



# CIGFARO

Chartered Institute of Government Finance, Audit and Risk Officers

## JOURNAL

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MARCH 2020



## CYBER SECURITY IN MUNICIPALITIES

**12** Moving the economy forward  
through inclusive growth

**18** GENDER BASED VIOLENCE  
IN THE WORKPLACE



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# ED



## Greetings Colleagues

The upheaval caused by Covid-19 in our country has caused a lot of uncertainty. In support of government's objective to minimise the risk of internal transmissions, while still maintaining business continuity, CIGFARO has had to implement preventative measures. Employees of CIGFARO are working from home, unless their work requires them to come to the office from 26 March 2020 until further notice.

On 16 March 2020 the Institute published a media statement following the State Address by the President that stated, "CIGFARO acknowledged the latest media statement on the National State of Disaster declared in terms of the Disaster Management Act dated 15 March 2020 by President Cyril Ramaphosa regarding the Covid-19 Coronavirus. He officially banned all events or gatherings of more than 100 people in South Africa. Large events and celebrations have been postponed or cancelled by Government.

Against this background we also officially announced the postponement of the 11<sup>th</sup> Annual Audit & Risk Indaba scheduled to be held from 20-22 April 2020 at the Durban International Convention Centre (Durban ICC) in the City of eThekweni, including all other events and training that will be rescheduled."

This issue will focus on **"Budgeting in an Economically Constrained Environment"**. Some of the featured articles include "Budgeting in a time of austerity" by Lelona Mxesibe from Manto (page 10) and "Moving the economy forward through inclusive growth" by Asma Sheik on page 12.

International Women's Day was celebrated on 8 March 2020. The UN Executive Director for Women, Ms. Phumzile Mlambo-Ngcuka, highlighted the year 2020 as the year for gender equality and called on everyone to tackle the persistent barriers to gender equality. An interesting article from The Black Management Forum on policies that can be implemented to address sexual harassment and gender based violence in the workplace can be found on page 18.

We encourage you to keep safe during the lockdown and look forward to your return to serve our public with pride and integrity.

Remember to stay in touch with us on our social media platforms.  
Facebook: Chartered Institute of Government Finance, Audit & Risk Officers - CIGFARO  
Twitter: @cigfaro\_editor

Happy reading, till the next issue.  
**Ciao!**

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**CCG SYSTEMS**






Colleagues and members, we have started our new calendar year full of expectations and new energy to provide services to the communities we serve. National and Provincial departments have already prepared their budgets which will shortly be presented by the Minister of Finance in Parliament. As for municipalities, we are all frantically busy preparing our budgets for approval on or before the 31 March 2020. This will then start the public participation processes in putting our budgets before our communities. The current economic climate looks bleak :- city's resources are constrained and limited; collection rates are coming under severe downward pressure; while community demands are growing. Politicians are appealing to us to find ways to improve the free basic services package that we provide. This increase in the free basic services is a serious threat to the financial sustainability and viability of our towns and cities. Accordingly, this edition of the CIGFARO journal deals with **"Budgeting in an Economically Constrained Environment"**.

This theme is very appropriate in the sense that even with SONA, the honorable President of South Africa alluded to the precarious state of the finances of our beautiful country. Our sovereign rating is under threat whilst we see an increase in government debt, the "financial distress" of our state-owned enterprises (SOE's) and no change in our unemployment rate of 29%. The economic growth does not show any sign of investor confidence and we have been informed that we will see load shedding for the foreseeable future up to 18 months. This has a direct impact on the economy, productivity and revenue streams of municipalities. Municipalities are going to find it difficult to balance their budgets

with realistic revenues due to the bleak economic picture and the affordability of tariff increases.

The bulk tariff increases are also having a huge impact on municipalities. Both the Eskom and water board tariff increases have been well above inflation. The price elasticity of demand has been reached. Accordingly, sales are going down whilst prices are still going up. This is an anomalous situation. It is clearly not sustainable. This results in consumers moving off the grid which impacts on our collection rates and consequently the financial viability and sustainability of the Municipality.

It is now the time for municipalities to re-look at their tariff funding models and to adapt them to take cognisance of the drop in the demand for water and electricity consumption. This would require that tariff structures make provision for fixed and consumption charges. If you have mining industry users of electricity in your municipal area, please note that the IPP authority may have a direct loss in revenue for the municipality and depending on their license conditions, a wire fee must be created as part of their other charges on their municipal bill. This is to ensure that municipalities do not lose the full cross subsidy for poorer households. Another issue that needs scrutiny, is our own productivity. The principle of doing more with less has become more and more a reality. We need to take the cost containment regulations seriously and costs not associated with direct service delivery needs scrutiny and hard decisions for their continuance. We must prioritise expenditure and ensure effectiveness of spend. Benchmarking of prices in all bid committee reports is essential to ensure value-for-money. Our top 10 items of expenditure must be closely monitored and we must ensure that there is no over-spending relating to items such as overtime, security, EPWP, etc.

In conclusion, I would like to leave you with this blunt but realistic caution from our honourable Minister of Finance, Tito Mboweni, who clearly understands and appreciates the seriousness of the current economic climate, and the need to take action now, *"The consequences of not acting now would be gravely negative for South Africa. Over time the country would likely face mounting debt service costs and higher interest rates and may enter a debt trap. The unemployment crisis would worsen, and government debt could balloon. This is an outcome we are determined to avoid... Our little aloe is not doing well. It needs attention, like our public finances... There is no status quo option. Stabilisation involves difficult decisions that imply sacrifices by all of us. Slowing growth in the compensation bill and additional revenue measures will be needed."* 

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



# CIGFARO supporting members through this time.

In support of government's objective to minimise the risk of internal transmissions, and while maintaining business continuity, CIGFARO has decided to implement preventative measures. Employees of CIGFARO will work from home unless required to come to the office.

CIGFARO staff remain available telephonically and via email to discuss any important matters. The measures implemented will be monitored continuously by the organization.

- **National Events:** [registration@cigfaro.co.za](mailto:registration@cigfaro.co.za) Getrude Nkhoma and Seba Ngwana
- **Branch Events:** [branch@cigfaro.co.za](mailto:branch@cigfaro.co.za) Alinah Motloung and Lindi Nolte
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**CIGFARO**  
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### “LIVING WITHIN YOUR MEANS”

It is important for us to accept the fact that life is evolving, dynamic and never meant to be static. The life conditions faced by our great grandparents were definitely not the same as the current predicament of water scarcity and load shedding, amongst others, that we are living in. There are notable instances where conditions have improved for the better like the speedy relay of messages (via improved means of communication). The inverse is also true as we experience the diminishing of natural resource deposits such as water.

To quote the clichéd idiom, **“One man’s meat is another man’s poison”**, it is not a given that if we reflect on our past we will all arrive at the same conclusion of whether it was a good life or not. Organisational life is no different as all are either positively or negatively affected/influenced by their past. A 90 year old institution like CIGFARO also has its experiences. Our past has however influenced our present situation more positively. We use our history to build our future for more success.

There are however very basic and fundamental principles which do not change with the times. Our forefathers applied the same current principle of;

**“Live within your means”.**

Calvin Coolidge, the 30th president of the United States, re-iterated the importance of living within available means by stating that:  
**“There is no DIGNITY quite so impressive, and no INDEPENDENCE quite so important, as living within your means”**

We wish all the Chief Financial Officers and their support team members well in their endeavour to restore and sustain DIGNITY and Financial INDEPENDENCE in their respective Organisations through proper Budgeting processes, amidst the much more Constrained Economic Climax we live in.

**“NO Penny – NO Spending”**

**ABBEY TLALETSI, CIGFARO CEO**

Computer security, cybersecurity or information technology security is the protection of computer systems from the theft of or damage to their hardware, software, or electronic data, as well as from the disruption or misdirection of the services they provide. A typical case in point is the recent cyber-attack of the City of Joburg's network system. This attack interrupted all the municipality's online systems, and left many residents frustrated as they could not access online platforms.





## Why is cyber security so important?

The World Economic Forum Global Risk Report 2019 lists large scale cyber attacks at number 5 of the most likely risk to affect organizations and businesses at a global scale. Given more recent events in the South African banking sector and more importantly at municipalities, the situation is more likely to get worse.

1	Extreme weather events (e.g. floods, storms, etc.)	
	Failure of climate-change mitigation and adaptation	2
3	Major natural disasters (e.g. earthquake, tsunami, volcanic eruption, geomagnetic storms)	
	Massive incident of data fraud/theft	4
5	Large-scale cyberattacks	
	Man-made environmental damage and disasters (e.g. oil spills, radioactive contamination, etc.)	6
7	Large-scale involuntary migration	
	Major biodiversity loss and ecosystem collapse (terrestrial or marine)	8
9	Water crises	
	Asset bubbles in a major economy	10

Top  
**10**  
Risks by  
Likelihood  
Global Risks Report

**"every connected organisation or business is at risk of cyber attacks."**

## What can go wrong?

Cyber-attacks are getting more complex as the criminal cyber attackers tend towards monetizing their operations. Typically, the attacks would result in the following:

- Customer data exposure (and the impact of the Protection of Personal Information Act)
- Transactional data corruption
- Denial of service (disruption of access to mobile apps, customer care services)
- Financial loss
- Defacement of web sites, resulting in reputational damage.

**"Malware attacks in South Africa increased by 22% in the first quarter of 2019 compared to the first quarter of 2018, according to global cyber security company Kaspersky Lab. That means there are just under 577 attempted attacks per hour, or over 9 per second."**

## How it can go wrong?

Experience in assignments that we have delivered has shown us that the primary points of failure in most organisations are:

- inadequate password policy and implementation
- Non-renewal of anti-virus licences
- Out of date anti-virus definitions
- Lack of effective patch management processes
- Lack of cyber risk training and awareness
- Use of unprotected personal devices on organization's networks.

**"Malware and ransomware tools and software becoming more readily available on the internet. Even the less experienced of hackers can get access to more complex algorithms."**

## What can be done?

Understandably, as municipalities struggle with revenue collection, financial resources available to defend against cyber attacks would be at a minimum. In fact, in our experience most municipalities do not budget for this eventuality beyond just an investment in anti-virus software.

These are practical steps that can be taken to get the fundamentals in place:

- Ensuring all security software licences and firewalls are current
- Running periodic end-to-end backup recovery testing
- Ensuring a robust Incident Response Plan that covers systems, processes and people
- Since most incidents reportedly come from internal users clicking on untrusted links, training and awareness campaigns are critical
- Building a cyber security roadmap that includes building internal capacity in the long term.

## Our Services

For a comprehensive cyber security review, our service includes:

- Information security policy assessment
- Cyber risk and security review
- Internal vulnerability and penetration testing
- External vulnerability and penetration testing
- Wireless vulnerability review
- Core switch review
- Core firewall review
- Network security architecture review

## Our people

- ISO 27000 Specialists
- Certified Ethical Hackers
- Certified Information Systems Auditors (CISA)

## Budgeting in a time of austerity

by *Lelona Mxesibe, Manto Management*



It's no secret that the South African economy has been on its knees for some time now. In February 2020, we were officially declared to be in a state of recession- which is when the economy sees a fall in GDP for two consecutive quarters. This decline is increasingly attributed to the persistence of fiscal consolidation or austerity as an economic policy.

These economic constraints are translated, through the National Budget, to the general public. According to Parliament, the Budget is a document of intent that maps out the government's plan of action towards meeting the needs of the South African people. The Budget is also used as a guideline for government to ensure that there are actually enough resources that can be generated to achieve projected goals. Over the years, however, it would seem that priorities have shifted- National Treasury has indicated that the Budget is now more of a tool to secure international creditors and portray South Africa in a good light for investors.

### **An austerity framework for budgeting:**

Traditionally, austerity is characterized by government cutting back on expenditure and the increase of taxes. In 2011, 'expenditure ceilings' were introduced and they effectively put a cap on the

overall amount of money that the government can spend. This can be considered evidence of an executive decision to move our economy towards an austerity framework.

The implementation of austerity policies has been justified by the government as being an attempt to sooth the fiscal challenge and reduce the debt to GDP ratio, which compares what the country owes (debt) against what the country is able to produce (GDP). This ratio is also used to calculate the country's ability to pay back its debt, and in some cases it's used to determine how long it will take to pay this debt back. It is said that the higher this ratio is, the more likely it is that the country will default in its debt repayments.

