beginning of the Russian Revolution. Seven days later, the Emperor of Russia Nicholas II abdicated and the provisional Government granted women the right to vote. March 8 was declared a national holiday in Soviet Russia in 1917.

With that in mind, the Chartered Institute of Government Finance, Audit and Risk Officers (CIGFARO) commemorated women in a stylish manner in Durban under the theme "Women in Public Sector leading the ethical revolution towards sustainable service delivery". This two-day seminar being led by the Standing Committee on Social Ethics was a huge success with remarkable speakers like the Public Protector, Busisiwe Mkhwebane delivered the Keynote Address while the Director General from the Department of Women, Jennifer Schreiner set the tone for the Keynote, pictures covering the seminar can be found on page 30. While commemorating women in leadership, we saw it fit to profile the Provincial Executive Officer of SALGA Mpumalanga being the only woman in the country to be in that position currently, get to know more about Gugu Langa on page 24.

Still in March, CIGFARO in collaboration with National Treasury hosted the first mSCOA National Workshop in Cape Town on the 09-10 March 2017 focusing on Municipal Standard Chart of Accounts (mSCOA) as it is one of the main initiatives undertaken by the National Treasury to strengthen and support municipalities capacity to fulfil their constitutional obligation of service delivery. The workshop was a huge success with more than 750 attendance from all over the country.

Kindly familiarise yourself with our upcoming events.

To stay in touch with us, you can visit our website on www.cigfaro.co.za and also find us on our social media platforms: Follow us on Twitter: @CIGFARO_editor Like us on Facebook: Chartered Institute of Government Finance, Audit and Risk Officers-CIGFARO

Ciao!

The Institute would sincerely like to apologise for moving the **Audit and Risk Indaba** dates, the new dates for the Indaba are 19-21 June in Cape Town and we looking forward to hosting you.

CONTENTS

- 6 Thank you to the sponsors
- 8 Public Protector, Adv. Busisiwe Mkhwebane at 5th Women Indaba
- 10 Climate Change: A time for Leadership & Action
by Krish Kumar - President of CIGFARO
- 12 Public Private Partnerships as an alternative way of Procuring Infrastructure
by Annette van Schalkwyk, Midvaal Municipality
- 16 Smart Metering
by Nicholette Pombo-van Zyl - African Utilities Technology Council (AUTC)
- 20 How to improve Revenue
by Peet Du Plessis, eThekweni Municipality
- 22 What's SALGA's view on the 2017/18 Budget as pronounced by the Minister of Finance?
by Lucky Leseane - SALGA, Gauteng
- 24 Journey as SALGA Mpumalanga PEO - Gugu Langa
by Esther Gumata - Managing Editor

REGULARS

- 5 Foreword from the President
- 7 Message from the CEO
- 28 Newsclip - Economic Climate
- 40 New Members
- 42 Legal Corner
- 47 Membership Details Update
- 48 Reporting Requirements - Local Government

GALLERY

- 30 Women in Leadership Seminar
- 34 mSCOA National Workshop
- 36 SALGA Mpumalanga

EDITOR-IN-CHIEF
Ocean Makalima

MANAGING EDITOR
Esther Gumata

EDITING ASSISTANCE
Louise Muller, David Garegae
Nicolette Botha, Fathima Khan

ADVERTISING
Ocean Makalima, Hloni Tseke

LAYOUT AND DESIGN
Eloise Watson

PHYSICAL ADDRESS
CIGFARO
28 Fortress Street, Rhodesfield, Kempton Park, 1619
Tel: +27 11 394 0879 • Fax: +27 11 394 0886
E-mail: oceanm@cigfaro.co.za
www.cigfaro.co.za

POSTAL ADDRESS
P O Box 4003, Kempton Park, 1620

PUBLISHER:
The Chartered Institute of Government Finance, Audit and Risk Officers.

CIGFARO (ISSN 1607-520X), Chartered Institute of Government Finance, Audit and Risk Officers. Editorial contributions are welcome, but the publisher does not accept responsibility for unsolicited material, views expressed by contributors or correspondence, nor for the accuracy of information printed in this publication. All material submitted for consideration is subject to the discretion of the Editor and the editorial committee. The Editor reserves the right to edit all material. Contributions should be submitted in final form (Word document) by e-mail: oceanm@cigfaro.co.za to the Editor, accompanied by a short summary and preferably a photo of the author. For specifications on advertisement material contact the editor or Eloise Watson T: +27 72 451 6878. All rights reserved. No parts of this publication may be reproduced without the written permission of the editor or CIGFARO.



ARMS - Audit & Risk Management Solutions

ARMS is a dynamic accounting, auditing, forensic investigations, advisory and consulting firm that provides professional services mainly to all spheres of government in South Africa. Swana says ARMS services medium to large organizations and businesses, but not individuals and small organisations. ARMS also provides specialized training in the aforementioned areas.

ARMS has established its base of operations in Gauteng with Headquarters in Parktown, Johannesburg but services clients throughout the country. ARMS assists clients with all matters relating to assurance, enterprise wide risk management and governance.

The founders and partners of this firm bring decades of accounting and auditing experience to the business. This group of professionals are leading the company as it establishes a reputation of providing high quality professional services.

"Our Motto is 'promptly exceed clients' requirements at an affordable cost' and our strategy is to deploy appropriately skilled staff for each assignment with a bias for well experienced teams, which gives us an edge in delivering quality faster than our competition," says Swana.

"We have to consistently deliver quality services promptly within the client's dead-lines. Our pillars for success are as follows: always be adequately staffed, adopt a rigorous staff selection process and development, develop specialized knowledge in each service area, and pay attention to client orientation (don't hassle the client — you're on the same side)"

Our services are:

- Advisory & Assurance
- Internal Auditing
- Governance & Compliance
- Risk Management
- Specialised Training
- Special Investigations
- Performance Auditing
- PMS Support
- IT Auditing
- mSCOA Assurance
- mSCOA Implementation, Support & Training

Mr. Nkuli Swana
Executive Chairman
CA(SA), CIA, CRMA, GMP (Harvard)



OFFICE: +27 11 484 1235; **FAX:** +27 86 619 9887; **WEB:** www.armsaudit.co.za

EMAIL: info@armsaudit.co.za;

PHYSICAL ADDRESS: St. David's Park, Block 9, 1st Floor, Parktown





CITIES OF TOMORROW

The majority of South Africans live in cities today. This creates a conducive environment that drives science and technology, culture and innovation, individual and collective creativity, and mitigating the impact of climate change. On the other hand, the problems of unemployment, inequality, informal settlements and poverty are also more clearly evident in cities.

We need to better understand the challenges that South African cities will face in the years ahead. Accordingly, we need to raise awareness and fully appreciate the possible future impacts of some key trends, such as increasing rural-urban migration, increasing unemployment, the growing impact of climate change, integrated urban development trends, smart city developments, current and future economic trends, the impact of free basic services packages and housing on the financial sustainability and viability of municipalities, etc. It also highlights the opportunities and the key role that cities can play in achieving provincial and national objectives and plans.


Cities present enormous potential as all economies and wealth generation are anchored to cities. Many countries and cities are taking advantage of urbanization and building on this economic growth. It must also be remembered that sustainable development can only be built upon sustainable cities. Accordingly, the fundamental basics of financial sustainability in terms of an unqualified audit reports, an investment grade credit

rating, a lowly geared balance sheet by borrowing prudently, a collection rate of more than 95%, cash on hand of over 90 days resulting in excellent liquidity, a fully-funded, balanced and credible budget, a 100% capital spend, must still be in place in the first instance.

Moreover, building cities that are green, inclusive and sustainable should be the foundation of any local agenda. This requires better management of cities, mobilisation of various stakeholders, additional financing, strengthened partnerships, as well as specific sector policy reforms, such as urban transport policies, sustainable city planning, effective spatial planning and enhancing city resilience and energy efficiency.

Decisions taken today lock in the futures of many cities. The infrastructure of 2050 is being built today, but the world of 2050 will be very different from today. Cities will be home to a further 2 billion people, many of whom will experience problems with regard to food and water availability, health, housing, and employment opportunities. Paying attention to these issues today will help cities to reap future benefits and impart greater confidence and economic dynamism to their residents. Accordingly, we need to address these issues, but in a sustainable manner. Key to this is long-term financial modelling with at least a 20-30 year horizon.

To accommodate the growing number of urban citizens in our cities, we also need to find smarter ways to manage complexities, reduce expenses, increase efficiency, and improve the quality of life of our citizens. Accordingly, smart city initiatives are crucial. These can include, inter alia, smart metering, developing renewable energy sources, cloud computing, green buildings, fibre optic networks, and other technological improvements. As Eduardo Paes, former mayor of Rio de Janeiro, said, "Smart cities are those who manage their resources efficiently. Traffic, public services and disaster response should be operated intelligently in order to minimize costs, reduce carbon emissions and increase performance." However, with our limited resources and huge service delivery backlogs, the question is how will municipalities be able to fund this? We need to explore alternate sources of funding. A new income stream through, for example, development levies or a local business tax, may help.

Thinking of cities of the future, is a reflection process that hopefully inspires you. It does not require a clairvoyant's crystal ball. It requires vision and leadership. Looking ahead and developing visions of cities of tomorrow is becoming increasingly important at all levels. The development of our cities will determine the future of South Africa. 


KRISH KUMAR
CIGFARO PRESIDENT

THANK YOU - TO THE SPONSORS



Thank You!

ARMS AUDIT RISK MANAGEMENT	PLATINUM & GALA FUNCTION SPONSOR
AUDITOR GENERAL SA	SILVER SPONSOR
CCG SYSTEMS	SILVER & GALA FUNCTION SPONSOR
CROSSCHECK INFORMATION BUREAU	SILVER SPONSOR
SH'ZEN	PARTNERS
TRUE LOVE MAGAZINE	PARTNERS
TSOGO SUN	PARTNERS



A SPECIAL THANKS TO ALL THE SPONSORS FOR
THEIR VALUED SUPPORT AT THE WOMEN IN
LEADERSHIP SEMINAR.



WE SALUTE WOMEN

This is the time of the year when all men should rise above excuses and myths to salute women in earnest. It is however not implying that day-in and day-out throughout the year we (men) have to keep quite and wait for this moment to come again. This is a daily obligation.


The source of courage, inspiration and desire to soldier on during turbulent times at work, home and social settings has in most cases if not all, being from women.

In trying to explain the workforce or situation of the past, David Jamieson and Julie O'Mara say; "Prior to the 1970'S there was a very different profile in the workforce, in both demographics and attitude. It was more homogeneous, with a large dominant majority and a few visible minorities. Individuals who were 'different' were either assimilated into the workplace, isolated from the majority of workers, or ignored.

The average member of the workforce of the past was male, white, approximately twenty-nine years old, and with fewer than twelve years of education. These men were usually married to homemaker wives, had children, and worked within their region of birth. A high degree of similarity and a generally less liberal society led to a prevalence of commonly held beliefs and values about such topics as work, men, women, minorities, age, authority and family. The man of the family held a job; women generally worked in the home or in a few acceptable types of jobs. Only certain jobs were open to ethnic minorities.

In the past, most women worked outside the home had traditionally 'female jobs', such as teaching, nursing or clerical position". The situation has now changed and is ever improving.

"CIGFARO is joining the community of supportive men having demonstrated its full support for women development, empowerment and progression. The institute has been under the leadership of women before and more are to follow.

All men within and associated to CIGFARO, taking cognisance of the law of nature around co-existence, take this opportunity to commit themselves for direct and indirect support to women upward mobility". Amandla!!! Women!!! 

ABBEY TLALETSI
CIGFARO CEO



The Public Protector, Adv. Busisiwe Mkhwebane graced the CIGFARO'S 5th Women Indaba held in Durban on 9-10 March 2017. She shed light on critical women empowerment issues and gave an outline of services her institution renders which enhances development of women. She emphasised the following amongst others.

A. SOURCE OF PUBLIC PROTECTOR MANDATE

Section 182 (1), indicates that the Public Protector has the power, as a regulated by National Legislation to investigate any conduct in state affairs, or in the public administration in any sphere of government, that is alleged or suspected to be improper or result in any impropriety or prejudice; report on that and conduct investigations; and to take appropriate remedial action.

She emphasised the fact that:

- The Public Protector may not investigate court decisions

- The Public Protector must be accessible to all persons and communities
- Any report issued by the Public Protector must be open to the public unless exceptional circumstances, to be determined in terms of National Legislation, require that a report be kept confidential.

Section 182 (2), indicates that the Public Protector (PP) has the following additional powers prescribed by National Legislation:

- Under the Public Protector Act, Public Protector has the power to investigate, conciliate, mediate, negotiate, advise or do anything necessary to resolve disputes and rectify

maladministration in state affairs and related matters, including abuse of power, abuse of state resources, unethical conduct and corruption on own initiative or complaints.

- The sole power to investigate and report on violations of Executive Ethics Code under the Executive Members Ethics Act
- The power to investigate allegations of corrupt activities as envisaged under the Prevention and Combating of Corrupt Activities Act
- The power to receive protected disclosures and serve as a safe haven for whistle-blowers under the Protected Disclosures Act
- The power to review the decisions of the National Home Builders Registration Council under the National Protection of Housing Measures Act
- Play a critical role in entrenching principles of Good Governance.

B. IMPACT AREAS

She stated that; Reinforcing a strong tradition of civil society-constant dialogue between the people and those they have entrusted with public power, people need to be empowered to understand how government works, make informed inputs into policy processes, and bolster their role in exacting accountability in state affairs. Monitoring compliance with and respect for the rule of law, Supplementing Legislative and Judicial methods in ensuring that individuals receive appropriate considerations and protection against adverse government action that does not comply with the framework and principles of the law, and entrenching values such as transparency and accountability. The reconciling of citizen with the state acts as Mediator between Aggrieved Individual and Public Institutions and primary function to ensure fairness and legality in Public Administration.