Extensive research has been conducted internationally and domestically by organizations like Applied Development Research Solutions (ADRS) to model the effects of austerity. This research shows that instead of improving the state of the economy, austerity makes it worse. Findings include that when the government decides to reduce expenditure, we can expect to see regressive tax policies being implemented and there will be a rise in the unemployment rate. This research also shows that austerity is not only counter-productive, actually increasing the debt to GDP ratio, but is also a hindrance to the realisation of socio-economic rights; creating a sharp decline in the delivery of social services that increases the inequality gap.





As if the continuous implementation of austerity measures was not bad enough, the leaders in our country exhibit nonchalance when it comes to addressing this matter. When the Finance Minister, Tito Mboweni, was asked to speak on the persisting austerity measures during the pre-budget speech media briefing, he said “We have to get our house in order. And it is going to be a painful process...” this did not bode well for economic growth and the standard of living for the majority of South Africans who are living in abject poverty. It is thus not surprising that we now find ourselves in an economic recession.

### **Expansionary fiscal policy:**

What we need is fiscal stimulus. This is the term used to refer to the reduction of taxes or government spending of revenue that increases the aggregate demand.

Between the years of 2003 and 2008, South Africa experienced growth and the unemployment rate was at its all-time low. This, according to many analysts, was due to the expansionary fiscal and monetary policies that gave the economy the boost it needed and provided a conducive environment for job creation. During these ‘golden years’, public investment increased by 16.3% each year and the economy saw growth of 4.8% per annum.

Research shows that fiscal stimulus has opposite effects to those of austerity. Where austerity cut backs threaten jobs and professions, stimulus creates job security - especially those jobs that can be identified as being frontline in social services, like nurses and teachers. Also unlike austerity, a fiscal stimulus policy seeks to protect human rights by ensuring the progressive realisation of socio-economic rights, as enshrined in our Constitution. When government increases spending, then there is more money circulation and this leads to increased productivity in the delivery of goods and services.

Cutting expenditure does not work for a household budget, but at the National level, it only leads to catastrophic results. SPII research has shown that in the face of household poverty, food is the one expenditure that people have control over and it is what is usually cut first, with disastrous consequences for well-being and human potentials.. Implementing austerity measures to avoid recessionary repercussions is self-defeating. “Soft” issues like education, health care and social development are easy targets for cutting constitutional obligations of progressive realization on the state. If South Africa has any hopes of reliving the economic growth of 2003-2008, then we need to seriously rethink our current fiscal policies and economic strategies. **C**

## Moving the economy forward through inclusive growth

by Asma Sheik, CIGFARO Gauteng Regional Chairperson



The Finance Minister's budget speech amid gloomy economic conditions was expected to be an all-out attempt to retain the last remaining investment grade status we hold as a country, even if it meant raising VAT by one percentage point to boost revenue. The Minister charted a path to appease rating agencies by presenting how fiscal discipline would be applied in cutting expenditure and limiting the amounts allocated to underperforming SOE's, while providing tax payers with some tax relief and no increases in VAT.

The Gauteng branch of CIGFARO held their Post Budget Breakfast event on Friday the 28th February 2020, following the Finance Ministers Budget speech delivered in Parliament, to give its' members a chance to interrogate the finer details with experts. The theme of the event was "Moving the economy forward through inclusive growth" and the panel discussion focused on the merits of government shifting focus from consumption to investment.

The event was hosted by Ngubane and Co at their Midrand Offices and co-sponsored by SALGA Gauteng. The event is ea-

gerly anticipated due its practical approach and analysis of the Medium Term budget Speech. The aim of the event was to empower both members and non-members in attendance with an insight into the impact of the budget speech announcements on both the public sector and the country at large. Delegates from a wide variety of organisations and institutions attended the event including high schools, institutions of higher learning, Provincial Treasury, Municipalities and various other organisations.

The keynote address "Austerity without consolidation" and an analysis of the budget were delivered by Adjunct Professor Michael Sachs from the Southern Centre for Inequality Studies at the University of the Witwatersrand. Here, he leads the centre's research projects on public economics and fiscal policy but he is also well-known for his role as the head of the budget office at National Treasury.

Panel members who also participated on the day were Mr James Matsie, from the Municipal Finance Directorate at the South African Local Government Association (SALGA) and Mr Muziwethu Mathema, Group Executive: Macro Business Intelligence at the Gauteng Growth and Development Agency.

Using the Gauteng department of health as a case in point, the keynote speaker began by explaining how real resources per capita have grown substantially since 2002/03. Despite the large increase in resources available to the Gauteng department of Health over the last fifteen years, the average hospital patient feels like austerity measures are in place, as these increases



have been absorbed by a wage shock, a surge in employee headcounts and also new allocations for HIV/AIDs initiatives over the same period.

He outlined the how shifts were occurring within the resource envelope from goods and services to compensation; from hospitals towards to district and primary services; and from conditional grants towards funding from the equitable share. With a result, a financial crisis situated chiefly on central hospitals demonstrates the accrued liabilities of the department of health.

He stated that root of the current fiscal challenge was an inconsistent policy stance between the fiscal policy and other government policies. Government cannot consistently maintain a firm lid on primary spending from above, while below it shifts budgets from consumption to capital, top slices resources for new projects and embarks on new and uncosted policy initiatives.

He also highlighted how risks were being shifted below the line by eroding public capabilities and consuming non-financial public assets instead of accumulating debt liabilities. This interactive session concluded by underlining that real compromise was required to change our fortunes as a country. This included, but was not limited to, committing to a controlled albeit moderately less contractionary fiscal stance which allowed debt to increase in the medium term and in return tangible decisions on restructuring of State Owned Companies and reforming network infrastructure industries in order to mobile private investments had to be made.

The keynote address was followed by a robust panel discussion with questions from delegates presented to panel members. Is-

sues discussed and expounded on varied widely and allowed delegates to hear expert views on them. Amongst the matters raised was the inequality gap in South Africa and how the fourth industrial revolution and development of technology were not the main issues creating the inequality gap but it was rather the legacy of apartheid.

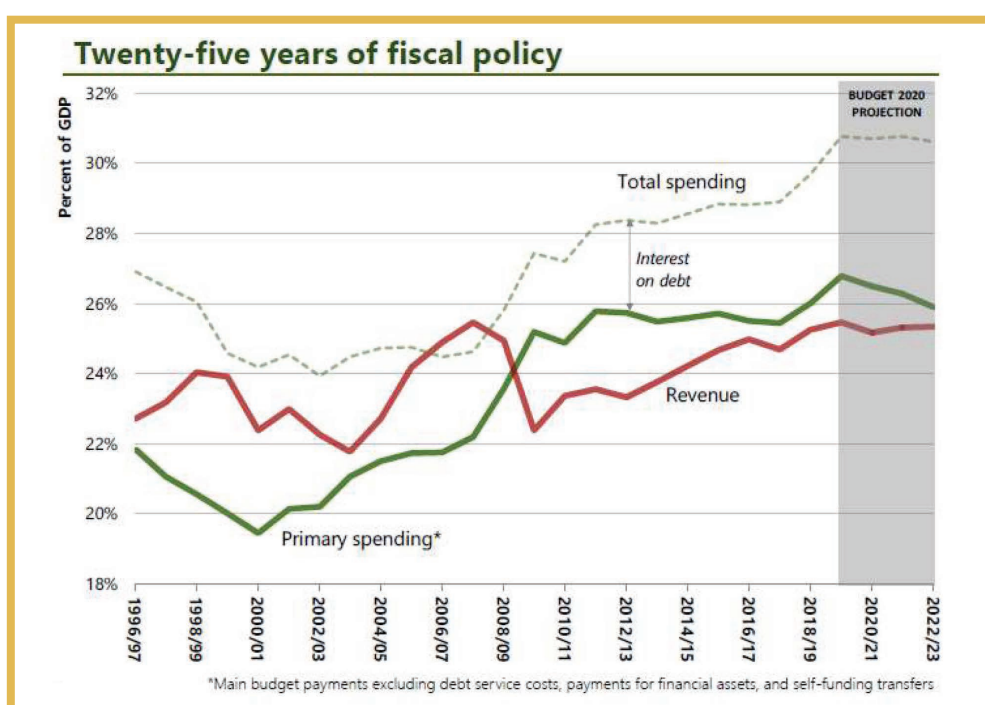
Delegates and panel members also discussed the misinterpretation of BBBEE policies and how small businesses needed to remain competitive despite not being focused on in the budget speech. Many felt that entrepreneurs and small businesses were a major part of the solution to reducing reliance on the state and creating jobs in the economy.

On matters of investments and infrastructure, Mr Mathema, from Gauteng Growth and Development Agency, highlighted how the allocation of tax incentives and issues relating to investment attraction were key and needed to be addressed. Mr Matsie, from SALGA, spoke about how intergovernmental transfers are being reduced and how revenue was a major instrument in terms of ensuring that municipalities are able to borrow. Without proper revenue streams, municipalities will not be in a position to borrow for any developments.

The event concluded with the guests being thanked for availing themselves and providing their insights and analysis on the MTB speech. **C**

#### References:

FISCAL POLICY Austerity without consolidation; Michael Sachs, Adjunct Professor, Southern Centre for Inequality Studies, University of the Witwatersrand; Presented at the CIGFARO Post-Budget Breakfast Johannesburg, 28 February 2020



Source: Prof. Michael Sachs Presentation: Sourced from National Treasury

# Research article on the assessment of the implementation of the Back-to-Basics Programme among the municipalities

This article is part of a series reporting on research commissioned by the Local Government Sector Education & Training Authority (LGSETA).

Many municipalities in South Africa have encountered difficulties in sustained service delivery, face increasing debt, governance problems and community protest. The Minister of Cooperative Governance and Traditional Affairs (CoGTA), Dr Zweli Mkhize, identified, in 2018, 55 municipalities as *dysfunctional*<sup>1</sup>. A previous minister in the same portfolio, Pravin Gordhan, had indicated in 2014 that a third of the country's municipalities were doing well, a third had the potential to do well and a third were dysfunctional<sup>2</sup>.

In this period, the national government, through the Department of Cooperative Governance and Traditional Affairs, sought to address this crisis of local government through a strategy called Back-to-Basics (B2B). Along with the Strategy, a programme of implementation was designed. B2B is an intervention aimed at improving local government in 5 key areas: (1) delivering basic services; (2) good governance; (3) sound financial management; (4) institutional capacity; and (5) public participation. The Strategy sought to intervene in dysfunctional municipalities and provide support to those municipalities with the potential to do well. In all municipalities performance monitoring in the five key areas would be increased. The Local Government SETA (LGSETA) has embarked on a research project with Palmer Development Group (PDG) to assess the implementation of the Back-to-Basics Programme amongst municipalities.

The research is aimed at assessing whether the achieved progress under the B2B Programme is leading to the realisation of Programme objectives as stipulated in the Local Government Back-to-Basics Strategy document. The project has taken the form of a document review combined with in-depth interviews with key local government stakeholders and an electronic survey of all municipalities.

## Progress since the inception of Back-to-Basics

B2B was introduced in 2014 and has been running since then. In terms of municipal progress in that time, CoGTA data suggests that there has been an improvement in the state of municipalities within this period. From 2015/16 to 2016/17, the of the total 257 municipalities, the number doing well increased

from about 100 to just over 115. The number of municipalities that were dysfunctional or not doing well decreased from approximately 60 to just over 40, reflecting a change of 20 municipalities. At the same time, the number of municipalities with the potential to do well increased by 15.

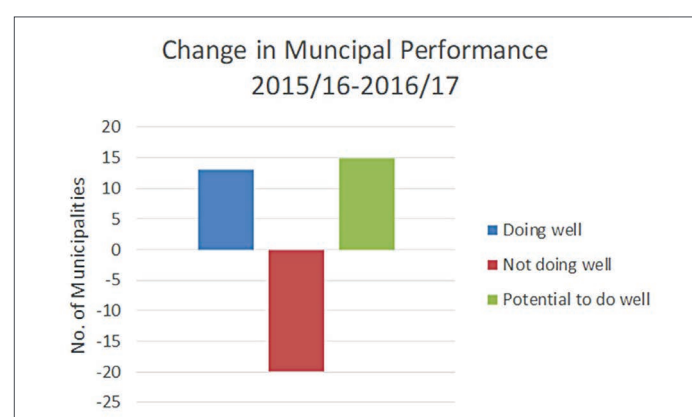
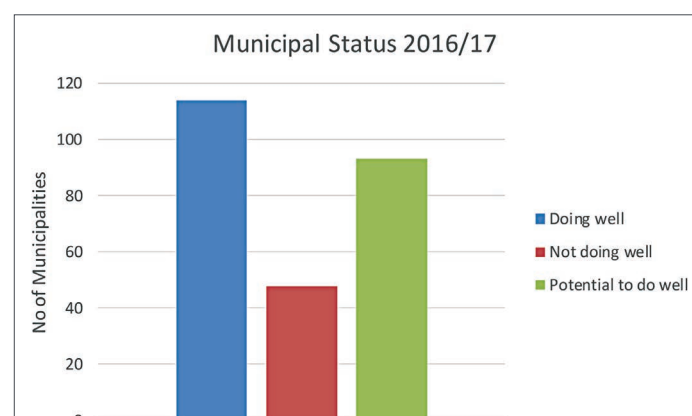
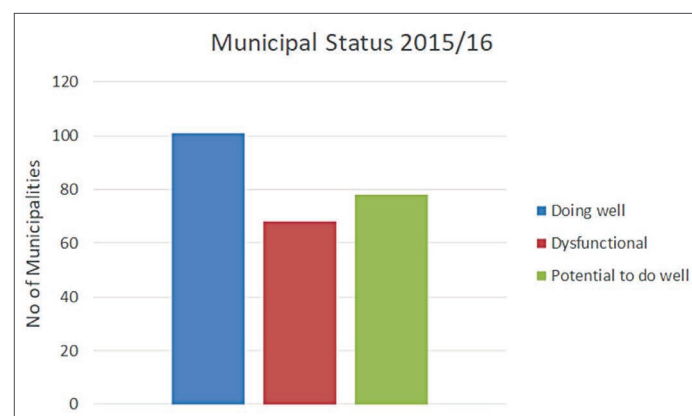


Figure 1: Municipal performance as per CoGTA 2015/16 and 2016/17 and change

1 Mkhize Z (2018) The ANC shall turn municipalities around. Daily Maverick, 26 March 2018. <https://www.dailymaverick.co.za/opinionista/2018-03-26-the-anc-shall-turn-municipalities-around/#.WthWhohubcc>

2 Quintal G (2014) Third of municipalities doing well: Gordhan. IOL, 18 September 2014. <https://www.iol.co.za/news/politics/third-of-municipalities-doing-well-gordhan-1753143>



When looking at this in relation to the Auditor General (AG) Municipal Finance Management Act (MFMA) Report for 2016/17, it suggests that municipal performance did not improve as much as the CoGTA data suggests. Instead, the data found that municipalities regressed in several key areas. For instance, for the Municipal Infrastructure Grant (MIG), the AG found that the achievement of targets decreased and that reliable reporting declined. Spending reduced in water and sanitation with funds being used for other purposes, and performance against achievements of targets and timeframes for routine water infrastructure maintenance decreased. In addition, the LGSETA B2B Assessment Survey found that about 45% of municipalities did not have a fundable consolidated infrastructure plan in place, a key element of the original B2B Strategy.

In terms of financial management, audit opinions improved, but there was an increase in material non-compliance findings in supply chain management, with little consequence management for findings from the previous year. The LGSETA B2B Assessment Survey suggested that municipal revenue collection rates remained poor, with 38% of municipalities reporting a decrease in revenue collection from 2014 to 2018, and 25% reporting no change in revenue collection. Further, 28% of managers said that their budgets were unrealistic, mostly due to inaccurate revenue projections. These results suggest that financial management is unlikely to have improved under the B2B Programme, on average.

In terms of institutional capacity building, senior management vacancies increased to 28% with, including increases in vacancies for the position of Municipal Manager and Chief Financial Officer. These vacancies lasted on average for over 40 months<sup>3</sup>. This is confirmed in the LGSETA B2B Assessment Survey data, which found that between 19% (Director: Community Development) and 38% (Director: Development Planning) of senior management positions were vacant in responding municipalities. Nearly 30% of managers in municipalities also reported that their municipality's organogram was unrealistic. Respondents suggested that this was often because the organogram was out of date, or positions were unfunded. In contrast to positions being unfunded, some respondents argued that there were positions on the organogram that did not add value and were a financial burden to the municipality.

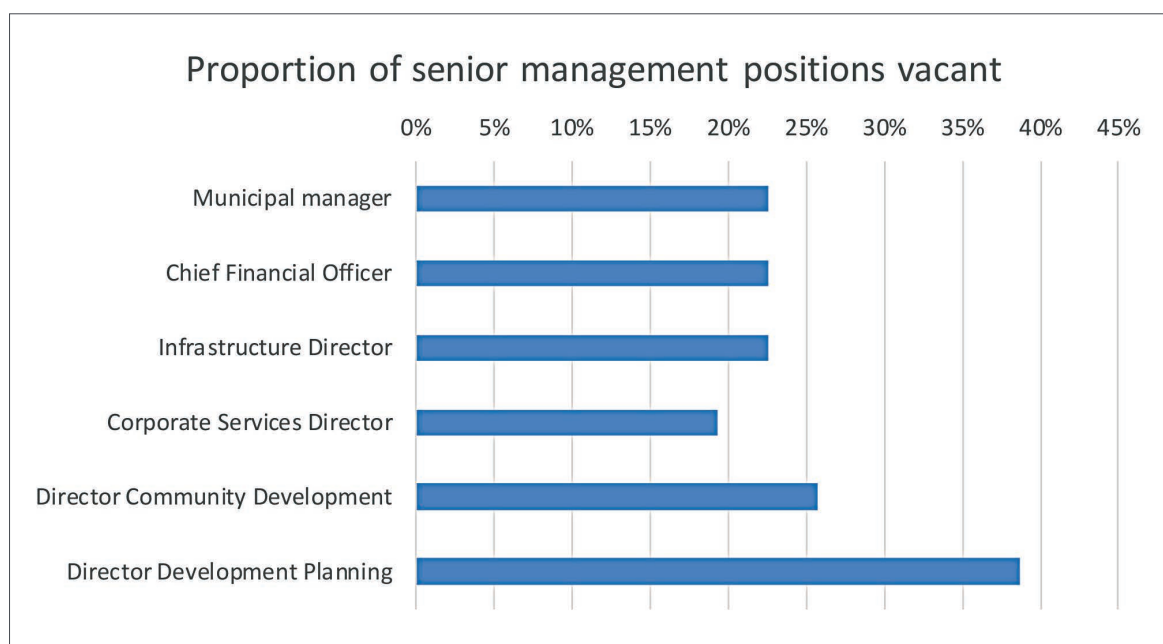


Figure 2: Senior management vacancies according to LGSETA B2B Assessment Survey

3 Auditor General of South Africa (2018) MFMA Report 2016/17 Section 4: Summary of audit outcomes.

### Data reliability

The disjuncture between the findings of the AG and the performance improvements reported by CoGTA raises questions of the reliability and credibility of information being reported on B2B. In terms of the information reported, we see that municipalities performing well are overwhelmingly those reporting on a regular basis to CoGTA. There are more than 25 municipalities that do not report at all, yet are recorded as doing well, or having the potential to do well.

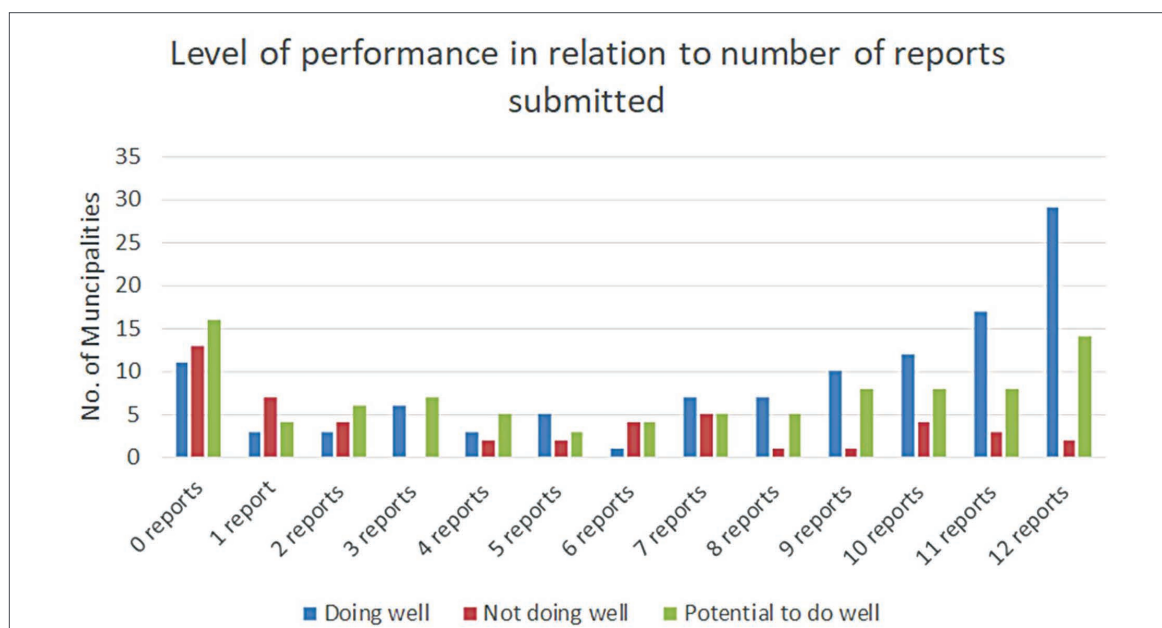


Figure 3: Regularity of municipal B2B reporting by municipal performance

When asked as part of the B2B Assessment Survey municipal officials gave varied answers to questions about the accuracy of data in B2B monthly reports. About 13% of respondents felt that the data reported was either mostly inaccurate or very inaccurate. Another 19% felt that the data was only accurate in parts, which means that over a third of municipalities felt that the data that they provided was questionable. National respondents in interviews also raised concerns about the accuracy and verifiability of the data being provided by municipalities. This level of concern for the credibility of data across the board suggests that other sources of municipal performance data should be relied upon to assess progress.