C. CHALLENGING WOMEN

The climax of her speech was a challenge to women in attendance. The Public Protector said that ***“As people in accounting, auditing and risk management, in the public sector, you are strategically positioned to ensure that decision makers in the state do the right thing when it comes to tenders, contracts, appointments and so forth”***. She also stated that ***“Every other day in the country this or that organ of state is alleged to have not followed laws, policies, regulations and***

prescripts in producing goods and services; I call on you to do your jobs with courage to ensure that decision makers do the right thing”.

The Public Protector went further to qualify her statement by citing an example of a woman who went through pains for taking this challenge. She said that ***“I know that there are challenges for example, a Senior Finance Official in the Treasury in one of the provinces approached my office 2013, alleging that the HOD in that Department and the MEC suspended and dismissed her on pretext charges after she blew the whistle on suspected corruption, conflict of interest and maladministration, using the Protected Disclosures Act”***. She further elaborated that ***“We investigated and arrived at a conclusion that the allegations she made were substantiated; the report was issued last year in October. The remedial action was among other things that she be reinstated and paid all the monies that would have been due had she not been dismissed. The Provincial Government in question has since implemented the remedial action”***.

D. CONCLUSION

The Public Protector concluded her powerful speech with a plea and words of encouragement when she said that ***“I’m glad that as CIGFARO, you are already doing that. You empower your members to be the best they can be from student to experts and I trust that a large number of those you empower are women”***. She further discussed that ***“As a women a lot is expected of us we have to prove ourselves twice as much as men because we start on a deficit. When a woman is appointed to a powerful position, there are doubts as to whether she can perform. However when it is a man the assumption is that he will excel. As women, once we get these positions we must strive for excellence and be the best that we can be. We must not give those that have male chauvinistic views the ammunition to perpetuate their prejudice towards women. We must remember at all times that when we are in those positions, we represent other women. Let us make this battle for equality a challenge that needs determination to overcome just as Vilane did. As the later former President Nelson Mandela put it: “Freedom cannot be achieved unless women have been emancipated from all forms of oppression” thank you”***. 

CLIMATE CHANGE: A time for Leadership & Action

by Krish Kumar, CIGFARO President



The focus of developmental local government in South Africa is rightly on basic service delivery. However, there are other issues that are impacting on the long-term sustainability and viability of municipalities. These include issues such as climate change and smart city initiatives. Whilst we have seen the impact of climate change on our coastlines, experienced a debilitating drought, as well as higher food prices due to lower yields, it is very difficult to prioritise spending on climate change due to the competing demands on our limited financial resources. Notwithstanding, you will undoubtedly agree that climate change is a huge risk to municipalities. As past President of the United States of America, Barrack Obama said, "Climate change is a fact, and we have to act with more urgency to address it because a changing climate is already harming communities struggling with drought and coastal cities dealing with floods." We need to start taking action now.

With 80% of the population expected to be living in urban areas by 2030, the problem is going to exacerbate in cities. Accordingly, cities are our future. A better quality of life for our people lies in urban innovation and action. Whilst cities are the engines of the national and global economies, they are also the most vulnerable to climate change. In this regard, C40 reports that the majority of all urban areas are coastal, putting most cities on Earth at risk of flooding from rising sea levels and powerful storms. Larger cities also have a ravenous appetite for energy, consuming two-thirds of the world's energy and creating over 70% of global CO₂ emissions. Accordingly, addressing climate change, requires a paradigm shift in our thinking, as well as strong and innovative

leadership. As Francois Hollande, the President of France, said, "The time is past when humankind thought it could selfishly draw on exhaustible resources. We know now the world is not a commodity." We need to start taking action now.

The financial effects of climate change can be just as devastating as the physical ones. Unexpected expenditures from storms, flooding, and droughts can lead to major disruptions in business operations and city budgets. However, in the heart of the city lies an opportunity: urban density presents a greener way to live. Urban density can actually create the possibility for a better quality of life and a lower carbon footprint through more efficient infrastructure and planning. Some of the areas currently being looked at include, inter alia, alternate sources of energy, green vehicles and buses (IRPTN), green procurement, nodal economic development and mixed use developments to create the necessary densification, housing initiatives relating to solar heating, energy efficient showerheads, LED lighting, water tanks, etc, sustainability projects relating to water, electricity, wastewater, landfills, recycling, as well as smart initiatives relating to street lighting, robots, etc. The key is to ensure that we clearly demonstrate the return on investment or turnover period. I believe that Paul Polman, the Chief Executive Officer of Unilever summed it up well when he said, "The biggest risk to African growth is climate change." Accordingly, we need to start taking action now.

However, this still leaves us with the question of how we fund green projects? We need to develop a model and governance

structure to fund such projects. Perhaps, an incubator can be used as the mechanism which can also help nurture SMMEs and the youth. The main issue is to determine the seed funding source. In this regard, London has created a green fund with their own seed capital, however, the European Union also matched the seed capital amount. Total investment for the Fund is EUR 170 000 000, of which the EU's European Regional Development Fund contributed EUR 85 000 000. They then went out and appointed fund/project managers. Funds are used to fund green projects where the business case is clearly demonstrated. The London Green Fund (LGF) funding has been allocated to three commercially managed Urban Development Funds (UDFs), which provide loans and equity finance to a range of green projects relating to waste, energy efficiency and social housing. The European Investment Bank manages the LGF. As of 30th June 2015, the Fund had invested £97 million in 16 projects valuing approximately £700 million. These are some of the options that cities can look into.


The financial effects of climate change can be just as devastating as the physical ones. Unexpected expenditures from storms, flooding, and droughts can lead to major disruptions in business operations and city budgets.

City mayors are directly in touch with our people, and are thus best placed to take decisive action—often with immediate and impactful results. Moreover, what our cities do individually and together to address climate change can set the agenda for communities and governments everywhere. Local actions can have immediate effect and add up to create a global effect. As past President of the United States of America, Barack Obama said, “Climate change is no longer some far-off problem; it is happening here, it is happening now.” We need to take action here and now.

In view of the foregoing, her worship, the Mayor of the Ethekwini Municipality, the honourable Councillor Zandile Gumede, has taken the initiative and has been elected as the Africa representative on the global C40 Steering Committee. The Steering Committee which is chaired by the Mayor of Paris is responsible for the broad governance and strategic direction of C40 to ensure that the fundamental gearing of C40 is aligned to the needs of member cities. Mayor Gumede

is certainly demonstrating the leadership required to address climate change in South Africa and Africa as a whole. In addition, the Chief Financial Officer of the Ethekwini Municipality, and current President of CIGFARO, Mr Krish Kumar, has been appointed to the global Board that runs C40. After taking on these leadership roles within C40, the Ethekwini Municipality has re-evaluated how it undertakes its climate change work, and has realised that the best way to address climate change is to embed climate change adaptation and mitigation initiatives into the various service delivery output units of the Municipality. This approach has the benefit of reducing any conflict of interest in respect of the output unit concerned, and further, the available budget to address climate change has increased significantly. The Ethekwini Municipality has taken immediate action and is already looking at a possible pilot project with green buses. It is certainly a time for leadership on climate change. As Ban Ki-moon, the Secretary-General of the United Nations said, “I call for the lead of world leaders to address climate change and reduce the increasing risk of disasters - and world leaders must include mayors, townships and community leaders.”

We are now also supported by the Paris Agreement which has given renewed impetus to climate change work, and has resulted in national governments making commitments to address both the challenges and opportunities. The Paris Agreement, which came into effect in November 2016, provides a very strong framework. Moreover, Deadline 2020 provides a good roadmap to translate the Paris Agreement into an implementation plan for cities, depending on their development and current emissions levels. Accordingly, we have little excuse not to show leadership and take action with regard to climate change and bring the Paris Agreement “to life”. We also need to take Deadline 2020 seriously. As Archbishop Desmond Tutu said, “Twenty-five years ago people could be excused for not knowing much, or doing much, about climate change. Today we have no excuses.” The time for excuses is over, it is time for leadership and action.

Whilst it is mainly about the sustainability and future viability of cities, it is also about leaving a legacy that we all can be proud of. As Ban Ki-moon, the Secretary-General of the United Nations said, “We are the first generation to be able to end poverty, and the last generation that can take steps to avoid the worst impacts of climate change. Future generations will judge us harshly if we fail to uphold our moral and historical responsibilities.” Let us not disappoint and let down our children and grandchildren. Let's take action now. As the President of the World Bank, Jim Yong Kim said on climate change, “We have to wake up to the fierce urgency of the now.” Now is clearly the time for leadership and action on climate change. 

Public Private Partnerships as an alternative way of Procuring Infrastructure

by Annette van Schalkwyk, Midvaal Municipality

One of our greatest challenges in public finance management is finding sufficient financial resources to meet the vast infrastructure demands of our communities. Our thinking is often constrained by what we have been exposed to – mainly government grants and external loans.

In the Financial Fiscal Commission¹ (FFC)'s Submission for the 2015/16 Division of Revenue Act, they indicated that, although great strides have been made in eradicating service delivery backlogs in the country, many households continue to find themselves with limited or no access to services, in particular sanitation and refuse removal services. In addition, the economic needs of cities and the country at large continue to place considerable – and escalating – demand for supporting infrastructure and services on local government institutions. Their submission states that they undertook a comprehensive review of the local government fiscal framework in an attempt to quantify possible funding constraints in local government (FFC, 2013). One of the primary findings of the review was the existence of a vertical funding gap in supporting municipal capital expenditure. Their research found that the current quantum of infrastructure grants to local government does not cover the difference between the current capital expenditure needs of local government and own revenue sources. Therefore, the review found, the combination of own revenue contributions, municipal borrowing and grants is insufficient to fund local government infrastructure needs.

National Treasury² (NT), in their quarterly Debt Bulletin (June 2016) indicated that the total outstanding long term debt for all municipalities as at the end of the third quarter of the 2015/16 municipal financial year amounted to R61.5 billion. Most of the growth in outstanding long term debt has been in the metropolitan municipalities, which require the greatest infrastructure investment. According to the National Treasury, total capital expenditure of municipalities has increased by 71 percent over the past eight years, from R39.6 billion in 2008/09 to R67.8 billion in 2015/16. In contrast, the share of

capital expenditure financed by borrowing follows a declining trend (albeit increasing in total numbers since 2011/12). This suggests a relatively greater reliance on capital grants, own revenues and developer contributions for capital expenditure. Whilst both government grants and external debt remain viable sources of capital infrastructure financing for municipalities, it is clear that it will not be sufficient to address the infrastructure needs of the community. The patience of the community is fast running out.

The South African Local Government Association³ (SALGA)'s Community Protest: Local Government Perceptions, 2016 found that in the 2009 to 2013 period, of all crowd incidences, 10.8% or 4 493 were protest actions attributed to local service delivery. An additional 1.2%, or 520 incidences, were related to community dissatisfaction with representation.

Innovative thinking and alternative service delivery mechanisms are required to find a solution to the infrastructure funding problem. The Municipal Finance Management Act⁴ provides the legal framework for one such mechanism. Public Private Partnerships (PPP's). Section 168 (d) of the MFMA requires the Minister of Finance to issue Regulations regarding PPP's. The Regulations⁵ were issued in April 2005 and as such, PPP's as an alternative option to finance infrastructure has been available to municipalities for some 12 years, but very limited municipal PPP's have seen the light. This begs the question why this alternative mechanism is not being used more frequently? I suspect that the answer lies within the complex process that is required for the successful implementation. But once the process is unpacked, it becomes clear that the process is intended to protect the public assets and to ensure that the community receives the best service at affordable rates.

I was fortunate to attend a PPP certification programme presented by NEPAD Business Foundation and accredited by APMG International. The remainder of this article will briefly outline the PPP process from an international perspective (as per the APMG certification guide). Whilst the process

1 FFC 2015-2016 TR Chapter 9 Identifying the funding constraints in municipal capital investment

2 National Treasury Municipal Borrowing Bulletin, Issue 1 June 2016

3 SALGA, Community Protest: Local Government Perceptions, 2016

4 Municipal Finance Management Act, Act 56 of 2003

5 MFMA Municipal Public Private Partnership Regulations, 1 April 2005

largely corresponds with the MFMA Municipal Public Private Partnership Regulations, it gives a broad sense of the process in a summarised manner.

The APMG PPP Certification Guide⁶ defines a PPP as “A long term contract between a public party and a private party for the development (or significant upgrade or renovation) and management of a public asset (including potentially the management of a related public service), in which the private party bears significant risk and management responsibility throughout the life of the contract, provides a significant portion of the finance at its own risk, and remuneration is significantly linked to performance and/or the demand or use of the asset or service so as to align the interests of both parties.”

A number of benefits of PPP's are listed, being the following:

1. PPP's offer an alternative method for financing infrastructure and this may accelerate infrastructure development
2. If a PPP is used, there is no need for the allocation of resources in the short term or during years of construction – this will free up resources for other government priorities
3. Increased efficiencies and effectiveness – the long term expected cost to the public sector may be lower under a PPP contract than under conventional procurement
4. The private sector is generally better at managing costs as they have a profit motif
5. The life cycle costs of the asset are generally better managed under a PPP – better provision for repairs and maintenance are made in a PPP where the handback of the asset is linked to a particular asset condition
6. Risk is transferred to the private sector
7. The private sector is generally better with finding innovative solutions to improve performance and output
8. Reliability and effectiveness – the delivery of services at pre-agreed levels of quality will reduce poor supply
9. Better utilisation of the asset – the private sector is incentivised to better use the asset as their remuneration is linked to the outputs of the assets.