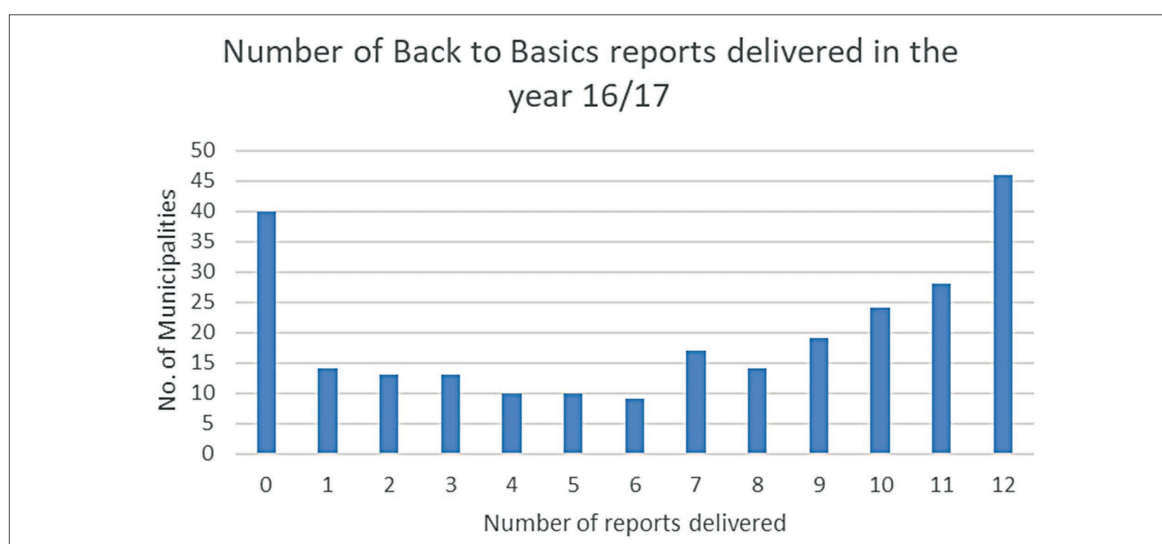


Figure 4: Number of municipalities reporting on B2B x number of times a year



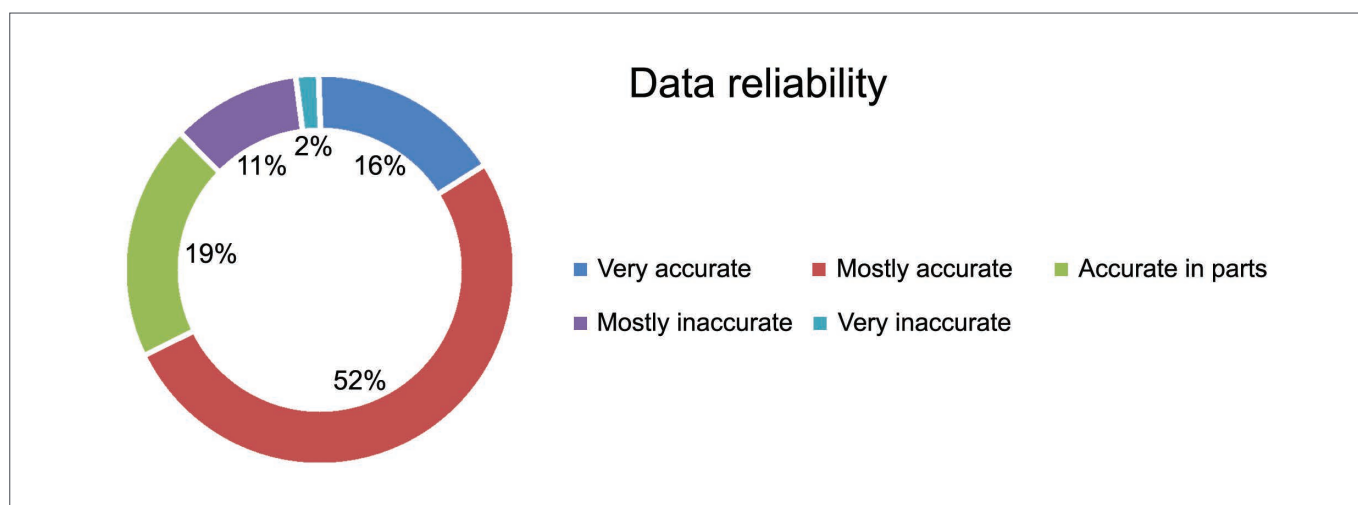


Figure 4: Confidence in accuracy of B2B monthly reports

The data leaves the Back-to-Basics Programme with two significant concerns. Firstly, the extent to which municipalities are cooperating with the Programme, with only about 45 of 257 municipalities reporting every month; as many as 40 not reporting at all; and, about 80 reporting quarterly or less often, suggests that municipal buy-in and cooperation with the Programme has been low.


Provincial stakeholders have also raised concerns that future buy-in to projects from municipalities may also be threatened, as the absence of report-back from CoGTA on the data that municipalities submit appears to indicate that the effort put in to collecting data has no return value. Secondly, the extent to which the data being reported can be relied upon as accurate is called into question.

This is a significant problem for an intervention that is essentially structured as monitoring support, except for municipalities that are dysfunctional and receive direct intervention. If the data the intervention is designed to collect cannot be relied upon, the value of monitoring support or intervention is limited.

## Conclusions

There is little evidence to suggest that B2B is having a significant impact on municipal performance overall; although, some reporting suggests that municipalities are in a better position now than earlier in the Programme. The reliability of this evidence is in question, given that it is contradicted in parts by the Auditor General and that municipal officials themselves admit that the information they report is often inaccurate. Even if municipal performance is improving, it is also not clear that this is an effect of the B2B Programme.

National and provincial stakeholders have argued in interviews that the value of B2B is not the monitoring programme. Rather, it is the continuation through B2B of the work of municipal support programmes like that initiated through the Local Government Turnaround Strategy, particularly in dysfunctional municipalities that receive direct support.

There is also little evidence to suggest that the municipalities themselves buy-in to the Programme with irregular reporting and the quality of reports low. This calls into question the effectiveness and sustainability of the B2B Programme outside of dysfunctional municipalities where direct support is provided. 

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# STOP GENDER BA

Gender Based Violence (GBV) is a global crisis. A report by the United Nations estimates that on average, 35 percent of women around the world have experienced physical or sexual violence, but some national studies estimate this rate to be as high as 70 percent. Thus, it is unsurprising that women in the workplace are disproportionately impacted by GBV which includes sexual harassment and assault.

A 2018 survey by Columinate reported that 30% of South Africa's women had experienced sexual harassment in the workplace and accurately concluded that South African companies needed to improve their sexual harassment policies and procedures to ensure businesses adequately protect their employees. This is precise because the efficacy of existing GBV policies in companies is questionable considering the continued increase

of GBV in the workplace and this problem is exacerbated by the non-existence of an institution to monitor the scale and effectiveness to which current GBV workplace policies are being implemented.

## GBV in the South African Context

Despite the existence of a well refined Constitution which promotes and makes provision for the protection of the rights of women, the country has, relative to international averages, high levels of violence and criminality. According to the South African Police Services (SAPS) Crime Statistics report of 2018, 50 108 cases of sexual offenses were reported in 2017/8 - a 0.9% increase from the previous year and that femicide increased by 11% over the last two years.

Gender-based violence, therefore, is an issue requiring systemic transformation, which can be greatly influenced by our various social structures and a crucial structure for such change is the workplace.





## Current Legislation to address GBV South Africa

The following are crucial South African laws which prohibit any form of sexual harassment or violence in the workplace:

ACT	PROVISION
2005 Amended Code of Good Practice: Sexual Harassment Cases (the Code)	<ul style="list-style-type: none"> <li>The code requires employers to maintain a working environment in which the dignity of its employees is respected. In order to do so, employers are required to adopt appropriate sexual harassment policies that set out clear procedures to deal with sexual harassment in a sensitive, efficient and effective manner and to make assistance available to a victim of sexual harassment.</li> <li>An employer is required to act as soon as an act of sexual harassment or violence is brought to its attention. This entails investigating the matter and consulting with all relevant parties, taking the necessary steps to address the harassment or violence in accordance with its sexual harassment policy, the Code and other applicable law, and taking steps to eliminate the harassment or violence. It is also important to take steps to protect the victim and other employees against further harassment or violence by the perpetrator.</li> </ul>
Employment Equity Act (EEA) No. 55 of 1998	<ul style="list-style-type: none"> <li>An employer that does not address allegations of sexual harassment or violence in the workplace may be deemed to have contravened the (EEA) by virtue of the perpetrator contravening the EEA by committing sexual harassment or violence; and the employer failing to take the necessary steps to eliminate the sexual harassment or violence. Consequently, the employer may be liable to pay damages or compensation to the victim.</li> <li>A complainant may also institute a violation of the law claim against the employer for damages based on the employer's vicarious liability for the perpetrator's actions as an employee.</li> </ul>



### What additional steps should employers be required to take to adequately address GBV?

#### Recommendations on policies to address GBV in the workplace

- Companies should make their GBV policies available to all employees from the moment they are inducted.
- These GBV policies should be guided by the 2005 Amended Code of Good Practice and the EEA. It should record matters such as reporting, the obligations of the employer, advice and assistance available to a victim of GBV, what procedures should be followed when a case of GBV has been reported, and the possible disciplinary sanctions if the perpetrator is found guilty of an act perpetuating GBV.

Employers should also make sure that they update their policies to incorporate employees' suggestions and these policies should be reviewed regularly.

- It is also crucial, for these efforts need to be extensively enhanced by the government. A national policy framework is

present which prohibits GBV in the workplace, but the government has not tried to monitor whether employers are ensuring that their companies adhere to these policies. Government, therefore, should establish a commission to monitor whether all employers across the economic sectors have a GBV policy, and employers should be required to submit an annual report on GBV prevalence in their workplace and action taken to address it.

This will help government track the extent to which GBV is being addressed and take further action in cases of companies where GBV continues to prevail. This would make companies acutely aware of the seriousness of the scourge and impel them to play an active role in effectively addressing GBV.

The Department of Women, Youth and Persons with Disabilities (DWYPD) together with Department of Employment and Labour (DEL) and other GBV civic organisations could collaborate to monitor this process. These institutions would have to be well resourced, deployed, coordinated and monitored in order to be effective.



**We must send a message across the world that there is no disgrace in being a survivor of sexual violence. The shame is on the aggressor.**

- Employers should make a concerted effort internally and externally, through collaborative forums with other companies to engage everyone in the workplace, especially men, on the widespread GBV issues in South Africa and request their input and suggestions on how best to eradicate this and support their colleagues. GBV workshops with men in the workplace is an ideal platform to achieve this.
- As argued by the Human Right Watch, GBV in the workplace remains under-reported because of fear of disbelief, blame, or social or professional retaliation. In order to assist affected employees, employers establish a confidential complaint line for employees to report acts of violent conduct and provide free counselling to address emotional and mental support that employees may need.
- Employers should amend their leave policies to provide employees with paid leave if they seek medical attention, counselling or seek to attend a programme as a result of an experience of sexual harassment or violence.

The workplace, as indicated on the above-mentioned points, can be a powerful structure for much-needed social benefit, providing the information, education and support that employees may not otherwise get thus GBV policy assists in the elimination of sexual harassment and violence in the workplace.

The success of these interventions can only be effective in eliminating GBV from the workplace if all the stakeholders involved actively participate and become part of the solution. It is also imperative for men in the workplace to actively engage with the interventions in place to fight the scourge as women alone cannot be expected to continue bearing the burden of fighting against GBV, especially considering its pervasiveness and inescapability. [C](#)

These interventions are key to provide enhanced security and support for GBV victims. In addition to this, a proactive measure to prevent GBV, employers should ensure that there is enough security in the workplace. For example, employers could provide employees with transport or security escort services, especially when employees are required to work at night.

## Harmonising relationships between Ward Councillors and Traditional Leaders toward Infrastructural Development

*This article is part of a series reporting on research commissioned by the Local Government Sector Education & Training Authority (LGSETA).*



### INTRODUCTORY REMARKS

The research objectives for this study were to examine the interaction between ward councillors and traditional leaders toward rural infrastructure development in rural jurisdictions, explore the role of 'Back to Basics' initiative in relation to network governance between government, traditional authorities and civil society, discover the role of indigenous knowledge systems in evaluating needs and executing collaborative project management of rural infrastructure development; propose a best practice model on the harmonisation of the relationship between the traditional leaders and ward councillors toward infrastructural development in the rural jurisdictions; and to design planning mechanisms for infrastructure development in rural areas using African epistemologies.

#### Research Methodology

The research approaches used were both primary and secondary data collection methods which include both quantitative and qualitative research methodology. We used acceptable and recognised best practices and methodologies to conduct the study. The research project covered municipalities in both rural

and urban areas. The research started with the review of relevant literature on the project: The Harmonising Relationships between Ward Councillors and Traditional Leaders toward Infrastructural Development in Rural Jurisdictions.

The project largely involved travelling to the points of interest for data collection. This was done using both qualitative and quantitative research approaches. Data was collected using questionnaires and interviews. This research project has covered several provinces. The provinces covered were Limpopo, KwaZulu-Natal, Gauteng and Mpumalanga. More than 200 questionnaires were distributed. We received only 101 completed questionnaires back. Of the 101 questionnaires 39 questionnaires were completed by traditional leaders and the rest by members of the community. Focus group research technique was used to collect data from traditional leaders. According to Morgan (1997), focus groups are a common qualitative data collection method and are considered an important qualitative administrative research technique (owing to their efficient and economical nature). Focus groups can be referred to as "group discussions exploring a set of specific issues that are



focused because the process involves some collective activity (Kitzinger, 1994).

The intention of the study was to provide evidence to promote an informed discussion on the harmonising relationships between ward councilors and traditional leaders. Traditional leaders who completed the questionnaire were from Tshiozwi at Simthumule area in Limpopo. To ensure success in gathering traditional leaders together, we followed royal protocol. We met the Chief and the Chairperson of the Tshiozwi Traditional Council. The Chairperson of the Traditional Council played a major role in inviting all traditional leaders in the area to meet us at the Traditional Council Hall. The views of traditional leaders are incorporated into this study.

### Significance of the Study

According to Gildenhuys (1997: 125), local government should regularly consult with traditional leaders within their jurisdiction and ensure that they participate in the provision of municipal services to the local communities within their area. The White Paper on Local Government (1998: 15) proposes possible co-operative relationship between ward councillors and the institution of traditional leadership. It allowed the active involvement of traditional leaders in the meetings of the municipal council on matters regarding the needs and interest of their local communities. Some of the developmental roles of traditional leaders require them to galvanise support and resources from governments and other relevant institutions for the purpose of development in their locality and facilitate the involvement of local communities in development of their area, and recommend possible solutions on necessary commercial activities. For the above reason, it can be argued that the harmonization of the relationship between ward councillors and traditional leaders is essential toward infrastructural development in rural areas.

### Conclusions and Recommendations

Co-management among indigenous people, state agencies and other stakeholders can create conflicts (Castro and Nielsen, 2001:229). However, if participatory policies are in place for dispute management, potential exists for addressing both manifestation of conflict and its underlying causes in an equitable and sustained manner. As stated by Nekhavhambe (2014: 1139), it is important for both local government and traditional leaders to find an amicable solution to their differences so that

there is cooperation for the benefit of service delivery. That can also assist in the development of communities.