PPP's unfortunately also have disadvantages. The APMG PPP Certification Guide highlights the following:

1. PPP's are significantly more complex than traditional procurement methods
2. The PPP route has more visibility and political exposure, and, after political change, a new government administration can perceive that they are only paying for an infrastructure project that generated political benefits to their predecessors
3. The public may believe that PPP's imply either a rise in charges or new charges
4. PPP's have higher transaction costs
5. PPP's have a higher performance monitoring cost
6. More expensive in terms of financing – project finance is generally more expensive than balance sheet funding due to the risks associated with the financing
7. Public sector may have excessive budget commitments if the cost of the PPP's are not properly accounted for
8. Long term contracts are rigid in terms of budget management and potential renegotiations can be costly
9. There is a lack of post award competition.

The process, as per the APMG PPP Certification Guide, broadly comprises 6 phases:

Phase 1: Project Identification and PPP Screening

- Identify projection solution out of a number of options
- Scoping the project
- Assessing the project economics (including a socio-economic assessment by Cost Benefit Analysis)
- Screening the project as a potential PPP
- Prepare the project governance for the preparation process, including the development of a project management plan and defining the project team

Phase 2: Appraisal and Preparation Phase

- Refine project scope and pre-design
- Refine Cost Benefit Analysis
- Assess PPP commercial feasibility (including bankability)
- Develop other financial assessment (including value for money under the Public Sector Comparator method)

⁶ The APMG International PPP Certification Guide (copyright ADB, EBRD, IDB, IsDB, MIF, PPIAF and WBG)

Public Private Partnerships as an alternative way of Procuring Infrastructure

by Annette van Schalkwyk, Midvaal Municipality

- Preparation and due diligence
- Pre-structuring of the PPP
- Define procurement strategy

Phase 3: Structuring and Drafting Phase

- Define the final structure of the project contract
- Finalise due diligence and preparation
- Re-assess or confirm previous analysis if needed
- Finalise reference design, technical requirements and output specifications
- Define other business terms and contract structure matters
- Structure and draft the RFQ
- Structure and draft the RFP
- Finalise the draft contract for issuing with the RFP

Phase 4: Tender Phase

- Launching the tender
- Qualify bidders
- Issue clarifications where needed
- Negotiate contract
- Close RFP
- Evaluate proposals
- Negotiate proposals
- Awarding and contract signature
- Checking precedent conditions
- Financial close

Phase 5: Contract Management – Construction

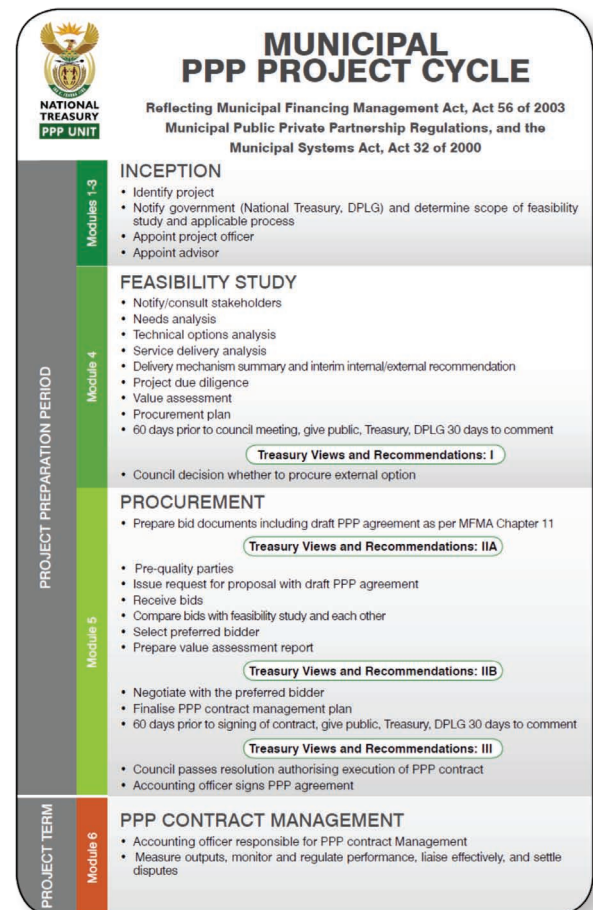
- Establish a governance and contract management team
- Establishing and executing contract administration
- Oversight and managing handover, permits, designs
- Monitoring performance during construction
- Managing delays
- Managing communication and stakeholders
- Managing changes and disputes
- Administering payments as appropriate
- Commissioning and start of operations

Phase 6: Contract Management Phase – Operations

- Managing performance
- Managing changes, claims and disputes
- Preparing for hand-back
- Hand-back and finalisation

For completeness, the PPP process as outlined by the National

Treasury, Municipal Service Delivery and PPP Guideline are presented below (and it can be seen the NT process and the international process are broadly the same):



CONCLUSION

In a fiscally constrained environment with huge infrastructure backlogs, we can't solely rely on government grants to fund the municipality's infrastructure needs. Many municipalities have also reached their external debt ceilings and have very limited scope for further borrowings. Is it not time that we turn to private sector to get involved in the provision of infrastructure so that the communities we serve can benefit from the financing, innovation and efficiencies available in the private sector? **C**

Sources:

1. FFC 2015-2016 TR Chapter 9 Identifying the funding constraints in municipal capital investment
2. National Treasury Municipal Borrowing Bulletin, Issue 1 June 2016
3. SALGA, Community Protest: Local Government Perceptions, 2016
4. Municipal Finance Management Act, Act 56 of 2003
5. MFMA Municipal Public Private Partnership Regulations, 1 April 2005
6. The APMG International PPP Certification Guide (copyright ADB, EBRD, IDB, IsDB, MIF, PPIAF and WBG)
7. National Treasury, Municipal Service Delivery and PPP Guideline

CASEWARE | MUNICIPALITIES

Increasing Productivity.
Ensuring Compliance.
Eliminating Errors.

CaseWare automates
the production of

- ✓ GRAP Financial Statements
- ✓ Section 71/ 72 reports
- ✓ Management Reporting

Just some reasons why over 200 MUNICIPALITIES choose CaseWare

- Lead sheets and overall analytical review documents are automatically updated in real-time providing you with a complete electronic audit file
- Takes care of all your formatting requirements; such as page and note numbers, headings, consistency and more.
- Because CaseWare automates most of the financial statement processes, it is guaranteed to save you time at year end.
- Built-in validation, audit trail and drill down capability of all amounts, makes reconciling and balancing of figures simple and painless
- GRAP financial statements are updated to align with the relevant mSCOA requirements
- Compliance is always taken care of as we continually update the new disclosure making sure that you are compliant.



an Adapt IT company

Contact us for an obligation free demonstration
011 507 0000 | www.caseware.co.za



adapt IT



THEN & NOW - A SMART METERING STORY

Smart meters, by definition, are electronic measurement devices used by utilities to communicate information for billing customers and to facilitate overall management of their networks. Initially this technology was applied to commercial customers only; however, the introduction of electronic meters and decreasing costs have permitted a migration to include all customer classes.

Smart metering is an integral component of the smart grid and hence many utilities worldwide have introduced programmes to replace existing traditional meters with smart meters throughout their networks. Although numerous compelling reasons can be given for this migration, the resultant benefits for both energy providers and their customers alike are considered substantial.

Furthermore, in support of the fight against climate change and better utilisation of natural resources, governments worldwide are also supporting, and indeed in many instances driving, this initiative. Emerging regions also provide a unique set of challenges, typically with rapid growth and industrialisation in cities and suburbs as well as nontechnical losses, resulting in a climate where the demand for energy is outweighing supply. Smart metering and smart grid technologies offer great benefit to utilities in these regions. Efficient demand forecasting and demand side management, including accurate billing information, can be readily provided. Thus issues such as load shedding can, for example, be controlled by real time information from each meter. An intelligent analysis of readings, together with two-way communication of control measures can be effectively deployed to effect load limitation. Although the term 'smart meter' normally refers to an electricity meter, it is equally applicable to devices measuring gas or water consumption.

Historical

Traditional electro-mechanical meters, developed in the late 19th century, measured electricity consumption by means of a rotating magnetic disk and were successfully deployed for many years. These meters typically provide an accurate measurement of electricity consumption; however, a major shortcoming was always the inability to measure any form of

time of day consumption. Similarly, meters used for gas and water consumption measurements were traditionally also mechanical.

The first step-up in terms of meter evolution was the replacement of the electro-mechanical meters with solid state devices. Electronic meters offer several advantages when compared with their electro-mechanical counterparts. These incorporated the ability to measure other parameters such as power factor and reactive power. Moreover, meter data could now be measured and stored at specific time intervals, thus permitting a utility to offer time of use price plans. In addition, electronic meters, since they cannot be influenced by external magnets and orientation, are more tamper proof and also inherently more reliable.

Communications

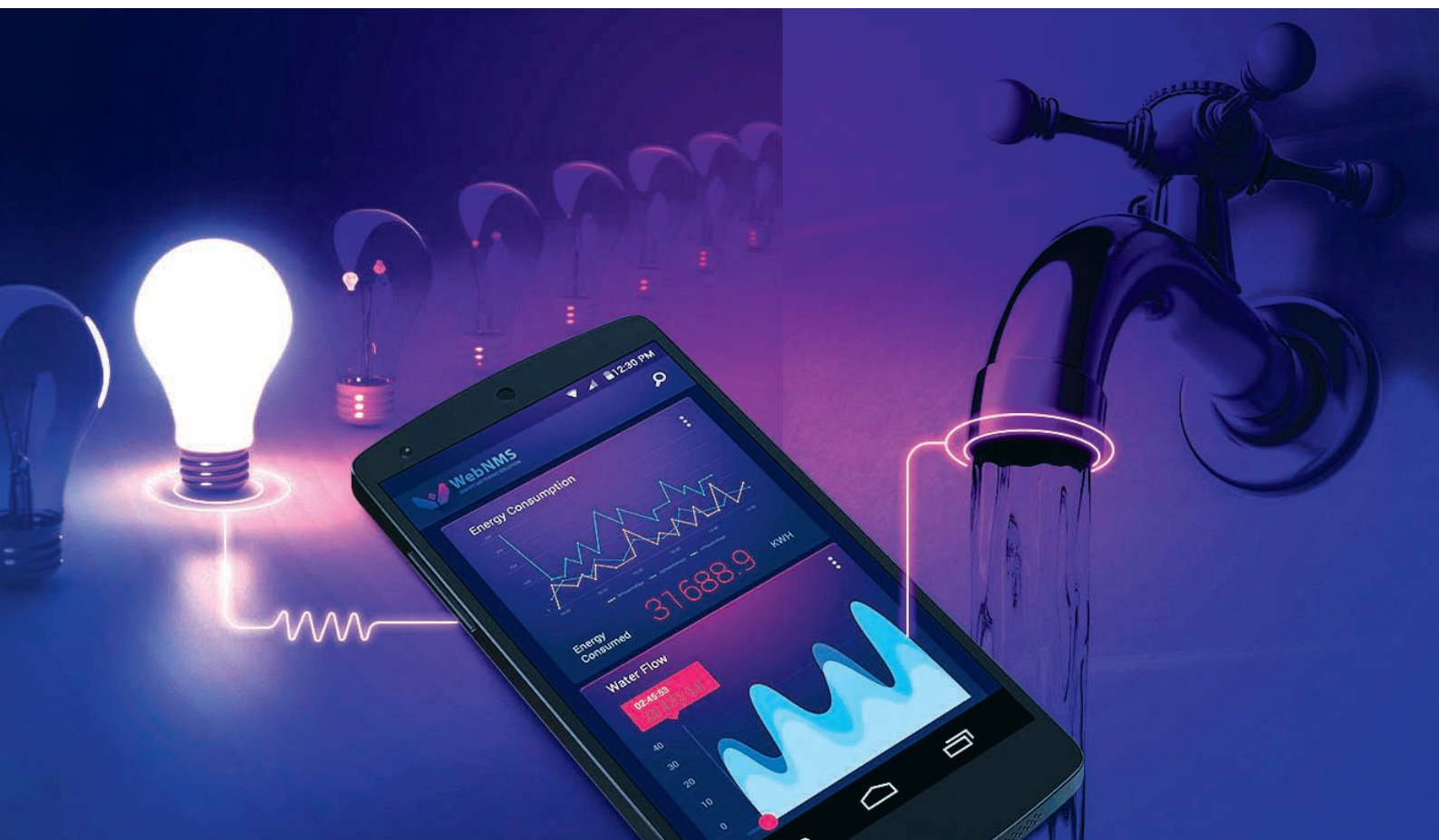
Utility metering, be it electricity, water or gas, was, and still is in many countries, carried out on a stand-alone basis whereby the meter installed at the customer's premises is manually read, typically on a monthly basis. However, the introduction of electronic meters made it entirely feasible to incorporate communications technology within the meter so that meter reading data can be remotely accessed via a communications network. Different system architectures have been developed over the years to support remote reading: these include walk-by, drive-by and networked systems. In a networked system meter data is typically fed to a fixed data collector and thereafter back to the utility via a wireless or PLC network. While both walk-by and drive-by systems greatly increase the number of meters that a utility employee can read in a day, a networked system provides instantaneous readings at the utility premises and thus eliminates the requirement to dispatch meter readers. Consequent labour and transport cost savings are substantial and accuracy of meter data recorded is furthermore enhanced.

Smart Metering Benefits

The implementation of smart metering can provide many benefits for all entities associated with the supply and consumption of electricity, water and natural gas. These include the following listed below.