Development is mainly focused on rural areas because the poverty that exists in the world is predominantly rural (Pade-Khene, Mallison and Sewry, 2011: 188) and if reduced, it may positively influence the entire world's problem of poverty and unemployment. The success or failure of development projects may be determined by the extent to which communities are involved, as opposed to deciding on community projects without the contribution of communities. According to Theron (2008: 101), the idea of participation by the beneficiaries of development is twice as compulsory in all development proposals as part of the community participation strategy. Hunt (2013) emphasizes that linking engagement to indigenous aspirations is critical to project success because there will be genuine ownership of problems and solutions by communities.

Given the role of indigenous knowledge system (IKS), certain principles are laid down. These principles include: a need to recognize their cultural differences; to understand their language and cultural protocols; and to develop a trust relationship with communities. In addition, Davids, Theron, and Maphunye (2011: 2) make an important point that the meaning of development is informed by contextual issues, such as past and present experiences, circumstances, perceptions, values and beliefs.

In harmonising the relationship between traditional authorities and ward councilors towards infrastructural development, the institutions should respect the roles and responsibilities played by each partner. The responsibilities of the ward councilors are: to contribute to the development of policies, strategies and budget setting; to scrutinize the council's decisions on planning and every other issue concerning the jurisdiction as well as keeping them informed about issues affecting them; they also act as advocates to their local residents; presenting their views at local council meetings, referring them to relevant people at the council to help them; knowing and working with representatives of local organizations and interest groups and lead local campaigns on their behalf.

The responsibilities of traditional leaders include but not limited to: ensuring that there is cohesion, ensuring that there is good governance and accountability in the delivery of public goods, to complement the local government institutions in the

## Harmonising relationships between Ward Councillors and Traditional Leaders toward Infrastructural Development *continued...*

*This article is part of a series reporting on research commissioned by the Local Government Sector Education & Training Authority (LGSETA).*

delivery of services through the leadership that they provide and to be a simpler way to accountability in local government. Ward councilors and traditional leaders must work harmoniously to ensure that both their roles are played in an efficient and effective manner.

African epistemologies for infrastructure development strive to consider the community as opposed to individual interests. That is the foundation that should be used for the development of infrastructure in rural areas.


In closing, the following recommendations can be ventured:

1. The study established that what traditional leaders want is recognition and respect by being given the authority they exercised over their subjects before the new system was introduced. Furthermore, traditional leaders showed their dissatisfaction with the way in which the municipalities consult people whenever there is something that needs community input. They allege that what the municipality does is only window-dressing because it has already taken a decision on that particular aspect. It can therefore be concluded that municipalities must consult traditional leaders in development matters to ensure that they have a buy-in in the decisions taken.
2. The research established that most municipalities that are largely rural lack capacity to render municipal services to their local communities. Section 153 (a) and (b) of the Constitution of the Republic of South Africa, 1996 stipulates the development duties of all municipalities in the country. These duties are to structure and manage their administrative as well as budgeting and planning processes, to give priority to the basic needs of the community and to promote the social and economic development of the community; and to participate in national and provincial development programmes. From the above constitutional provisions it can be deduced that municipalities must develop an adequate plan and budget that will assist it in rendering municipal services. The planning must be done through an integrated development planning. In this regard relevant role players must be consulted to ensure that the views solicited are as broad and wide as possible.
3. The research established that traditional leaders and ward councilors undermine each other. The challenges between these two institutions is a result of the competition that exists between them fighting for recognition of which institution performs better than the other, instead of sharing responsibilities and help each other toward achieving the same goal of servicing and developing the lives of the communities' population. Traditional leaders are also concerned about the approach that is used for community development, through the invading of traditional affairs by overlooking them and implementing development programme in their area without proper consultations. This challenge can only be resolved by redefining and clarifying the roles to be played by traditional leaders in developing their communities.
4. It was established that sometimes projects fail because they are planned, executed and monitored without the knowledge of all relevant stakeholders. These stakeholders include business forums, staff associations, religious leaders and educational institutions. Municipalities must create platforms for multi-stakeholder collaboration. Collaboration between public and private institutions should be encouraged. Collaboration works well where there is trust that develops through communication.
5. Among all the services offered by municipality, water was rated higher by 40.6% of the research. This indicates that municipalities in South Africa must take the provision of water seriously to avoid community protests which are part of our communities. This is essential as water is a basic necessity for the survival of communities.
6. On the aspect of crucial services that have not been delivered, 32.7% claimed water, 4% itemized electricity, 8.9% cited housing, 17.8% specified sanitation, 30.7% selected roads, 3% identified other things and 3% did not contribute on the issue. This indicates that water, selected roads and sanitation remain a challenge for our municipalities. Local government must therefore develop a framework to speed up service delivery in their localities, especially in terms of water, housing and sanitation.
7. Majority (62%) of the research participants responded neutrally on the question: "How do you rate service delivery in your municipality", 26% declared that it is bad, 11% acknowledged that it is good and 1% did not comment.



Municipalities must try to change the perceptions of their residents in terms of the provision of qualitative goods and services.

8. 72.3% of the research respondents illustrated that traditional leaders provide support on arts and culture. This is understandable as arts and culture are some of the responsibilities of traditional leaders since the time immemorial. It is therefore the role of local government to involve traditional leaders in the promotion of arts and culture as traditional leaders can be viewed as the custodians of arts and culture.
9. It is also believed by majority of the respondents (54.5%) that the traditional leaders provides support for health campaigns in their community. It must therefore be recommended that ward councillors must cooperate with traditional leaders in matters related to health awareness or campaigns.
10. Seventy one.3% of the sample get their water from taps, 14.9% fetch their water from boreholes, 6% fetch it from fountain, 6.9% get their water from other sources and 1% chose not to respond. It is therefore necessary for local

government to ensure that the water from boreholes are clean to avoid the infection of residents from unclean water as 14.9% of residents still depend on this type of water. 

### Notes

This article is based on a research report compiled by MJ Mafunisa Consulting for the LGSETA in 2019 under the title *Harmonising Relationships between Ward Councillors and Traditional Leaders toward Infrastructural Development in Rural Jurisdictions*. The views expressed in this article are those of the authors and do not necessarily represent the viewpoint of the LGSETA.

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The many laws that govern public finances in South Africa are all clear as to the responsibilities of those charged with the administration and superintendence of these finances.



**In the most recent times, South Africans have been numbed by the sheer staggering numbers of wasteful, fruitless, unauthorised and irregular expenditure. In common definition, this is the type of expenditure that should not be tolerated by citizens whatever technical justifications are attached to their occurrence. The very existence of such expenditure suggests that those that persistently incur it, are not bothered for as long as there is no accountability or consequences.**

Over the years, auditors-general in our country have reported these matters together with very negative audit outcomes. This indicates that people entrusted with public money do not always carry this task with the level of care required by the country's constitution. It is not about whether there is such a thing as 'a clean audit' or 'it does not necessarily mean money was lost' or there was corruption; when lame defences are mounted against irregular expenditure. It means accountability and due care in managing public resources are not part of the overall objective.

As a consequence, we have been exposed to many projects that are abandoned midstream. Suppliers are being paid far more than what they were initially engaged for. Extensions and variations on contracts without following prescribed regulations are prevalent and pervasive. There is a widespread lack of proper and verifiable documentation to substantiate commitments and transactions entered into. These are cumulative observations and negative findings over a decade and a half.

The worst has been a lack of due care in managing finances. These weaknesses are common across all spheres and have found particular pride of place in local government. It is shocking that people without the requisite skills and competencies are charged with handling citizens' finances. This shows utter disrespect to both taxpayers as well as non-taxpaying citizens – all of whom are often on the receiving end of services that never come or are shoddily delivered and not even worth the paper they are written on.

These finance weaknesses will often find expression in the books of the institution not being constantly and regularly checked and balanced. The people entrusted with this task do not feel guilty when they cannot explain certain transactions when auditors make enquiries. In certain cases, external consultants engaged to prepare the books and financial statements are asked to explain How do you do this when the consultant is clearly not accountable for anything they will say? Let alone that they themselves were not favoured with supporting documents to explain certain adjustments they process through the accounts – a local government nightmare! It is not uncommon for documentation supporting a transaction being unavailable; again without any consequences when this becomes the new normal.

The many laws that govern public finances in South Africa are all clear as to the responsibilities of those charged with the administration and superintendence of these finances. They even stretch to the extent of prescribing certain sanctions should



deviant behaviour persist. The leadership outside the administrative functions are assigned the most significant role, with a clear bias towards preventing and correcting wrongdoing and the flagrant disregard of financial management disciplines.

In addition to the above, the work of the auditor-general has always cautioned against the devastating impact this is having on accountability – one of the key tenets of our constitution – and the achievement of planned objectives, including delivering various services to citizens and much-needed infrastructure to the economy in general.

When the matter of the persistent disregard of our audit findings and recommendations was stared in the eye after some 15 years of 'singing a sweet song like an owl sitting on an oak tree', the amendment of the Public Audit Act became the only plausible option left on the table. This step was preceded by many years of initiatives by the audit office – from door-to-door campaigns at all municipalities between 2009 and 2012 to regular briefings of all ministers, accounting officers, members of parliament, premiers, members of executive councils, municipal councils, audit committees, accounting authorities and various other bodies across the country. Key messages continue to advocate good financial management control and governance to promote transparency and accountability by those looking after other people's money. At this point impunity was beginning to take centre stage as evidenced through the audit outcomes. Impunity cannot coexist with accountability.

The intervention of the Public Audit Act amendments seeks to achieve what is traditionally the role of those charged with oversight if this task is carried out with due care, diligence and professional competence. In addition, the public purse is hugely exposed not only to those that handle the decisions and actions that trigger the flow of money from one party to another but also to those outside these public institutions once they detect that the preventative controls are not at a level designed to protect this money.

Auditors by the very nature of their work perform tests on transactions after the money has been spent or received as well as after assets have been generated or obligations entered into with third parties. The actions often sought by auditors take place after money has exchanged hands. It is most difficult to recover such monies in an environment where everybody exercises their rights – the 'I'll take you to court to protect my rights' kind of refrain. The experience is that the audited institution often spends additional money before they can even entertain the prospect of recovering that which had been lost.

### **What are these additional powers of the auditor-general?**

The auditor-general is still mandated to inspect and report on the books of account of all institutions that are publicly funded. Put simply, all the institutions and entities that were allocated money by Minister Tito Mboweni must be subjected to a level of scrutiny by the auditor-general to determine, through the audit report, whether this money (R1,9 trillion; in other words, 12 zeros before the comma!) was spent, managed, accounted

## Audit Perspectives - Preventative controls and the amended Public Audit Act *continued...*

by Kimi Makwetu, Auditor-General of South Africa

for and reported in accordance with the financial laws of the country. Once a report is issued, the leaders are required to attend to the matters raised in the report as they are often those matters that create leakages of this money.

When all of this proved too slow to react to or was completely disregarded, the auditor-general agreed with its oversight committee in parliament to amend the Public Audit Act. Firstly, these amendments introduced the concept of a material irregularity in the audit of the financial statements of any entity that is subject to an audit by the auditor-general. This means that whenever the auditor-general performs an audit, the staff on the audit must satisfy themselves, through various tests of transactions, account balances and systems of control, that there has been no non-compliance or contravention of a financial statute; that the entity is not exposed to situations of fraud which could result in a financial loss or the loss of a public asset; or that the entity is not deprived of providing certain services due to the financial losses incurred.

Should the audit team identify a material irregularity, the auditor-general must report this matter to the accounting officer, requesting the latter to explain the transaction and provide any documentation that may be sought to explain the transaction. If a financial loss has been incurred, the auditors are required to source from the accounting officer steps that will be taken to recover the loss; or if the loss is continuing, steps to be taken to stop the continuing loss. In certain instances, the accounting officer will be required to quantify the extent of the financial loss should the auditors decide that there is indeed a material irregularity. The accounting officer is given up to 20 working days to deal with all of these matters during the course of the audit by responding in writing to the auditor-general.


**The auditor-general is empowered, once a material irregularity has been identified or is suspected, to:**

- a) refer any suspected material irregularity identified during an audit performed under the Public Audit Act to a relevant public body for investigation, and the relevant public body must keep the auditor-general informed of the progress and the final outcome of the investigation
- b) take any appropriate remedial action
- c) issue a certificate of debt, as prescribed, where an accounting officer or accounting authority has failed to comply with remedial action.

These are clearly onerous responsibilities added to the already tough and contested terrain that is the mandate of the audit office. There are immediate and medium term steps that can be prioritised to operate alongside these powers if the objective were to be achieved.

If the whole of government invests in activating preventative controls across the key areas of accountability, it will not be necessary to activate the new powers. Obviously, preventative controls discourage the emergence of material irregularities. If properly designed and implemented, such controls will detect most material irregularities that could result in a financial loss. These controls are proactive and are an eloquent expression of the key guards being at their posts at all times. This is relatively cheaper than relying on investigations that will be triggered after money has changed hands in ways that are not credible or transparent. Preventative controls promote transparency, strengthen accountability, and are predictable with known expected outcomes. In essence, preventative controls are an invincible fortress against all possible abuses of the public purse.

Once these are in place and are diligently pursued, there will be more resources available to do most of the things that citizens aspire to or government allocates money to. In order for a regime of preventative controls to see the light of day, a strong tone at the top and an ethical culture must be the concrete foundation on which such a discipline is built. This requirement is no different than what should be in place if the amended powers of the auditor-general are to have a lasting effect. Where preventative controls are implemented with diligence, they become a natural source of consequences. So there will be no need to debate so-called 'consequence management' – consequences will simply be part of the outcome. Strong preventative controls create tension especially when consequences are part of the deal. It is these positive and progressive tensions that must be embraced as they make preventative controls work for the entire value chain.

Should these new powers be interpreted as a constructive contribution to revitalising the concept of accountability, a strong foundation for proper financial management and related service delivery will emerge. 





# 2020

## SAVETHEDATE

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### AUDIT AND RISK INDABA

TO BE ANNOUNCED



### PUBLIC SECTOR

6 & 7 JULY - EMPERORS PALACE



### ANNUAL CONFERENCE

19-21 OCTOBER - CTICC 2



**CIGFARO**  
Chartered Institute of  
Government Finance, Audit & Risk Officers



## GALLERY - Gauteng Post Budget Breakfast Seminar



Panel Discussion: Gauteng Treasury – Frans Sabbat, SALGA – James Matsie, University of Witwatersrand - Adjunct Professor Michael Sachs and Gauteng Growth and Development Agency – Muzuwethu Mathema



University of Witwatersrand - Adjunct Professor Michael Sachs



Gauteng Provincial Treasury – Frans Sabbat



CIGFARO Gauteng Chairperson – Asma Sheik



Delegates attending the Gauteng Branch event





Ngubane & Co - Joyce Mgiba



Token of Appreciation; CIGFARO Gauteng Branch Committee Member - Maphefo Mgadi and SALGA - James Matsie



Delegates Registration



Delegates in plenary



Delegates in plenary



Students in plenary



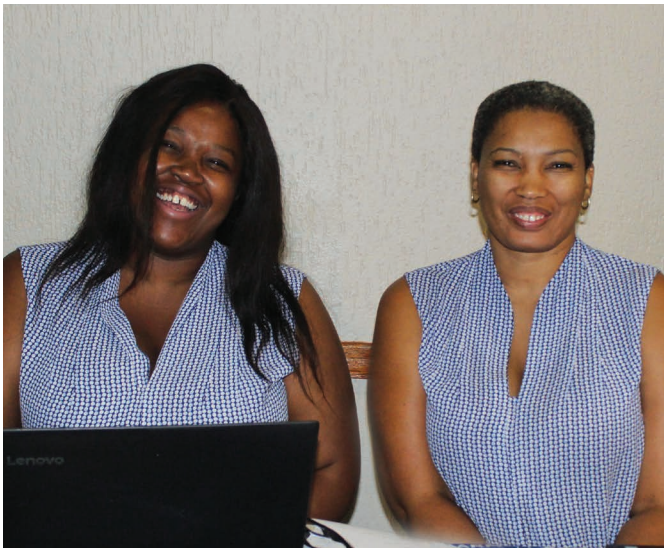
## GALLERY - Limpopo Branch Seminar



Greater Giyani Municipality - Cllr Abraham Manganyi, CIGFARO Limpopo Branch Chairperson - Maria Makhongela and Polokwane City - Cllr Charles Molepo



Morar Incorporation - Collin Machiri



Audit & Risk Management Solution - Exhibitors



Greater Letaba Municipality - Cllr Isaac Manyama



CIGFARO Limpopo Committee Member - Ennie Tema



Lephalale Municipality - Mabu Manaka





Delegates in plenary



Delegates in plenary



CIGFARO Limpopo Committee Member - Lufuno Davhana



During Plenary



During Registrations



CIGFARO Limpopo Committee Member – Lesley Makgopa



## GALLERY - KZN SCM & Procurement Seminar



Delegates in plenary



uMlalazi Municipality – Sanele Ngema



iLembe Municipality - Cingisa Mbola



Delegates in plenary



Delegates in plenary





COGTA KZN – Skhumbuzo Mgobhozi



CIGFARO KZN Branch Chairperson – Emmanuel Ngcobo



Inzalo Utility Systems - Sihle Ndlovu



Interactions during the plenary session



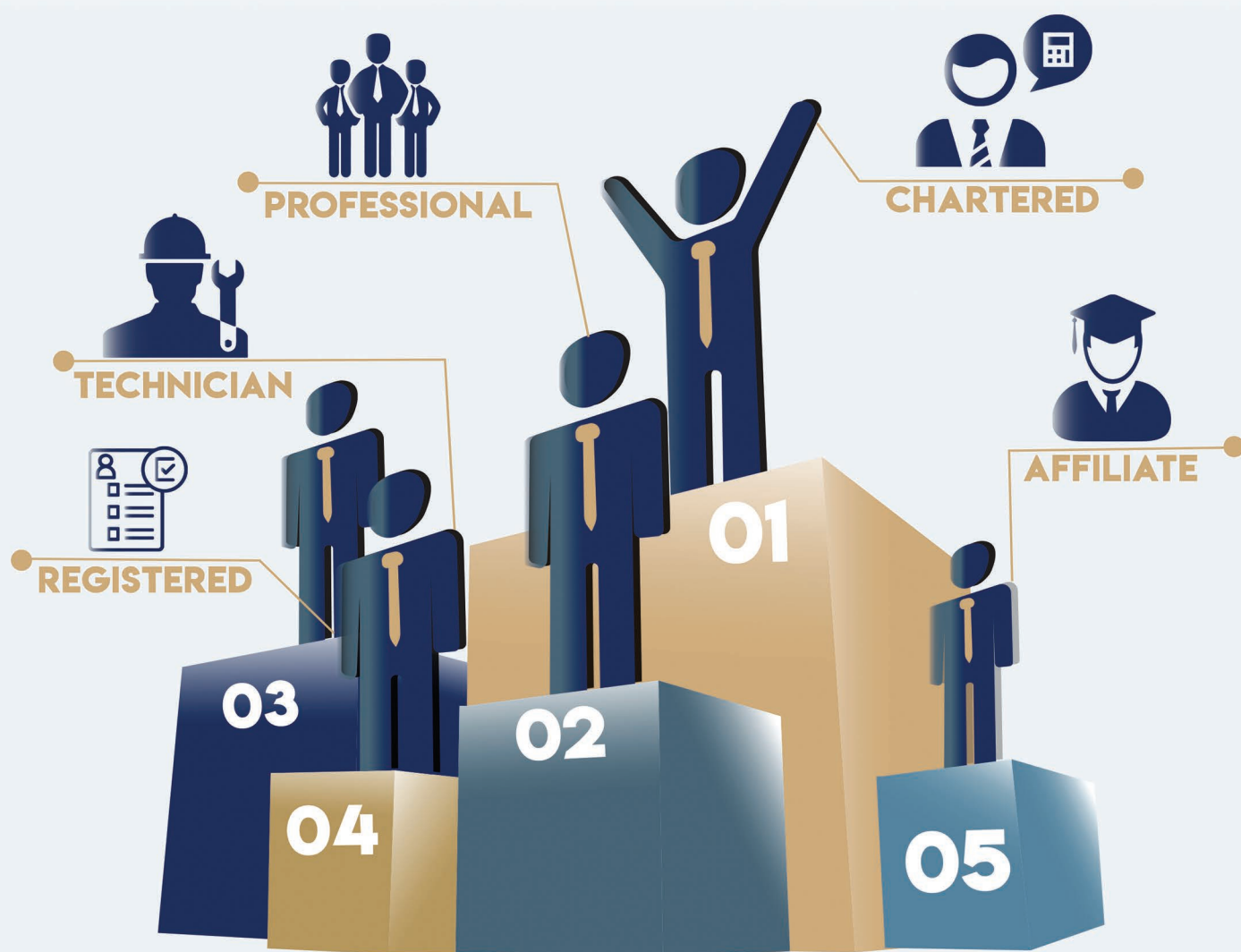
Interaction with Exhibitors -Inzalo Utility Systems



# CIGFARO

Chartered Institute of  
Government Finance, Audit & Risk Officers

# STEP LEVEL MIGRATE



## NEW DESIGNATIONS

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@CIGFARO\_editor



CIGFARO

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

## PREVIOUSLY

Student (SIMFO)

Junior (JIMFO)

Licentiate (LIMFO)

Associate (AIMFO)

Senior Associate (SAIMFO)

General (GIMFO)

## NEW

Student (Student-CIGFARO)

Registered Government Finance Practitioner (RGFP)

Registered Government Internal Auditor (RGIA)

Registered Government Risk Practitioner (RGRP)

Registered Government Finance Technician (RGFT)

Registered Government Internal Audit Technician (RGAT)

Registered Government Risk Technician (RGRT)

Professional Government Finance Officer (PGFO)

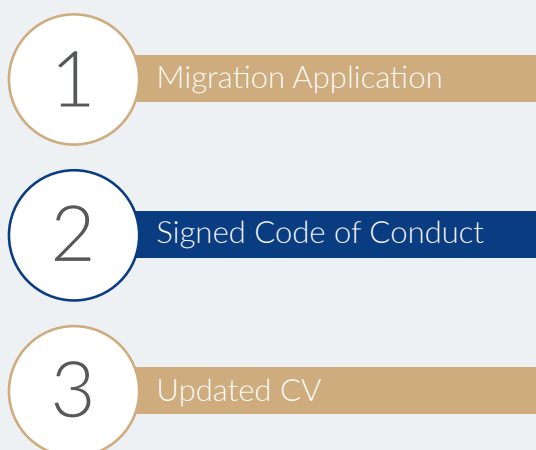
Professional Government Internal Auditor (PGIA)

Professional Government Risk Officer (PGRO)

Chartered Government Finance Officer (CGFO)

Affiliate (Affiliate-CIGFARO)

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



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

**For more information** please contact the Membership Department on 011-394-0879  
or email: [membership@cigfaro.co.za](mailto:membership@cigfaro.co.za)



## WE WELCOME NEW MEMBERS

### AFFILIATE MEMBERS

Province	Organisation	Surname	Name
Free State	Moqhaka Municipality	Manefeldt	Ria
Free State	Moqhaka Municipality	Pietersen	Magdalene
Gauteng	Market Demand	Van Zyl	Michael

### CHARTERED GOVERNMENT FINANCE OFFICER

Province	Organisation	Surname	Name
Gauteng	South African Police Service	Dimpane	Puleng
Gauteng	Kreston Pretoria	Haasbroek	Helga
Gauteng	South African Police Service	Lushaba	Philani
North West	Department of Arts, Culture, Sports & Recreation - NW	Mojaki	Pulane
Limpopo	Polokwane Municipality	Mphahlele	Zinzi
Eastern Cape	Nelson Mandela Bay Metropolitan Municipality	Thys	Selwyn
Northern Cape	Sol Plaatje Municipality	Wagner	Oubaas

### PROFESSIONAL GOVERNMENT FINANCE OFFICER

Province	Organisation	Surname	Name
Western Cape	Hessequa Municipality	Carelse	Allison
Gauteng	RH Business Solutions CC	Chong Hing	Rhona
Gauteng	Kings & Associates	Esie	Peter
Western Cape	Matzikama Municipality	Fortuin	Nadine
Kwa Zulu Natal	Dr Nkosazana Dlamini Zuma Municipality	Holiwe	Nelisa
Eastern Cape	Provincial Treasury - WC	Mani	Colleen
Limpopo	Polokwane Municipality	Mathebula	Moleboheng
Kwa Zulu Natal	Ethekwini Municipality	Mjojeli	Lindiwe
Kwa Zulu Natal	Mpofana Municipality	Molefe	Pitso
Limpopo	Ba-Phalaborwa Municipality	Motadi	Sylvester
Kwa Zulu Natal	Dr Nkosazana Dlamini Zuma Municipality	Mzimela	Mthembeni
Northern Cape	Endumeni Local Municipality	Ngcobo	Absalom
Western Cape	Cape Peninsula University of Technology & Science	Riddles	Ursula