Consumers

- Near real time energy consumption can be displayed on the meter, thus allowing users to adjust consumption accordingly (typically readings are taken every 30 minutes)



- Permits the user to reduce costs by taking advantage of off-peak lower tariff during off-peak periods
- Electrical appliances can be automatically controlled
Information relating to energy costs and carbon emissions is immediately available (remotely provided by the utility)
- Estimated billing can be eliminated
- Assist with the liberalisation of energy markets
- Will entice consumers to manage their consumption better and consequently reduce usage, leading the way to improved service levels

Smart Metering

Technology In the beginning, the replacement of manual meter reading was simply seen as a means to reduce costs (labour, transport etc.). However, it soon became apparent that Automatic Meter Reading (AMR) allowed utilities to provide higher order benefits and services to enhance energy efficiency. These included real time pricing, instant fault reporting and more accurate data recording for better network profiling and revenue collection.

Advanced Metering Infrastructure (AMI) takes the technology to the next level whereby two-way communication with the meter is enabled. Thus measurement, collection, and analysis of energy usage combined with communication to and from metering devices (electricity meters, gas meters, heat meters, and water meters), either on request, or on a schedule, is entirely feasible.

Utilities

- Reduce costs by not having to physically read meters
- Fraud and leakages can be more easily detected
- Can influence the energy consumption of customers
- Up-to-date and accurate data is immediately available
- Protect revenue by means of remote disconnection for non-payment
- Provides a new communication channel to customers
- Facilitates more effective grid management and thereby reduce the requirement for load shedding (match generation with consumption)

Government

- Can be considered a significant contribution toward the fight against climate change

Smart Metering

by Nicholette Pombo-van Zyl - African Utilities Technology Council (AUTC)

Data Management: a Meter Data Management System (MDMS) is a major component of smart meter deployment. This software platform receives data from multiple smart meter technologies and verifies and stores the data. Thereafter, data subsets are delivered to utility operations applications, which include billing, maintenance, outage management, etc.

Communication: Essentially two basic categories for communication of smart meter data can be deployed: Radio Frequency (RF) and Power Line Carrier (PLC). Both have advantages and disadvantages and the utility should select the technology which best suits its demographic and business requirements.

Radio Frequency: Smart meter data is transmitted wirelessly via radio from the meter to a collection point and then by various means to the utility data systems for processing at a central location. Two types of RF technology are normally deployed.

- **Mesh Technology.** Smart meters communicate with one another to form a LAN cloud to a collector. The collector transmits data to a central processing location using a WAN technology. Advantages include acceptable latency and large bandwidth (typically operating in the licence free bands of frequencies). Disadvantages mainly involve terrain and distance challenges in rural areas.
- **Point to Point Technology.** Smart meters communicate directly with the collector and the tower collector transmits the data to a central processing location. Advantages include little or no latency, direct communication with each endpoint, large bandwidth, use licensed spectrum and hence can cover larger distances if required. Disadvantages relate to licensing, Line of Sight considerations and proprietary communications used for some technologies.

Power Line Carrier: Smart meter data is fed across utility power lines from the meter to a collection point, typically in the distribution substation feeding the meter. Data can then be delivered to utility data network for processing at a central location. Advantages include the utilisation of existing infrastructure, more effective over difficult terrain and can work effectively over long distances. Disadvantages involve higher latency, lower bandwidth and high cost in urban areas. In addition to the abovementioned, Wi-Fi, cellular, satellite and other Internet related networks can also be considered for communications to and from smart meters.

Transmission Control Protocol / Internet Protocol (TCP/IP)

Currently, a growing trend toward the use of TCP/IP technology

as a common communication platform for smart meter applications is evident. Utilities can then deploy multiple communication systems, while using IP technology as a common management platform. A universal metering interface would allow for development and mass production of smart meters and smart grid devices prior to the communication standards being set. This would lower the risk of investing in the wrong standard as well as permit a single product to be used globally, even if regional communication standards vary.

Safety and Security

Most health concerns raised relate to potential harmful effects from the pulsed radio frequency radiation emitted by smart meters. However, studies have shown that RF exposure from smart meters is minuscule when compared to cell phones and microwave ovens. Other factors such as location, distance from the transmitter, meter enclosure shielding, attenuation due to building materials and low transmit duty cycles also significantly reduce any perceived risks.

Since the inception of meters with communications capabilities, utilities and vendors have recognised the need for robust security systems to protect the integrity of data and revenue information. The evolution to AMR and AMI further exacerbated the situation and the protection of data became even more imperative. Hence, security systems have extended beyond the endpoints to the collector and head-end systems and include level access control, data validation, error checking and encryption of data.

Cyber security and integrity of customer meters continues to be a major concern for utilities and vendors. Like bank ATMs, all smart meters need to be both adequately firewalled and protected from physical attack. Similarly, just like the banks, utilities need to deploy numerous technologies and processes to ensure adequate monitoring and protection of access to data. Considering the potential for energy theft and other fraudulent financial opportunities, there can be little doubt that smart meter networks will prove extremely attractive to hackers.

Case Study – United Kingdom

Smart metering has been implemented in numerous countries worldwide: these include Australia, Canada, Italy, Japan, Netherlands, New Zealand, Nordic countries, Spain, UK and USA. Implementation is also imminent in the following countries: France, Ireland, Iran and Malta.

The rollout in the UK is considered to be the largest programme ever undertaken and it is envisaged that it will enable a more energy efficient system for Great Britain.

In August of 2007, the UK government embarked upon a consultative process for a smart meter (electricity and gas) rollout programme. The consultation attached the necessary draft regulations and proposed that from 2008 domestic customers provide comparative historical consumption data and electricity suppliers provide a real-time display unit within time limits.

In December 2009, the UK's Department of Energy and Climate Change (DECC) announced its intention to have smart meters installed in all homes in Great Britain by 2020. Hence, by the end of 2020, around 53 million smart meters will be fitted in over 30 million premises (households and businesses) across Wales, Scotland and England. The programme is already underway and by June 2015 over two million smart meters were installed.

The model is a competitive-supplier-led rollout with a central communications body, called the Data and Communications Company (DCC), which was established in September 2013. As well as the DCC, the government established Smart Energy GB to lead the nationwide publicity for the rollout programme. Impact assessments were carried out by Government to help establish if there exists a positive business case for Britain to roll out smart metering. These looked at the potential costs and benefits of rolling out smart meters to suppliers, network operators, customers, and Britain as a whole. DECC's Impact Assessment, updated in January 2014, concluded that there is a positive business case overall of £6.2 billion (US\$8.89 billion) of net benefits.

Concerns

A number of concerns relating to cost, safety, communication and security issues associated with smart metering have been voiced by consumer groups in the UK. These include the following:

- Cost to consumers
- Savings will not be as large as predicted
- Effectiveness of chosen telecommunications technologies
- Cyber security issues – impacts could range from fraudulent transactions for financial gain to the crippling of critical operations
- Customer reluctance Lack of evidence to support utility and government claims
- Increased unemployment – large layoffs of meter readers

Smart meters also record substantial personal information, including the time that homeowners were at home or not. Since the readings undoubtedly contain private information, it has been stated that power companies need to be more upfront about their handling of the personal information gathered by smart meters.

Conclusion

Smart metering is an integral component of smart grid and it is clear that these technologies offer numerous benefits for both utilities and customers alike. And also, due to reduced consumption and improved grid management, it should prove beneficial to the environment as well. Academic studies have shown that savings of between 3 and 5% are indeed achievable. However, a successful implementation is very much dependent upon careful planning and meticulous implementation.

Furthermore, it is essential that concerns raised by the public and consumer groups are adequately addressed. Since the technology represents a radical departure from traditional methods, and it will also be required that customers carry the cost of smart meter installation, cooperation and buy-in is a crucial aspect.

Also, if predicted savings are to be realised, customer education is a key aspect. This implies that consumer awareness and understanding of smart meter principles must be grown and confidence in smart meters built before rollout can commence. From an electricity utility perspective, the benefits of improved grid management are particularly pertinent to developing markets. So very often in these markets demand far outstrips generation capacity, resulting in countrywide load shedding being implemented. This highly undesirable scenario can be reduced, or even avoided altogether, by the ability to be able to remotely manage the load that smart metering technology brings.

Acknowledgement

This article is made available to ESI Africa for publication courtesy of African Utilities Technology Council (AUTC), a non-profit trade association. Their mission, led by AUTC director, Corrie Vermeulen, is to shape the future of utility mission critical technologies by driving innovation, fostering collaboration, and influencing public policy. Visit www.autc.biz for membership enquiries. ESI. 



This article highlights certain aspects in credit control which could lead to improvement of real revenue for a municipality. Every revenue practitioner in a municipality should be aware of the value chain for revenue. To implement enhancement strategies will require close scrutiny of the elements in the value chain. There are various elements in the revenue value chain and the following are most important:

- Property data
- Customer data
- Meter data
- Contract
- Legislation
- Credit Control Policy
- Credit Control By-Law
- Standing operating Procedures
- Billing
- Receipting
- Credit Control and debt collection processes
- Institutional readiness
- Technical and Non-technical Losses
- Communication

In this article the focus will be on the first four elements which deal with property, customer and meter data and the contract with the customer.

PROPERTY DATA

For any municipality, their ability to raise charges is linked to a property and it is therefore of great importance that a

municipality ensures that each and every property in its area of jurisdiction is registered on the valuation roll. Not only is it important to have it registered but it also needs to be accurate with regard to the activities conducted on the property.

Regular inspections to properties are therefore imperative. The inspector should look for illegal building activity, i.e. buildings without building plans and business conducted on residential property. These illegal activities should be recorded and appropriate action should be instituted, i.e. the property should be re-valued as a result of the building extensions or businesses. This could increase the property values as result of increased market values or a category change to business or illegal use. A reconciliation of all property in the municipality is required to ensure that the data is correct. Typical in the reconciliation would be all properties already on the valuation roll Plus applications still in the system for finalization, like Sub-divisions, consolidations and new applications for township establishments. This reconciliation will indicate the number of properties that will be created once finalized.

CUSTOMER DATA

It is important to ensure that programs are implemented in the municipality to constantly update customer information. Information can be updated at each interaction with the customer, whether it is through correspondence, telephonic or at public counters. The most important information in this regard is identity numbers, residential address, as well as the *domisiliu citandi et executandi* or the address where the



customer receives legal notices. Contact details like cellphone numbers and e-mail addresses have become increasingly important especially since we are able to communicate with the customer electronically and send accounts via email. It would also be helpful if we start collecting social media contact details, going into the future.

The customer's employment details and sources of income, if not formally employed, is also important as this will assist in future planning for Free Basic Services.

METER DATA

The third important area to look at is metered services and here there are quite a few places to put controls in. The controls that are required include a reconciliation report of all meters from stock until it is disposed of. This would need a full scope of meters in the billing system, meters replaced or removed and new meters in transit from the stores to installation. Further, an exception report on mainly electricity three phase meters is required to indicate when there was a change to the CT and VT ratios of the meter record including changes to the tariff of the connection. A report indicating which meters have not been read for some time must be prepared to ensure that these meters could be read for completeness of billing, especially if the municipality makes use of estimated charges.

Control over meters has become a science and the reconciliation mentioned above needs to account for each meter and what the constant of the meter is.

Strict controls over disconnections and reconnections of services must be in place to ensure that all meters have been disconnected when ordered to do so. If meters are not timeously disconnected then the debts are allowed to grow and the defaulting customer will find it even more difficult to pay off the enormous debt. Further, owners become liable for the debt and they may challenge the municipality for not disconnecting and allowing the debts to grow.

The last bit to verify on meters is the tariff code on which a customer has been placed. This would require verifying the number of business properties against the number of meters on a business tariff. The point here is not to assume or to suggest that it should be equal but to verify the correctness based on the activities conducted by the account holder on the property.

CONTRACT

To enhance stability in the collection processes a more formal contract with customers must be introduced whereby the customer agrees to abide by the legislation, credit control policy and by-laws governing the supply of services and the collection of arrears. Further to this is a requirement from directors, trustees or members of juristic persons to sign a surety in their personal capacity with a proper resolution from their entity mandating such signatory.

Clauses in the contract should refer to the bylaws that introduces criminal offences and a responsibility on owners to protect municipal services from tampering and theft. In this instance it is upon the owner to ensure that there is sufficient protection to municipal services. **C**

Whats SALGA's view on the 2017/18 Budget as pronounced by the Minister of Finance?

by Lucky Leseane - SALGA, Gauteng

Whilst appreciative of the context and factors influencing the posture of the Minister of Finance, Min Pravin Gordan in presenting the 2017/18 Budget, the South African Local Government Association (SALGA) also appreciates the fact that the challenges facing the country in general find their expression and resolution at the municipal level.

At the Global level, economic growth has been both lethargic and moving at a snails pace, this has resulted in sub-national governments being forced to look at other avenues to spur economic growth, leverage budget spend, ensure smart approaches to infrastructure development, and economic facilitation to ensure sustainable development at the city level.

IN PRACTICE WHAT IS THE IMPLICATION OF THE BUDGET FOR MUNICIPALITIES?

In summary the Division of Revenue Act highlighted the following key interventions in the 2017/18 Budget for Provinces and Municipalities.

2017/18 DORA SUMMARY

- Allocations to provinces and municipalities grow at average annual rates of 7.3 per cent and 8.1 per cent respectively over the next three years.
- Provinces and municipalities are enhancing operational efficiency and looking at ways to raise additional own revenue as wages and basic service provision costs escalate.
- Growth in wage costs has been partially offset by a reduction in the number of provincial employees. Over the period ahead, filling of vacant posts will be subject to approval, and non-essential spending will be curtailed.
- Provinces will receive additional allocations to expand HIV/AIDS prevention and treatment, improve infrastructure spending and support early childhood development.
- Conditional grant rules have been changed to encourage local government to maintain existing infrastructure and improve planning.
- An amount of R409.3 million has been allocated in 2016/17 and 2017/18 for areas affected by the redrawing of municipal boundaries, which will reduce the total number of municipalities from 278 to 257.