### REGISTERED GOVERNMENT FINANCE PRACTITIONER

Province	Organisation	Surname	Name
Limpopo	Polokwane Municipality	Laka	Prudence
Limpopo	Polokwane Municipality	Magagane	Lincon
Rest of Africa	ZimTrade	Mapfuwa	Audrey
Limpopo	Polokwane Municipality	Moseri	Elsie
Kwa Zulu Natal	Uphongolo Municipality	Mwandla	Thabile

REGISTERED GOVERNMENT FINANCE TECHNICIAN			
Province	Organisation	Surname	Name
Gauteng	Council for Scientific and Industrial Research - GP	Dlulane	Babalo
Limpopo	Elias Motsoaledi Municipality	Magaga	Stephen
Northern Cape	Sol Plaatje Municipality	Mojanaga	Pinky
Kwa Zulu Natal	Ethekwini Municipality	Msimanga	Sbusiso
Kwa Zulu Natal	Ubuhlebezwe Municipality	Ndlovu	Zipho
Western Cape	Munireps (PTY) LTD	Petersen	Danielle
Kwa Zulu Natal	Dr Nkosazana Dlamini Zuma Municipality	Sosibo	Neliswa

REGISTERED GOVERNMENT RISK TECHNICIAN			
Province	Organisation	Surname	Name
Kwa Zulu Natal	Ethekwini Municipality	Manukuza	Simangalis



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GRAP | Section 71/72 reporting | IPSAS Accrual | Modified Cash | mSCOA



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CaseWare recently introduced Modified Cash Template and mSCOA template. The Modified Cash Template automates the Annual Financial Statements of National and Provincial Departments. Whereas the new mSCOA template automates the Financial Statements as required by mSCOA reforms which are applicable to Local government environments.

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## Amendments to the Municipal Fiscal Powers and Functions (MFPPF) Act (Act 12 of 2007)

**Amendments to the Municipal Fiscal Powers and Functions (MFPPF) Act, 2007, through the implementation of the MFPPF Amendment Bill are being proposed. These amendments are to set in place a legislative framework for the implementation of development charges, including the permissible uses of the income, the basis of calculation, the processes for the required policy to be adopted with by-laws where necessary, as well as the budgeting and accounting requirements.**

The proposed amendments, as well as the related amendments to the Spatial Planning and Land Use Management Act (SPLUMA), 2013 (Act 16 of 2013), have been published by National Treasury for comment up to 30 April 2020.

**The main points of the legislation are as follows:**

1. The amended Municipal Fiscal Powers and Functions (MFPPF) Act is drafted with the intention of providing for a uniform, consistent, transparent and equitable basis on which municipalities can calculate and levy development charges on land owners. It will affect development by both the public and the private sectors, on a 'user pays' principle, ensuring that a substantial portion of the municipal bulk infrastructure investment can be financed. The needs of poor households will be dealt with directly and transparently through public subsidies and intergovernmental transfers.
2. In order to bring about a more standardised, equitable and sustainable framework for the financing of strategic mu-



municipal infrastructure, based on the benefit principle, the Bill seeks to regulate the power of municipalities to levy development charges for SPLUMA of municipal Planning by-law compliant development applications.

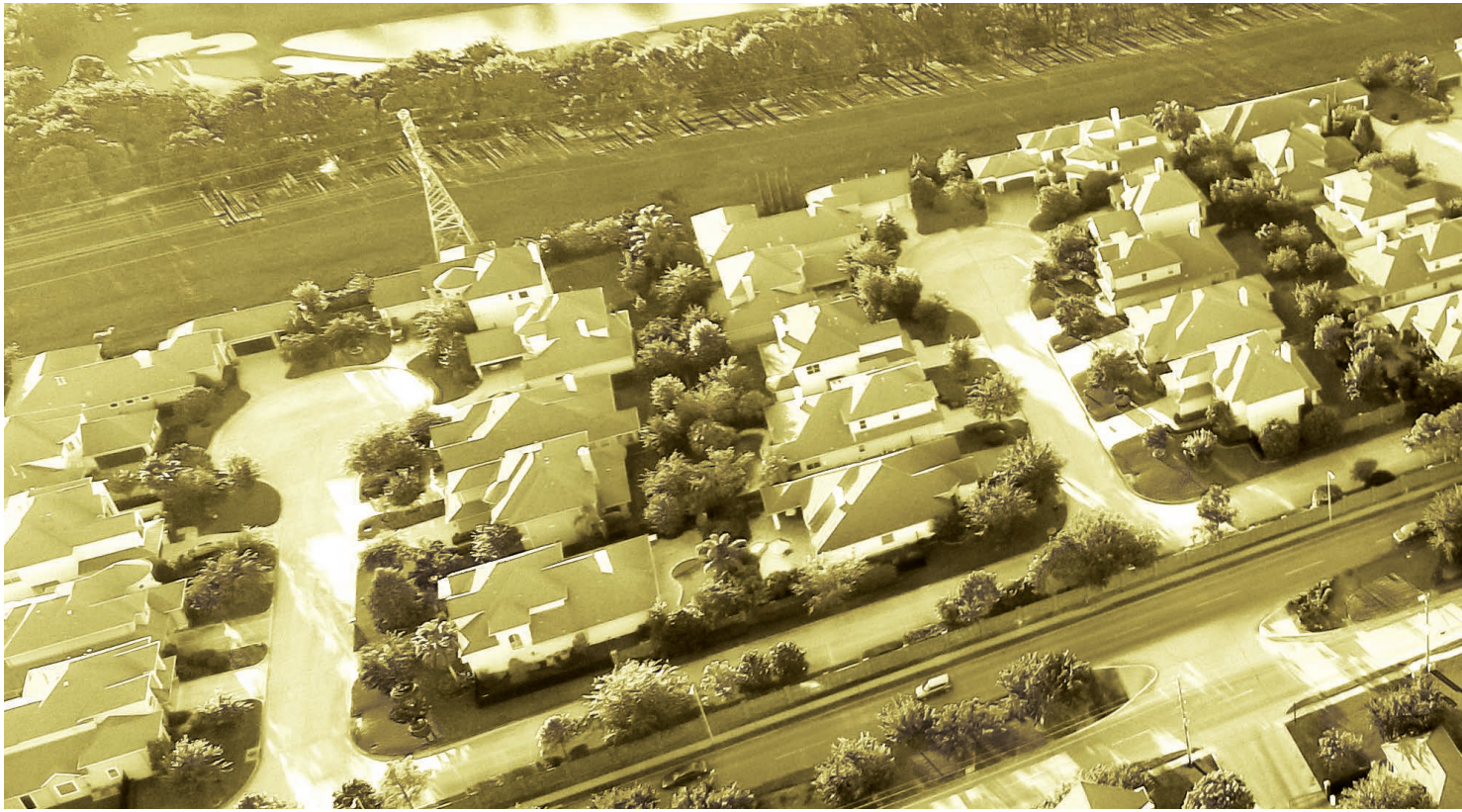
3. The Bill levies the charge on the land owner, as a CONDITION for approving a land development application where that application requires the installing of new infrastructure or the upgrading of existing infrastructure.
4. Effective application of the Development Charges will stop the unfair charging of existing residents for the expansion of infrastructure networks while providing a windfall benefit to property owners who don't pay.
5. The Bill envisages eliminating the current inefficiencies in infrastructure funding options brought about by lack of certainty of the legality of enforcing the development charges, the variations in the calculation basis and the use of those funds once paid.
6. The permissible uses of the income from the development charges will be guided by the legislation.
7. The power of municipalities to level development charges in respect of a land development application submitted in terms of section 33(1) of the Spatial Planning and Land Use management Act, 2013, or a municipal planning by-law. The municipality will need to adopt a policy on the levying of development charges, such process including a public participation process. The municipality may also adopt and publish by-laws to give effect to the implementation of the development charges policy.
8. A municipality may also grant subsidies to regulate reductions to the obligation to pay development charges.
9. The amendments related to development charges also provides for issues relating to engineering services agree-

ments in respect of approved land development which necessitates the installation of internal engineering services or external engineering services, the installation of external engineering services by land owners, non-installation of bulk engineering services by a municipality, financial management and reporting requirements, withholding of clearances and approvals due to non-payment of development charges, and the right of a person to appeal against a decision regarding development charges and the related dispute resolution.

10. The Spatial Planning and Land Use Management Act, 2013, will be amended to include new definitions and effect amendments relating to development charges for land development.
11. This is not necessarily a new source of funding for municipalities. It is an existing charge that is in place in a number of municipalities. The process will now be standardised through the Framework outlined in these amendments to the Fiscal Powers and Functions Act.
12. The Bill allows for a 12 month transition period between the current processes and the new processes, with the 12 months being calculated from the date of the Act coming into effect.
13. It has been noted that National Treasury will develop a pro-forma Development Charge Policy and By-Law for the affected parties to adjust for their own purposes.

#### **Challenges in the current draft of the Bill:**

- a. The current draft of the Bill has been significantly influenced by the Planners and Engineers. It now needs to be reviewed by Finance Officials and it is also proposed that the Accounting Standards Board review the accounting procedures and the standards behind the development levies. Currently the legislation requires that the development



- levies received be recognised as a liability and revenue, although received, is only recognised once the actual process of putting in the bulk engineering services of link engineering services are put in place.
- b. The SONA presentation showed that developers can put in solar power in new developments so the municipality can purchase the power. However, the development charge is linked to specific engineering services. It is proposed by CIGFARO that there must be room to encourage the climate change initiatives with differential charges being calculated for those who are applying climate change technological advances and green initiatives.
- c. The proposal in the Bill is that the 'development charge' is LEVIED by the Municipal Planning Tribunal in terms of section 40 (7) (b) when read with the definition in section 1 of the draft Bill. The Tribunal needs to recommend that the plan is approved subject to the payment of the development charge, while the municipality levies the charge.
- d. District and the Local municipality process must include a development charges for their relevant administrations and the services they render. It would appear that each of the relevant services in a development could have a development levy, besides the fact that in many cases there will be a local municipality development charge as well as a district municipality development charge depending on the powers and functions assigned to the different types of municipalities. Besides the clarification of this aspect and the levying rights of the different types of municipalities, the development charges for each service have to be carefully considered to ensure that development still takes place and, in fact, is encouraged to take place to enhance densification, create further economic activities and promote an environment where the provision of services, such as public transport, is utilised to its fullest extent.
- e. Considering that Water Boards are mandated to provide water in some areas and some areas have electricity provided by Eskom, clarification needs to be provided as to whether





er these changes in the legislation will allow development charges to be levied by Water Boards, Eskom, or any other entities that provide services that will be impacted by the proposed development. At no time must the developer be allowed to choose the service provider. The boundaries set for the service providers must be adhered to.

- f. The Policy required to be drafted by the municipality in terms of the new legislation will have to be very specific about the process. Does the Tribunal approve a proposed development 'in principle'? How is the monitoring of the payment to each of the various spheres, different municipal types and entities going to be done? How will the timing link in with the Capital Budgets? What about the interest on the loans before the development charge is paid? Does the municipality act as Agent? Can some costs be included for the overall administration?
- g. As the proposed legislation stands at this time, certain additional items can be included in the development charge

if a motivation is provided to the Minister of Finance. Considering the current needs of local government, it would appear that a pronouncement should already be made in the new legislation on issues such as cemeteries, expansion of public transport, landfill sites, etc.

- h. The Bill needs to be robustly engaged by SCM practitioners to see what processes must be put in place up front particularly as it allows for the refund of a portion of development charges over 3 years when there is no contractual relationship with the party that is to be refunded the development charges. Further, there is a requirement that the land owner has to appoint a registered professional engineer and must follow a fair, equitable, transparent and competitive procurement process in respect of that appointment and the municipality has to accept the outcome of the report prepared by that registered professional. These processes will have to be carefully outlined with a dispute mechanism to ensure development is not stifled.





- i. CIGFARO has proposed that municipalities should also be allowed to purchase land to develop with services so as to sell off to encourage development. The land price will then reimburse for the services put in place. This would need to be accommodated within the legislation.
- j. The timing for the take-up of the development may result in the reimbursement being a problem. How will the interest be recorded – penalties? Is this fruitless and wasteful expenditure? Considering the interest is legislated it surely cannot then also be considered as fruitless and wasteful expenditure, but the questions always has to be asked: “How will the Auditor-General/MPAC/SCOPA look at this?”
- k. There has to be an agreement between all the different role-players to contribute the infrastructure within the set timeframes as the penalties only impact on the municipality as the draft legislation stands now. If the municipality has not completed the work required within 12 months after the set date, then there must be a repayment of the development charge with interest. CIGFARO has requested that this be extended to other recipients of the development charge – like the District municipality, Eskom, Water Boards or any other party that is holding up the implementation of the bulk or any other engineering services?
- l. If the land owner provides the services, then it must be to the standards required by the municipality. There will need to be a due diligence of the services provided and there

should be some right of recourse to the service providers if the quality is not up to the standards as these service providers will be required to maintain these assets in the future and it must not have long term negative effects on the rate-payers.

Overall, it would appear that there is a lot more work to be done on this Bill, although the proposal was that it be submitted to Parliament in June 2020. **C**

The logo for umnotho BUSINESS CONSULTING, featuring the company name in a sans-serif font and a stylized 'u' icon inside a circle.

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**Phumela Xanywa**  
National Head of  
Public Sector,  
Nedbank Business  
Banking

**N**edbank is passionate about local government and looking forward to returning to the 2020 CIGFARO conference where the bank was recognised for its extra-special effort a year ago.

"Last year's CIGFARO conference was a highlight for Nedbank, having received an award for the most original design stand. The accolade affirms that we are on the right track with regards to fulfilling our purpose of doing good as we continue to support our clients through our participation in the conference," says Phumela Xanywa, National Head of Public Sector at Nedbank Business Banking.

In the past year Nedbank was appointed as primary banker of seven local government entities namely Mangaung Metropolitan Municipality,

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# TRAINING SCHEDULE 2020

ADVANCED EXCEL CONTENT					
	DATE	TOPIC	PLACE	DAYS	SEATS
TRAINING	20-21 January	Advanced Excel Content	Western Cape	2	30 seats
	23-24 January	Advanced Excel Content	East London	2	30 seats
	27-28 January	Advanced Excel Content	Gauteng	2	30 seats
	30-31 January	Advanced Excel Content	KwaZulu Natal	2	30 seats
	01-02 February	Advanced Excel Content	Free State	2	30 seats

CASH AND LIQUIDITY MANAGEMENT					
TRAINING	01 February	Cash and Liquidity Management	Western Cape	2	30 seats
		Cash and Liquidity Management	KwaZulu Natal	2	30 seats
		Cash and Liquidity Management	Gauteng	2	30 seats
		Cash and Liquidity Management	Eastern Cape	2	30 seats

MSCOA BUDGETING					
TRAINING	February & March	mSCOA Budgeting	Eastern Cape	2	30 seats
		mSCOA Budgeting	Western Cape	2	30 seats
		mSCOA Budgeting	KwaZulu Natal	2	30 seats
		mSCOA Budgeting	Gauteng	2	30 seats

ETHICS					
TRAINING	February & March	Ethics	KwaZulu Natal	2	30 seats
		Ethics	Gauteng	2	30 seats
		Ethics	Eastern Cape	2	30 seats
		Ethics	Western Cape	2	30 seats

PERFORMANCE INFORMATION FOR MANAGERS AND SUPERVISORS					
TRAINING	April & May	Performance Information for Managers & Supervisors	KwaZulu Natal	3	30 seats
		Performance Information for Managers & Supervisors	Gauteng	3	30 seats
		Performance Information for Managers & Supervisors	Free State	3	30 seats
		Performance Information for Managers & Supervisors	North West	3	30 seats

RISK MANAGEMENT FOR RISK CHAMPIONS					
TRAINING	April & May	Risk Management for Risk Champions	North West	2	30 seats
		Risk Management for Risk Champions	Limpopo	2	30 seats
		Risk Management for Risk Champions	Eastern Cape	2	30 seats
		Risk Management for Risk Champions	Gauteng	2	30 seats
		Risk Management for Risk Champions	KwaZulu Natal	2	30 seats

TARIFF MODELLING					
TRAINING	01 April	Tariff Modelling	KwaZulu Natal	2	30 seats
		Tariff Modelling	Gauteng	2	30 seats
		Tariff Modelling	Mpumalanga	2	30 seats
		Tariff Modelling	Northern Cape	2	30 seats

GRAP ANNUAL FINANCIAL STATEMENT					
TRAINING	May & June	GRAP Annual Financial Statement	Mpumalanga	2	30 seats
		GRAP Annual Financial Statement	Western Cape	2	30 seats
		GRAP Annual Financial Statement	KwaZulu Natal	2	30 seats
		GRAP Annual Financial Statement	Gauteng	2	30 seats
		GRAP Annual Financial Statement	Eastern Cape	2	30 seats

REVENUE MANAGEMENT WORKSHOP					
	May	Master Class Revenue Management	Mpumalanga	2	60
	May	Master Class Revenue Management	North West	2	60
	June	Master Class Revenue Management	Northern Cape	2	60

GRAP - MSCOA IMPACT ON AFS MANUAL					
TRAINING	06 - 07 May 2019	GRAP - mSCOA Impact on AFS Manual	Free State	2	30 seats
	09 - 10 May 2019	GRAP - mSCOA Impact on AFS Manual	Eastern Cape	2	30 seats
	13 - 14 May 2019	GRAP - mSCOA Impact on AFS Manual	Mpumalanga	2	30 seats
	16 - 17 May 2019	GRAP - mSCOA Impact on AFS Manual	KwaZulu Natal	2	30 seats
	21 - 22 May 2019	GRAP - mSCOA Impact on AFS Manual	Gauteng	2	30 seats



DEBT MANAGEMENT					
	DATE	TOPIC	PLACE	DAYS	SEATS
TRAINING	July & August	Debt Management	Mpumalanga	2	30 seats
		Debt Management	KwaZulu Natal	2	30 seats
SUPPLY CHAIN MANAGEMENT - CONTRACT MANAGEMENT					
WORKSHOP	01 June	Supply Chain Management - Contract Management	KwaZulu Natal	2	30 seats
		Supply Chain Management - Contract Management	Northern Cape	2	30 seats
		Supply Chain Management - Contract Management	Gauteng	2	30 seats
		Supply Chain Management - Contract Management	Western Cape	2	30 seats
SUPPLY CHAIN MANAGEMENT - ACQUISITION MANAGEMENT					
TRAINING	01 July	Supply Chain Management - Acquisition Management	Gauteng	2	30 seats
		Supply Chain Management - Acquisition Management	Free State	2	30 seats
		Supply Chain Management - Acquisition Management	Mpumalanga	2	30 seats
		Supply Chain Management - Acquisition Management	KwaZulu Natal	2	30 seats
FINANCE FOR NON-FINANCIAL MANAGERS					
TRAINING	01 October	Finance for Non-Financial Managers	Gauteng	2	30 seats
		Finance for Non-Financial Managers	Western Cape	2	30 seats
		Finance for Non-Financial Managers	KwaZulu Natal	2	30 seats



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## REPORTING REQUIREMENTS - LOCAL GOVERNMENT

# APRIL

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	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	Implementation of the budget & financial state of affairs	MFMA 52(d)	Within 30 days of each quarter	Mayor	Municipal Council
8	Serious financial problems	MFMA 54(2)	Promptly	Mayor	Mun Counc, MEC (Loc Govt)
9	Draft SDBIP & ann perform agreements	MFMA 69	14 Days after appr of budg	Accounting Officer	Mayor
10	Impending shortfalls in budgeted revenue & over-spending & steps taken to prevent / rectify	MFMA 70(1)	Promptly	Accounting Officer	Municipal Council
11	Overdrawn bank accs, reasons, rectifying	MFMA 70(2)	Promptly	Accounting Officer	Nat Treas
12	Statement: Budget etc per requirements	MFMA 71(1)	1-10 Days after month-end	Accounting Officer	Mayor, Prov Treas
13	Failure to adopt / implement budget related policies	MFMA 73	Promptly	Accounting Officer	Prov Treas
14	Returns, documents, information, explanations & motivations as prescribed	MFMA 74(1)	As prescribed	Accounting Officer	Nat Treas, Prov Treas, AG, Lgovt
15	Entity - details of a new bank account	MFMA 86(1)(a)	90 Days after opening	Entity Acc Officer	Acc Officer of parent Mun
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
25	All Quarterly returns (MFMA, DORA, etc)		20 Days after end of Qtr	Acc Officer etc	Nat Treas
26	Quarterly statistics of Local Government	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA
27	Actual & expected Cap Exp	Stats Act (1999/16)	3 Weeks after qrtr end	Acc Officer etc	Statistics SA



# 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 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
25	Non-Financial Census of Municipalities	Stats Act (1999/16)	End May	Acc Officer etc	Statistics SA

# REPORTING REQUIREMENTS - LOCAL GOVERNMENT

## JUNE (4<sup>TH</sup> QUARTER OF FINANCIAL YEAR)

NO	REPORTING REQUIREMENT	LEGISLATION	LEGISLATION DEADLINE	RESPONSIBLE PERSON	TO WHOM
1	Change of Primary Bank account details	MFMA 8(5)	30 Days before effecting	Accounting Officer	Nat Treas, Prov Treas, AG
2	Details of a new bank accounts	MFMA 9(a)	90 Days after opening	Accounting Officer	Prov Treas, AG
3	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



## CELEBRATING A DECADE OF BONA TALENT



ACCOUNTING SERVICES • MANAGEMENT CONSULTING  
PERFORMANCE MANAGEMENT • EXTERNAL AUDITING  
REVENUE MANAGEMENT • TRAINING & DEVELOPMENT  
ASSET MANAGEMENT • INTERNAL AUDIT & RISK MANAGEMENT



We always go an extra mile to improve customer experience of our services.

### Some of BonaPeople's Key Achievements:

The vast experience of our people has led to improved audit outcomes in various public sector entities. Through BonaPeople, we have been able to:

- complete over 40 sets of GRAP Compliant Fixed Asset Registers.
- assist over 15 municipalities with simplified Revenue Enhancement.
- complete over 60 Annual Financial Statements for the public sector.

BonaPeople are often deployed as CFO's, Asset Managers, Accountants, and Internal Auditors on a consulting or secondment basis. This demonstrates capacity, experience and reliability of our people.

Through BonaPeople, we have developed some innovative solutions housed under the FAR System Suite, i.e.

- Asset Management System
- Revenue Management System [Meter Auditing and Meter Reading]

These systems have proven to be effective in enhancing service delivery for our clients.

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WE ENVISION



“We empower institutions that enable Africa’s development.”

Founded in 2005, Ntiyiso Consulting is an authentically African and globally wired management consulting firm with expertise across all major industries. We deliver sustainable solutions through five subsidiaries, viz. Ntiyiso Revenue Consulting, Ntiyiso Business Consulting, Ntiyiso Industrialisation Consulting, Ntiyiso Aviation Services and Tickipay Payment Services.



#### NTIYISO REVENUE CONSULTING

- Through Revenue Consulting, we improve cash positions of large and medium sized municipalities.
- We optimize all or some components of the revenue value chain.
- Elimination of revenue leakages by addressing illegal connections, under billing and under-pricing (tariff setting).



#### NTIYISO BUSINESS CONSULTING

- Through Business Consulting, we turnaround or improve the revenue, profitability or social mandate performance of large and medium organisations.
- We achieve this by aligning the organisational ecosystem viz. strategy, leadership, people, architecture, routines and culture.
- Organisational Development, Market Insights & Business Intelligence.



#### NTIYISO INDUSTRIALISATION CONSULTING

- Through Industrialisation and Catalytic Project Consulting, we unlock economic opportunities on behalf of communities and regions.
- We achieve this through end-to-end project conceptualisation and development.
- We also develop strategic economic development plans and infrastructure master plans.

## KEY DIFFERENTIATORS

#### Tailor made solutions

First principle is problem solving and not a cookie cutting approach.

#### Collaborative approach

We are very workshop heavy and less about the slide when developing solutions.

#### Agile and flexible

We bring about solutions through piloting prototypes and experimenting through incremental innovations.

#### Cultural affinity

We are respectful and approachable, and we also have a demeanour that is resonant with African culture.

## NTIYISO LEADERSHIP TEAM:



**ALEX MABUNDA**  
Group Chief  
Executive Officer



**ANDISA RAMAVHUNGA**  
Group Chief Advisor



**MIYELANI HOLENI**  
Group Chief Advisor

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