WHAT'S THE LONG TERM VIEW FOR MUNICIPALITIES?

The cost of providing public and municipal services is expected to rise in the foreseeable future as more and more people gravitate towards towns and cities for access to services and jobs for a better life. This growth in demand for services will not necessarily be accompanied by the concomitant growth of national fiscal transfers to both provincial and municipal spheres of government.

This problem will be worsened by the likely increase in the wage bill given the fact that the new salary negotiations at the municipal level is expected to commence in 2018 with the current salary agreement having run its 5 year course. Coupled to this one has to add the inevitable increases in the increase of cost for bulk services such as water and electricity, thus it becomes clear that the cost of municipal services is likely to grow faster than inflation.

Over the next 3 years, local government will be allocated 9.1 % of the available budget funds which is the part of the budget available after the provisioning of debt service costs and contingency reserve which is projected to increase by 6.9% to R1,24 trillion next year, and are projected to rise to R1, 43 trillion in 2019/20.

IN ITS STATEMENT ON THE 2017/18 BUDGET STATEMENT SALGA HAS BEEN RECORDED ADVOCATING FOR MUNICIPALITIES TO LEVERAGE THEIR FUNDING, WHAT DOES THIS ENTAIL?

It is the view of SALGA that if properly leveraged, municipal funding could spur various initiatives that could go a long way in addressing the challenges of unemployment, inequality, poverty and underdevelopment. SALGA intends to be at the forefront in assisting and ensuring that Municipalities are not only enabled, but are capacitated on the tools and technical know how to Leverage their Budget Allocation.

The 20 year history of developmental local government in South Africa has taught us that transfers from the national fiscus are not adequate to cover for the capital spending needs of municipalities. Municipalities require additional funding to address the 3 main challenges summarised below;

- Service delivery backlogs
- Rehabilitation
- Economic growth

In addressing this challenge SALGA has, in partnership with other stakeholders such as National Treasury, SACN (South African Cities Network, DFI's (Development Finance Institutions such as the DBSA) and international partners such as the FMDV and the Dutch Embassy, been at the forefront of providing support and advice on municipalities sourcing additional/alternative revenue from additional sources of private finance such as the following;

- PPPs
- Municipal Bonds
- Long Term Loans
- Developmental Charges
- Land Value Capture
- Project Finance

HOW CAN THE LEVERAGING WORK?

There are both pros and cons to leveraging, on the pro side is the following arguments;

- Including transfers as a revenue source that can be leveraged serves to strengthen the balance sheet of smaller municipalities which is key for borrowing purpose and stronger the balance sheet leads to a reduction in borrowing costs.
- A stronger balance sheet will open the door for smaller municipalities to access affordable loans and they may even go for funding syndication or pooled funding arrangements.
- This will also help address the slow pace of municipal capital investment which has shown to be in a dire need for the introduction of additional revenue sources and move away from piecemeal projects which are determined largely by the pace of the transfers.

The leveraging may work through ring fencing or pledging to repay a borrowing or this may work through creating an escrow account or a lock box arrangement aimed at creating a subaccount to repay the loan when the time is up.

The difficulty with this type of arrangement is the lack of a clear policy framework which still needs to be developed with the support of National Treasury, the other problem is that there are various funding arrangements for local government such as Equitable Share and the MIG. Detailed work still needs to be finalised on the matter.

WHAT OTHER OPTIONS ARE THERE?

The first priority is to lobby for the review and reform the current infrastructure arrangements for municipalities and relook at the way the MIG is being rolled out within the Districts. There may be a need to reform the MIG to better support municipal infrastructure investments. Everyone involved in local government is aware of the acute shortage for funding of municipal infrastructure, and the private sector has not come to the party in any big way. As part of SALGA's agenda in the current term 2017/22 we shall be leading the way in investigating and piloting various alternative sources of revenue such as Municipal Bonds, Pooled Funding Mechanisms, the Establishment of Sector Specific Funding Agencies such as the Water Financing Agency currently being rolled out in Kenya. **C**

Journey as SALGA Mpumalanga PEO - Gugu Langa

by Esther Gumata - Managing Editor

CIGFARO recently hosted a Woman in Leadership Seminar in Durban, 09-10 March 2017. We would like to take this opportunity to honor women who contribute in political leadership by enhancing ethical behavior in Local Government. We are proud to be associated with women who lead with diligence and vigor. This article, we hope, will contribute in strengthening the systems in their respective work areas to serve our communities better.



1. Greetings Ms. Langa, tell us more about your journey as the SALGA Mpumalanga PEO

I joined SALGA Mpumalanga on the 14th of March 2005 as the Provincial Executive Officer (PEO) and remain there, that is 12 years as PEO. When I joined SALGA we were called LOGAM (Local Government Association of Mpumalanga). This name remained until 2007, when all the Provincial and National Offices became a unitary structure. The position I hold is a 5 year contract position and due to my hard work, dedication and commitment in the work of SALGA I had my contract renewed. As much as I have 12 years of service as PEO, it has never been an easy journey.

In the period that I have worked as PEO I have had 4 Chairpersons, each with his own expectation and understanding on how things should be done. After every local government election, one has to adjust and learn to understand the incoming Chairperson and how he operates.

At some stage I had a huge staff turnover, which made it difficult for me to achieve the set targets, but with the team that I have built over the years I managed to pull through and accomplish the agreed goals and objectives.

2. What is your role within SALGA?

I am the Provincial Head and Accounting Officer of SALGA in the Province. I manage the whole functioning of SALGA within the Province (being strategic, financial, human resources, and stakeholder related) and ensure that the office carries out the mandate of SALGA in servicing our members (municipalities).

3. What does it mean to you to be the only female PEO in the country?

Being the only female PEO in the whole of SALGA is not something to be celebrated. It tells us that there is still more work to be done as we advocate for 50/50 representation. At some point we were 4 female PEOs. As much as I am the only female PEO now, I work closely with my male colleagues and they have a lot to learn from me. This also keeps me on my toes as I do not want to be seen as a failure.

In and outside the boardroom, I do not get intimidated by the 8 males. In some instances they consult me when they are faced with challenges in their respective provinces. I make sure I read and understand issues to equip myself and stay relevant in the discussions taking place and the work that needs to be done.

I always strive for the best. I have developed a motto for the SALGA Mpumalanga staff which all the staff members know and subscribe to. The team and I regard ourselves as trendsetters in the whole of SALGA.

Motto for SALGA Mpumalanga:

"To be the best performing Province within the whole of SALGA."

My team always makes sure that in all what we do, we do our best. This has always been the case and we have been rewarded in that, - for the past five (5) consecutive years, the province has been receiving 100% performance when measured against the Annual Performance Plan. Throughout my journey I was surprised to learn that I was nicknamed "Iron Lady" - which might be interpreted as a bad, and, at the same time good, nick name. (In case you want to know why I say so, let us keep that for later interaction).

I also have my own personal motto:

"I cannot be defeated by something that cannot talk back at me"

This is a very difficult motto to live by. It challenges me, no matter how hard or difficult a thing is, I always remember that I made a commitment and I have to make sure that I get it right. What keeps me going and makes me the person that I am today, is that I always tell myself "I am a hard nut to crack". One will need a 4 pound hammer to crack me!

I also subscribe to the Holy Book and the Word of God which sees me through in difficult times: My tag line that keeps me going is: "Ebenezer, - This far has the Lord helped me."

4. In your office or public sector as a whole, what are your major challenges?

In the past 22 years, 17 of which were in managerial positions, I have learnt that local government is a very complex sector and is evolving every day. For one to stay relevant you need to constantly read and upgrade yourself academically which sometimes is very difficult to do with the workload faced in this position.

As much as we are saying we are a democratic South Africa, there are still men who do not want to be led by a female. I was puzzled at one stage to learn that one of my junior staff member resigned after working 2 months for SALGA MP citing his reason of resignation being that he cannot work under the leadership of a female.

Being a female leader in some instance, you are forced to play a motherly role at work and have that empathy

Journey as SALGA Mpumalanga PEO - Gugu Langa

by Esther Gumata - Managing Editor

when your staff members are faced with challenges that affect their work but at the same time you need to get the work done. So whilst being empathetic, you still have to be professional in telling the person that at the end of the day the work has to be done.

I am also a human being, I have my own challenges outside SALGA, but being a leader I have to carry other people's problems and put mine aside for a while. I have to be a mother, a sister, a counsellor, an advisor, anything you can think of, to make sure that I have a happy team.

One challenge that I cannot avoid is high staff turnover. Due to the experience that staff members gain in SALGA, it becomes easy for them to be employed in municipalities when they apply and it results in a huge gap in filling those vacancies. SALGA is a unique environment that needs specialised fields to be able to support members.

Lastly, I strive to be the best, even when circumstances does not permit. I will push myself not necessarily competing with my male counterparts, but to make sure that I do not fail.

5. How has your upbringing and academic background contributed to where you are now?

I am not from a well off family, but I am from a strict and God fearing family. I was taught that the beginning of wisdom is to fear God. I was taught to respect every person whether old or young. I am a committed member of St. Paul Anglican Church in Lekazi.

Both parents were sales persons in furniture shops but with the little that they got they made sure that I study until tertiary level. Looking at my family background, I did not want to disappoint my parents. I was always on my books and was telling myself that I will sleep at home after obtaining my degrees.

I went to the University of Zululand where I completed my Honours Degree in Clinical Psychology and registered as a Psychometrist (I never went to practice though). I changed the field and joined local government in 1995.

I started working at Ehlanzeni District Municipality (the then Lowveld Escarpment Regional Services Council) as the only person in HR appointed as a Personnel Officer. With my hard work and efforts, I had put in, and with the recommendation of the CEO of the Council, I got a bursary and enrolled for my Masters Degree in Public Administration with the University of Pretoria. This then opened doors for me to be in senior positions. I also enrolled for a number of Diplomas and Certificates that I felt to be relevant for my work. I never stopped studying.

From 2000 I have been in senior positions in various municipalities where in some instances I was appointed to act as Municipal Manager, until my appointment at SALGA as the Provincial Executive Officer. My theory in Clinical Psychology helped me to understand the different types of people I am dealing with.

6. With the huge gap between male and female leaders in the public sector, what more do you think can be done to close this gap?

There is a huge gap, for example, in the Province. Out of the 20 municipalities we only have 2 female Municipal Managers. This tells us that there is still more work to be done. I do not agree to the notion that we do not have competent females that can take senior positions, which I once heard said by a male colleague. I always say to my female colleagues that we should be the battery that is called "Ever ready" - we should always avail ourselves to serve so that it can be known that we are available. The word "CANNOT" should not be in our vocabulary, we should always say "I CAN".


There should be a database for all qualified females who can be able to take senior positions and such can be used should there be a need. As females we should constantly upgrade ourselves academically. We should also uplift and support one other because in some instances, we are not identified to take such positions because we look down upon one another. It should start with us first, then we will be noticed by the men out there.

7. What message would you like to communicate with other females leaders in the public sector sphere?

Let us stay focused, let us not be distracted by our male counterparts. Being a female leader is very difficult and challenging. Know what you want in life, and set your goals and priorities and then work hard to achieve those. Do not forget to continue studying and reading to catch up with the changing world. Always let us lift each other, and for succession planning let us consider all other fellow women who have the potential to be future female leaders.

We do have emotions and we do cry. No matter how hard the situation or the problem is "DO NOT CRY IN FRONT OF YOUR STAFF MEMBERS". Go to the bathroom to cry and afterwards apply your make-up, pick up the pieces and go back to face the challenges with a happy and smiling face.

In whatever we are doing put God first, then the rest shall follow. ☑



Custodians of wealth should not be exclusive, as in the past.

For meaningful change, they need to be more inclusive and representative of our society.

Over the last 10 years, Argon Asset Management have turned their vision of building a black-owned and managed firm that is a force for good in South Africa into a reality. Today, Argon Asset Management is a leader when it comes to industry transformation and a beacon of global standards. But more than that, the Argon team do what they say. Together they have built a successful African investment firm that puts their clients' wealth ahead of other considerations and continues to meet and beat global investment management standards.



IMBASA
YEGOLIDE
AWARDS

Best Absolute Return Manager for 2015 - Batseta Imbasa Yegolide Awards

The Imbasa Yegolide Awards honour and pay tribute to innovative service providers who demonstrate professional excellence in their service of retirement funds. Argon Asset Management was also nominated for Best Equities Manager 2015, Best Bond Manager 2015 and Best Overall Investment Manager 2015.



Best
Investment
Management
Company
South Africa
2015



Best Asset
Management
Company in
Africa 2015



Company
with Global
Significance
2015



Traditional
Equity &
Fund Manager
of the Year
2015



Best Asset
Management
Brand
South Africa
2015



Best Asset
Management
Company
South Africa
2015

Cape Town: 1st Floor, Colinton House, The Oval, 1 Oakdale Road, Newlands, 7700, South Africa
T: +27 21 670 6570 | E: info@argonasset.co.za
Johannesburg: 7th Floor, Fredman Towers, 13 Fredman Drive, Sandton, 2146, South Africa
Argon Asset Management is an authorised Financial Services Provider (FSP 835)

Bamboo Network/Int/Eng

ARGON

Asset Management

An African investment firm with global standards

www.argonassetmanagement.co.za

The current economic climate which is characterised by low growth rates, high inflation, high unemployment, weakening currencies, major volatility in financial markets, falling consumer confidence, and investors deferring investments and the employment of additional staff, is a major threat to the financial sustainability and viability of public entities. In times like these it is clearly not business as usual. Cities are regarded as the engines of growth in any economy. Globally and in South Africa, cities contribute about 80% of the national GDP.

Accordingly, cities have a huge role to play in turning around the economy and building confidence in the economy, attracting new investors, and creating the right economic climate for the growth of existing businesses and the opening of new businesses. Whilst there still needs to be increased spending on economic development, job creation, balanced budgets and sustainable growth are also required.

The key question is; how do we support business to unlock value? The key to unlocking growth is a spatial framework, transport plan, and housing plan that promote mixed use and integrated development. Experiences globally show that local delivery is more effective than national government delivery in terms of job creation. We need to make the right choices for ideal growth. Improved productivity is crucial. Providing skills development to local communities to support local employers is also significant. Economic clusters, nodal development and densification are critical in terms of the value chain together with climate change and resilience.

Moreover, in the current economic climate, National Treasury has adopted an approach of fiscal consolidation, and consequently, there is increasing pressure to make the rand work smarter and stretch it further. To do this, finance professionals and service leaders should not only focus on balancing the budget, but also on driving real and meaningful change.

URBANISATION

Rural-urban migration is a global trend and is one of the biggest challenges we face today in terms of its impact on service delivery backlogs. The 2011 Census showed that 63%

of the population of South Africa is living in urban areas. It is projected that this will increase to 70% by 2030. This problem is compounded by the fact that the current population growth rate is greater than the economic growth rate. We need to work on a national approach to this problem. It is also critical that we help develop an integrated urban development framework to help municipalities better manage rural-urban migration by developing a strategy for rural development. In other words, we need to focus on a holistic development plan. We cannot only focus on the 80% in urban areas; we also need to intensely focus on the 20% in rural economy.

FINANCIAL SUSTAINABILITY AND VIABILITY

In light of all this; we need to ensure that we still get the basics right. From a financial sustainability and viability perspective, we still have to:

- Achieve a clean audit report
- Improve our credit ratings
- Produce a balanced budget
- Maintain a collection rate of over 95% to ensure liquidity and strong cash flow
- Maximize existing funding sources and pursue alternate sources of funding, such as a local business tax
- Achieve a balance with economic, social, rehabilitative and environmental spends
- Pursue the issue of unfunded mandates
- Borrow prudently taking into account the impact on tariff increases
- Scrutinise costs on an ongoing basis and drive cost cutting and austerity measures, as well as productivity, return on investment and value for money
- Focus on the key cost drivers – Top 10 items of expenditure account for over 90% of the spend.
- Spending patterns must be closely monitored and irregular expenditure reduced, as well as the use of s36 and s116(3) must be closely monitored. The above must be the key focus areas of accountants, internal auditors and risk officers in terms of areas where they should add value.

Good financial management is also linked to boosting growth in cities which helps public authorities and business in terms of potential public and private investments. Global city growth is dependent on certain fiscal conditions being in place for private

and other forms of investment. Appropriate services to engage the local economy and build resilience are also important in realizing inclusive growth. The holistic approach to such smart growth in global cities is intrinsically linked to good financial management. Public financial management plays a crucial role in attracting and promoting sustained economic investment into a local economy from both domestic and international investors.

It also builds municipal financial resilience and sustainable development, promoting the effective and efficient delivery of basic services. Good public finance management also provides leaders, officials and investors with information for better decision making and it helps provide better targeted services.

ENVIRONMENT

The impact of climate change has a very real long-term impact on the sustainability and viability of cities. For that reason, we all need to commit to the triple bottom line meaning that we need to fund sustainable infrastructure projects. The cost-benefit analysis of projects must include the impact on the environment or an environment impact assessment. Some initiatives that we can consider are:

- Energy Office, as well as an Environmental Planning & Climate Protection Department must be in place
- Climate Change Strategy must be in place
- Green innovation in housing projects – LED lighting, solar panels, rainwater harvesting (jojo tanks), more efficient shower heads, heat pumps, etc
- Awareness campaigns and reducing water pressure
- All projects must be subject to EIA process and all procurement must meet environmental standards
- Promoting green buildings through bylaw and standards enforcement
- Committed to triple bottom line and developing a green economy
- Explore alternate sources of energy: wind, solar, aqua, etc
- Undertake sustainable infrastructure projects
- Develop a model for funding green projects, such as green bonds
- Ultimately it is about reducing our carbon footprint and leaving a legacy that the next generation can be proud of in terms of the sustainability of our planet, our people, and our finances.

INNOVATION & TECHNOLOGY

Innovation and technology is the next key issue. We need to innovate in order to face up to our huge economic service delivery challenges, and mitigate risk. We must optimize the use of technology, especially customer-focused technologies and innovations. For example there are a number of opportunities in revenue management, such as e-mail and SMS billing. WIFI is also important in terms of connectivity and communicating with our consumers. This will help empower our people in terms of informing them and making them aware of issues that impact on them. This will help strengthen our democracy, public participation and transparency, and may even help reduce the number of service delivery protests we have been experiencing.

Technologies and innovations also improve productivity which can lead to lower staff costs and better value for money.

However, when doing the cost-benefit analysis of any project, the impact on the environment must be included.

SKILLS DEVELOPMENT AND CAPACITY BUILDING

Skills development and capacity building is another key issue.

The recruitment and retention of the next generation of leaders in the Treasury is not only the job of Human Resources. The entire treasury should focus on developing the full potential of future finance officers, and not rely solely on the human resources department. Succession planning also plays a crucial role in creating a sustainable organization. I would like to challenge you all to consider the future and how you will help new employees become tomorrow's financial leaders. We need to ensure that the finance, auditing, risk and accounting professions remain attractive to younger people. Skills such as data interpretation and analytics for modeling service design are becoming increasingly important.

We must make the next few years an absolute priority to encourage the future generation and demonstrate our own sense of energy, resilience and optimism. **C**

GALLERY - WOMEN IN LEADERSHIP SEMINAR

OPINIONS FROM WOMEN IN LEADERSHIP

MEC Ms Nomusa Dube

“An organisation like CIGFARO needs to assist in government’s commitment to prevent and eradicate corruption by participating in the process of correcting the wrong doing. CIGFARO should take a stand and assist in preventing the corrupt CFOs who continue getting jobs within Municipalities despite their non-performance background. The institute should terminate their membership to show their commitment to the cultivation of the ethical culture in government”.

DG Ms Jennifer Schreiner

“The country’s gender representations in different sectors and statistics on women representations in different job level categories show a huge gap between women and men. Gender Based budgeting, if it can get the buy-in in local government the impact will be huge on transforming gender representation”.

Public Protector Advocate Busisiwe Mkhwebane

“My office, will in its seven year term, prioritise not only high profile cases, but those of poor and ordinary citizens, who often find themselves without a way to get heard. I encourage women to position themselves in the leadership role despite the pressure of being required to prove yourself twice than a man to be trusted”.



Jane Masite, CIGFARO Past President; Bharthie Ranchoddas, CIGFARO Board Member, Nomusa Dube, MEC CoGTA KZN; Phakamisa Stamper, AGSA KZN; Lynn Baker, Speaking Coach ; Paleti Marota, CIGFARO Vice -President



Adv Busisiwe Mkhwebane, Public Protector



Jennifer Ann Schreiner, DG in the Department of Women



Phakamisa Stamper, AGSA KZN



Mbuyiselo Botha, Commissioner: Gender Equality



Cllr Barbara Fortein, eThekweni Metropolitan Municipality

GALLERY - WOMEN IN LEADERSHIP SEMINAR



Delegates with Arms Audit members (sponsor)



Motivational Speaker - Helen Nicholson and CCG members (sponsor)



Delegates attending the Gala Dinner



Woman of the year acknowledgement:
Skosana Margaret- Nkangala District Municipality



interfile
leaders in EBPP Solutions

www.interfile.co.za
Tel no. +27 (011) 361-4000 Fax no. +27 (011) 361-4599
Wanderers Building, 1st Floor, The Campus 57 Sloane Street, Bryanston
P O Box 98597, Sloane Park, 2152

GALLERY - mSCOA NATIONAL WORKSHOP



Monique Herselman, National Treasury



Trevor Chetty, National Treasury



Silma Koekemoer, CIGFARO and Desire Burenage, the winner.



Chris Nagooroo, CIGFARO Past President 2010-2012



Ronnie Page, National Treasury



Pierre Gerrits, National Treasury



Delegates in the plenary

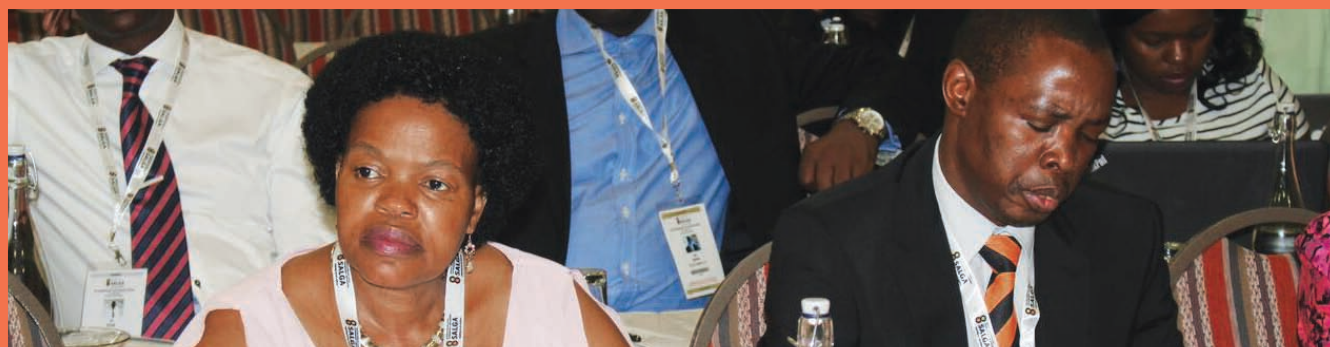
GALLERY - SALGA MPUMALANGA



Cllr. Lindiwe Mabona-Ntshalintshali, SALGA Deputy President



Dr Sam Koma, Milpark Education; Pat Nkosi, CoGTA and Michael Chauke, SALGA MP



Cllr Florah Maboja-Boltman; SALGA Mpumalanga PEC member and Cllr. Muzi Chirwa, SALGA Mpumalanga Chairperson



Delegates in hall

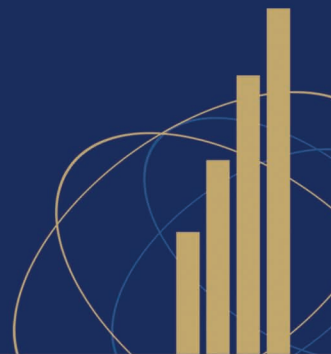


Delegates in hall



Delegates in hall

SAVE THE DATE FUTURE EVENTS



2017

AUDIT & RISK INDABA

19-21 JUNE

SOUTHERN SUN CAPE SUN
CAPE TOWN



2017

CIGFARO ANNUAL CONFERENCE

9-10 OCTOBER

CAPE TOWN INTERNATIONAL
CONVENTION CENTRE



Visit www.cigfaro.co.za for more information



BYTES
UNIVERSAL SYSTEMS

STAY AHEAD OF THE GAME

Ensure **SAMRAS** enables your municipality to deliver superior value adding solutions to your customers.

SAMRAS (South African Municipal Resource Administration System) is a locally developed **GRAP compliant and mSCOA ready ERP solution**, designed to meet specific needs of the South African local governments and municipalities.

SAMRAS ERP is a fully integrated system that encompasses the following functions:

- Billing
- Expenditure
- NT reporting
- Budgeting
- Assets and inventory
- HR module: online leave and overtime
- Contract management
- Performance management (SDBIP)
- Payroll
- Supply chain management

Looking ahead, developing for tomorrow, embracing today.

For more information contact:

Jane Khaled

Business Unit Lead:PMO

Bytes Universal Systems

+27 11 205 7665

+27 83 461 5966



NEW MEMBERS

STUDENT MEMBERS

Province	Title	Initials	Surname	Designation	Employer
LP	Ms	ED	Marota	student	UNISA

GENERAL MEMBERS

Province	Title	Initials	Surname	Designation	Employer
KZN	Mr	NG	Zulu	CFO	Ulundi Municipality

JUNIOR MEMBERS

Province	Title	Initials	Surname	Designation	Employer
EC	Mrs	N	Mapukata-Mnqwazi	Manager BTO	Great Keilm Municipality
EC	Ms	N	Situmane	Manager BTO	Great Keilm Municipality
EC	Ms	N	Kutshwayo	Manager BTO	Great Keilm Municipality
EC	MS	TS	Siciti	Manager BTO	Great Keilm Municipality
MP	Ms	NG	Ngabomo	Deputy CFO	Emalahleni Local Municipality
KZN	Ms	NCB	Nzuza	Deputy CFO	City of Umhlathuze
GP	Mr	M	Fortuin	Accountant	Johannesburg Road Agency
EC	Ms	ON	Ngwanya	Manager BTO	Great Keilm Municipality
KZN	Ms	NP	Ndlovu	Manager CA	Ethekwini Municipality
WC	Ms	N	Skosana	Acting Municipal Manager	Bitou Municipality
KZN	Mr	LP	Ndlela	Deputy Arrears Management	Ethekwini Municipality

LICENTATE MEMBERS

Province	Title	Initials	Surname	Designation	Employer
MP	Mr	SP	Maphanga	CFO	Victor Khanye Local Municipality
KZN	Mr	ME	Ncube	Financial Manager	Kwazulu-Natal Film Commision
KZN	Mr	TS	Cele	Acting Chief Financial Officer	Mtubatuba Municipality
MP	Mr	AT	Ndzimande	Municipal Manager	BA-Phalaborwa Municipality
WC	Mrs	BM	Kova	Acting Municipal Manager	Bitou Municipality
KZN	Mr	KN	Buthelezi	Municipal Manager	Ndwendwe Local Municipality
GP	Mrs	VM	Kowayi	Programme Manager	Salga
WC	Mr	D	Steyn	Director	City of Cape Town

ASSOCIATE MEMBERS

Province	Title	Initials	Surname	Designation	Employer
GP	Miss	N	Gwele	Programme Manager	Salga
GP	Mr	ME	Lorgat	Municipal Director	Salga
LP	Mr	LG	Tloubatla	Municipal Manager	Waterberg District Municipality
KZN	Mr	SP	Radebe	Acting Municipal Manager	Imbabazane Municipal Manager
KZN	Mr	MT	Ngobese	Consolidated Billing Manager	Msunduzi Municipality
KZN	Mr	ON	Mbube	Manager Revenue Clearance	Ethekwini Municipality
MP	Mr	MC	Mango	Risk Manager	Mkhondo local Municipality

SENIOR ASSOCIATE MEMBERS

Province	Title	Initials	Surname	Designation	Employer
NW	Mr	CHR	Boshoff	Acting CFO	City of Matlosana
GP	Mr	B	Coetzee	Director Municipal Officer	SALGA
GP	Mr	L	Lawrence	Deputy Director Policy & Revenue Enhancement	City of Johannesburg

Chopper Technology

Chopper Technologies (Chopper Tech) is a South African based company providing customized electronic solutions which include the following:

- **Product Design**
- **Product Manufacturing**
- **Product Testing**
- **Production of Product**
- **Monitoring and after Sale Support**

Our success comes from our vast knowledge and ability to fully immerse ourselves in our client's unique electronic and/or data supply needs. Chopper Tech is proud to hold a prestigious Level 2 BBEEE status.

Our Service Portfolio includes but isn't limited to:

- Research & Development of electronic monitoring equipment to facilitate real time data transfer for the Department of Water Affairs for the past 12 years.
- Development of complicated power supply systems.
- Several projects for South African National Defence Force (SANDF)

Smart Water Meter

Smart Water Meter which is able to monitor flow of water as well control water flow from a central location using GSM/ Satellite / Radio networks. The meter allows for two way communication ensuring complete control and management in the following ways:

- Accurate Billing in real time.
- Dispenses Government allocation of 6 kilo liters (South African allocation) per customer thereafter moving to trickle flow and is prepaid ready.
- Customer can chose to purchase further allocation.
- Can change daily allocation during crises and has the ability to carry over.
- Battery powered,
- Extended battery life,
- Easily replaceable battery,
- Water tight,
- Controls the restrictor valve,
- Performs real time water metering,
- Two way communication with the Control Centre,
- Any tampering of the valve system will result in the valve shutting off access.
- IP65 and IP68 compliant,
- NRCS Type approved No. 1527 and tested in terms of SANS 10378:2012.
- Radio system has ACASA approval.



Isiflo Composite Fittings

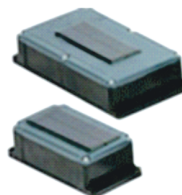


Smartbox



SMART System

Product Profile



**Level Quality
Camera**

LQC's (Level Quality Cameras or bulk meters) are able to monitor water flow/ level and quality from

Dam to Reservoir to Domestic Meters

These LQC'S will report anomalies to a control center via GSM/ Satellite/ Radio (i.e. water loss, water theft, burst pipes). This is ideally suited to save costs where measuring stations are out of reach of the LQC unit, but within the radio range.

Battery Charger

Our Intelligent Battery Chargers come the in the following modules:

- **CT1205 12Volt 5 Amp (RMS)**
- **CT1210 12Volt 10 Amp (RMS)**
- **CT1215 12Volt 15 Amp (RMS)**
- **CT1220 12Volt 20 Amp (RMS)**
- **CT2405 24Volt 5 Amp (RMS)**
- **CT2410 24Volt 10 Amp (RMS)**
- **CT2515 24Volt 15 Amp (RMS)**
- **CT2420 24Volt 5 Amp (RMS)**

The following safety features are provided:

- Replaceable fuse protection on 220 volt input.
- Input mains protection.
- Reverse Polarity protection.
- Short circuit or damaged battery protection.
- Automatic current clamping in over temperature conditions.

Miniature Camera

Capable of snapping images and transmitting data to a number of cells phones as MMS image. It maybe used as a surveillance or alarm device.

Features

- Images are obtained by phoning the camera or activation of sensor (switch).
- Powered by internal batteries.
- Capable of being charged by computer output, cellphone charger, solar panel sensor or DC voltage sensor.
- Fully charged battery will last one week taking 1-2 images per day.
- All images are date and time stamped.

For more information contact us on
t • 031 563 3104/ 082 851 6554
e • vani@choppertetch.com
www.choppertech.com

**140 Rinaldo Road, Glen Hills
Durban North**

PUBLICATION OF GOVERNMENT GAZETTE REQUIRED IN TERMS OF THE DIVISION OF REVENUE ACT, 2016 (ACT NO. 3 OF 2016), AS AMENDED BY THE DIVISION OF REVENUE AMENDMENT ACT, 2016 (ACT NO. 11 OF 2016)

(Notice 207 in Government Gazette 40670 of 8 March 2017)

The Minister of Finance has published the additional conditional allocations to municipalities; roll-overs of conditional allocations; the re-allocation of stopped conditional allocations between municipalities and technical adjustments on conditional allocations to municipalities.

THE TOTAL REMUNERATION PACKAGES OF MUNICIPAL MANAGERS AND MANAGERS DIRECTLY ACCOUNTABLE TO MUNICIPAL MANAGERS

The Department of Co-operative Governance and Traditional Affairs has advised as follows: Section 72(2A) of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) ("the Systems Act") read in conjunction with regulation 35 of the Local Government: Regulations on Appointment and Conditions of Employment of Senior Managers enjoins the Minister, subject to applicable labour legislation and after consultation with the Minister for Public Service Administration, Minister of Finance, organised local government and MEC's responsible for local government in the province, to annually determine the total remuneration packages of municipal managers and managers directly accountable to municipal managers ("senior managers"), by notice in the gazette before 31 March, according to different categories of municipalities.

The Minister has developed the Local Government: Upper limits of total remuneration packages payable to municipal managers and managers directly accountable to municipal managers for 2017/18 financial year for comment. The Department embarked on a process to determine the cost of living adjustments (COLA) for senior managers for the 2017/18 financial year in the third quarter of 2016/17 financial year. A review of the 2017/18 Notice has been completed pending confirmation of the projected inflation rate by National Treasury.

DEEDS REGISTRIES ACT 47 OF 1937

(General Notice R175 in Government Gazette 40649 of 28 February 2017 and General Notices 179 and 180 in Government Gazette 40655 of 1 March 2017)

The Minister for Rural Development and Land Reform has published:

- Regulations relating to fees amended with effect from one month after publication;
- Amendment of definition of area of the deeds registry at Kimberley as the Province of the Northern Cape excluding that portion thereof which is served by the deeds registry at Vryburg and withdrawal of previous notices in respect of the definition of the area of the deeds registry at Kimberley published;
- Amendment of definition of area of the deeds registry at Cape Town as the Province of the Western Cape as well as the Province of the Eastern Cape, excluding the areas served by the deeds registries at King William's Town and Mthatha and withdrawal of previous notices in respect of the definition of the area of the deeds registry at Cape Town.

ELECTRONIC DEEDS REGISTRATION SYSTEM BILL, 2017

(Notice 216 in Government Gazette 40686 of 15 March 2017)

The Minister for Rural Development and Land Reform has published the Electronic Deeds Registration System Bill and Explanatory Memorandum. In accordance with this legislation, the Chief Registrar of Deeds must develop, establish and maintain the electronic deeds registration system. This system must allow for the preparation, lodgement, registration, execution and storing of deeds and related documentation.

AUDITING PROFESSION ACT 26 OF 2005 - INDEPENDENT REGULATORY BOARD FOR AUDITORS (IRBA):

(Business Notices 17, 18 and 19 in Government Gazette 40660 of 3 March 2017)

The following business notices have been published:

- Notice of adoption of international quality control, auditing, review, other assurance and related services pronouncements published
 - Notice of publication for comment of proposed amendments to the code of professional conduct for registered auditors published
- The proposed amendments to the IRBA Code of Professional Conduct are available and may be downloaded from the IRBA website via the following link: <https://www.irba.co.za/guidance-to-ras/technical-guidance-for-auditors/exposure-drafts-andcomment-letters>
- Fees payable to the IRBA published with effect from 1 April 2017

REGULATION OF AGRICULTURAL LAND HOLDINGS BILL, 2017

(Notice 229 in Government Gazette 40697 of 17 March 2017)

The Minister for Rural Development and Land Reform has published the Regulation of Agricultural Land Holdings Bill, 2017 and the Explanatory Memorandum for public comment.

The Bill aims to:

- establish the Land Commission and provide for the composition, appointment, qualification and remuneration of members of the Land Commission;
- provide for the functions and powers of the Land Commission;
- provide for the delegation of powers by the Minister and the Land Commission;
- provide for the establishment and maintenance of a register of public and private agricultural land holdings and to provide for the declaration of present ownership and acquisition of private agricultural land;
- provide for the submission of information on public agricultural land;
- provide for prohibition on the acquisition of agricultural land by a foreign person as well as to provide for and regulate the lease by foreign persons;
- provide for the determination of ceilings in respect of agricultural land;
- provide for redistribution of agricultural land; as well as
- providing for investigations by the Land Commission and all related responsibilities of the Chief Operations Officer and the general running of the Land Commission.

NATIONAL ENVIRONMENTAL MANAGEMENT: WASTE ACT 2008 – DRAFT NATIONAL NORMS AND STANDARDS FOR THE SORTING, SHREDDING, GRINDING, CRUSHING, SCREENING OR BAILING OF GENERAL WASTE

(General Notice 243 in Government Gazette 40698 of 17 March 2017)

The Minister of Environmental Affairs has published the draft national norms and standards for comment. The full document can be obtained from the departmental website <http://sawic.environment.gov.za> These norms apply to any waste facility involved in the sorting, shredding, grinding, crushing, screening or bailing of general waste at a waste facility that is 100m² or more.

REGULATIONS IN ACCORDANCE WITH THE PROVISIONS OF SECTION 9 OF THE NATIONAL HERITAGE RESOURCES ACT NO 25 OF 1999

(General Notice 218 in Government Gazette 40691 of 17 March 2017)

The South African Heritage Resources Agency has, in terms of section 9(3)(a) of the National Heritage Resources Act No 25 1999, made the Regulations in the schedule. The main objective of these Regulations is to provide standards for conservation and maintenance of heritage resources that are in control of State Departments and Supported Bodies. The State Department and Supported Bodies must commission and prepare Conservation Management Plans for heritage resources in their control.

UNEMPLOYMENT INSURANCE ACT NO 63 OF 2001 - INCREASE OF THE SCALE OF BENEFITS

(General Notice 231 in Government Gazette 40691 of 17 March 2017)

The benefits of scale have been increased from R178 464 to R212 539 (R17 712 per month or R4 087 per week) from 1 April 2017.

DRAFT COASTAL WATERS DISCHARGE PERMIT REGULATIONS PUBLISHED IN TERMS OF THE NATIONAL ENVIRONMENTAL MANAGEMENT: INTEGRATED COASTAL MANAGEMENT ACT, 2008 (ACT NO. 24 OF 2008)

(Notice R 214 in Government Gazette 40674 of 10 March 2017)

The Minister of Environmental Affairs has published, for public comment, the draft Coastal Waters Discharge Permit Regulations in terms of sections 83(1)(g), (h), (k) and (r) of the National Environmental Management: Integrated Coastal Management Act, 2008 (Act No. 24 of 2008). Application for a coastal waters discharge permit must be made to the Minister on the application form obtained from the Department; completed in full and signed by the relevant person or persons and accompanied by proof of payment of the application fee and all supporting documents required to assess the application including those required by the application form. Application must be lodged in duplicate; electronically, if required; and with the original, or certified copies of the documentation in support of the application. An application for a coastal waters discharge permit to discharge effluent into an estuary may only be granted in exceptional circumstances, and only where certain criteria is met.

DRAFT COMPREHENSIVE MARITIME TRANSPORT POLICY (CMTP), 2017

(Notice 183 in Government Gazette 40662 of 2 March 2017)

The Department of Transport Executive Authority intends, in terms of section 85 (b) of the Constitution to publish a Comprehensive Maritime Transport Policy for the Republic of South Africa. It was released for public consultation. The full version of the COMPREHENSIVE MARITIME TRANSPORT POLICY is downloadable on the Department of Transport website www.transport.gov.za.

This policy is an articulation of what constitutes the maritime transport sector; the benefits it holds for the country and most importantly the creation of an environment that facilitates the growth, development, transformation and effective governance and management in such a way that the national interest of the Republic and its peoples and that of customers are protected and that the industry is positioned and equipped to perform optimally and efficiently in meeting its own needs; the needs of the national economy and provision of efficient service to the national and global shipping customers.

The policy provides detailed information on the opportunities available as well as proposing an appropriate institutional framework for the governance and management of the sector. It is specifically focused on the maritime transport system.

It is important for local government with regards to the following three aspects:

1. Local Government is responsible for Small Harbours in terms of the Constitution

The Policy states that the Department of Transport, in cooperation with the Department of Public Works and in consultation with the Department of Agriculture, Forestry and Fisheries, and any other relevant organs of state shall formulate and implement a Small Harbours Development policy and strategy with a central focus on socio economic development. Further, the Department of Transport shall develop the small harbours regulatory framework for governance of safety of navigation, security, protection of marine environment and operations.

2. Vessels on inland waters

Vessels navigating on sea are regulated by SAMSA with those on inland waters falling under various authorities, such as national departments, provincial Governments

and municipalities. The current system of registration of small vessels is not consistent between the municipal areas, different inland waterways, tidal waters and the sea. This results in various system of identification with no easy means of verification. There is also no provision for third party insurance for small vessels in South Africa.

3. Maritime Safety Enforcement

Municipal law enforcement officers, appointed as peace officers, have far reaching powers regarding their local by-laws. If appropriately trained and appointed, their mandates regarding other pieces of legislation could be extended. The implementation of enforcement training regarding the Merchant Shipping Act and the Small Vessel Regulations should be investigated, with municipal interaction. The Department shall, with local government interaction, investigate and implement enforcement training for municipal law enforcement officers to expand their powers to enforce the provisions of the Merchant Shipping Act and the regulations pertaining to small vessels.

Proposed Legislation:

DEPARTMENT OF CO-OPERATIVE GOVERNANCE AND TRADITIONAL AFFAIRS – LEGISLATIVE CHANGES:

The parliamentary committee on Cooperative Governance and Traditional Affairs on 28 February 2017 considered a presentation on the proposed introduction of inter alia the following Bills into Parliament -

1. Municipal Structures Amendment Bill

Amendments being proposed:

- Section 7: Types of municipality
- Section : 20 Determination of number of councillors
- Section 26: Term of office of councillors
- Section 30: Quorums and decisions
- Section 41: Acting speakers
- Section 44: Functions and powers of executive committees
- Section 53: Removal from office of executive committees
- Section 56: Functions and powers of executive mayors
- Section 79: Other committees of municipal councils
- Section 80: Committees to assist executive committee or executive mayor
- Sections 83, 84, 85, 88 and repeal 89
- Provide for the Office of the Whip.

2. Municipal Systems Amendment Bill

Amendments being proposed:

- Section 62 (Appeals);
- Section 103 (Agreements with employers);

- Section 115 (Service of documents and process);
- Section 118 (Restraint on transfer of property); and
- Chapter 8A (Municipal Entities).

Circulars:

MFMA BUDGET CIRCULAR – CIRCULAR 86

Circular 86 was published on 8 March 2017 and is a follow-up to the one issued in December 2016. It guides municipalities with their preparation of the 2017/18 Medium Term Revenue and Expenditure Framework (MTREF) and, as with previous annual budget circulars it should be read within that context. Among the objectives of this circular, is to support municipalities with giving effect to National Treasury's Municipal Budget and Reporting Regulations (MBRR) within the current economic climate. The key focus of this circular is the implementation of municipal Standard Chart of Accounts (mSCOA) and the grant allocations as per the 2017 Budget Review. GDP growth rate is forecasted to increase by 1.3 per cent in 2017 and to improve moderately over the medium term with to 2 per cent and 2.2 per cent in 2018 and 2019 respectively.

National Treasury therefore encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation has breached the upper limit of the 3 to 6 per cent target band; therefore municipalities are now required to justify all increases in excess of the 6.4 per cent projected inflation target in their budget narratives, and pay careful attention to the differential incidence of tariff increases across all consumer groups.


The Minister of Finance, at the request of the Minister of Public Enterprises, has granted an extension until 5 April 2017 for the tabling of Eskom's 2017/18 bulk prices for municipalities. Municipalities must ensure that their budgets are informed by Eskom's bulk tariff to be tabled on that date. In the meantime municipalities are advised to use the NERSA's guided 0.31% bulk tariff increase when compiling their budgets. This means that any changes to the final bulk tariff increase for 2017/18 to be tabled by Eskom on the 5 April 2017 will have to be factored in after the tabled budget and during the budget public participation period.

Municipalities must note that the free basic services subsidy provided for in the local government equitable share were informed by the 8 per cent bulk tariff increase previously

approved for the current Multi-Year Price Determination period. The equitable share allocations were tabled on 22 February 2017 in the Division of Revenue Bill, 2017. If a lower electricity bulk tariff is tabled for 2017/18 this will be offset in the calculation of the free basic services subsidy for equitable share allocations for 2018/19. This means that municipalities will have to budget to retain any surplus funds from the higher free basic services subsidy paid in 2017/18 in order to offset the cost of providing free basic electricity in 2018/19.

National Treasury reminds municipalities that all grant allocations included in their budgets must correspond to the allocations listed in the Division of Revenue Bill. All the budget documentation can be accessed from the National Treasury website from the following link: <http://ntintranet/documents/national%20budget/2017/>

National Treasury also reminds municipal CFO's that the compilation of the 2017/18 Medium-Term Budget and Expenditure Framework (MTREF) must be compliant with the mSCOA classification framework. It is imperative that municipalities are familiar with the addendum to MFMA Circular No. 80 which describes what constitutes mSCOA compliance by 1 July 2017. The following link contains more information on mSCOA and other benefits of the reform: <http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Further, National Treasury, together with the provincial treasuries, will undertake a compliance check and, where municipalities have not provided complete budget information, the municipal budgets will be returned to the mayors and municipal managers of the affected municipalities for the necessary corrections. Municipal managers are reminded that the annual budget must be accompanied by a quality certificate and council resolution in accordance with the format specified in item 31 of Schedule A of the Municipal Budget and Reporting Regulations. In addition to the above compliance check, the mSCOA data strings will be assessed to determine whether the municipalities are compliant. National Treasury emphasises that where municipalities have not adhered to the Municipal Budget and Reporting Regulations, they will be required to go back to the municipal council and table a complete budget document aligned to the requirement of the Municipal Budget and Reporting Regulations. In addition, where municipalities have tabled an unfunded budget, they will be required to correct the budget to ensure that a funded budget is adopted and implemented. 



15th
year
anniversary

Tailor made
revenue
management
solutions

DEBT RECOVERY

CREDIT MANAGEMENT

INDIGENT MANAGEMENT

DEBT BOOK BUYING

ACCELERATED INFRASTRUCTURE
RECOVERY PROGRAMME

Members of ADRA & Council for debt collectors
www.nics.co.za

MEMBERSHIP DETAILS UPDATE

INFORMATION

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

POSTAL ADDRESS:

PO Box 4003, Kempton Park, 1620

PHYSICAL ADDRESS:

28 Fortress Street, Rhodesfield, Kempton Park, 1619,
Tel: +27 11 394 0879 • Fax: +27 11 394 0886
www.cigfaro.co.za



NTIYISO CONSULTING

Management Consulting | BPO | IT



Premier innovators in management consulting.

Ntiyiso Consulting is a boutique Management Consulting firm.

We are leaders, innovators and experts in:

- Revenue Management & Enhancement Consulting
- Strategy & Organisational Efficiency
- Business Process Outsourcing Advisory

Tel: 012 940 5435

Fax: 012 940 5436

<http://www.ntiyisoconsulting.co.za> info@ntiyisoconsulting.co.za

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

MAY

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	Banking details of all mun bank accounts	MFMA 9(b)	Annually, May/June	Accounting Officer	Prov Treas, AG
4	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
5	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
6	Advertise/advise new long-term debt	MFMA 46(3) (a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
7	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Council, 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 - details of a all bank accounts	MFMA 86(1)(b)	Annually, May/June	Entity Acc Officer	Acc Officer of parent Mun
15	Submit info re entity banking details	MFMA 86(2)	Upon Receipt	Accounting Officer	Nat Treas, Prov Treas, AG
16	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
17	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Council
18	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
19	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
20	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
21	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
22	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
23	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
24	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
25	Non-Financial Census of Municipalities	Stats Act (1999/16)	End May	Acc Officer etc	Statistics SA

JUNE

(4TH 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	Banking details of all mun bank accounts	MFMA 9(b)	Annually, May/June	Accounting Officer	Prov Treas, AG
4	Exceedance of the Capital Budget	MFMA 31	Promptly	Mun Manager	Prov Treas, AG
5	Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 32(4)	Promptly	Accounting Officer	Mayor, MEC (Loc Govt), AG
6	Advertise/advise new long-term debt	MFMA 46(3)(a)(ii)	Promptly	Accounting Officer	Nat Treas, Prov Treas, Public
7	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 - details of a all bank accounts	MFMA 86(1)(b)	Annually, May/June	Entity Acc Officer	Acc Officer of parent Mun
15	Submit info re entity banking details	MFMA 86(2)	Upon Receipt	Accounting Officer	Nat Treas, Prov Treas, AG
16	Entity - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
17	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & 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	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas

REPORTING REQUIREMENTS - LOCAL GOVERNMENT

JULY

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 Council, MEC (Loc Govt)
8	Annual Budget not approved yet	MFMA 55	Promptly	Mayor	MEC (Loc Govt)
9	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
10	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
11	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, 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 - Stmtnt: budget etc per requirements	MFMA 87(11)	1-10 Days after month-end	Entity Acc Officer	Acc Officer of parent Mun
16	Entity - Impending shortfalls & steps	MFMA 101(1)	Next meeting	Entity Acc Officer	BOD of entity, Parent Mun & Council
17	Table report above	MFMA 101(2)	Next Council meeting	Accounting Officer	Municipal Council
18	Entity - Unauthorised, irregular, wasteful or fruitless expenditure	MFMA 102(1)	Promptly	BOD of entity	Mayor, Mun Mngr of parent mun
19	Entity - Returns, documents, information, explanations & motivations as prescribed	MFMA 101(1)(b)	As prescribed	Entity Acc Officer	Nat Treas, Prov Treas, AG, Lgovt
20	Entity - Improper interference by Cllrs	MFMA 103	Promptly	Entity Acc Officer	Speaker of parent mun Council
21	Deviations from a recommended tender	MFMA 114(1)	Promptly	Accounting Officer	Nat Treas, Prov Treas, AG
22	Entity - Deviations from a recom. tender	MFMA 114(1)	Promptly	Entity Acc Officer	Nat Treas, Prov Treas, AG
23	Prepare & submit Financial Statements	MFMA 126(1)(a)	1-2 months after Fin Y-end	Accounting Officer	AG
24	Entity - Prep & submit Fin Statements	MFMA 126(2)	1-2 months after Fin Y-end	Entity Acc Officer	Parent Municipality
25	Prep & submit Consolidated Fin Stmtnts	MFMA 126(1)(b)	1-3 months after Fin Y-end	Accounting Officer	AG
26	Entity - Submit annual report	MFMA 127(1)	1-6 months after Fin Y-end	Entity Acc Officer	Municipal Manager
27	Table mun & entity annual report	MFMA 127(2)	1-7 months after Fin Y-end	Mayor	Municipal Council
28	Reasons for delay of tabling annual report	MFMA 127(3)(a)	Promptly	Mayor	Municipal Council
29	Submit Annual report	MFMA 127(5)	Immediately after report is tabled in Council	Accounting Officer	AG, Prov Treas, Prov Lgovt
30	Non-compliance & reasons of non-complia	MFMA 128©	Promptly	Accounting Officer	Mun Council, Prov Treas, AG
31	Submit copies of Council mtngs (annual report discussions)	MFMA 129(2)	Promptly	Accounting Officer	AG, Prov Treas, Prov Lgovt
32	All annual returns		Middle July	Acc Officer etc	Nat Treas
33	All monthly returns (MFMA, DORA, etc)		10 Days after month-end	Acc Officer etc	Nat Treas
34	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtrr	Acc Officer etc	Nat Treas
35	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qtrr end	Acc Officer etc	Statistics SA
36	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qtrr end	Acc Officer etc	Statistics SA



Capitalising Property Intelligence

quality and promptness are our distinguishing features.

Evaluations is a young, ambitious and entrepreneurial BEE company managed by insightful and inspiring professionals. With an expert team of Professional Valuers, Statisticians and Technologists, Evaluations is a leader in Automated Valuation Models (AVMs) Development and Computer Assisted Mass Appraisals (CAMA) Services.



Value Services

Mass Property Valuations
Fixed Asset Verification
Asset Condition Assessments
Property Data Collection & Management

DURBAN

Tel: +27 87 354 6002, Fax: +27 31 368 1106

CAPE TOWN

Tel: +27 21 552 1838, Fax: +27 21 552 1839

JOHANNESBURG

Tel: +27 11 284 1600, Fax: +27 11 284 1608

web: www.evaluations.co.za

CAMELSA

CONSULTING GROUP



SERVICE OFFERINGS

(System Sales, Implementation, Training, Project Management and mSCOA Support)

ERP Systems Implementation	Project Management	Supply Chain Management (Sales, implementation and training)
Accounting and Audit Support	mSCOA Implementation and Support	Customer Relationship Management (Sales, implementation and training)
GRAP/IPSAS (Implementation and training)	Asset Register Compilation	Asset Management (Sales, implementation and training)

Sage Evolution
ERP

by Sage Pastel



mSCOA Add-on modules

Advanced Procurement | Voucher Management | Branches | Fixed Assets

**GAUTENG
(Head office)**
Camelsa House,
6 Smuts Drive,
Vorna Valley,
Midrand, 1685
Tel: 011 805 1027
Fax: 011 805 3966

DURBAN
2nd Floor
Beacon Rock
21 Lighthouse Rd
Umhlanga Rocks
Tel: 031 576 0440
Fax: 031 576 0301

NORTH WEST
Office number 220,
Old Mutual Building,
Mmabatho, 2790
Tel: 0862 226 572
Fax: 088 011805 3966

EAST LONDON
Unit 1 6-8 Donald
Road, Vincent,
East London, 5200
Tel: 043 704 6427
Fax: 043 726 3594

POLOKWANE
3D Ramlin Square,
31 Han Van
Rensburg Str.,
Polokwane, 0699
Tel: 015 297 0724
Fax: 088 011 80396

RICHARDS BAY
Office no 27A,
Lakeside Mall,
Richards Bay